

This Prospectus has been seen and approved by the Directors and Promoters of Mithril Berhad ("Mithril" or "Company") and they collectively and individually accept full responsibility for the accuracy of the 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 statement or other facts the omission of which would make any statement herein false or misleading. The Directors hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on assumptions made.

The Adviser 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 Renounceable Rights Issue ("Rights Issue"), the Public Issue of RCSLS ("RCSLS Issue") and the Public Issue of ICULS ("ICULS Issue") and is satisfied that the profit forecast (for which the Directors of Mithril are fully responsible) prepared for inclusion in the Prospectus have been stated by the Directors of Mithril after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the Rights Issue, the RCSLS Issue and the ICULS Issue and that the approval shall not be taken to indicate that the SC recommends the said Rights Issue, the RCSLS Issue and the ICULS Issue.

The SC shall not be liable for any non-disclosure on the part of Mithril and takes no responsibility for the contents of this Prospectus, 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 any part of the contents of this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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

Malaysia Securities Exchange Berhad ("MSEB") shall not be liable for any non-disclosure on the part of the corporation and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the Second Board of MSEB is not to be taken as an indication of the merits of Mithril or of its securities.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the forms of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Securities listed on MSEB are offered to the public premised on full and accurate disclosure of all material information concerning the Rights Issue, the RCSLS Issue and the ICULS Issue for which the persons set in Section 45 of the SC Act, 1993 are responsible.

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INDICATIVE TIMETABLE**INDICATIVE TIMETABLE/IMPORTANT RELEVANT DATES FOR THE RIGHTS ISSUE, THE RCSLS ISSUE AND THE ICULS ISSUE**

Issue of Prospectus	16 March 2004
Closing Date	26 March 2004
Tentative Date for the Despatch of Notice of Allotment	6 April 2004
Tentative Listing Date	12 April 2004

IN ADDITION TO THE ABOVE, KINDLY NOTE THE FOLLOWING IMPORTANT DATES FOR THE RIGHTS ISSUE.

Pursuant to the announcement made to MASEB on 17 February 2004, there will not be any trading of Rights entitlement and accordingly, the closing date for receipt of the application and acceptance in respect of the Rights Issue has been shortened from at least twenty-two (22) market days to at least ten (10) market days after the books closure date (entitlement date or record date).

Entitlement or Record Date	11 March 2004 at 5.00 p.m.
Last day and time for acceptance and payment	26 March 2004 at 5.00 p.m.
Last day and time for excess Rights Shares (with free attached Warrants B) application and payment	26 March 2004 at 5.00 p.m.

THE TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE RIGHTS ISSUE, THE RCSLS ISSUE AND THE ICULS ISSUE WILL CLOSE AT THE DATES STATED ABOVE OR SUCH DATES AS THE DIRECTORS OF MITHRIL AND THE UNDERWRITERS IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

IN THE EVENT OF ANY CHANGES TO THE CLOSING DATE OF THE APPLICATION, SUCH DATE WOULD BE PUBLISHED IN A WIDELY CIRCULATED DAILY ENGLISH NEWSPAPER WITHIN MALAYSIA. SHOULD THE CLOSING DATE OF THE APPLICATION BE EXTENDED, THE DATES FOR THE ALLOTMENT AND LISTING OF THE SECURITIES OF MITHRIL ON THE SECOND BOARD OF MASEB WOULD BE EXTENDED ACCORDINGLY.

DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:

Act	:	Companies Act, 1965
Acquisitions	:	The Saferay Acquisition, the MAAKK 1 Acquisition and the MAA Kuching Acquisition, collectively
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Agreed Dividend	:	Mithril agrees that at any time prior to the completion of the Saferay SPA, subject to the availability of tax exempt income or Section 108 of the Income Tax Act, 1967 to frank such dividend, Saferay shall be entitled to declare and pay to the Saferay Vendors, a total sum of RM2,500,000
Application	:	Application for the Rights Issue, the RCSLS Issue and the ICULS Issue
Application Form	:	Form of application for the Rights Issue, the RCSLS Issue and the ICULS Issue
Board	:	The Board of Directors of Mithril
Book Closure Date	:	The date on which the Register of Members and Record of Depositors is closed to determine the entitlement to the Rights Issue.
CCM	:	Companies Commission of Malaysia
Cancellation of Share Premium Account	:	The cancellation of share premium account pursuant to Section 64(1) of the Act, the audited amount of RM17,105,963 in the share premium account of Tajo as at 31 December 2002
Capital Reconstruction	:	The reduction of the following: <ul style="list-style-type: none"> (i) the existing issued and paid-up share capital of RM39,540,500 comprising 39,540,500 Tajo Shares to RM395,405 comprising 39,540,500 ordinary shares of RM0.01 each (however, the Board of Directors of Tajo had rounded off the fractional Tajo Shares arising from the reduction and had issued RM395,400 comprising 39,540,000 ordinary shares of RM0.01 each) pursuant to Section 64 of the Act, by the cancellation of RM0.99 of the par value of every existing Tajo Share and thereafter consolidating every one hundred (100) ordinary shares of RM0.01 each into one (1) new consolidated share in Tajo (“New Consolidated Share”); and (ii) the existing unexercised warrants of Tajo of 14,797,500 warrants to 147,975 warrants on the basis of one hundred (100) warrants into one (1) new consolidated warrant in Tajo (“New Consolidated Warrant”)

DEFINITIONS (Cont'd)

CDS	:	Central Depository System
Debt Settlement	:	Debt settlement of Tajo amounting to approximately RM175.582 million as at 30 September 2001 (including accrued interest up to 30 September 2001) between the Company and the Scheme Creditors to be settled by the issuance of 61,365,507 new Mithril Shares together with 32,998,753 free Warrants B, 13,306,270 ICCPS and a cash payment of RM12,481,809
EGM	:	Extraordinary general meeting
EPS	:	Earning(s) per share
Entitled Shareholders	:	The shareholders of Mithril on the Register of Members and/or Record of Depositors at 5.00 p.m. on 11 March 2004
Entitlement Date	:	The date by which shareholders must be registered in the record of depositors in order to participate in the Rights Issue.
ESOS	:	Employees' Share Option Scheme
FIC	:	Foreign Investment Committee
Fund Raising Exercise	:	The Rights Issue, the RCCLS Issue and the ICULS Issue collectively
ICCPS	:	4% 5-year irredeemable cumulative convertible preference shares
ICULS	:	8% 5-year irredeemable convertible unsecured loan stocks
ICULS Issue	:	The issue of RM60,700,000 nominal amount of ICULS
Increase in Authorised Share Capital	:	Increase in authorized share capital of Mithril from RM100,000 to RM513,306,270 comprising 500,000,000 ordinary shares of RM1.00 each and 13,306,270 irredeemable cumulative convertible preference shares
Listing Transfer	:	The transfer of the listing status of Tajo to Mithril and the subsequent listing of Mithril on the Second Board of MSEB in place of Tajo
Market Day (s)	:	Any day between Monday and Friday, both days inclusive which is not a public holiday and on which MSEB is open for trading of securities.
MAA	:	Malaysian Assurance Alliance Berhad (8029-A)
MAA Credit	:	MAA Credit Sdn Bhd (186820-M)
MAAH	:	MAA Holdings Berhad (471403-A)
MAAH Group	:	MAAH, MAA and MAA Credit, collectively

DEFINITIONS (Cont'd)

