

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

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 Share Offer (as herein defined), the ICULS Offer (as herein defined), the RCULS Offer (as herein defined) and the Warrant Issue (as herein defined), and are satisfied that the profit forecast (for which the directors of CBHB are fully responsible) prepared for inclusion in the Prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the issue, offer or invitation in respect of the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue and that the approval shall not be taken to indicate that the SC recommends the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue.

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

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

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

The distribution of this Prospectus and its accompanying documents are subject to Malaysian laws. The Prospectus and its accompanying documents may not be used for the purpose of, and do not constitute an offer, invitation or solicitation in any jurisdiction or in any circumstance in which such an offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful or unauthorised to make such an offer, invitation and solicitation. The distribution of this Prospectus and its accompanying documents may be prohibited or restricted by law in certain jurisdictions. Persons who come into possession of this Prospectus and its accompanying documents are advised to inform themselves of, and observe, any such prohibitions and restrictions.

**Additional Information Relating to the Warrant Issue:**

This Prospectus is important and requires your immediate attention as a shareholder. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. All enquiries concerning the Warrant Issue should be addressed to the Share Registrar of CBHB, Panama Resources Sdn Bhd, No. 23, Jalan Sri Hartamas 7, Sri Hartamas, 50480 Kuala Lumpur.

**ALL INFORMATION RELEVANT TO THE WARRANT ISSUE IS CONTAINED IN THIS PROSPECTUS.**

Entitled Shareholders (as herein defined) with a registered address outside Malaysia, in which the acceptance or renounceability of all or any part of their entitlement would result in the contravention of the laws of the countries or jurisdiction in which such Entitled Shareholders are residents, in the absence of any necessary consent and/or compliance with any registration or other legal requirements or for any other reason, are not entitled to accept all or any part of their entitlement or to apply for excess Warrants. If any such Entitled Shareholders purport to accept all or any part of their entitlement or to apply for excess Warrants, such purported acceptance or application will be deemed invalid. Such Entitled Shareholders will be considered not to have accepted their rights entitlement or to have applied for excess Warrants. Such Entitled Shareholders should consult their legal advisers in the countries or jurisdiction in which they are residents as to whether the acceptance of their entitlement would result in the contravention of any law of such countries or jurisdiction.

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**INDICATIVE TIMETABLES**

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**INDICATIVE TIMETABLE FOR THE SHARE OFFER**

Issue of Prospectus/Opening Date .....	23 April 2003
Closing Date .....	16 May 2003
Tentative Balloting Date.....	22 May 2003
Tentative Date for the Despatch of Notice of Allotment.....	6 June 2003
Tentative Listing Date .....	12 June 2003

**INDICATIVE TIMETABLE FOR THE ICULS OFFER AND THE RCULS OFFER**

Issue of Prospectus/Opening Date .....	23 April 2003
Closing Date .....	16 May 2003
Tentative Date for the Despatch of Notice of Allotment.....	6 June 2003
Tentative Listing Date .....	12 June 2003

**INDICATIVE TIMETABLE/IMPORTANT RELEVANT DATES FOR THE WARRANT ISSUE**

Issue of Prospectus .....	23 April 2003
Last day and time for Splitting .....	6 May 2003 at 5.00 p.m.
Last day and time for Acceptance and Payment .....	16 May 2003 at 5.00 p.m.
Last day and time for Renunciation and Payment.....	16 May 2003 at 5.00 p.m.
Last day and time for Excess Warrant Application and Payment.....	16 May 2003 at 5.00 p.m.
Tentative Date for the Despatch of Notice of Allotment.....	6 June 2003
Tentative Listing Date .....	12 June 2003

**THESE TIMETABLES ARE TENTATIVE AND ARE SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE SHARE OFFER, THE ICULS OFFER, THE RCULS OFFER AND THE WARRANT ISSUE WILL CLOSE AT THE DATES AS STATED ABOVE OR SUCH DATES AS THE DIRECTORS OF CBHB IN THEIR ABSOLUTE DISCRETION MAY DECIDE.**

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**DEFINITIONS**


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

<b>Acquisition of CBSB</b>	— The acquisition by CBHB of the entire issued and paid-up share capital of CBSB comprising 16,000,000 ordinary shares of RM1.00 each from the CBSB Vendors, for a total consideration of RM92,727,000 satisfied by the issuance of 92,727,000 new Shares at an issue price of RM1.00 per Share
<b>Act</b>	— The Companies Act, 1965 of Malaysia
<b>ADA</b>	— Authorised Depository Agent
<b>ADA Code</b>	— ADA (Broker) Code
<b>AmMerchant Bank</b>	— AmMerchant Bank Berhad ( <i>formerly known as Arab-Malaysian Merchant Bank Berhad</i> ) (23742-V)
<b>Application</b>	— The application for the Offer Shares by the Malaysian Public by way of the Application Form or the Electronic Share Application
<b>Application Form</b>	— The application for the Offer Shares by way of a printed application form
<b>ATM</b>	— Automated Teller Machine
<b>Board of Directors or Board</b>	— Board of directors of CBHB
<b>Call Options</b>	— The call options granted by Messrs Horwath to YSC, exercisable at the option of YSC, to acquire a total of RM18,400,000 nominal value of ICULS and RM9,900,000 nominal value of RCULS subjected to the options
<b>Capai Hasil</b>	— Capai Hasil Sdn Bhd (561400-H)
<b>Cash Payment</b>	— The cash payment of RM7,000,000, to be derived from the proceeds of the Warrant Issue, to Messrs Horwath
<b>CBHB or Company</b>	— Crest Builder Holdings Berhad (573382-P)
<b>CBHB Group or Group</b>	— CBHB and its subsidiaries
<b>CBSB</b>	— Crest Builder Sdn Bhd (110330-K)
<b>CBSB Group</b>	— CBSB and its subsidiary, CLSB
<b>CBSB Vendors</b>	— Collectively, YSC, KHL, Pertiwi Positif, Takrif Jaya and Capai Hasil
<b>CDS</b>	— Central Depository System
<b>CIDB</b>	— Construction Industry Development Board
<b>CLSB</b>	— Crestland Development Sdn Bhd (316852-A)
<b>Code</b>	— Malaysian Code on Take-Overs and Mergers, 1998
<b>Commerce Approach</b>	— Commerce Approach Sdn Bhd (606541-D), a nominee of Messrs Horwath
<b>Cut-Off Date</b>	— 30 September 2001, being a date fixed for determining the outstanding debt owing by MGR to all known creditors
<b>D&amp;B</b>	— Design and Build

