

**BRIDGECON HOLDINGS BERHAD (Special Administrators Appointed)
("BHB" or "Company")**

THE REQUISITE ANNOUNCEMENT PURSUANT TO PARAGRAPH 5.1(B) OF THE PRACTICE NOTE 4/2001 OF THE LISTING REQUIREMENTS OF THE KUALA LUMPUR STOCK EXCHANGE, IN RELATION TO THE PROPOSED RESTRUCTURING SCHEME OF BHB

1. INTRODUCTION

On 28 June 2002, the Company announced that the Special Administrators ("SA") of BHB, namely Mr Tan Kim Leong, JP and Mr Siew Kah Toong of Messrs. BDO Binder, had on 27 June 2002, on behalf of BHB entered into a restructuring agreement with National Land Finance Co-operative Society Limited ("NLFCs") ("Restructuring Agreement"), which sets out the principal terms and the basis of the restructuring scheme for BHB ("Restructuring Scheme").

Subsequent to the execution of the Restructuring Agreement, a special purpose company, Premium Nutrients Berhad ("PNB") was incorporated on 12 August 2002 to facilitate the implementation of the Restructuring Scheme and ultimately apply for admission to the official list on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

On behalf of BHB, Public Merchant Bank Berhad ("PMBB") wishes to announce that PNB had on 13 August 2002 entered into a conditional share sale agreement ("SSA") with the Principal Vendors (*refer Table 1 for details*), the Signing Vendors (*refer Table 2 for details*) and the Other Vendors (*refer Table 3 for details*) of PVOB via Raslan Loong Ikhtisas Sdn Bhd ("Nominee"), to acquire 100% equity interest comprising 54,862,500 ordinary shares of RM1.00 each in Premium Vegetable Oils Berhad ("PVOB") for RM136,500,000 to be satisfied by the issuance of new ordinary shares of RM0.50 each in PNB ("PNB Shares") ("Proposed Acquisition").

The Proposed Acquisition is part of the Restructuring Scheme which includes, inter-alia the following:

- (i) Proposed share exchange of all the ordinary shares of RM1.00 each in BHB ("BHB Shares") between the shareholders of BHB and PNB on the basis of one (1) new PNB Shares for every 9.975 BHB Shares held ("Proposed Share Exchange");
- (ii) Proposed settlement of debts owing by BHB to its creditors through, inter-alia, issuance of 62,000,000 new PNB Shares to the creditors of BHB ("Proposed Debt Settlement");
- (iii) Proposed acquisition of the entire issued and paid-up share capital of PVOB by PNB ("Proposed Acquisition");
- (iv) Proposed de-listing of BHB from the Second Board of KLSE and the transfer of the listing status of BHB to PNB ("Proposed Listing Transfer"); and
- (v) Proposed offer for sale of PNB Shares by certain vendors of PVOB to the existing shareholders of BHB, identified bumiputera investors to be approved by the Ministry of

International Trade and Industry, other identified investors and the Malaysian public (“Proposed OFS”).

(Collectively referred to as “Proposals”)

The Proposals form an integral part of the workout proposal (“Workout Proposal”) for BHB, which is being finalised by the SA and will be submitted to the Pengurusan Danaharta Nasional Berhad (“Danaharta”) for its approval. Further details on the Proposals are set out in the ensuing sections.

2. PROPOSED SHARE EXCHANGE

The Proposed Share Exchange involves the issue of 2,000,000 new PNB Shares via exchange of shares between the shareholders of BHB and PNB on the basis of the issuance of one (1) new PNB Share for every 9.975 BHB Shares held by the existing shareholders of BHB.

3. PROPOSED DEBT SETTLEMENT

As part consideration for the Proposed Listing Transfer, PNB shall issue 62,000,000 new PNB Shares to the creditors of BHB as identified in the Workout Proposal (“Creditors”), which will be held by the agent of the Creditors (“Creditors’ Agent”). The said shares shall be subject to the terms and conditions of a put and call option agreement to be entered into between the vendors of PVOB and the Creditors’ Agent. The terms of the said put and call option arrangement will be announced later, upon signing of the said put and call option agreement.

