

## NOTICE OF PROVISIONAL ALLOTMENT

The provisional allotment of rights to subscribe for new ordinary share of RM0.50 each in Favelle Favco Berhad contained in this Notice Of Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, as amended by the Securities Industry (Central Depositories) Amendment Act, 1998 (collectively referred to as "SICDA") and therefore, SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd ("BMD") shall apply in respect of all dealings in the provisional allotment of rights contained herein.



### FAVELLE FAVCO BERHAD

(Company No. 249243-W)  
(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RESTRICTED ISSUE OF 29,783,520 NEW ORDINARY SHARES OF RM0.50 EACH IN FAVELLE FAVCO BERHAD ("FFB" OR THE "COMPANY") ("FFB SHARES") TO THE ENTITLED SHAREHOLDERS OF MUHIBBAH ENGINEERING (M) BHD ("MEB") ON THE BASIS OF ONE (1) NEW FFB SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN MEB HELD BY THE ENTITLED SHAREHOLDERS OF MEB AT 5.00 P.M. ON 23 JUNE 2006 AT AN ISSUE PRICE OF RM0.55 PER FFB SHARE PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH THE LISTING OF FFB ON THE SECOND BOARD OF BURSA MALAYSIA SECURITIES BERHAD ("RESTRICTED ISSUE")**

*Financial Adviser, Underwriter and Placement Agent*



### RHB SAKURA MERCHANT BANKERS BERHAD

(Company No. 19663-P)

To: Entitled Shareholders of Muhibbah Engineering (M) Bhd

Dear Sir/Madam,

- (i) In accordance with the ordinary resolution passed at the Extraordinary General Meeting of MEB convened on 19 May 2006, MEB hereby provisionally allot to you for subscription the number of FFB Shares as indicated below ("Restricted Issue Shares").
- (ii) We wish to advise that the following Restricted Issue Shares provisionally allotted to you in respect of the Restricted Issue have been confirmed by BMD and upon acceptance will be credited into your Central Depository System ("CDS") account subject to the terms and conditions stated in the prospectus dated 30 June 2006 issued by FFB (the "Prospectus") and the Restricted Issue Subscription Form ("RISF") attached hereto.
- (iii) The Restricted Issue is made subject to the provisions in the Prospectus.
- (iv) Bursa Malaysia Securities Berhad ("Bursa Securities") has already prescribed the shares of FFB to be deposited with BMD. Accordingly, the Restricted Issue Shares are prescribed securities. Therefore, all dealings in the Restricted Issued Shares will be by book entry through CDS accounts and will be governed by SICDA and the Rules of the BMD.
- (v) ALL THE RESTRICTED ISSUE SHARES TO BE ISSUED PURSUANT TO THE RESTRICTED ISSUE WILL BE ISSUED BY WAY OF CREDITING THE PROVISIONAL ALLOTMENT OF RIGHTS TO SUBSCRIBE FOR THE RESTRICTED ISSUE SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS.
- (vi) The Directors of FFB reserve the right to allocate Restricted Issue Shares applied for under the excess shares applications in such manner as they deem fit or expedient. IT IS THE INTENTION OF THE DIRECTORS OF FFB TO ALLOCATE ANY EXCESS RESTRICTED ISSUE SHARES APPLIED FOR ON FAIR AND EQUITABLE BASIS AND IN THE BEST INTERESTS OF THE COMPANY. THEY WILL ALSO BE ALLOCATED TO THE NEAREST BOARD LOT IN ORDER TO MINIMISE THE INCIDENCE OF ODD LOTS AND SUBJECT TO MEETING THE PUBLIC SHAREHOLDING SPREAD REQUIREMENT.

#### NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF MEB SHARES HELD AT 5.00 P.M. ON 23 JUNE 2006	NUMBER OF RESTRICTED ISSUE SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL ON ACCEPTANCE (AT RM0.55 PER FFB SHARE)

#### IMPORTANT RELEVANT DATES:

Last date and time for sale of the provisional allotment of rights to subscribe for Restricted Issue Shares	:	12 July 2006 at 5.00 p.m.
Last date and time for transfer of the provisional allotment of rights to subscribe for Restricted Issue Shares	:	17 July 2006 at 4.00 p.m.
Last date and time for acceptances and payments	:	25 July 2006 at 5.00 p.m.
Last date and time for excess share applications and payments	:	25 July 2006 at 5.00 p.m.