<b>Danaharta</b>	— Pengurusan Danaharta Nasional Berhad (464363-W)
<b>Danaharta Act</b>	— Pengurusan Danaharta Nasional Berhad Act 1998
<b>Debt Settlement</b>	— The settlement of debt owing by MGR to the MGR Creditors involving the Cash Payment, the ICULS and RCULS Issue, the Transfer of CBHB Shares and the Put and Call Options whereby the Outstanding Debt will be settled in the manner set out in Section 6.2.6 of this Prospectus
<b>Deed Poll</b>	— Deed Poll constituting the Warrants, which was executed by the Company on 17 January 2003 (including a supplemental Deed Poll executed on 8 April 2003)
<b>Disposal of MGR</b>	— The disposal by CBHB of the entire issued and paid-up share capital of MGR to the SA and/or the MGR Creditors' Agent and/or their nominees for a nominal consideration of RM1.00 in order to facilitate the recovery of debts due to the MGR Creditors
<b>EBIDTA</b>	— Earnings Before Interest, Depreciation, Taxation and Amortisation
<b>Electronic Share Application</b>	— The application for the Offer Shares by the Malaysian Public through a Participating Financial Institution's ATM
<b>Entitled Shareholders</b>	— The shareholders of CBHB whose names appear in the Register of Members on the Entitlement Date
<b>Entitlement Date</b>	— The time and date at which the shareholders of CBHB must be registered in the Register of Members, i.e. 5.00 p.m. on 9 April 2003 in order to participate in the Warrant Issue
<b>EPS</b>	— Earnings Per Share
<b>Exemption</b>	— The exemption to the CBSB Vendors from the obligation to undertake a mandatory take-over offer for the remaining Shares not already owned by the CBSB Vendors upon the completion of the Acquisition of CBSB
<b>External Account</b>	— A RM account maintained with a financial institution in accordance with the provisions of Exchange Control of Malaysia Notice 3 issued by Bank Negara Malaysia
<b>FIC</b>	— Foreign Investment Committee
<b>Former MGR Shareholders</b>	— The former shareholders of MGR, whose 50,250,000 MGR Shares were exchanged for 2,512,500 Shares following the completion of the Share Exchange
<b>FSB</b>	— Farima Sdn Bhd (101083-A)
<b>GDP</b>	— Gross Domestic Product
<b>IA</b>	— The independent adviser to the Workout Proposal, i.e. BDO Binder
<b>ICULS</b>	— 3-year 3%-7% Irredeemable Convertible Unsecured Loan Stocks 2003/2006
<b>ICULS and RCULS Issue</b>	— The issue by CBHB to Commerce Approach, a nominee of Messrs Horwath who is in turn, an agent for the MGR Creditors of RM18,500,000 nominal value of ICULS at 100% of the nominal value of RM1.00 each and RM10,000,000 nominal value of RCULS at 100% of the nominal value of RM1.00 each
<b>ICULS Application Form</b>	— The application form for application for the Offer ICULS by the Selected Investors

<b>ICULS Offer</b>	— The offer for sale by Commerce Approach, a nominee of Messrs Horwath who is in turn, an agent for the MGR Creditors to the Selected Investors of RM100,000 nominal value of ICULS at 100% of the nominal value of RM1.00 each
<b>ICULS Register</b>	— The register of holders of ICULS at the registered office of CBHB or at some other place in Malaysia to be kept in accordance with the provision of the Trust Deed for ICULS
<b>Incorporation of CBHB</b>	— The incorporation of CBHB, to be used as an investment holding company to facilitate the restructuring of MGR
<b>JKR</b>	— Jabatan Kerja Raya
<b>KHL</b>	— Koh Hua Lan
<b>KLSE</b>	— Kuala Lumpur Stock Exchange
<b>Listing Requirements</b>	— Listing Requirements of the KLSE
<b>M&amp;E</b>	— Mechanical and Electrical
<b>Malaysian Public</b>	— Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	— Any day on which the KLSE is open for trading in securities
<b>Marketing Agent Agreements</b>	— Three (3) separate agreements, all dated 20 March 2002, entered into between CBSB and FSB, PTSB and PPSSB respectively in relation to the appointment of these companies as the marketing agents of CBSB
<b>MCD or Central Depository</b>	— Malaysian Central Depository Sdn Bhd (165570-W)
<b>Messrs Horwath</b>	— Messrs Horwath (formerly known as Messrs Horwath Mok & Poon)
<b>MGR</b>	— MGR Corporation Berhad (Special Administrators Appointed) (143299-P)
<b>MGR Creditors</b>	— All known creditors of MGR, whereby an amount of RM202,414,938 is owing by MGR to these creditors as at 30 September 2001
<b>MGR Creditors' Agent</b>	— Messrs Horwath, a party appointed by Danaharta on 16 January 2003 as the agent for the MGR Creditors
<b>MGR Group</b>	— MGR and its subsidiaries
<b>MGR Shares</b>	— Ordinary shares of RM1.00 each in MGR
<b>MI</b>	— Minority Interests
<b>MIDA</b>	— Malaysian Industrial Development Authority
<b>MIH or Issuing House</b>	— Malaysian Issuing House Sdn Bhd (258345-X)
<b>MITI</b>	— Ministry of International Trade and Industry
<b>NTA</b>	— Net Tangible Assets
<b>Offerors</b>	— Collectively, YSC and Commerce Approach, a nominee of Messrs Horwath who is in turn, an agent for the MGR Creditors
<b>Offer ICULS</b>	— The RM100,000 nominal value of ICULS, which are the subject of the ICULS Offer

<b>Offer Price</b>	— The offer price of RM1.00 per Share, RM1.00 per RM1.00 nominal value of ICULS and RM1.00 per RM1.00 nominal value of RCULS in respect of the Share Offer, the ICULS Offer and the RCULS Offer respectively, as the case may be
<b>Offer RCULS</b>	— The RM100,000 nominal value of RCULS, which are the subject of the RCULS Offer
<b>Offer Shares</b>	— The 16,200,000 Shares, which are the subject of the Share Offer
<b>Option ICULS</b>	— The RM18,400,000 nominal value of ICULS subjected to the Put and Call Options
<b>Option RCULS</b>	— The RM9,900,000 nominal value of RCULS subjected to the Put and Call Options
<b>Outstanding Debt</b>	— A total of RM202,414,938 owing by MGR to the MGR Creditors as at the Cut-Off Date
<b>PAL</b>	— The Provisional Allotment Letter together with the accompanying Forms A, S, R, N and E for the acceptance of/application for the Warrants by the Entitled Shareholders
<b>Participating Financial Institutions</b>	— Refers to the Participating Financial Institutions for the Electronic Share Application as listed in Section 20.2.4.2 (xv) of this Prospectus
<b>PAT</b>	— Profit After Taxation
<b>PBT</b>	— Profit Before Taxation and MI
<b>PE or PE Multiple</b>	— Price Earnings Multiple
<b>Pertiwi Positif</b>	— Pertiwi Positif Sdn Bhd (554552-U)
<b>PLO</b>	— The Provisional Letter of Offer together with the accompanying Rights Subscription Form for the acceptance of/application for the Offer Shares by the Former MGR Shareholders
<b>PPSSB</b>	— Pembinaan Dan Pembangunan Serantau Sdn Bhd (21837-T)
<b>Principal Agreement</b>	— The agreement entered into between MGR and the CBSB Vendors on 5 March 2002 in relation to the Restructuring Scheme (including supplemental agreements dated 16 May 2002 and 7 June 2002)
<b>Promoters</b>	— YSC and KHL
<b>PTSB</b>	— Pembinaan Tenompok Sdn Bhd (35326-D)
<b>Put and Call Options Agreements</b>	— Two (2) separate agreements, both dated 11 April 2003, entered into between YSC and Messrs Horwath in relation to the Put and Call Options
<b>Put Options</b>	— The put options granted by YSC to Messrs Horwath exercisable at the option of Messrs Horwath, to dispose of a total of RM18,400,000 nominal value of ICULS and RM9,900,000 nominal value of RCULS subjected to the options
<b>RAM</b>	— Rating Agency Malaysia Berhad (208095-U)
<b>RCULS</b>	— 5-year 1%-9% Redeemable Convertible Unsecured Loan Stocks 2003/2008
<b>RCULS Application Form</b>	— The application form for application for the Offer RCULS by the Selected Investors