MAAKK 1 Acquisition	:	The acquisition by Mithril of twenty nine (29) subsidiary parcels of commercial/office space together with 195 units of basement carpark bays located within a 11-storey office building with 3-basement carpark known as “Menara MAA” located in Kota Kinabalu from MAA for a cash consideration of RM65,000,000
MAA Kuching Acquisition	:	The acquisition by Mithril of all the subsidiary parcels in eight (8) levels of commercial/office space forming part of a 11-storey office building with basement floor and an open-air carpark known as “Menara MAA” located in Kuching from MAA for a cash consideration of RM20,000,000
MCD or Central Depository	:	Malaysian Central Depository Sdn Bhd
MIDFCCS or Issuing House	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
MITI	:	Ministry of International Trade and Industry
Mithril or the Company	:	Mithril Berhad (577765-U)
Mithril Group or Group	:	Mithril and its subsidiary companies collectively
Mithril Share(s)	:	Ordinary share of RM1.00 each in Mithril
MSEB	:	Malaysia Securities Exchange Berhad
NBV	:	Net book value
NPA	:	Notice of Provisional Allotment
NTA	:	Net tangible assets
PAL	:	Provisional allotment letter constituting the number of provisionally allotted Rights Shares and the accompanying Warrants B credited into the CDS account of the Entitled Shareholders
Participating Financial Institution(s)	:	Participating financial institutions for for Electronic Share Application as listed in Section 16.2.1(f) of this Prospectus
PAT	:	Profit after tax
PBT	:	Profit before tax
Registrar	:	Crest Corporate Services Sdn Bhd (183556-D)
PE Multiple	:	Price earnings multiple
PMBB	:	Public Merchant Bank Berhad (14328-V)
RCSLS	:	3% 8-year redeemable convertible secured loan stocks
RCSLS Issue	:	The issue of RM59,000,000 nominal amount of RCSLS

DEFINITIONS (Cont'd)

RCULS	:	1% 5-year redeemable convertible unsecured loan stocks
Restructuring Exercise	:	The Capital Reconstruction, the Cancellation of the Share Premium Account, the Scheme of Arrangement, the Fund Raising Exercise, the Debt Settlement, the Acquisitions and the Listing Transfer, collectively
Rights Issue	:	Renounceable rights issue of 15,816,080 Rights Shares at an issue price of RM1.00 per share, payable in full upon acceptance, on the basis of forty (40) new ordinary shares for every one (1) Mithril Share together with 5,272,027 free detachable Warrants B to be issued on the basis of one (1) Warrants B for every three (3) Rights Shares issued
Rights Share(s)	:	New Mithril Shares to be issued and allotted pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysian and sen respectively
RSF	:	Rights Subscription Form
Saferay	:	Saferay (M) Sdn Bhd (229174-V)
Saferay Acquisition	:	The acquisition by Tajo of the entire issued and paid-up share capital of Saferay comprising 1,200,000 ordinary shares of RM1.00 each for a purchase consideration of RM48,000,000 to be satisfied via the issuance of the following: <ul style="list-style-type: none"> (i) RM17,500,000 in cash; and (ii) RM30,500,000 nominal amount of RCULS
Saferay Guaranteed Profit	:	The Saferay Vendors represent, warrant and guarantee to Mithril that the aggregate profitability of Saferay for the financial years ending 30 April 2003 ("First Financial Year"), 30 April 2004 ("Second Financial Year") and 30 April 2005 ("Third Financial Year") (collectively referred to as "the Financial Years") shall not be less than RM18.0 million
Saferay Vendors	:	Ong Kah Huat and Cheong Chee Yun collectively
SC	:	Securities Commission
SC's Guidelines	:	SC's Policies and Guidelines on Issue/Offer of Securities

DEFINITIONS (Cont'd)

Scheme of Arrangement : The scheme of arrangement between Tajo, its shareholders and Mithril whereby the shareholders of Tajo will exchange one (1) new Mithril Share for every one (1) New Consolidated Share held upon completion of the Capital Reconstruction, as well as the scheme of arrangement between Tajo, its warrantholders and Mithril whereby the warrantholders of Tajo will exchange one (1) Warrants A for every one New Consolidated Warrant held upon completion of the Capital Reconstruction

Scheme Creditors : The Secured Creditor and the Unsecured Creditors, collectively

Secured Creditor :

Creditor	Principal (RM'000)	Interest (RM'000)	Total (RM'000)
MAA	37,202	-	37,202
Total	37,202	-	37,202

Sq. ft : Square feet

Tajo : Tajo Berhad (30947-U)

Tajo Group : Tajo and its subsidiary companies collectively

Tajo Share(s) : Ordinary share of RM1.00 each in Tajo

Trustee : AmTrustee Berhad (163032-V)

Unsecured Creditors : Collectively, the following:

Unsecured Creditors	Principal (RM'000)	Interest (RM'000)	Total (RM'000)
MAA	-	7,146	7,146
MAA Credit	7,000	3,472	10,472
Pengurusan Danaharta Nasional Berhad	5,000	1,623	6,623
Danaharta Managers Sdn Bhd	30,774	12,386	43,160
Malayan Banking Berhad	34,061	12,170	46,231
Aseambankers Malaysia Berhad	2,090	820	2,910
Bumiputera-Commerce Bank Berhad	1,900	1,036	2,936
BSN Merchant Bank Berhad (now under Affin Bank Group after merger)	5,000	1,527	6,527
HSBC Bank Berhad	3,556	672	4,228
Arab-Malaysian Bank Berhad (now known as AmBank Berhad)	3,000	1,222	4,222
Arab-Malaysian Finance Berhad (now known as AmFinance Berhad)	3,219	706	3,925
Total	95,600	42,780	138,380

DEFINITIONS (Cont'd)

- Warrants A : Comprising 147,975 new warrants in Mithril issued in exchange for the New Consolidated Warrants on the basis of one (1) new warrant in Mithril for every one (1) New Consolidated Warrant held after the Capital Reconstruction, which had expired on 27 December 2003
- Warrants B : The new Mithril warrants issued pursuant to the Rights Issue and the Debt Settlement

Words importing the singular shall, where applicable, include the plural and vice versa and words importing masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporation.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Y.M. Tunku Yahaya @Yahya bin Tunku Abdullah <i>(Executive Chairman)</i>	No. 23 Lorong Mempoyan Damansara Heights 50490 Kuala Lumpur	Company Director	Malaysian
Yeoh Hong Hwang <i>(Executive Director)</i>	101 Jalan 2/62 Bandar Menjalara 52100 Kuala Lumpur	Company Director	Malaysian
Razman Hafidz bin Abu Zarim <i>(Non Independent Non Executive Director)</i>	8C-3A-1 Sri Murni Condominium 8 Lorong Kota Empat Bukit Ledang 50480 Kuala Lumpur	Company Director	Malaysian
Yeo Took Keat <i>(Non Independent Non Executive Director)</i>	22A Villa Bovelin Lorong Awan Cina Taman Yar1 Off Jalan Kelang Lama 58200 Kuala Lumpur	Company Director	Malaysian
Dato' Narayanan S/O K.S.A. Narayanan <i>(Independent Non Executive Director)</i>	24 Jalan Setiakasih Bukit Damansara 50480 Kuala Lumpur	Company Director	Malaysian
Alan Hamzah Sendut <i>(Independent Non Executive Director)</i>	10, Jalan Menerung 2 Taman SA Bukit Bandaraya 59000 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Narayanan S/O K.S.A. Narayanan	Chairman	Independent Non Executive Director
Alan Hamzah Sendut	Member	Independent Non Executive Director
Yeo Took Keat	Member	Non Independent Non Executive Director