#### By order of the Board of FFB

Nuruluyun Binti Abdul Jabar (MIA 9113)  
Woo Ying Pun (MAICSA 7001280)  
Tew Siew Chong (MIA 20729)  
Chan Wai Fun (MIA 23537)  
Company Secretaries

REGISTRAR:  
Tenaga Koperat Sdn Bhd (118401-V)  
20th Floor, Plaza Permata  
Jalan Kampar  
Off Jalan Tun Razak  
50400 Kuala Lumpur  
Telephone No.: 603-4041 6522

**FAVELLE FAVCO BERHAD**

(Company No. 249243-W)

(Incorporated in Malaysia under the Companies Act, 1965)

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning the Restricted Issue should be addressed to the Registrar of FFB, Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS TO WHICH THIS NOTICE OF PROVISIONAL ALLOTMENT RELATES BEFORE COMPLETING THE RISF. THE NOTICE OF PROVISIONAL ALLOTMENT AND THE RISF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE PROSPECTUS.**

The distribution of the Prospectus, Notice of Provisional Allotment and RISF, and the issue, offer or invitation in respect of the Restricted Issue Shares are subject to Malaysian law. The Prospectus, Notice of Provisional Allotment and RISF, and the issue, offer or invitation in respect of the Restricted Issue Shares, has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

The Prospectus, Notice of Provisional Allotment and RISF are not intended to be and will not be issued, circulated or distributed, and the issue, offer or invitation in respect of the Restricted Issue Shares will not be made or deemed to be made, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia.

An entitled shareholder of MEB may only exercise his/her rights in respect of the Restricted Issue Shares to the extent that it would be lawful to do so, and that FFB and RHB Sakura Merchant Bankers Berhad ("RHB Sakura") would not be in breach of the laws of any jurisdiction (except Malaysia) which the entitled shareholder might be subject to. They shall be solely responsible for seeking advice or consultation as to the laws of any jurisdiction which he/she may lawfully be subject to as to whether the acceptance of the Restricted Issue Shares would result in the contravention of any law of such countries or jurisdiction.

The Restricted Issue Shares to which the Prospectus relates is only available to persons receiving the Prospectus within Malaysia. Accordingly, the Prospectus, Notice of Provisional of Allotment and RISF will not be sent to the entitled shareholders of MEB who do not have a registered address in Malaysia as stated in the Record of Depositors of MEB on the entitlement date. They will have no right or claim whatsoever against FFB or RHB Sakura in respect of their rights, entitlements or to any proceeds thereof in respect of the Restricted Issue Shares.

The entitled shareholders of MEB should also refer to Section 26 of the Prospectus for further information.

Approvals for the Restricted Issue have been obtained from the Securities Commission ("SC") on 24 March 2006 and from the shareholders of MEB at an Extraordinary General Meeting convened on 19 May 2006. Approval-in-principle has been obtained from Bursa Securities on 14 November 2005 for the admission to the Official List of the Second Board of Bursa Securities and for the listing of and quotation for the entire enlarged issued and paid up share capital of FFB. Official quotation for FFB shall commence after receipt of confirmation from BMD that all the CDS accounts of the successful applicants have been duly credited and notices of allotment/transfer have been despatched to them.

Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statements made or opinions expressed herein. The SC has approved the issue, offer or invitation in respect of the Restricted Issue Shares which forms part of the Initial Public Offering of FFB ("IPO"). However, the approval shall not be taken to indicate that the SC recommends the Restricted Issue Shares or IPO. The SC shall not be liable for any non-disclosure on the part of FFB and takes no responsibility for the contents of the Notice of Provisional Allotment or RISF, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or in part of the contents contained herein. The admission of FFB to the Official List of Bursa Securities and listing of and quotation for the FFB Shares on the Bursa Securities is in no way reflective of the merits of the invitation, FFB or the FFB Shares.

A copy of the Prospectus has been registered with the SC. A copy of the Prospectus, together with the forms of application has also been lodged with the Registrar of Companies who takes no responsibility for its contents. The expiry date of the Prospectus is 29 June 2007.

This Prospectus, Notice of the Provisional Allotment and the RISF has been seen and approved by the Directors of FFB and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, after having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading. The Directors of FFB hereby accept full responsibility for the consolidated profit forecast included in the Prospectus and confirm that the consolidated profit forecast have been prepared based on assumptions made.

RHB Sakura being the Financial Adviser, Underwriter and Placement Agent, acknowledges that based on all available information, and to the best of its knowledge and belief, the Prospectus constitutes a full and true disclosure of all material facts concerning the Restricted Issue.

Unless otherwise stated, the unit of currency used in the Notice of Provisional Allotment and the RISF is Ringgit Malaysia (or "RM" in abbreviation) and sen. Terms defined in the Prospectus shall have the same meaning when used in this document unless they are otherwise defined or the context otherwise requires.



## NOTES AND INSTRUCTIONS FOR COMPLETION OF THE RISF

### INSTRUCTIONS:

#### (a) Closing date for acceptance / application

The Restricted Issue is valid for acceptance until **5.00 p.m. on 25 July 2006**, or such later time and date as may be announced by the Directors of FFB and/or MEB in consultation with the Financial Adviser in their absolute discretion may decide. Where the closing date for acceptance is extended from the original closing date, the notice of such extension will be made in a widely circulated Bahasa Malaysia and English newspaper. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

If acceptance and payment in the manner specified here in are not received by the Registrar of FFB, Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia by 5.00 p.m. on 25 July 2006 or such later time and date as may be determined and announced by the Directors of FFB and/or MEB in consultation with the Financial Adviser may in their absolute discretion decide for all or part of the Restricted Issue Shares provisionally allotted to you, such provisional allotment will be deemed to have been declined and will be cancelled. Such Restricted Issue Share not taken up will be allocated firstly to excess Restricted Issue Shares applications. Thereafter, the remaining Restricted Issue Share, if any, will be allocated to the Underwriter.