<b>RCULS Offer</b>	— Offer for sale by Commerce Approach, a nominee of Messrs Horwath who is in turn, an agent for the MGR Creditors to the Selected Investors of RM100,000 nominal value of RCULS at 100% of the nominal value of RM1.00 each
<b>RCULS Register</b>	— The register of holders of RCULS at the registered office of CBHB or at some other place in Malaysia to be kept in accordance with the provision of the Trust Deed for RCULS
<b>Register of Members</b>	— Register of members kept by CBHB pursuant to the Act
<b>Restructuring Scheme</b>	— The restructuring Scheme of MGR comprising collectively, the Incorporation of CBHB, the Share Exchange, the Acquisition of CBSB, the Exemption, the Debt Settlement, the Warrant Issue, the Share Offer, the ICULS Offer, the RCULS Offer, the Transfer of Listing Status and the Disposal of MGR
<b>RM</b>	— Ringgit Malaysia
<b>SA</b>	— Special Administrators of MGR, comprising collectively, Kevin How, Adam Primus Varghese bin Abdullah and Wong Lai Wah of Messrs Ernst & Young
<b>SC</b>	— Securities Commission
<b>Selected Investors</b>	— The investors nominated by CBHB, comprising employees of the CBHB Group, to whom the ICULS Offer and the RCULS Offer are being made
<b>Shares</b>	— Ordinary shares of RM1.00 each in CBHB
<b>Share Exchange</b>	— The acquisition by CBHB of the entire issued and paid-up share capital of MGR comprising 50,250,000 MGR Shares involving the issuance of 2,512,500 new Shares to the shareholders of MGR on the basis of one (1) new Share for every twenty (20) MGR Shares held at 5.00 p.m. on 10 February 2003
<b>Share Offer</b>	— Collectively, the Share Offer to Former MGR Shareholders and the Share Offer to Public
<b>Share Offer to Former MGR Shareholders</b>	— Offer for sale by the Offerors of 7,900,000 Shares at the Offer Price to the Former MGR Shareholders
<b>Share Offer to Public</b>	— Offer for sale by the Offerors of 8,300,000 Shares at the Offer Price to the Malaysian Public comprising:- <ul style="list-style-type: none"> <li>• 2,000,000 Shares to eligible employees, directors, customers, suppliers and business associates of the CBHB Group;</li> <li>• 1,600,000 Shares to the Malaysian Public; and</li> <li>• 4,700,000 Shares to identified public placees.</li> </ul>
<b>Takrif Jaya</b>	— Takrif Jaya Sdn Bhd (561303-T)
<b>TDSS</b>	— Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah
<b>Transfer of CBHB Shares</b>	— The transfer of 3,000,000 Shares by YSC to Commerce Approach, a nominee of Messrs Horwath who is in turn, an agent for the MGR Creditors
<b>Transfer of Listing Status</b>	— The transfer of the listing status of MGR on the Second Board of the KLSE to CBHB
<b>Transfer to Main Board</b>	— The transfer of the listing status of CBHB on the Second Board to the Main Board of the KLSE
<b>Trust Deed for ICULS</b>	— Trust Deed governing the ICULS entered into between CBHB and Malaysian Trustee Berhad on 17 January 2003 (including a supplemental Trust Deed executed on 8 April 2003)

- Trust Deed for RCULS** — Trust Deed governing the RCULS entered into between CBHB and Malaysian Trustee Berhad on 17 January 2003 (including a supplemental Trust Deed executed on 8 April 2003)
- Warrants** — The Warrants 2003/2013
- Warrant Issue** — Renounceable rights issue by CBHB of 24,000,000 Warrants to the Entitled Shareholders at an issue price of RM0.30 per Warrant on the basis of 1.008 Warrants for every four (4) existing Shares held on the Entitlement Date
- Warrant Register** — The principal register of the holders of Warrants (or a branch register of the holders of Warrants, as the case may be) required to be maintained in accordance with the provision of the Deed Poll
- Workout Proposal** — The workout proposal prepared by the SA with respect to MGR pursuant to Section 44 of the Danaharta Act
- YSC** — Yong Soon Chow

Words denoting the singular member only shall include the plural and also vice versa.

In the event of any conflict or inconsistency in meaning between the English and Bahasa Malaysia version of the Prospectus, the English version shall prevail.



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**1. CORPORATE INFORMATION****BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Tengku Dato' Sulaiman Shah bin Tengku Abdul Jalil Shah (Executive Chairman)	'Cinta Villa' No.1, Jalan Sultan Sir Allaeddin Suleiman Shah 9/5 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Yong Soon Chow (Managing Director)	No.3, Jalan SS 25/1 Taman Megah 47301 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Koh Hua Lan (Executive Director)	No.3, Jalan SS 25/1 Taman Megah 47301 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lee Sooi Teng (Executive Director)	No.2A, Jalan SS19/5A Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Kam Yong Kan (Non-Independent Non-Executive Director)	No.4, Lorong 12/15B Section 12 46200 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Mohd Khasan bin Ahmad (Independent Non-Executive Director)	No.8, Jalan Kolek 19/29 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Keong Choon Keat (Independent Non-Executive Director)	No.19, Jalan Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur	Company Director	Malaysian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Mohd Khasan bin Ahmad	Chairman	Independent Non-Executive Director
Keong Choon Keat	Member	Independent Non-Executive Director
Lee Sooi Teng	Member	Executive Director

**COMPANY SECRETARIES**

: Heng Chiang Poo (MAICSA 7009923)  
No.304, Block G15  
Section 2, Wangsa Maju  
53300 Kuala Lumpur

Chiam Han Twee (MAICSA 7009910)  
No.304, Block G15  
Section 2, Wangsa Maju  
53300 Kuala Lumpur

- REGISTERED OFFICE** : No.14-2, Jalan 4A/27A  
Section 2, Wangsa Maju  
53300 Kuala Lumpur  
Tel: 03 – 4149 8128  
Fax: 03 – 4142 3128
- HEAD OFFICE** : No.28, Jalan SS 24/13  
Taman Megah  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03 – 7803 3185  
Fax: 03 – 7803 4353
- SHARE REGISTRAR** : Panama Resources Sdn Bhd  
No.23, Jalan Sri Hartamas 7  
Sri Hartamas  
50480 Kuala Lumpur  
Tel: 03 – 6201 1120  
Fax: 03 – 6201 3121
- TRUSTEE** : Malaysian Trustees Berhad  
Level 3, Menara Prudential  
No.10, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 03 – 2176 1066  
Fax: 03 – 2032 1222
- PRINCIPAL BANKERS** : Malayan Banking Berhad  
Petaling Jaya Business Centre  
1<sup>st</sup> & 2<sup>nd</sup> Floor, Wisma IJM Annexe  
Jalan Yong Shook Lin  
48050 Petaling Jaya  
Selangor Darul Ehsan
- : Bumiputra-Commerce Bank Berhad  
Business Centre – Petaling Jaya  
1401B, Tingkat 14, Menara Choy Fook On  
No.1B, Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan
- : Hong Leong Bank Berhad  
No.63 & 65, Jalan SS 23/15  
Taman SEA  
47400 Petaling Jaya  
Selangor Darul Ehsan
- : EON Bank Berhad  
11<sup>th</sup> Floor, Wisma Cyclecarri  
288, Jalan Raja Laut  
50350 Kuala Lumpur