4. PROPOSED ACQUISITION

4.1 Particulars

The Proposed Acquisition involves the acquisition by PNB from the shareholders of PVOB of the entire issued and paid-up share capital in PVOB comprising 54,862,500 ordinary shares of RM0.50 each (“Sale Shares”) for a total purchase consideration of RM136,500,000 (“Purchase Consideration”) which shall be satisfied by the issuance of 273,000,000 new PNB Shares (“Consideration Shares”) at par.

There are no additional liabilities to be assumed by PNB arising from the Proposed Acquisition, save for the liabilities incurred in the ordinary course of business of PVOB.

4.2 Salient Terms and Conditions

The salient terms and conditions of the SSA includes, inter-alia, the following: -

- (i) Subject to the terms and conditions of the SSA, the Principal Vendors, the Signing Vendors and the Other Vendors agreed to sell and PNB agreed to purchase the Sale Shares for the purchase consideration, free from all charges, liens or any other encumbrances whatsoever and howsoever arising and with all rights, benefits and advantages now or hereinafter attaching to the Sale Shares including without limitation all dividends and other distributions which may be declared, made or paid in respect thereof as from the date of execution of the SSA;
- (ii) The Consideration Shares shall rank *pari passu* in all respects with the existing PNB Shares except that they shall not be entitled to any rights, allotments, distributions or dividends, the entitlement date of which is prior to the date of allotment of the Consideration Shares;
- (iii) The Consideration Shares to be issued by PNB to the Principal Vendors, the Signing Vendors, the Other Vendors and/or their nominee(s) in their respective proportions in accordance with their respective shareholdings in PVOB shall be adjusted accordingly to reflect the purchase consideration as may be approved by the Securities Commission (“SC”);
- (iv) The SSA shall be conditional upon the following conditions being fulfilled within six (6) months from the date of the SSA (“Approval Date”) or such other period as the relevant parties may mutually agree in writing (“Extended Approval Date”):
 - (a) the results of the financial and legal due diligence of PVOB’s accounts, books and other records, assets and liabilities being satisfactory to PNB;
 - (b) The granting of and exemption by the SC to PNB from the obligation of a mandatory general offer for the remaining shares in Swiss Premium Corporation Sdn Bhd not already owned by them after the completion of the Restructuring Scheme;
 - (c) The consents of the financiers of PVOB (as set out in the SSA) to the Proposed Acquisition and the proposed application for the admission of PNB to the Official List of the KLSE, being obtained;
 - (d) The relevant approvals from parties and authorities as set out in section 13 of this announcement; and
 - (e) All requisite approvals including but not limited to any approval of regulatory bodies being obtained;

- (v) In the event any party informs the other party in writing within the fourteen (14) days requisite period that it does not accept the said condition(s) and/or variations or in the event the results of the appeal is not known by the Approval Date or the Extended Approval Date, then the SSA shall be terminated upon receipt of the said notice or on expiry of the aforesaid date and thereafter neither party shall have any rights against the other save and except that :-
- the security deposit of RM1,000,000 paid by NLFCS to the SA on 27 June 2002 together with interest thereon shall be forfeited to BHB in accordance with the provisions of the Restructuring Agreement; and
 - the Principal Vendors shall jointly and severally bear all fees, costs and expenses arising from or incidental to the Restructuring Scheme and the SSA;
- (vi) In the event that all or any of the conditions precedent of the SSA are not fulfilled or obtained or waived within the Approval Date, or the Extended Approval Date, the rights and obligations of the parties shall lapse and be of no further effect save for the rights and obligations of the parties hereto pursuant to any antecedent breach of the SSA; and
- (vii) The SSA shall be terminated by either the Principal Vendors or PNB pursuant to the terms and conditions of the SSA by giving written notice which includes, inter-alia, any material breach of the terms and conditions, representations, warranty or statement made by either PNB or the Principal Vendors, the Signing Vendors, the Other Vendors or the Nominee, where applicable in the SSA.

4.3 Basis of Arriving at the Purchase Consideration

The purchase consideration of RM136,500,000 for the Proposed Acquisition was arrived at on a willing buyer-willing seller basis after taking into account the potential earnings of PVOB.

4.4 Basis of Pricing of Consideration Shares

The issue price of the Consideration Shares, of RM0.50 each was arrived at on a willing buyer-willing seller basis taking into account the net tangible assets (“NTA”) per share and the par value of the Consideration Shares of PNB.