#### (b) Acceptance of Restricted Issue Shares

If you wish to accept the Restricted Issue Shares provisionally allotted to you, please complete Part I and Part III of this RISF and return this RISF, together with the appropriate remittance made out in Ringgit Malaysia by Banker's Draft / Cashier's Order / Money Order / Postal Order drawn on a bank in Kuala Lumpur or post office in Malaysia and made payable to "**FFB RESTRICTED ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE / ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, address and CDS account number in block letters, for the full amount payable in respect of the Restricted Issue Shares accepted, to be received by the Registrar, Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia before 5.00 p.m. on 25 July 2006 or such later time and date as may be determined and announced by the Directors of MEB and/or FFB in consultation with the Financial Adviser may in their absolute discretion decide.

The remittance must be made for the exact amount payable for the Restricted Issue Shares. No acknowledgement will be issued but a notice of allotment/transfer will be despatched to you by ordinary post at your own risk to the address stated in BMD's record within 15 market days from the last date for acceptance and payment for the said Restricted Issue Shares.

#### (c) Application for excess Restricted Issue Shares

If you wish to apply for excess Restricted Issue Shares in addition to those provisionally allotted to you, please complete Part II of this RISF (in addition to Parts I and III) and return this RISF, together with a SEPARATE REMITTANCE in respect of the excess Restricted Issue Shares applied for made out in Ringgit Malaysia by Banker's Draft / Cashier's Order / Money Order / Postal Order drawn on a bank in Kuala Lumpur or post office in Malaysia and for made payable to "**FFB EXCESS SHARES ACCOUNT**" and crossed "**NOT NEGOTIABLE / ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, address and CDS account number in block letters, for the full amount payable in respect of the excess Restricted Issue Shares applied for, to be received by the Registrar, Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia before **5.00 p.m. on 25 July 2006** or such later time and date as may be determined and announced by the Directors of FFB and/or MEB in consultation with the Financial Adviser may in their absolute discretion decide. No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post at your own risk to the address stated in BMD's record within 15 market days from the last date for acceptance and payment for the excess Restricted Issue Shares.

The remittance must be made for the exact amount payable for the excess Restricted Issue Shares applied for. If no excess Restricted Issue Shares are allocated to you or if the number of excess Restricted Issue Shares allocated to you is less than that applied for, the amount paid on application for excess Restricted Issue Shares or the surplus of the application monies for excess Restricted Issue Shares received by FFB will be returned in full without interest by ordinary post to the address stated in BMD's records within fifteen (15) market days from the last date for acceptance and payment for excess Restricted Issue Shares.

The Directors of FFB and/or MEB reserve the right to reject or to refuse any application for excess Restricted Issue Shares in whole or in part only, without having to assign any reason thereof.

#### (d) Sale / transfer of the provisional allotment of rights to subscribe for Restricted Issue Shares

The entitled shareholders of MEB with provisionally allotted Restricted Issue Shares may sell/transfer all or part of their entitlements to the Restricted Issue Shares to potential investors/renounees who may wish to accept the provisionally allotted Restricted Issue Shares. If you wish to sell/transfer all or part of your entitlements to the Restricted Issue Shares in favour of one or more than one person, you may do so immediately through your stockbroker, for the period up to the last trading day of the provisional allotment of rights to subscribe for the Restricted Issue Shares, on Bursa Securities or transfer such entitlements to such persons as may be allowed pursuant to the Rules of BMD without first having to request the Registrar for a split of the provisional allotment.

In selling all or part of your provisional allotment, you need not deliver any documents, including the RISF, to your stockbroker. However, you are advised to ensure that you have sufficient provisional allotment of rights to subscribe for the Restricted Issue Shares standing to the credit of your respective CDS Accounts before trading/transfer.

If you have sold/transferred only part of your entitlements to the Restricted Issue Shares, you may still accept the balance of your entitlements to the Restricted Issue Shares by completing Parts I and III of the RISF and forwarding the RISF (together with the remittance(s) for the full amount payable on the balance of the Restricted Issue Shares) to the Registrar.

If you lose, misplace or for any other reason require another copy of the RISF (including purchaser/renounee), you may obtain additional copies from your stockbrokers, the Company's registered office at Lot 586, 2nd Mile, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Bursa Securities website ([www.bursamalaysia.com](http://www.bursamalaysia.com)) or the Registrar, Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

#### (e) General instructions

- (i) All applicants must sign the RISF. All corporate bodies must affix their common seals.
- (ii) Combined Banker's Draft / Cashier's Order / Money Order / Postal Order Draft for different securities account will not be accepted.
- (iii) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of FFB and FFB shall not bear any obligation to account for such interest or other benefit to you.
- (iv) The contract arising from the acceptance of the Restricted Issue Shares and the application for excess Restricted Issue Shares (if any) by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with the Restricted Issue.
- (v) The Directors of FFB and/or MEB reserve the right to accept or reject any application if the instructions herein above stated are not strictly adhered to.
- (vi) A Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed to this RISF.