- AUDITORS AND REPORTING ACCOUNTANTS** : GEP Associates  
(A Member Firm of AGN International)  
Chartered Accountants  
Wisma GEP  
No.25, Jalan P.JU 1/42A  
Dataran Prima  
47301 Petaling Jaya  
Selangor Darul Ehsan
- PRINCIPAL SOLICITORS** : Tay, Tee & Nasir  
No.6, Jalan Tun Sambanthan 3  
Brickfields  
50470 Kuala Lumpur
- DUE DILIGENCE SOLICITORS** : Lee Choon Wan & Co  
No.12, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur
- RATING AGENCY  
(IN RESPECT OF THE RATING OF THE RCULS)** : Rating Agency Malaysia Berhad  
No.19-G, The Boulevard  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur
- ADVISER AND PLACEMENT AGENT** : AmMerchant Bank Berhad  
(formerly known as Arab-Malaysian Merchant Bank Berhad)  
22<sup>nd</sup> Floor, Bangunan AmBank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd  
27<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No.8, Jalan Munshi Abdullah  
50804 Kuala Lumpur
- LISTING SOUGHT** : Main Board of the KLSE

## 2. INFORMATION SUMMARY

**INVESTOR WARNING: THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE SHARE OFFER, THE ICULS OFFER, THE RCULS OFFER AND THE WARRANT ISSUE.**

### 2.1 History, Principal Activities and Group Structure

CBHB was incorporated in Malaysia under the Act on 9 March 2002 as a public company. The Company is principally an investment holding company.

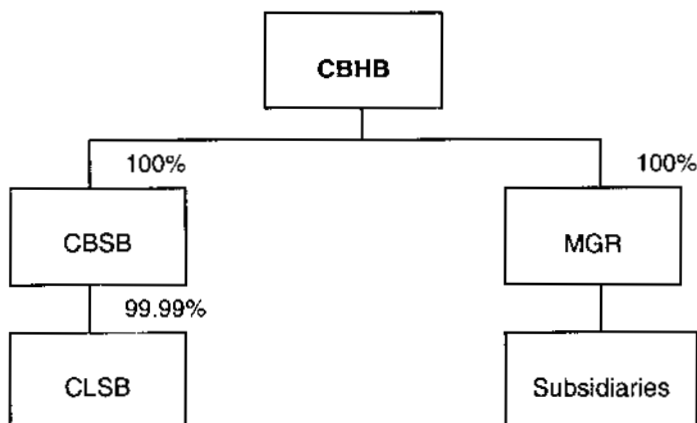
The Group is principally involved in general construction works. The involvement of the Group in the construction sector began in 1985 when CBSB, its wholly-owned subsidiary commenced its operations. The construction business of the Group focuses on infrastructure and building works such as the construction of roads, bridges, universities, colleges, staff quarters, hostels, residential colleges etc. The Group has also undertaken complicated and highly specialised projects such as the construction of beach nourishment and island formation, water circulation, airport apron control tower and hospitals. As at 11 April 2003, the Group has completed projects with a total contract value of approximately RM1.3 billion and has on-going and future secured projects worth approximately RM443 million.

About 90% of the construction projects carried out by the Group comprise projects undertaken by government or quasi-government bodies such as JKR, Dewan Bandaraya Kuala Lumpur, Tenaga Nasional Berhad, Tentera Udara Diraja Malaysia, University Teknologi MARA, etc.

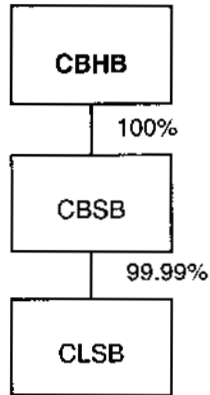
Although a major proportion of the construction projects undertaken by the Group are concentrated in Selangor, the Group has also executed projects in other states of Peninsular Malaysia, such as Pulau Pinang, Perak, Johor, Negeri Sembilan and Pahang.

In undertaking any construction projects, the Group is supported by a group of 40 civil, mechanical and electrical engineers, all of whom have extensive and diverse experience in the construction industry.

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



However, it is the intention of CBHB to hold the MGR Group on a temporary basis and exclusively for the implementation of the restructuring scheme of MGR. As such, upon the listing of CBHB on the Main Board of the KLSE, CBHB will dispose of the entire issued and paid-up share capital of MGR to the SA and/or the MGR Creditors' Agent and/or their nominees for a nominal consideration of RM1.00, resulting in the final corporate structure of the Group to be as follows:-



Further information on the above companies and their respective businesses are disclosed in Section 5 of this Prospectus.

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Names	Designation	I After Share Offer, ICULS Offer, RCULS Offer and Warrant Issue		II After I and Full Conversion of ICULS, Redemption of RCULS and Exercise of Warrants		III After I and Full Conversion of ICULS and RCULS and Exercise of Warrants	
		Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
<b>Key Management</b>							
TDSS	Executive Chairman	-	20,807,939 <sup>5</sup>	-	26,050,912 <sup>5</sup>	-	26,050,912 <sup>5</sup>
YSC	Managing Director	43,618,188	5,568,620 <sup>3</sup>	77,090,566 <sup>7</sup>	6,970,484 <sup>3</sup>	86,990,566 <sup>7</sup>	6,970,484 <sup>3</sup>
KHL	Executive Director	5,563,620	43,623,188 <sup>4</sup>	6,965,484	77,095,566 <sup>4</sup>	6,965,484	86,995,566 <sup>4</sup>
Lee Sool Teng	Executive Director / General Manager of Project	50,000 <sup>1</sup>	-	50,000 <sup>1</sup>	-	50,000 <sup>1</sup>	-
See Kui Poh	General Manager of Finance	200,000 <sup>1</sup>	-	200,000 <sup>1</sup>	-	200,000 <sup>1</sup>	-
Wong Choy	General Manager of Contract	30,000 <sup>1</sup>	-	30,000 <sup>1</sup>	-	30,000 <sup>1</sup>	-
Goh Sin Huat	Accounts Manager	15,000 <sup>1</sup>	-	15,000 <sup>1</sup>	-	15,000 <sup>1</sup>	-
Yong Tiok Chin	Legal Manager	5,000 <sup>1</sup>	49,181,808 <sup>6</sup>	5,000 <sup>1</sup>	84,056,050 <sup>6</sup>	5,000 <sup>1</sup>	93,956,050 <sup>6</sup>
Lau Poh Kheong	Project Manager	3,000 <sup>1</sup>	-	3,000 <sup>1</sup>	-	3,000 <sup>1</sup>	-
Ng Hong Wee	Project Manager	20,000 <sup>1</sup>	-	20,000 <sup>1</sup>	-	20,000 <sup>1</sup>	-
Chang Yoon Wei	Site Engineer	10,000 <sup>1</sup>	-	10,000 <sup>1</sup>	-	10,000 <sup>1</sup>	-
Wang Luan Boo	Contract Manager	10,000 <sup>1</sup>	-	10,000 <sup>1</sup>	-	10,000 <sup>1</sup>	-
Yua Siew Lon	Contract Manager	30,000 <sup>1</sup>	-	30,000 <sup>1</sup>	-	30,000 <sup>1</sup>	-
Yong Keong Ping	Project Manager	4,000 <sup>1</sup>	-	4,000 <sup>1</sup>	-	4,000 <sup>1</sup>	-

## Notes:-

1 Assuming that they fully subscribe for their respective entitlement under the pink form allocation pursuant to the Share Offer.

2 Negligible.

3 By virtue of the shareholding of his spouse, KHL and daughter, Yong Tiok Chin fully subscribes for her entitlement under the pink form allocation pursuant to the Share Offer.