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	:	Lily Yin Kam May (MAICSA 0878038) Suite 17.05(B), 17 th Floor Menara MAA No. 12, Jalan Dewan Bahasa 50460 Kuala Lumpur Tel: (03) 2141 3060 Fax: (03) 2141 3061
REGISTERED OFFICE	:	Suite 17.05(B), 17 th Floor Menara MAA No. 12, Jalan Dewan Bahasa 50460 Kuala Lumpur Tel: (03) 2141 3060 Fax: (03) 2141 3061
HEAD OFFICE	:	Suite 18.05, 18 th Floor Menara MAA No. 12, Jalan Dewan Bahasa 50460 Kuala Lumpur Tel: (03) 2142 0366 Fax: (03) 2142 0533
SHARE AND WARRANT REGISTRAR	:	Crest Corporate Services Sdn Bhd Suite 17.05(B), 17 th Floor Menara MAA No. 12, Jalan Dewan Bahasa 50460 Kuala Lumpur Tel: (03) 2141 3060 Fax: (03) 2141 3061
ISSUING HOUSE	:	MIDF Consultancy And Corporate Services Sdn Bhd Bangunan MIDF 195A Jalan Tun Razak 50400 Kuala Lumpur Tel: (03) 2161 3355 Fax: (03) 2164 7995
AUDITORS & REPORTING ACCOUNTANTS	:	Ernst & Young Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: (03) 2087 7000 Fax: (03) 2095 9076
SOLICITORS	:	Cheang & Ariff 39 Court 39 Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel: (03) 2161 0803 Fax: (03) 2163 0622

1. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL BANKER	:	Alliance Bank Berhad Ground & 1 st Floor No. 22, Wisma Sin Hoh Huat Persiaran Segambut Tengah 51200 Kuala Lumpur Tel: (03) 6257 2105 Fax: (03) 6257 6186
VALUERS	:	Firdaus & Associates First Floor 2785 Jalan Changkat Permata Taman Permata 53300 Kuala Lumpur Tel: (03) 4108 6650 Fax: (03) 4107 9466
RATING AGENCY	:	Malaysian Rating Corporation Berhad 5 th Floor, Bangunan Malaysian RE No. 17, Lorong Dungun Damansara Heights 50490 Kuala Lumpur Tel: (03) 2092 5398 Fax: (03) 2094 9397
TRUSTEE	:	AmTrustee Berhad 22 nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel: (03) 2078 2633 Fax: (03) 2031 3070
ADVISER	:	Public Merchant Bank Berhad 25 th Floor, Menara Public Bank 146 Jalan Ampang 50450 Kuala Lumpur Tel: (03) 2166 9382 Fax: (03) 2166 9386
UNDERWRITERS	:	Avenue Securities Sdn Bhd Ground Floor & Level 1, THB Satu Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel: (03) 2095 1111 Fax: (03) 2093 4455 MIDF Sisma Securities Sdn Bhd 17 th & 18 th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel: (03) 2166 8888 Fax: (03) 2166 9999
LISTING SOUGHT	:	Second Board of MSEP

2. INFORMATION SUMMARY

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

The following summary is qualified in its entirety by the detailed information as set out in the respective sections of this Prospectus. This Prospectus contains certain statements of a forward-looking nature. Prospective investors are cautioned that such statements are only predictions and that actual results or events when materialized may differ materially from those disclosed in the Prospectus. Therefore, in evaluating such statements, prospective investors should carefully consider the various factors identified in this Prospectus, including the matters set forth under the heading "Risk Factors".

2.1 History and Business

Mithril was incorporated in Malaysia under the Act on 19 April 2002. The authorised share capital of Mithril is RM513,306,270 comprising 500,000,000 ordinary shares of RM1.00 each and 13,306,270 irredeemable convertible cumulative preference shares of RM1.00 each, of which RM75,067,179 comprising 61,760,909 ordinary shares of RM1.00 each and 13,306,270 irredeemable convertible cumulative preference shares have been issued and fully paid-up. Mithril is principally an investment holding company.

As part of Tajo's Restructuring Exercise undertaken to regularise its financial condition, Mithril was incorporated as a shelf company to facilitate the Restructuring Exercise. Upon completion of the Restructuring Exercise, the listing status of Tajo on the Second Board of MASEB will be transferred from Tajo to Mithril and Mithril will be listed on the Second Board of MASEB in place of Tajo, which will be de-listed and become a wholly-owned subsidiary company of Mithril. In addition, as part of the Restructuring Exercise, Mithril will acquire Saferay and two Menara MAA buildings located in Kota Kinabalu and Kuching.

Tajo was incorporated as a private limited company in Malaysia under the Act as Tay Lai Huat Realty Sdn Bhd on 31 December 1976 and changed its name to Tajo Bricks Sdn Bhd on 23 May 1980. On 26 December 1989, the Company was converted into a public limited company and it was listed on the Second Board of MASEB on 21 November 1991 as Tajo Bricks Berhad. On 18 December 1995, it assumed its present name. The principal activity of Tajo is that of the manufacturing, distribution and selling of bricks.

Saferay was incorporated as a private limited company in Malaysia under the Act as Saferay (M) Sdn Bhd on 18 November 1991. The principal activity of Saferay is manufacturing and selling of architectural mouldings and decorative ornaments from polyurethane rigid foam ("PU") for interior and exterior decorations, renovations and re-decoration. Saferay represents one of the top manufacturers of polyurethane rigid foam products worldwide and has established an international marketing network in the United States ("US"), Taiwan and Europe.

The Restructuring Exercise undertaken by Mithril/Tajo is summarised as follows:

- (i) the reduction of the following:
 - (a) the existing issued and paid-up share capital of RM39,540,500 comprising 39,540,500 Tajo Shares to RM395,405 comprising 39,540,500 ordinary shares of RM0.01 each (however, the Board of Directors of Tajo had rounded off the fractional Tajo Shares arising from the reduction and had issued RM395,400 comprising 39,540,000 ordinary shares of RM0.01 each) pursuant to Section 64 of the Act, by the cancellation of RM0.99 of the par value of every existing Tajo Share and thereafter consolidating every one hundred (100) ordinary shares of RM0.01 each into one (1) new Tajo Share ("New Consolidated Share"); and

2. INFORMATION SUMMARY (Cont'd)

- (b) the existing unexercised warrants of Tajo of 14,797,500 warrants, pursuant to Section 64 of the Act to 147,975 warrants on the basis of one hundred (100) warrants into one (1) new warrant ("New Consolidated Warrant");
- (ii) the cancellation of Tajo's share premium account, pursuant to Section 64(1) of the Act, wherein the audited share premium of Tajo as at 31 December 2002 stood at RM17,105,963;
- (iii) a scheme of arrangement between Tajo, its shareholders and Mithril under Section 176 of the Act whereby the shareholders of Tajo exchanged one (1) new Mithril Share for every one (1) New Consolidated Share held upon completion of the Capital Reconstruction as well as a scheme of arrangement between Tajo, its warrantholders and Mithril under Section 176 of the Act whereby the warrantholders of Tajo exchanged one (1) new Warrants A for every one (1) New Consolidated Warrant held upon completion of the Capital Reconstruction.

In this regard, the Capital Reconstruction and the Scheme of Arrangement between Tajo, the shareholders and warrantholders of Tajo and Mithril has been completed on 26 December 2003. The Warrants A, which were issued pursuant to the scheme of arrangement between Tajo, its shareholders and Mithril had expired on 27 December 2003.