4.5 Information on PNB

PNB was incorporated in Malaysia under the Companies Act, 1965 (“Act”) on 12 August 2002 to facilitate the implementation of the Restructuring Scheme. The present authorised share capital of PNB is RM100,000 comprising 200,000 ordinary shares of RM0.50 each, of which four (4) shares have been issued and fully paid-up. The principal activity of PNB is that of investment holding.

The directors and substantial shareholders of PNB are Mr Viswanath a/l Kanadasamy, Mr Ch’ng Kong San, Mr Siew Kah Toong and Mr Chew Chong Eu.

4.6 Information on PVOB

PVOB was incorporated in Malaysia under the Act on 17 May 1978. The present authorised share capital of PVOB is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each, of which 54,862,500 shares have been issued and fully paid-up. The principal activities of PVOB consist of manufacturing and sale of speciality oils and fats based on palm kernel oil, palm oil, coconut oil, rapeseed oil and soya bean oil including those refined and fractionated, and the processing of oil palm fruits.

The subsidiary companies and associated company of PVOB together with their principal activities are as follows:

Company name	Principal activities
<u>Subsidiary Companies</u>	
Premium Fats Sdn Bhd (“PFBSB”)	Intended to undertake projects for manufacturing of downstream products.
Malim Sawit Sdn Bhd (“MSSB”)	Processing of fresh fruits brunches, refining of palm oil and sale of refined and/or fractioned products along with the by products.
<u>Associated Company</u>	
Swiss Premium Corporation Sdn Bhd (“SPCSB”)	General trading

A summary of the key financial information of PVOB for the past five (5) financial years ended 31 December 2001 is set out in Table 4 herein.

The Board of Directors of PVOB comprises Y.Bhg. Tan Sri Dato' Dr. K. R. Somasundram, Y.Bhg. Datuk Sahadivanaidu a/l Baliah, Y.Bhg. Datin Nik Radiah binti Nik Hassan, En. Abdul Aziz bin Mohammed Hussain, En. Abdul Rahim bin Mohd Zain, Mr Subramaniam a/l Seenivasagam, Mr Chhanulal Jhunjhnuwala, Mr Kili Anandaraj Somasundram, Dato' Ngu Tieng Ung, Mr Chiong Kok Seng (alternate to Dato' Ngu Tieng Ung) and Mr Agarwal Pares Nath.

The substantial shareholders of PVOB and their respective shareholdings and cost of investment in the company are as follows:

Name	As at 8 August 2002		
	No. of shares held	%	Cost of Investment RM
NLFCS	15,503,685	28.26	11,473,130
Sunworth Corporation Sdn Bhd	10,623,250	19.36	4,502,264
Forad Management Sdn Bhd	4,635,000	8.45	5,438,000
Picavest Sdn Bhd	4,488,750	8.18	6,783,000
Y.Bhg. Tan Sri Dato' Dr. K. R. Somasundram	3,575,001	6.52	1,650,000
Dutavest (M) Sdn Bhd	3,033,276	5.53	2,777,314
Pica (M) Corporation Bhd	2,772,413	5.05	2,055,075

4.7 Information on NLFCS

NLFCS was incorporated in Malaysia under the Cooperative Act, 1948 as a co-operative society limited by shares on 4 June 1960. The present authorised share capital of NLFCS is RM200,000,000 comprising 2,000,000 ordinary shares of RM100.00 each, of which 1,150,413 shares have been issued and fully paid-up.

The principal activities of NLFCS are the operation of rubber, oil palm and coconut plantations, the development of land and housing projects and carrying out the business of landed properties.

The Board of Directors of NLFCS comprises Y.Bhg. Tan Sri Dato' Dr. K. R. Somasundram, Y.Bhg. Dato' P. Balaram, Mr Subramaniam a/l Seenivasagam, Mr P. Vadivelu, Y.Bhg. Dato' C. Krishnan, Y. Bhg. Dato' Dr. T. Marimuthu, Mr K. R. Sockalingam, Mr V. Kesavan, Mr P. Vengadesan, Mr K. R. Paida Naidu, Mr N. Supramaniam, Mr M. Alex Joseph, Mr I. Ganesan, Y. Bhg. Datuk M. Sundram and Mr T. Muthuvelu.