4 By virtue of the shareholding of her spouse, YSC and daughter, Yong Tiok Chin fully subscribes for her entitlement under the pink form allocation pursuant to the Share Offer.

5 By virtue of his major shareholding in Pertiwi Positif.

6 By virtue of the shareholding of her parents.

7 Assuming that the Call Options are fully exercised.

The information on the Promoters, major shareholders, directors and key management of the Group are set out in Sections 8.1, 8.2, 8.4 and 8.6 respectively of this Prospectus.

None of the Promoters, major shareholders, directors and key management of the Group will be offered any ICULS and RCULS pursuant to the ICULS Offer and the RCULS Offer.

The Promoters, major shareholders, directors and key management of the Group's entitlement to the Warrant Issue are as follows:-

Names	No. of Warrants Allotted
YSC	15,072,378
KHL	1,401,864
Pertiwi Positif	5,242,973

### 2.3 Proforma Consolidated Income Statements

The following table has been extracted from the Accountants' Report included in Section 13 of this Prospectus and should be read in conjunction with the notes and assumptions thereto. The proforma consolidated audited income statements of CBHB for the past five (5) financial years ended 31 December 2002 have been prepared for illustrative purposes only, based on the audited financial statements of the Group and on the assumption that the current structure of the Group has been in existence throughout the period under review:-

	Year ended 31 December				
	1998 (RM'000)	1999 (RM'000)	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)
Revenue	40,829	73,029	91,405	127,956	151,401
EBIDTA	4,010	8,077	8,334	17,828	23,426
Interest costs	(1,432)	(811)	(642)	(481)	(377)
Depreciation	(1,357)	(1,331)	(1,527)	(2,321)	(3,146)
PBT	1,221	5,935	6,165	15,026	19,903
Taxation	(468)	558	(1,812)	(4,822)	(5,615)
PAT	753	6,493	4,353	10,204	14,288
No. of Shares assumed to be in issue <sup>1</sup> ('000)	95,250	95,250	95,250	95,250	95,250
Net EPS (sen)	0.79	6.82	4.57	10.71	15.00

Notes: -

1 Assuming that the Acquisition of CBSB had been effected throughout the financial years under review.

(i) The above proforma consolidated income statements have been prepared without the inclusion of the results of the MGR Group as the MGR Group will be disposed of upon the listing of CBHB. The non-consolidation of the financial results of the MGR Group is in compliance with Paragraph 15(a) of the Malaysian Accounting Standards Board Standard No. 11 – Consolidated Financial Statements and Investments in Subsidiaries, which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future and the subsidiary has not previously been consolidated in the parent's consolidated financial statements.

(ii) There were no exceptional and extraordinary items in respect of the financial years under review.

(iii) There were no minority interests in respect of the financial years under review.

(iv) All the financial statements were reported on without any qualifications throughout the relevant financial years under review.

The Accountants' Report is set out in Section 13 of this Prospectus.

## 2.4 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets of CBHB as at 31 December 2002, based on the audited financial statements of the Group and assuming that the Restructuring Scheme had been effected on that date is set out below:-

	I	II	III	IV	V	VI	VII
Audited as at 31 December 2002	After Share Exchange	After I and Acquisition of CBSB	After II and ICULS and RCULS Issue	After III and Warrant Issue	After IV and Utilisation of Proceeds of Warrant Issue <sup>1</sup>	After V and Full Conversion of ICULS, RCULS and Exercise of Warrants	After V and Full Conversion of ICULS and Exercise of Warrants
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>PROPERTY, PLANT AND EQUIPMENT</b>	-	21,477	21,477	21,477	21,477	21,477	21,477
<b>INVESTMENT</b>	-	270	270	270	270	270	270
<b>INTANGIBLES</b>	1,753	1,753	1,753	1,753	1,753	1,753	1,753
<b>GOODWILL</b>	-	42,576	71,076	71,076	78,076	78,076	78,076
	1,753	66,076	94,576	94,576	101,576	101,576	101,576
<b>CURRENT ASSETS</b>							
Trade and other receivables	-	43,727	43,727	43,727	43,727	43,727	43,727
Fixed deposits with licensed banks	-	13,332	13,332	13,332	13,332	13,332	13,332
Cash and bank balances	10	10,812	10,812	18,012	7,852	21,852	31,852
	10	67,871	67,871	75,071	64,911	78,911	88,911
<b>CURRENT LIABILITIES</b>							
Trade and other payables	1,839	32,650	32,650	32,650	32,650	32,650	32,650
Hire purchase creditors	-	1,909	1,909	1,909	1,909	1,909	1,909
Taxation	-	1,996	1,996	1,996	1,996	1,996	1,996
	1,839	36,555	36,555	36,555	36,555	36,555	36,555
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(1,829)	31,316	31,316	38,516	28,356	42,356	52,356
	(76)	2,437	125,892	133,092	129,932	143,932	153,932

	I	II	III	IV	V	VI	VII
	After	After I and	After II and	After III and	After IV and	After V and Full	After V and Full
	Share	Acquisition of	ICULS and	Warrant Issue	Utilisation of	Conversion of	Conversion of
	Exchange	CBSB	RCULS Issue	Warrant Issue	Proceeds of	Redemption of	ICULS, and
					Warrant Issue <sup>1</sup>	RCULS and	Exercise of
					Warrants	Warrants	Warrants
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Audited as at 31 December 2002</b>							
<b>CAPITAL AND RESERVE</b>							
Share capital	10	95,250	95,250	95,250	95,250	137,750	147,750
Share premium	-	-	-	-	-	-	-
Accumulated losses	(86)	(86)	(86)	(86)	(86)	(86)	(86)
Capital reserves	-	-	-	7,200	4,040	4,040	4,040
<b>SHAREHOLDERS' EQUITY</b>	<b>(76)</b>	<b>95,164</b>	<b>95,164</b>	<b>102,364</b>	<b>99,204</b>	<b>141,704</b>	<b>151,704</b>
<b>LONG TERM LIABILITIES</b>							
ICULS	-	-	18,500	18,500	18,500	-	-
RCULS	-	-	10,000	10,000	10,000	-	-
Deferred taxation	-	1,367	1,367	1,367	1,367	1,367	1,367
Hire purchase creditors	-	861	861	861	861	861	861
	<b>(76)</b>	<b>97,392</b>	<b>125,892</b>	<b>133,092</b>	<b>129,932</b>	<b>143,932</b>	<b>153,932</b>
<b>NTA (RM'000)</b>	<b>(1,829)</b>	<b>50,835</b>	<b>22,335</b>	<b>29,535</b>	<b>19,375</b>	<b>61,875</b>	<b>71,875</b>
<b>NTA per Share (RM)</b>	<b>(0.72)</b>	<b>0.53</b>	<b>0.23</b>	<b>0.31</b>	<b>0.20</b>	<b>0.45</b>	<b>0.49</b>

## Notes:-

1 After deducting the estimated expenses for the Restructuring Scheme of RM3.16 million, of which RM0.2 million shall be paid from the proceeds of the Warrant Issue and the balance RM2.96 million shall be financed from internally generated funds.

(i) The above proforma consolidated balance sheets have been prepared without the inclusion of the results of the MGR Group as the MGR Group will be disposed of upon the listing of CBHB. The non-consolidation of the financial results of the MGR Group is in compliance with Paragraph 15(a) of the Malaysian Accounting Standards Board Standard No. 11 – Consolidated Financial Statements and Investments in Subsidiaries, which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future and the subsidiary has not previously been consolidated in the parent's consolidated financial statements.