Upon completion of the Restructuring Exercise, Tajo will become a wholly-owned subsidiary of Mithril. Mithril will emerge as the new listing vehicle in place of Tajo and the holding company of Tajo. Upon the completion of the Restructuring Exercise, the acquisitions of Saferay and the two (2) Menara MAA buildings located in Kota Kinabalu and Kuching will also be completed;

- (iv) the fund raising exercise comprising the following:
- a rights issue of 15,816,080 Rights Shares together with 5,272,027 free Warrants B on the basis of forty (40) new Rights Shares for every one (1) Mithril Share held after the Scheme of Arrangement together with one (1) new Warrants B for every three (3) Rights Shares issued;
 - an issue of RM59,000,000 nominal amount of RCSLS at 100% nominal value; and
 - an issue of RM60,700,000 nominal amount of ICULS at 100% nominal value;
- (v) the debt settlement of Tajo amounting to RM175.582 million as at 30 September 2001 being the "Cut-off date" (including accrued interest up to 30 September 2001) between Tajo, Mithril and the Scheme Creditors to be settled by the issuance of 61,365,507 new Mithril Shares (comprising 37,202,300 new Mithril Shares at an issue price of RM1.00 per Mithril Share and 24,163,207 new Mithril Shares at an issue price of RM3.36 per Mithril Share) together with 32,998,753 free Warrants B, 13,306,270 ICCPS (at an issue price of RM3.36 per ICCPS) and a cash payment of RM12,481,809;

The issue price of the new Mithril Shares/ ICCPS to the Unsecured Creditors had been arrived at after taking into consideration of the following: -

- (i) the par value of the Mithril Share which is RM1.00 each; and
- (ii) the agreed premium attributable to each new Mithril Share/ ICCPS was arrived at following negotiations between Tajo/ Mithril and the Unsecured Creditors. In this regard, the issue price of the new Mithril Share/ ICCPS to the Unsecured Creditors represents an implied waiver on the debt owing to the Unsecured Creditors.

2. INFORMATION SUMMARY (Cont'd)

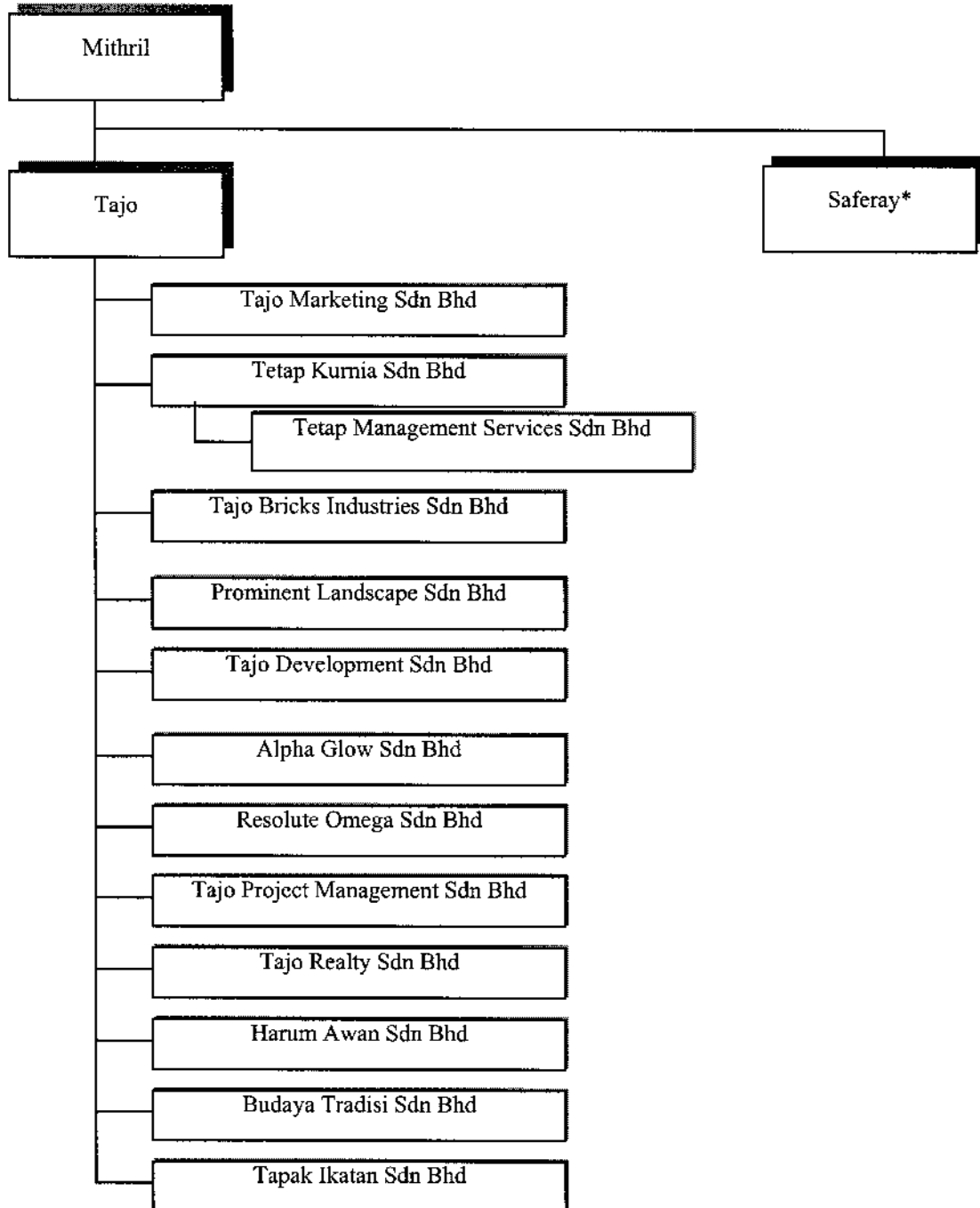
- (vi) the acquisition of the entire issued and paid-up share capital of Saferay comprising 1,200,000 ordinary shares of RM1.00 each from Ong Kah Huat and Cheong Chee Yun for a purchase consideration of RM48,000,000 and to be satisfied in the following manner:
 - (a) RM17,500,000 in cash; and
 - (b) RM30,500,000 nominal amount of RCULS in Mithril convertible into new Mithril Shares at par;
- (vii) the acquisition of twenty-nine (29) subsidiary parcels of commercial/office space situated on the Ground, Mezzanine, First, Second, Third, Fifth, Sixth, Seventh and Eighth Floors with a net lettable area of 189,727 square feet together with 195 units of basement carpark bays forming part of a 11 storey office building with 3 basement carpark located in Kota Kinabalu for a cash consideration of RM65,000,000;
- (viii) the acquisition of all the subsidiary parcels within 8 levels encompassing the whole of the Basement Level, Level 1, Level 3, Level 5, Level 6, Level 7, Level 8 and Level 9 with an approximate total net lettable area of 50,653 square feet within a 11 storey office building together with basement floor and an open-air carpark located in Kuching for a cash consideration of RM20,000,000; and
- (ix) the transfer of the listing status of Tajo to Mithril and the subsequent listing of Mithril on the Second Board of MSEB in place of Tajo upon completion of the Restructuring Exercise.

The SC had also vide its letter dated 24 December 2002, approved the ESOS scheme of Mithril Berhad, whereby the Company is allowed to allot up to 10% of the issued and paid-up share capital of Mithril at any one point in time during the existence of the ESOS scheme.

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2. INFORMATION SUMMARY (Cont'd)

The corporate structure of the Mithril Group will be as follows:



Note

* Saferay will become a subsidiary of Mithril upon completion of the Restructuring Exercise.