There is no substantial shareholder in NLFCS as at 31 July 2002.

4.8 Information on Sunworth Corporation Sdn Bhd (“SCSB”)

SCSB was incorporated in Malaysia under the Act on 24 November 1993. The principal activity of SCSB is that of an investment holding company.

The Board of Directors of SCSB comprises Mr Agarwal Pares Nath, En. Abdul Rahim bin Mohd Zain and Ms Serjit Kaur. The substantial shareholders of SCSB as at 31 July 2002 are Y.Bhg. Tan Sri Dato’ Dr K. R. Somasundram and Seven M Management Services Sdn Bhd.

4.9 Information on Forad Management Sdn Bhd (“FMSB”)

FMSB was incorporated in Malaysia under the Act on 20 January 1989.

The principal activities of FMSB are that of investment holding and management services.

The Board of Directors of FMSB comprises Y.Bhg. Dato’ Faruk bin Othman and Y.Bhg. Datin Nik Radiah binti Nik Hassan.

The substantial shareholders of FMSB as at 31 July 2002 are En. Arif bin Faruk and Cik Aida binti Faruk.

4.10 Information on Picavest Sdn Bhd (“Pica”)

Pica was incorporated in Malaysia under the Act on 2 April 1994.

The principal activity of Pica is that of securities trading.

The Board of Directors of Pica comprises Y.Bhg. Dato’ Ngu Tieng Ung, Mr Noel John a/l M. Subramaniam and Y.Bhg. Dato’ Abdul Azim bin Mohd Zabidi.

Pica is a wholly-owned subsidiary of Pica (M) Corporation Bhd.

4.11 Information on Pica (M) Corporation Bhd (“PCB”)

PCB was incorporated in Malaysia under the Act on 28 September 1973.

The principal activities of PCB are as follows:

- Investment holding
- Providing mezzanine capital and equity financing
- Providing financial and advisory services relating to the establishment of new enterprises and the expansion and diversification of existing companies.

The Board of Directors of PCB comprises Y.Bhg. Dato’ Ngu Tieng Ung, En. Subki bin Haji Ahmad, Y.Bhg. Dato’ Abdul Azim bin Mohd Zabidi, En. Mohammad bin Alwi, Mr Noel John a/l M. Subramaniam and En. Mohamed Azahari bin Mohamed Kamil.

The substantial shareholder of PCB as at 31 July 2002 is Johor Ventures Sdn Bhd.

4.12 Information on Dutavest (M) Sdn Bhd (“DVS B”)

DVS B was incorporated in Malaysia under the Act on 17 September 1993.

The principal activity of DVS B is that of an investment holding company.

The Board of Directors of DVS B comprises En. Abdul Rahim bin Mohd Zain and Cik Ruhayah @ Noraini binti Alias.

The substantial shareholders of DVS B as at 31 July 2002 is En. Abdul Rahim bin Mohd Zain and Cik Ruhayah @ Noraini binti Alias.

5. PROPOSED LISTING TRANSFER

The Proposed Listing Transfer involves the transfer of the listing status of BHB on the Second Board of the Official List of the KLSE to PNB and thereafter BHB will be delisted from the Second Board of the Official List of the KLSE. The Proposed Listing Transfer forms an integral part of the Proposals.

6. PROPOSED OFS

The Proposed OFS shall involve an offer for sale by certain vendors of PVOB of PNB Shares (“Offer Shares”) to, inter-alia, the existing shareholders of BHB, directors and employees of PVOB, potential investors to be identified and the Malaysian public. The Proposed OFS shall be undertaken in such manner to enable PNB to meet the “Public Spread” requirements stipulated by the SC. Details of the quantum and the parties to whom the Offer Shares will be offered to, will be determined and announced in due course.

7. RATIONALE FOR THE PROPOSALS

On 6 April 2001, Mr Tan Kim Leong, JP and Mr Siew Kah Toong of Messrs. BDO Binder were appointed as SA pursuant to Section 23 of the Danaharta Act to, inter-alia, manage the assets and affairs of BHB. The primary objective of the SA is to preserve the assets of BHB and to formulate the Workout Proposal, taking into consideration the interests of the creditors and the shareholders of BHB.