(ii) The Exemption, the Transfer of CBHB Shares, the Put and Call Options, the Share Offer, the ICULS Offer, the RCULS Offer, the Transfer of Listing Status, the Disposal of MGR and the Transfer to Main Board do not have any effect on the consolidated NTA of CBHB.

**The Proforma Consolidated Balance Sheets of CBHB as at 31 December 2002 is enclosed in Section 12.6 of this Prospectus.**

## 2.5 Risk Factors

Prospective investors, prior to making an investment in the Company, should carefully consider the following risk factors inherent in and affecting the business of the Group and the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue.

The key risk factors that may affect the Group's future profitability include but not limited to financial risks, market risks and industry risks. Risk factors include the past non-tradability of the Shares, the ICULS, the RCULS and the Warrants and the possible volatility of the prices of these instruments upon their listing, the risk inherent in the payment of coupon for the ICULS and the RCULS, adverse changes in economical, political and regulatory conditions, the control of the Company by certain major shareholders, the failure of business relationships between the Group and its marketing agents, business risks inherent in the construction industry, possible delays in the completion of construction projects undertaken, competition from other market players, dependency on key personnel, non-fulfilment by main contractors of their contractual obligations with their principals, the breach of covenants on borrowings undertaken by the Group, forward-looking statements, achievability of forecasts, possible future need for capital injection and the adequacy of insurance coverage on the assets of the Group.

**Details of the aforementioned risk factors are provided in Section 4 of this Prospectus.**

## 2.6 Principal Statistics Relating to the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue

The following statistics relating to the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue are derived from the full text of this Prospectus and should be read in conjunction with that text.

### 2.6.1 Share Capital

	<b>Assuming Full Redemption of RCULS (RM)</b>	<b>Assuming Full Conversion of RCULS (RM)</b>
<b>Authorised</b> 500,000,000 Shares	<u>500,000,000</u>	<u>500,000,000</u>
<b>Issued and Fully Paid-up</b> 95,249,500 Shares	95,249,500	95,249,500
<b>To be Issued Pursuant to the Full Conversion of the ICULS</b> 18,500,000 Shares	18,500,000	18,500,000
<b>To be Issued Pursuant to the Full Conversion of the RCULS</b> 10,000,000 Shares	-	10,000,000
<b>To be Issued Pursuant to the Full Exercise of the Warrants</b> 24,000,000 Shares	24,000,000	24,000,000
<b>Enlarged Issued and Fully Paid-up</b>	<u>137,749,500</u>	<u>147,749,500</u>

The securities offered/to be issued pursuant to the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue are as follows:-

<b>Offered Pursuant to the Share Offer</b>	16,200,000 Shares
<b>OFFER PRICE PER SHARE</b>	RM1.00
<b>Offered Pursuant to the ICULS Offer</b>	RM100,000 nominal value of ICULS
<b>OFFER PRICE PER RM1.00 NOMINAL VALUE OF ICULS</b>	RM1.00
<b>Offered Pursuant to the RCULS Offer</b>	RM100,000 nominal value of RCULS
<b>OFFER PRICE PER RM1.00 NOMINAL VALUE OF RCULS</b>	RM1.00
<b>To be Issued Pursuant to the Warrant Issue</b>	24,000,000 Warrants
<b>ISSUE PRICE PER WARRANT</b>	RM0.30

#### 2.6.2 Proforma Consolidated NTA

Proforma Consolidated NTA as at 31 December 2002 <sup>1</sup> (RM'000)	19,375
Proforma consolidated NTA per Share <sup>2</sup> (RM)	0.20
<b>Upon Full Conversion of ICULS, Redemption of RCULS and Exercise of Warrants</b>	
Proforma Consolidated NTA per Share <sup>3</sup> (RM)	0.45
<b>Upon Full Conversion of ICULS and RCULS, and Exercise of Warrants</b>	
Proforma Consolidated NTA per Share <sup>4</sup> (RM)	0.49

Notes:-

- 1 Assuming that the Restructuring Scheme had been effected as at 31 December 2002 and after deducting the estimated listing expenses of RM3,160,000 but prior to the conversion of ICULS, the conversion or redemption of RCULS and the exercise of Warrants.
- 2 Based on the enlarged issued and paid-up share capital of CBHB upon listing of 95,249,500 Shares.
- 3 Based on the enlarged issued and paid-up share capital of CBHB of 137,749,500.
- 4 Based on the enlarged issued and paid-up share capital of CBHB of 147,749,500.

Detailed calculations of the Proforma Consolidated NTA as at 31 December 2002 are set out in Section 12.6 of this Prospectus.

**2.6.3 Consolidated Profit Forecast**

<b>Financial Year Ending 31 December</b>	<b>Forecast 2003 RM'000</b>
Consolidated PBT	20,983
Consolidated PAT	14,045 <sup>1</sup>
Number of Shares in issue	95,249,500
Net EPS (sen)	14.75
Net PE based on the offer price of RM1.00 per Share (times)	6.78

*Note:-*

*1 Proforma results, which include the pre-acquisition results of the subsidiaries amounting to approximately RM2.341 million for the period from 1 January 2003 to 28 February 2003.*

**The Consolidated Profit Forecast of CBHB together with the Reporting Accountants' letter thereon are set out in Section 12.5 of this Prospectus.**

**2.6.4 Dividend Forecast**

<b>Financial Year Ending 31 December</b>	<b>Forecast 2003</b>
Gross dividend per Share (sen)	3.0
Net dividend per Share (sen)	2.2
Net dividend yield based on the offer price of RM1.00 per Share (%)	2.2
Net dividend cover (times)	6.8

**2.7 Proceeds of the Share Offer, the ICULS Offer, the RCULS Offer and the Warrant Issue****2.7.1 Proceeds of the Share Offer, the ICULS Offer and the RCULS Offer**

No part of the proceeds of the Share Offer, the ICULS Offer and the RCULS Offer is receivable by the Company. The proceeds will accrue entirely to the respective Offerors.

The total gross proceeds of the Share Offer will be RM16.2 million, of which RM13.2 million and RM3.0 million will accrue to YSC and Commerce Approach respectively. Any expenses relating to the Share Offer will be borne by the Company as the Share Offer forms an integral part of the Restructuring Scheme.

The total gross proceeds of the ICULS Offer and the RCULS Offer of RM200,000 will accrue to Commerce Approach. Any expenses relating to the ICULS Offer and the RCULS Offer will be borne by the Company as the ICULS Offer and the RCULS Offer form integral parts of the Restructuring Scheme.



**2.7.2 Proceeds of the Warrant Issue**

The gross proceeds of the Warrant Issue of RM7.20 million will accrue entirely to CBHB. These proceeds will be utilised as follows: -

	RM'000
Settlement of amount owing by MGR to the MGR Creditors pursuant to the Cash Payment	7,000
Part payment of expenses incidental to the Restructuring Scheme	200
<b>Total</b>	<b>7,200</b>

**2.8 Material Litigation, Material Capital Commitments and Contingent Liabilities**

The material litigation, material capital commitments and contingent liabilities pertaining to the MGR Group, as disclosed below, will not be assumed by CBHB as the MGR Group will be disposed of upon the listing of CBHB.