Further information on the above companies is disclosed in Section 5 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)**2.2 Promoter, Substantial Shareholders, Directors and Key Management**

A summary information on the promoter, substantial shareholders, Directors and key management of Mithril Group is as follows:

Promoters

Name	Place of Incorporation	Shareholdings after the Rights Issue, the RCSLS Issue And the ICULS Issue			
		Direct		Indirect	
		No. of Mithril Shares held ('000)	%	No. of Mithril Shares held ('000)	%
MAAH	Malaysia	35,258	45.45	6,714 ¹	8.65
MAA	Malaysia	3,879	5.00	-	-
MAA Credit	Malaysia	2,835	3.65	-	-

Note:

1. Indirect interest held through subsidiary companies, namely MAA and MAA Credit.

Substantial Shareholders

Name	Place of Incorporation	Shareholdings after the Rights Issue, the RCSLS Issue and the ICULS Issue			
		Direct		Indirect	
		No. of Mithril Shares held ('000)	%	No. of Mithril Shares held ('000)	%
MAAH	Malaysia	35,258	45.45	6,714 ¹	8.65
MAA	Malaysia	3,879	5.00	-	-
Danaharta Managers Sdn Bhd	Malaysia	11,687	15.07	-	-
Pengurusan Danaharta Nasional Berhad	Malaysia	1,793	2.31	11,687 ²	15.07

Notes:

1. Indirect interest held through subsidiary companies, namely MAA and MAA Credit.

2. Indirect interest held through Danaharta Managers Sdn Bhd, a wholly-owned subsidiary of Pengurusan Danaharta Nasional Berhad.

2. INFORMATION SUMMARY (Cont'd)**Directors**

Name	Designation	Nationality	Shareholdings after the Rights Issue, the RCLS Issue and the ICULS Issue			
			Direct		Indirect	
			No. of Mithril Shares held ('000)	%	No. of Mithril Shares held ('000)	%
Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah	Executive Chairman	Malaysian	-	-	41,972 ¹	54.10
Yeoh Hong Hwang	Executive Director	Malaysian	-	-	-	-
Razman Hafidz bin Abu Zarim	Non Independent Non Executive Director	Malaysian	-	-	-	-
Yeo Took Keat	Non Independent Non Executive Director	Malaysian	-	-	-	-
Dato' Narayanan S/O K.S.A. Narayanan	Independent Non Executive Director	Malaysian	-	-	-	-
Alan Hamzah Sendut	Independent Non Executive Director	Malaysian	-	-	-	-

Note:

1. *Indirect interest held through MAAH, MAA and MAA Credit.*

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2. INFORMATION SUMMARY (Cont'd)**Key Management**

Name	Designation	Nationality	Shareholdings after the Rights Issue, the RCLS Issue and the ICULS Issue			
			Direct		Indirect	
			No. of Mithril Shares held ('000)	%	No. of Mithril Shares held ('000)	%
Y.M. Tunku Yahaya @Yahya bin Tunku Abdullah	Executive Chairman	Malaysian	-	-	41,972 ¹	54.10
Yeoh Hong Hwang	Executive Director	Malaysian	-	-	-	-
Ong Kah Huat	Director – Saferay	Malaysian	-	-	-	-
Cheong Chee Yun	Director - Saferay	Malaysian	-	-	-	-
Rosli bin Ismail	General Manager – Marketing of Tajo	Malaysian	-	-	-	-
Anna Yap	Senior Group Corporate Affairs Manager	Malaysian	-	-	-	-
Tan Kee Wee	Marketing Manager of Tajo	Malaysian	-	-	-	-
Rosli bin Isnin	Factory Manager of Tajo	Malaysian	-	-	-	-

Note:

1. *Indirect interest held through MAAH, MAA and MAA Credit.*

Detailed information on the promoter, substantial shareholders, Directors and key management personnel of Mithril Group is set out in Section 7 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.3 Financial Highlights

Upon completion of the Restructuring Exercise, Mithril, the company incorporated to facilitate the Restructuring Exercise and to assume the listing status of Tajo on the Second Board of MASEB will become the holding company of both Tajo and Saferay. In addition, as part of the Restructuring Exercise, Mithril will also complete the acquisition of two (2) buildings located in Kota Kinabalu and Kuching respectively.

Currently, Tajo is an affected listed issuer pursuant to Practice Note 4/2001 of the Listing Requirements of MASEB and Tajo has been registering losses for the past six (6) financial years ended 31 December 2002 and the nine (9) months results ended 30 September 2003. For the nine (9) months ended 30 September 2003, Tajo Group has recorded accumulated losses of approximately RM261.82 million and has a shareholders' deficit of approximately RM205.17 million. Pursuant thereto, the proforma consolidated results of Mithril for the past five (5) financial years ended 31 December 2002 and the nine (9) months ended 30 September 2003 based on the assumption that the structure of the Mithril Group has been in existence has not been provided.

The proforma consolidated results of Mithril Group would not have any reflection on the future prospects of the Group going forward. However, the financial information on Tajo Group and Saferay for the five (5) financial years ended 31 December 2002 and the nine (9) months ended 30 September 2003 and for the five financial years ended 30 April 2003 and the five (5) months ended 30 September 2003 as detailed below has been provided for your consideration. The financial results of Saferay have been presented for illustrative purposes only and should be read in conjunction with the accompanying notes included in the Accountants' Report set out in Section 12 of this Prospectus.

Tajo Group

	<-----Financial Year Ended 31 December----->					For the period ended 30 September 2003 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Turnover	106,123	85,660	56,730	3,834	7,796	7,964
Profit/(loss) before interest, depreciation, taxation and exceptional item	5,433	(1,487)	(4,844)	443	(18,315)	(6,485)
Interest expense	(17,407)	(23,861)	(17,177)	(21,788)	(21,322)	(14,802)
Depreciation	(6,270)	(5,854)	(5,160)	(3,972)	(3,701)	(1,325)
Loss before exceptional items	(18,244)	(31,202)	(27,181)	(25,317)	(43,338)	(22,612)
Exceptional items	(70,861)	(25,658)	-	-	-	-
Loss before taxation	(89,105)	(56,860)	(27,181)	(25,317)	(43,338)	(22,612)
Taxation	(18)	(1,127)	(123)	(28)	(59)	41
Loss after taxation	(89,123)	(57,987)	(27,304)	(25,345)	(43,397)	(22,571)
Minority interest	(1,172)	-	-	-	-	-
	(90,295)	(57,987)	(27,304)	(25,345)	(43,397)	(22,571)
No. of ordinary shares of RM1.00 each in issue ('000)	38,291	38,368	39,540	39,540	39,540	39,540
Gross EPS (RM)	(2.33)	(1.48)	(0.69)	(0.64)	(1.10)	(0.57)
Net EPS (RM)	(2.33)	(1.51)	(0.69)	(0.64)	(1.10)	(0.57)

2. INFORMATION SUMMARY (Cont'd)

Notes:

1. *The decrease in turnover in 1998 compared to 1997 was due to the reduction of the Group's sales in the media and related services and property development and construction divisions as a result of economic downturn.*
2. *The decline in profit recorded by the Group in 1998 was due to overall slowdown in economic activities, specifically due to the following:*
 - (i) *The Group's bricks' operations had been affected by the slowdown in the construction and property sector. This had directly contributed to a drop in demand for bricks and unattractive pricing of bricks. Further, the watch dial and abrasive manufacturing divisions continue to generate losses in this year.*
 - (ii) *The property division had been affected by cost overrun, interest accrued on property loans and the necessity to write down certain development expenditure. The Group had also written down certain construction contracts due to uncertainty in contract completion.*
 - (iii) *The watch dial and media publishing divisions were disposed off at sizeable losses. Investment in the shipping business was substantially written down to reflect its NTA. Details of the disposal of the watch dial and media and publishing divisions are as follows:*
 - *Conditional Share Purchase Agreement dated 28 December 1998 between Tajo and Feasible Network Sdn Bhd for the disposal of its entire shareholding of 51,000 shares of RM1.00 each, representing 51% equity interest in All-Media Consolidated Sdn Bhd for a total cash consideration of RM200,000; and*
 - *Conditional Share Purchase Agreement dated 30 December 1998 between Tajo's 70% owned subsidiary company, Resolute Omega Sdn Bhd and Alpha Storage Sdn Bhd for the disposal of two wholly owned subsidiaries of Resolute Omega Sdn Bhd, namely Precima Sdn Bhd and Precima Electronics Sdn Bhd for a cash consideration of RM100,000 and RM50,000 respectively.*
3. *Exceptional items of RM70.86 million incurred by the Group in 1998 were related to loss on disposal of subsidiaries, provision for diminution in value of investment, development expenditure written-off and contract expenditure written-off.*
4. *The decrease in turnover in 1999 was principally due to the disposal of subsidiary companies, namely All-Media Consolidated Sdn Bhd, Precima Sdn Bhd and Precima Electronics Sdn Bhd.*
5. *Exceptional items of RM25.66 million incurred by the Group in 1999 were related to provision for diminution in value of development properties, write down of property, plant and equipments, stocks provision and provision of charter hire in dispute.*
6. *The decrease in turnover in 2000 was due to the following:*
 - (i) *The production at the Sedenak factory ceased since 31 March 2000. The new factory in Bukit Kepong commenced operations in September 2000. Thus, there was no production for the 5 months from 1 April 2000 to 31 August 2000.*
 - (ii) *Tajo's shipping arm, Able Shipping Sdn Bhd was disposed off in December 2000. As such, income from the shipping sector was consolidated up till November 2000.*

The shipping sector experienced a reduction in turnover from RM54,505,884 for the 11 months ended 30 November 2000 as compared to RM79,697,457 for the year ended 31 December 1999.
7. *As at 31 December 2001, the Group continued to suffer losses. There were no major fluctuations in the losses before tax for the financial year under review of RM25.32 million as compared to RM27.18 million in previous year 2000 recorded a significantly higher turnover. This is mainly due to high administration expenses incurred in year 2000 and a huge provision for diminution in value of investment being made.*

2. INFORMATION SUMMARY (Cont'd)

8. *The Group continued to suffer huge losses in financial year ended 2002. Losses before tax increased significantly mainly due to the high administration expenses incurred in 2002, where provision for impairment of property, plant and equipment amounting to RM17.76 million was made.*

In addition and in comparison with financial year 2001, the losses in 2001 were lower due to gain on disposal of two subsidiaries amounting to about RM16.29 million.

9. *Turnover for the nine (9) months ended 30 September 2003 increased from the financial year ended 31 December 2002 due to the gradual improvement in demand and increase in brick prices during the period. The Group continued to incur high administration expenses during the period in relation to the Restructuring Exercise.*

The losses before tax was reduced to RM22.61 million for the nine (9) months ended 30 September 2003 as compared to RM43.34 million as at 31 December 2002. As mentioned above, the losses before tax in 2002 includes provision for impairment of property, plant and equipment of RM17.76 million.

There were no extraordinary items in the financial years/period under review. The audited accounts of Tajo were not subject to any qualification in the financial years/period under review except for the emphasis of matters that the preparation of the financial statements of the Tajo Group and of Tajo on the going concern basis is dependent on the successful implementation of the Restructuring Exercise as well as on the success of their future operations.

Saferay

	<-----Financial Year Ended 30 April----->					For the period ended 30 September 2003
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	RM'000
Turnover	9,491	11,138	17,013	18,686	26,861	13,852
Cost of sales	(6,810)	(6,556)	(10,557)	(11,215)	(14,564)	(8,863)
Gross profit	2,681	4,582	6,456	7,471	12,297	4,989
Other operating income	504	245	270	58	15	17
General and administrative expenses	(493)	(943)	(1,319)	(1,585)	(1,753)	(795)
Selling and distribution expenses	(793)	(676)	(1,190)	(1,313)	(2,345)	(872)
Profit from operations	1,899	3,208	4,217	4,631	8,214	3,339
Financial costs	(189)	(205)	(216)	(214)	(235)	(133)
Profit before taxation	1,710	3,003	4,001	4,417	7,979	3,206
Taxation	2	(246)	(355)	(889)	(2,328)	(838)
Profit after taxation	1,712	2,757	3,646	3,528	5,651	2,368
No. of ordinary shares of RM1.00 each in issue ('000)	500	500	1,000	1,200	1,200	1,200
Gross EPS (RM)	3.42	6.01	4.00	3.68	6.65	2.67
Net EPS (RM)	3.42	5.51	3.65	2.94	4.71	1.97

2. INFORMATION SUMMARY (Cont'd)*Notes:*

1. *In 2000, the revenue increased by 17% from RM9.49 million to RM11.14 million as a result of the Company's aggressive participation in related trade shows overseas to promote their PU products. In addition, the Company also developed in number of new designs, which were well received by their major customers, particularly those from Russia and Eastern Europe. These new designs fetched higher prices, thus further contributing to the increase in revenue in 2000. The increase in the profit before taxation is contributed by higher gross margin as the Company introduced new designs.*
2. *In 2001, the revenue increased by 53% from RM11.14 million to RM17.01 million as a result of the Company's continued aggressive marketing efforts. In 2001, the Company managed to secure one big customer, a distributor cum manufacturer based in the US which supplies to large "Do It Yourself" stores. Hence, the profit before taxation also increases in tandem with the increase in revenue.*
3. *In 2002, the revenue increased by only 10% from RM17.01 million to RM18.69 million. The increase was due to conflicting factors which includes the terrorist attack in the US, which resulted in a complete halt to orders from the US from a 4 month period due to the uncertainties with regards to the US economy at that time and the subsequent recovery which resulted in the distributors needing to replenish their inventories. In addition, volume of sales to the US surged in the months of May to August 2001 prior to the terrorist attack on 11 September 2001 also contributed significantly to the revenue recorded in 2002.*
4. *In 2003, the revenue increased by 44% from RM18.69 million to RM26.86 million. The significant increase in revenue is mainly due to the significant increase in orders from US and Eastern Europe. In the US, there was a huge increase in demand for building decorative materials as a result of the increase in renovation and remodelling work carried out, while the higher sales recorded in Eastern Europe is a result of the aggressive promotion drive conducted by Saferay's distributors. The increase in the profit before taxation is contributed by higher gross margin of its products. The higher gross margin of its products are contributed by higher efficiency of production, hence reduced overhead cost as well as the introduction of new designs which fetched higher prices, thus higher margins.*
In addition, Saferay also managed to secure new distributors or agents in Taiwan, Japan, the US and India, which also contributed to the increase in revenue recorded for the year.
5. *The revenue for the five (5) months ended 30 September 2003 is slightly higher as compared to the previous financial year on an annualized basis. Despite the increase in revenue, the profit before taxation was 16% lower as against previously as there was no introduction of new designs in the US and Eastern Europe market during the period, in which case, new designs usually fetch higher margins at the time of launching. The growth in revenue was lower than expected due to the impact of the SARS outbreak affecting the sales towards the middle of the year.*

There were no exceptional or extraordinary items in the financial years/period under review. The audited accounts of Saferay were not subject to any qualification in the financial years/period under review except as disclosed below:

- For the financial years ended 30 April 1999 to 30 April 2000, the auditors were unable to form an opinion on the inventory balances. Inventories were stated at quantities and values as certified by the directors of Saferay. This issue has been subsequently rectified from financial year ended 30 April 2001 onwards whereby the auditors attended the stock takes and verified the existence of the inventories at the financial year ends.