The principal reason for the financial failure of BHB appears to be its high gearing position. The sharp economic downturn in late 1997 plus the then prevailing high interest rate regime, had adversely affected BHB's business viability and its cashflow. This had placed BHB in a tight liquidity position and had culminated in huge losses. As a consequence of this, BHB is unable to meet its financial obligations.

The Workout Proposal is prepared by the SA pursuant to Section 44 of the Danaharta Act with the following objectives:

- (i) to restructure the debts of BHB so as to maximise recovery to all its creditors;
- (ii) To enable the restructured BHB to restore its long term financial viability via PNB; and
- (iii) To redress the balance sheet of BHB by writing off its capital which has been permanently written down or is unrepresented by assets.

8. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

Upon completion of the Proposals, PNB will be involved in the business of manufacturing of speciality fats mainly used for applications in the food processing industry. Therefore, the prospects of the new businesses of PNB Group are dependent on the prospects of the Malaysian economy, the speciality fats sector and the consumer food industry, which are set out in the ensuing paragraphs.

8.1 Overview of the Malaysian Economy

The Malaysian economy is forecasted to grow by 4% to 5% in 2002, led by stronger performances in the manufacturing and services sectors. The recovery in global electronics demand will contribute towards growth in the manufacturing sector while the pace of expansion in the services sector will be driven by higher economic activities and the Government fiscal stimulus.

(Source: Economic Report 2001/2002 as published by the Ministry of Finance)

8.2 Speciality fats sector

The prospects of the speciality fats sector are dependent on the food industry that is resilient to recession and economic slow down. In addition, the demand for speciality fats grows in tandem with the growth of the world population and rising affluence of the consumers worldwide. In addition, there are growth areas in speciality-fats based vegetable oils as it has an increasing role in the essential diet of consumers due to its health and nutritional benefits. Furthermore, there are barriers of entry to newcomers as there are licensing requirements by the authorities, specialised technical know-how and high capital investment in setting up the production facilities. In addition, there are continuous research by the Malaysian Palm Oil Board in its research on oil palm to improve milling, refinery technologies and utilization of oil palm waste and biomass that would benefit the business of PVOB.

8.3 Consumer Food Industry

The proposed PNB Group is principally involved in the manufacturing and refining of speciality fats that is an essential component for the manufacturing of food products such as chocolates, margarine, ice creams, biscuits, peanut butter, non-dairy creamer, and other food products. Hence, the speciality food industry is to a large extent dependent on the overall economic outlook, performance of the manufacturing sectors, current outlook on the food industry as well as the social aspects of the country.

To promote private consumption, the Government has introduced several direct measures in Budget 2002, including raising disposal incomes via tax cuts and bonuses to stimulate private consumption, in addition to a salary increase for public sector employees, to stimulate the domestic economy. It is estimated that private consumption will increase by 5.5% in 2002, given a higher income from the improvement in the economy.

(Source: Economic Report 2001/2002 as published by the Ministry of Finance)

Recognising the importance of developing an efficient and modern food products industry, the Government has formulated strategies and programmes to facilitate the development of the industry.

(Source: Eighth Malaysia Plan 2001 – 2005)

9. RISK FACTORS OF THE PROPOSED ACQUISITIONS

9.1 Business risks

PVOB and its subsidiary companies (“Group”) are exposed to certain risks inherent in the speciality fats industry. These include, inter-alia, availability of adequate workforce and fluctuation in the prices of raw materials, increases in salary costs, technological changes, changes in the general economic, business and credit conditions, changes in consumer’s taste, interest rate and exchange rate fluctuations and changes in the legal and environmental framework within which the industry operate. Although the Group seeks to limit these risks through inter-alia, employment of the latest technology and continuous research on product development, no assurance can be given that any change in these factors will not have a material effect on the Group’s business.

9.2 Competition

The Group faces competition from various competitors in the speciality fats sector, which include private and public listed companies. No assurance is given that the Group will be able to maintain its market share upon completion of the restructuring exercise. Nevertheless, the management of the Group believe that the Group is in a position to compete with these competitors based on its competitive edge including, its long standing relationships with its suppliers and customers, continual commitment to technology and the barrier to entry in speciality fats in respect of technical expertise and the need for significant investment in technological equipment and undertake research and development. In particular, the Group have strong brand loyalty among its customers as the products have been in the market for more than 8 years.