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## 2.8.1 Material Litigation

### CBHB Group (excluding the MGR Group)

Save as disclosed below, as at 11 April 2003 (being the last practicable date prior to the printing of this Prospectus), the Group is not engaged in any litigation, claims or arbitration, either as a plaintiff or a defendant, which has a material effect on the financial position or business of the Group, and the directors of CBHB do not know of any proceedings pending or threatened or of any facts which is likely to give rise to any proceedings which might materially and/or adversely affect the financial position or business of the Group.

Suit No.	Parties	Amount	Description
S1(S7)-22-97-2000	Manzer Medical Sdn Bhd ("Manzer") v CBSB	Amount claimed by Manzer: RM1,548,000.00  Counterclaim by CBSB: RM1,550,000.00	Manzer is claiming for liquidated ascertained damages of RM1,548,000.00 for late completion of a project. CBSB has filed a counterclaim of RM1,550,000.00.  CBSB's application for summary judgment on their counterclaim is fixed for mention on 8 July 2003. The solicitors for CBSB are of the view that the claim made by Manzer is frivolous, baseless and an afterthought by Manzer, and that CBSB has a good chance of succeeding in the counterclaim.
D7-24-228-2001	Manzer v CBSB	-	An injunction has been granted against CBSB to restrain it from presenting, advertising or proceeding with any winding-up petition against Manzer until the disposal of the related civil suit no. S1(S7)-22-97-2000, wherein there was an admission by Manzer that RM300,000 is owing to CBSB.
22-335-1996	Shanghai Chong Kee Construction Sdn Bhd ("SCKC") v CBSB	Amount claimed by SCKC: RM249,816.10  Counterclaim by CBSB: General damages	The claim by SCKC relates to the supply of materials and labour for a construction project. CBSB has made a counterclaim for general damages for breach and/or repudiation of the sub-contract agreement, defects in works, failure to give proper drawings and measurements and carrying out unauthorised variation works. Payment for the supply by SCKC is on a back-to-back basis and further, the final account has not been taken.  The suit was initially withdrawn by both parties pending an out-of-court settlement proposal. However, SCKC's solicitors have subsequently filed their application to reinstate the case and CBSB's solicitors have also filed their application to dismiss SCKC's solicitors' application to reinstate the case. The matter is now pending the extraction of both applications.  The lawyers of CBSB are of the view that SCKC's claim is difficult to be sustained due to breaches of the sub-contract by SCKC.
D3-28-1213-2001	CBSB v Sure Vision Sdn Bhd ("SVSB")	RM188,435.50	The claim by CBSB relates to construction works done. CBSB has obtained a judgment in default of appearance against SVSB and SVSB's application to set aside the judgment was dismissed with costs. SVSB has appealed to the Johor Bharu High Court. In the meantime, CBSB is proceeding with a winding-up petition on the judgment obtained, which is fixed for decision on 16 April 2003. The appeal by SVSB is fixed for hearing on 20 August 2003.  The CBSB's solicitors are of the view that there is a possible settlement by SVSB to avoid being wound-up.

Suit No.	Parties	Amount	Description
4/4-665/02	Yeo Kheng Leong ("Claimant") v CBSB	-	<p>The Claimant has initiated court proceedings for constructive dismissal at the Kuala Lumpur Industrial Court against CBSB.</p> <p>As at 11 April 2003, the Claimant's solicitors have yet to file the Statement of Case. The Court has requested the Claimant's solicitors to give a written application for an extension of time to file the Statement of Case. The Court will fix the next mention date and notify CBSB's solicitors of the same upon receipt of the above written application from the Claimant's solicitors.</p> <p>CBSB's solicitors are unable to comment on the probable outcome as the Statement of Case has yet to be filed by the Claimant's solicitors.</p>
52-3429-02	Setia Maju Plumbing ("SMP") v CBSB	Amount claimed by SMP: RM147,998.25	<p>SMP is claiming from CBSB the outstanding amount owing to SMP for works done pursuant to sub-contracts between the parties.</p> <p>SMP's solicitors had on 27 February 2003 filed their application to amend the Summons and Statement of Claim in court. This matter is fixed for hearing on 16 May 2003.</p> <p>CBSB's solicitors are of the view that CBSB has a strong case against SMP based upon CBSB's Statement of Defence and Counterclaim.</p>
22-413-2002	CBSB v Koh Eng Wah ("Defendant")	-	<p>This action is brought by CBSB for the vacant possession of a landed property (No.20, Jalan 11/14, Section 11, 46200 Petaling Jaya, Selangor) and the return of two (2) motor vehicles (Mercedes Benz S280 bearing registration BBS7 and Land Rover Discovery TD1 2.5L bearing registration CB 8888), all of which were under the care of the Defendant during his tenure as a director of CBSB, but which are duly registered under CBSB.</p> <p>The hearing of Application for Amended Reply to Defence and Defence to Counter Claim is fixed on 8 May 2003 while the hearing of Application for Summary Judgement is fixed on 18 July 2003.</p> <p>At the Summary Judgment level, should the Court consider that the Defendant has successfully raised triable issues, i.e. issues which would warrant the Court in holding that a full trial ought to be held, and dismisses the application by CBSB's solicitors, the solicitors of CBSB are of the view that CBSB may still be able to succeed during the full trial, through the tendering of evidence and examination of witnesses.</p>

Suit No.	Parties	Amount	Description
22-557-2002	Koh Eng Wah ("Plaintiff") v CBSB	RM250,000.00	<p>This action is brought by the Plaintiff against CBSB for damages for libel arising from alleged defamatory statements made with regards to advertisements dated 23 March 2002 published in the newspapers The Star, New Straits Times, Utusan Malaysia and Sin Chew Jit Poh.</p> <p>The abovesaid advertisements were made by CBSB for the recovery of two (2) motor vehicles (Mercedes Benz S280 bearing registration BBS7 and Land Rover Discovery TD1 2.5L bearing registration CB 8888) that are duly registered and owned by CBSB, after failing to locate the said vehicles. The advertisements were issued with a reward for the recovery of the said vehicles.</p> <p>CBSB's solicitors have filed their defence in this matter and are awaiting a reply from the Plaintiff's solicitors.</p> <p>CBSB's solicitors are of the view that should they be able to successfully establish their defences through documentary evidence and examination of witness, CBSB stands a chance of succeeding in the above case.</p>
22-556-2002	Koh Eng Wah ("Plaintiff") v CBSB	RM250,000.00	<p>The action is brought by the Plaintiff against CBSB for damages for libel arising from alleged defamatory statements made with regards to a notice published in The Star dated 2 March 2002.</p> <p>The abovesaid notice was issued by CBSB to inform all present and future clients that the Plaintiff was no longer in the employment of CBSB, and therefore no longer represented CBSB.</p> <p>CBSB's solicitors have filed their defence in this matter and are awaiting a reply from the Plaintiff's solicitors.</p> <p>CBSB's solicitors are of the view that should they be able to successfully establish their defences through documentary evidence and examination of witnesses, CBSB stands a chance of succeeding in the above case.</p>

**MGR Group**

With the appointment of the SA on 11 October 2001, a 12-month moratorium took place, effective from 11 October 2001. The 12-month moratorium has been further extended to 10 October 2003. During this period, no proceedings and no execution or other legal process may be commenced or continued with, and no distress may be levied against MGR except with the prior written consent of Danaharta.