The financial information of the Mithril Group is detailed in Section 11. Notes to the financial information of Saferay are included in the Accountants' Report set out in Section 12 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.4 Summary Proforma Consolidated Balance Sheets of Mithril Group as at 30 September 2003

The proforma consolidated balance sheets of Mithril Group as at 30 September 2003 set out below have been prepared solely to illustrative purposes only, to show the effects of the Restructuring Exercise, namely the Capital Reconstitution, the Cancellation of the Share Premium Account, the Scheme of Arrangement, the Fund Raising and the Acquisitions, on the assumption that these transactions were completed by 30 September 2003 and should be read with the notes and assumptions to the proforma consolidated balance sheets set out in Section 11 of this Prospectus.

Audited as at 30.9.2003	(I)		(II)		(III)		(IV)		(V)		(VI)	
	Adjustment	Proforma	Adjustment	Proforma	Adjustment	Proforma	Adjustment	Proforma	Adjustment	Proforma	Adjustment	Proforma
RM'000	1	1	2	2	3	3	4	4	5	5	6	6
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS												
Property, plant and equipment	-	35,697	-	35,697	12,145	47,842	-	47,842	-	47,842	-	47,842
Investment properties	-	-	-	-	89,250	89,250	-	89,250	-	89,250	-	89,250
Other investments	-	-	-	-	7	7	-	7	-	7	-	7
Goodwill on consolidation	-	-	-	-	29,010	29,010	-	29,010	-	29,010	-	29,010
	-	35,697	-	35,697	130,412	166,109	-	166,109	-	166,109	-	166,109
CURRENT ASSETS												
Inventories	-	1,889	-	1,889	8,073	9,962	-	9,962	-	9,962	-	9,962
Trade receivables	-	838	-	838	7,749	8,587	-	8,587	-	8,587	-	8,587
Other receivables	-	1,573	-	1,573	7,092	8,665	-	8,665	-	8,665	-	8,665
Cash and bank balances	-	652	15,816	16,468	13,392	29,860	(15,482)	14,378	-	14,378	38,271	52,649
	-	4,952	15,816	20,768	36,306	57,074	(15,482)	41,592	-	41,592	38,271	79,863
CURRENT LIABILITIES												
Short term borrowings – Scheme Lenders	-	209,260	-	209,260	-	209,260	(209,260)	-	-	-	-	-
Short term borrowings – Non-scheme Lenders	-	7,906	-	7,906	4,683	12,589	-	12,589	-	12,589	-	12,589
Trade payables	-	4,765	-	4,765	2,614	7,379	-	7,379	-	7,379	-	7,379
Other payables	5	11,369	-	11,374	3,092	14,466	-	14,466	-	14,466	-	14,466
Taxation	-	933	-	933	2,384	3,317	-	3,317	-	3,317	-	3,317
Proposed dividend	-	-	-	-	2,500	2,500	-	2,500	-	2,500	-	2,500
	5	234,233	-	234,238	15,273	249,511	(209,260)	40,251	-	40,251	-	40,251
NET CURRENT (LIABILITIES)/ ASSETS	(5)	(229,281)	15,816	(213,470)	21,033	(192,437)	193,778	1,341	-	1,341	38,271	39,612
	(5)	(193,584)	15,816	(177,773)	151,445	(26,328)	193,778	167,450	-	167,450	38,271	205,721

2. INFORMATION SUMMARY (Cont'd)

Audited as at 30.9.2003	(I)		(II)		(III)		(IV)		(V)		After (V) and Proforma 6	
	Adjustment 1	Proforma 1	Adjustment 2	Proforma 2	Adjustment 3	Proforma 3	Adjustment 4	Proforma 4	Adjustment 5	Proforma 5		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
REPRESENTED BY:												
Share capital	*	395	15,816	16,211	-	16,211	61,366	77,577	163,506	241,083	38,271	279,354
ICCPs - Equity	-	-	-	-	-	-	11,181	11,181	(11,181)	-	-	-
ICULS - Equity	-	-	-	-	41,311	41,311	-	41,311	(41,311)	-	-	-
RCSLS - Equity	-	-	-	-	16,953	16,953	-	16,953	(16,953)	-	-	-
RCULS - Equity	-	-	-	-	8,524	8,524	-	8,524	(8,524)	-	-	-
Reserves	-	-	-	-	-	-	85,428	85,428	-	85,428	-	85,428
Accumulated losses	(5)	(205,563)	-	(205,568)	-	(205,568)	33,678	(171,890)	-	(171,890)	-	(171,890)
Shareholders' (deficit)/funds	(5)	(205,168)	15,816	(189,357)	66,788	(122,569)	191,653	69,084	85,537	154,621	38,271	192,892
Hire purchase and lease creditors	-	11,584	-	11,584	-	11,584	-	11,584	-	11,584	-	11,584
Term loan	-	-	-	-	595	595	-	595	-	595	-	595
Deferred taxation	-	-	-	-	650	650	-	650	-	650	-	650
ICCPs - Liability	-	-	-	-	-	-	2,125	2,125	(2,125)	-	-	-
ICULS - Liability	-	-	-	-	19,389	19,389	-	19,389	(19,389)	-	-	-
RCSLS - Liability	-	-	-	-	42,047	42,047	-	42,047	(42,047)	-	-	-
RCULS - Liability	-	-	-	-	21,976	21,976	-	21,976	(21,976)	-	-	-
Net tangible (liabilities)/assets per share (RM)	(2,500.00)	(519.43)	15,816	(177,773)	(151,445)	(26,328)	193,778	167,450	(85,537)	167,450	38,271	205,721
			(11.68)		(9.35)			0.52		0.52		0.59

Notes:

* Issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

Adjustment 1	: Scheme of Arrangement
Adjustment 2	: Rights Issue
Adjustment 3	: RCSLS Issue, ICULS Issue and Acquisitions
Adjustment 4	: Debt Settlement
Adjustment 5	: Conversion of RCULS, RCSLS, ICULS and ICCPS
Adjustment 6	: Exercise of Warrants

The detailed proforma consolidated balance sheets as at 30 September 2003 is set out in Section 11.8 of this Prospectus.

2. INFORMATION SUMMARY *(Cont'd)*

2.5 Summary of Material Risk Factors

Applicants for the Rights Issue, the RCSLS Issue and the ICULS Issue should carefully consider the following risk factors summarised from Section 4 of this Prospectus, in addition to the other information contained elsewhere in this Prospectus, before applying for the Rights Share, the RCSLS Issue and the ICULS Issue:

- (i) No prior market for Mithril Shares, the RCSLS and the ICULS;
- (ii) Increase in Capital Base;
- (iii) Control by Substantial Shareholders;
- (iv) Delay in or Aborting of the Listing;
- (v) Business Risks;
- (vi) Competition;
- (vii) Dependence on Key Personnel;
- (viii) Political, Economic, Regulatory and Environmental Considerations;
- (ix) Consolidated Profit Forecast;
- (x) Forward-looking Statements;
- (xi) Insurance Cover;
- (xii) Operational Risks
- (xiii) Foreign Market Risk and Foreign Currency Fluctuation Risk
- (xiv) Covenants on Borrowings
- (xv) Dependence on Major Customers of Saferay

Please refer to Section 4 of this Prospectus for further information on the abovementioned risks factors.

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2. INFORMATION SUMMARY (Cont'd)

2.6 Proforma Group NTA

Proforma Mithril Group NTA as at 30 September 2003 (after the Restructuring Exercise and deducting estimated expenses amounting to RM3,000,000) (RM'000)	40,074
Proforma Group NTA per Mithril Share as at 30 September 2003 Based on the enlarged share capital of 77,576,989 (RM)	0.52
Proforma Group NTA per Mithril Share as at 30 September 2003 Based on the enlarged share capital of 279,354,039 (assuming the full conversion of the RCSLS, ICULS, RCULS and ICCPS and the exercise of the Warrants B) (RM)	0.59

The detailed proforma consolidated balance sheets as at 30 September 2003 are set out in Section 11.8 of this Prospectus.