As at 11 April 2003 (being the last practicable date prior to the printing of this Prospectus), the MGR Group is engaged in the following material litigations:-

Suit No.	Parties	Amount	Description
52-894-2000	MGR v Sabajuta Sdn Bhd and Leong Fung Chow (collectively known as "Defendants")	RM67,720.17 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs.	Action was brought by MGR against the Defendants for an amount of RM67,720.17 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs, for logs supplied. The suit was heard on 9 April 2002 and was adjourned to 4 June 2002 where the parties confirmed the filing of pleadings. Subsequently, no further hearing date was given by the court. The Defendants' solicitors had indicated that they wanted to file an application to strike out the statement of claim but as at 11 April 2003, no application has been filed. The MGR's solicitors are awaiting instructions from MGR to proceed to file the Notice of Directions and set the case down for trial and are of the view that the outcome of the case is dependent on whether the supporting evidence for the counterclaim by the Defendants are admitted and proven. Their advice is to seek out-of-court settlement.
SC 52-82 of 2002	MGR v Veisheng Timber Sdn Bhd ("Defendant")	RM71,394.00 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs.	Action was brought by MGR against the Defendant for an amount of RM71,394.00 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs, for logs supplied. MGR's solicitors have opined that the Defendant did not dispute the cause of action or amount claimed but merely stated that the amount has been settled through one Mr David Wu, an ex-director of MGR. Accordingly, the burden is on the Defendant to show that the said Mr David Wu received the payment on behalf of MGR. As such, MGR had been advised to proceed with the court action. The trial for this case was completed on 27 March 2003. The Defendant was unable to call the ex-director of MGR as witness but managed to produce documents allegedly from him which showed that the matter had been settled. The success of MGR in this case will depend on how much weight the Judge will attach to the said documents in the absence of the said witness verifying the matter. MGR's solicitors opined that there is a 50% chance of success in this case, depending on whether the Judge is persuaded by the contention of MGR's solicitors that the said payment of by the Defendant to the ex-director was an internal matter and is of no concern to MGR.

Suit No.	Parties	Amount	Description
52-838-2000	Kimanis Bay Timber Sdn Bhd ("Plaintiff") v Borneo Wood (Sabah) Sdn Bhd ("Defendant")	RM186,686.33 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs.	Action was brought by the Plaintiff, a subsidiary of MGR, against the Defendant for an amount of RM186,686.33 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs, for failure by the Defendant to supply logs to set off the monies advanced to them by the Plaintiff. The Defendant has filed their Defence and Counterclaim and the Plaintiff has filed their Reply and Defence to Counterclaim. No hearing date has been fixed as the Plaintiff's solicitors have yet to receive instructions from the Plaintiff to set the case down for trial. The Plaintiff's solicitors are of the opinion that the outcome of this suit is unpredictable. The Plaintiff's solicitors advice is to seek out-of-court settlement where each party should withdraw their claim with no order as to costs.
K22-191-2000	MGR v Borneo Wood (Sabah) Sdn Bhd ("Defendant")	RM706,679.79 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs.	Action was brought by MGR against the Defendant for an amount of RM706,679.79 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs, for logs supplied. The Defendant has filed their Defence and Counterclaim and MGR has filed a Reply and Defence to Counterclaim. No hearing date has been fixed as MGR's solicitors have yet to receive instructions from MGR to set the case down for trial. As there are complicated issues to be tried, MGR's solicitors are of the opinion that the outcome of this suit is unpredictable.
TSC 2001	52-24- MGR v Asiatic Sawmilling Enterprise Sdn Bhd ("Defendant")	RM103,954.43 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs.	Action was brought by MGR against the Defendant for an amount of RM103,954.43 as at 29 February 2000, together with interest at the rate of 10.30% per annum from 1 March 2000 to the date of full payment and costs, for logs supplied. The trial is fixed on the 14 to 15 April 2003 and MGR's solicitors are of the opinion that the prospects of success should be reasonable and have advised MGR to proceed with the action.
SC 44 of 1990	Papar Timber Industries Development (S) Sdn Bhd ("Plaintiff") v MGR	RM80,000.00 as at 20 December 1988, together with interest at the rate of 8% per annum from 20 December 1988 until the date of judgment and statutory interest at the rate of 8% per annum from the date of judgment to the date of full payment and costs.	Action was brought by the Plaintiff against MGR for an amount of RM80,000.00 as at 20 December 1988 together with interest at the rate of 8% per annum from 20 December 1988 until the date of judgment and statutory interest at the rate of 8% per annum from the date of judgment to the date of full payment and costs, for breach of contract from failure to make payment of RM80,000.00, being the price of a vehicle sold by the Plaintiff to MGR, the ownership of which has been duly transferred to MGR. Trial dates have yet to be fixed by the Court. MGR's solicitors are of the opinion that an out-of-court settlement should be negotiated if the trial dates are eventually fixed.

Suit No.	Parties	Amount	Description
Kuala Lumpur High Court Suit No: D7-22-1656-2002	Rintisan Bumi (M) Sdn Bhd ("Plaintiff") v MGR	RM500,000.00 with interest thereon at the rate of 8% per annum from the date of judgment to date of full payment and costs.	<p>Action was brought by the Plaintiff against MGR for an amount of RM500,000.00 with interest thereon at the rate of 8% per annum from the date of judgment to the date of full payment and costs, for refund of earnest money of RM500,000.00 which was forfeited by MGR in connection with the Plaintiff's offer to purchase MGR's assets and business.</p> <p>MGR's solicitors have opined that the action is misconceived from the outset as it was commenced and now continued without the prior consent of Danaharta. The Plaintiff is therefore in breach of Section 41(3) of the Danaharta Act. Based on the available documents and information, MGR's solicitors are also of the view that the action is devoid of merit and ought to be dismissed with costs. The matter is now fixed for pre-trial case management on 6 May 2003.</p>

### 2.8.2 Material Capital Commitments

#### CBHB Group (excluding the MGR Group)

As at 11 April 2003 (being the last practicable date prior to the printing of this Prospectus), the directors of CBHB are not aware of any capital commitments incurred or known to be incurred by the Group which may have a material impact on the financial position or business of the Group.

#### MGR Group

Based on the audited consolidated financial statements of MGR for the financial year ended 30 September 2002 (being the latest audited financial statements available prior to the printing of this Prospectus), as at 30 September 2002, no capital commitments has been incurred or known to be incurred by the MGR Group which may have a material impact on the financial position or business of the MGR Group.

### 2.8.3 Contingent Liabilities

#### CBHB Group (excluding the MGR Group)

As at 11 April 2003 (being the last practicable date prior to the printing of this Prospectus), the directors of CBHB are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position or business of the Group.

**MGR Group**

Based on the audited consolidated financial statements of MGR for the financial year ended 30 September 2002 (being the latest audited financial statements available prior to the printing of this Prospectus), as at 30 September 2002, the MGR Group has the following contingent liability:-

<b>Name of Company</b>	<b>Amount (RM)</b>	<b>Description</b>
Papar Timber Industries Development (S) Sdn Bhd ("Papar")	80,000.00	Claim by Papar, a supplier of MGR in relation to a dispute over a transaction where the amount payable for an asset purchased from Papar was set off against an amount receivable for goods sold by MGR to Papar.

The above contingent liability had been addressed under the Workout Proposal. In accordance with the Workout Proposal, the MGR Creditors who are affected and/or included in the Workout Proposal shall not commence or continue any action, proceedings, suit or arbitration against MGR, or levy any execution or otherwise enforce or seek to enforce any judgement against or security over any asset of MGR or to re-possess any asset in the possession, custody or control of MGR, or take any steps to wind up MGR in respect of any debt or claims against MGR.

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