2.7 Consolidated Profit Forecast

Financial year ending 31 December	2004 RM'000
Revenue	<u>63,988</u>
Consolidated profit before exceptional items and taxation	2,618
Less: Exceptional items (Note 2)	<u>(171,886)</u>
Consolidated loss before taxation	(169,268)
Less: Taxation	<u>(2,575)</u>
Consolidated loss for the year	<u>(171,843)</u>
<hr/>	
Weighted-average number of ordinary shares in issue (Note 3)	77,577
Gross earnings/loss per share (sen)	
- before exceptional items	3.37
- after exceptional items	(218.19)
Net earnings/loss per share (sen)	
- before exceptional items	0.06
- after exceptional items	(221.51)
Diluted net earnings per share (sen) (Note 4)	
- before exceptional items	1.78
- after exceptional items	-
* based on weighted-average number of ordinary share in issue and dilutive potential ordinary shares	279,354
Net PE Multiple based on issue price of RM1.00 per Mithril Share (times)	
- before exceptional items	1,804
- after exceptional items	N/A^
Diluted net PE Multiple based on issue price of RM1.00 per Mithril Share (times)	
- before exceptional items	56.21
- after exceptional items	N/A^

Notes:

- The proforma consolidated loss after taxation but before exceptional items for the financial year ending 31 December 2004 combines the results of operations of Tajo Group to be acquired, as if the acquisitions occurred at the beginning of the financial year presented.*

2. INFORMATION SUMMARY (Cont'd)

2. *Exceptional items for the year ending 31 December 2004 represent the following:*

	RM '000
<i>Write back of loan interest waived by the Scheme Creditors</i>	<i>(33,678)</i>
<i>Write off of goodwill on consolidation</i>	<i>205,564</i>
	<u><i>171,886</i></u>

3. *The weighted-average number of ordinary shares in issue has been calculated as if the Restructuring Exercise is effected on 1 January 2004 for the financial year ending 31 December 2004. Accordingly, the basic net earnings per share has been computed using this weighted-average number of ordinary shares calculated.*

4. *Diluted net earnings per share has been computed using the weighted-average number of issued and paid-up shares and dilutive potential of ordinary shares from the proposed ICULS, RCSLS, RCULS, ICCPS, Warrants B and the consolidated profit after taxation (after incorporating the net interest savings of RM4,927,000 arising from the full conversion of the RCSLS, ICULS, RCULS and ICCPS). None of the Warrants A has been exercised as the Warrants A has expired on 27 December 2003. It is assumed that the exercise price for the options granted under the proposed ICULS, RCSLS, RCULS, ICCPS and Warrants B to be RM1.00 per ordinary share and the market value of at the time of exercise is RM1.00 per share. Diluted net earnings per share after exceptional items for the financial year ending 31 December 2004 is not presented as the computation resulted in a higher net earnings per share (anti-dilutive).*

^ *Not applicable as the PE Multiple is negative*

2.8 Dividend Forecast

It is the policy of the Directors of Mithril in recommending dividends to allow shareholders to participate in the profit of the Company while leaving sufficient reserves for the future growth of the Group.

The Directors of Mithril are of the opinion that it would be more beneficial for Mithril to conserve any excess cashflow for the future expansion of the Group. Accordingly, the Directors of Mithril do not expect to declare any dividend for the financial year ending 31 December 2004.

2.9 Principal Statistics Relating to the Rights Issue, the RCSLS Issue and the ICULS Issue

	RM
Authorised Share Capital	
500,000,000 Mithril Shares and 13,306,270 ICCPS	<u>513,306,270</u>
Issued and Fully Paid-up Share Capital	
Existing 13,306,270 ICCPS in issue	<u>13,306,270</u>
Existing 61,760,909 Mithril Shares in issue	61,760,909
To be issued pursuant to the Rights Issue	
15,816,080 new Mithril Shares	<u>15,816,080</u>
	77,576,989
To be issued pursuant to the full conversion of RCSLS, ICULS, RCULS and ICCPS	
163,506,270 new Mithril Shares	163,506,270
To be issued pursuant to the exercise of the Warrants B	
38,270,780 new Mithril Shares	<u>38,270,780</u>
Total Mithril Shares	<u>279,354,039</u>

2. INFORMATION SUMMARY (Cont'd)

Note:

- * *The 147,975 Warrants A issued pursuant to the Scheme of Arrangement had expired on 27 December 2003 as the Warrants A has not been extended. Thus the Warrants A has been excluded from the computation of the enlarged issued share capital of Mithril assuming the full conversion/exercise of the convertible securities issued by Mithril.*

Detailed information on the share capital is set out in Section 3.5 of this Prospectus.

2.9.1 Class of Shares

There are two (2) classes of shares in Mithril, being Mithril Shares and the ICCPS issued pursuant to the Debt Settlement. The ICCPS will rank in priority to the Mithril Shares in respect of return of capital on liquidation or otherwise for the par value of the ICCPS plus any arrears in dividends, whether declared or not, provided that there shall be no further rights to participate in the surplus assets of Mithril.

The Mithril Shares to be issued pursuant to the conversion of the ICCPS, RCSLS, ICULS and RCULS and the exercise of the Warrants B will upon issue and allotment, rank pari passu in all respects with the then existing Mithril Shares including rights to dividends, rights, allotments or other distributions except that the new shares so allotted shall not be entitled to any dividends, rights, allotments or other distributions declared, made or paid to shareholders, the entitlement date of which is before the date of allotment of the new Mithril Shares.

2.9.2 Offer Price of RM1.00 per ordinary share of RM1.00 each for the Rights Shares

The factors taken into consideration in the pricing of the Rights Shares are set out in Section 3.6.1 of this Prospectus respectively.

2.9.3 Offer Price of RM1.00 for every RM1.00 Nominal Value for the RCSLS and the ICULS

The factors taken into consideration in the pricing of the RCSLS and the ICULS are set out in Section 3.7.1 of this Prospectus.

2.10 Utilisation of Proceeds

2.10.1 Rights Issue

The Rights Issue will raise gross proceeds of RM15,816,080 to be utilised as follows:

Description	RM'000
Partial debt repayment to the Unsecured Creditors	12,482
Working capital	334
Expenses for the Restructuring Exercise	3,000
Total	15,816

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2. INFORMATION SUMMARY (Cont'd)**2.10.2 RCCLS Issue and the ICULS Issue**

The RCCLS Issue and the ICULS Issue will raise gross proceeds of RM119,700,000 to be utilised as follows:

	RM'000
To finance the:	
Acquisition of MAAKK 1	65,000
Acquisition of MAA Kuching	20,000
Acquisition of Saferay	17,500
Working capital	17,200
Total	119,700

Detailed information on the utilisation of proceeds is set out in Section 3 of this Prospectus.

2.11 Material Litigations, Material Commitments and Contingent Liabilities**(i) Material Litigations**

Save as disclosed in Section 15.6 of this Prospectus, the Company and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, and the Directors of the Company 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 Mithril Group.

(ii) Material Commitments

The Directors of the Mithril Group are not aware of any material commitments as at the date hereof, which, upon becoming enforceable, may have a material impact on the profit or net asset value of the Mithril Group.

(iii) Contingent Liabilities

The Directors of the Company are not aware of any contingent liabilities (not in the ordinary course of business of the Mithril Group) which, upon becoming enforceable, may have a material adverse impact on the profit or net asset values of the Mithril Group except as disclosed in the Debt Settlement.

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