9.3 Dependence on Key Personnel

The Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing Executive Directors and senior management personnel who have been in the speciality fats industry for an average of more than 8 years. The loss of any of the Group’s Directors or key members of the Group’s senior management could adversely affect the Group’s continued ability to compete. A comprehensive human resource policy have been adopted in grooming other members of management team in key management areas to ensure that they will be provided with the necessary experience and exposure to gradually assume senior positions.

9.4 Exchange Rate Risk

The main raw materials to PVOB are palm kernel, palm oil and coconut oil. Their prices are linked to the international market but are traded locally in Ringgit Malaysia whereas the products manufactured for export by PVOB are sold in United States of America Dollars (“USD”). The crude palm oil is traded on the Kuala Lumpur Commodity Exchange and the fluctuation of its price is determined by the forces of supply and demand.

PVOB's speciality oils products are mainly sold to more than 49 countries overseas and its exports are denominated in USD. Hence, PVOB is exposed to exchange rate fluctuation.

However, since the Ringgit Malaysia has been pegged to the USD at USD1.00 equivalent to RM3.80, the exchange rate risks for PVOB is minimised.

9.5 Political, Economic and Regulatory Considerations

Like all other business entities, adverse developments in political, economic and regulatory conditions in Malaysia and the South East Asia region could unfavourably affect the financial position and business prospects of the Group. Other political uncertainties that could unfavourably affect the Group include changes in political leadership, risk of war, expropriation, nationalisation, re-negotiation or nullification of existing contracts, and changes in interest rates, methods of taxation and currency exchange rules and contracts.

Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic factors will not materially affect the Group.

10. EFFECTS OF THE PROPOSALS

10.1 Share capital

The effects of the Proposed Share Exchange, the Proposed Debt Settlement and the Proposed Acquisition on the issued and paid-up share capital of PNB are set out in Table 5 herein.

The Proposed Listing Transfer and the Proposed OFS will not have any effect on the share capital of PNB.

10.2 Earnings

The Proposals will not have any material effect on the earnings of PNB for the financial year ending 31 December 2002 as the Proposals are only expected to be completed in the financial year ending 31 December 2003. However, upon completion, the Proposals are expected to contribute positively to the future earnings of PNB.

10.3 Net tangible assets ("NTA")

The proforma effects of the Proposed Share Exchange, the Proposed Debt Settlement and the Proposed Acquisition on the NTA of PNB are set out in Table 6 herein.

The Proposed Listing Transfer and the Proposed OFS will not have any effect on the NTA of PNB.

10.4 Substantial shareholding structure

The proforma effects of the Proposals on the shareholding structure of PNB will be provided at a later date upon finalisation of the quantum and structure of the Proposed OFS.

11. PROPOSED WAIVER

Upon completion of the Proposals, the vendors of PVOB are expected to own more than 33% in the enlarged share capital of PNB and accordingly would be required to extend a mandatory offer for all the remaining shares in PNB not already owned by them pursuant to Part II of the Malaysian Code on Take-Overs and Mergers, 1998 (“Code”). In this respect, the vendors of PVOB intend to apply to the SC for an exemption/waiver from a mandatory take-over obligation under Practice Note 2.9.3 of the Code (exemption under rescue operation).

12. PROPOSED EXEMPTION FROM MORATORIUM

The Policies and Guidelines on Issue/Offer of Securities issued by the SC (“SC’s Guidelines”) on Reverse Take-Over/Back-Door Listing, states, amongst others, that a moratorium shall be imposed on 50% of the consideration shares to be received by the vendors of the assets/businesses/interests to be injected.

In relation thereto, the vendors of PVOB will seek an exemption from the SC from having to comply with the abovementioned requirement.

13. APPROVALS REQUIRED

The Proposals require inter-alia, the following approvals:

- (i) the SC for the Proposals, the listing of and quotation for the entire issued and paid-up share capital of PNB on the KLSE and the Proposed Waiver;
- (ii) Danaharta and the secured creditors, if any, for the Workout Proposal pursuant to Section 46(4)(b) of the Danaharta Act;
- (iii) the FIC and MITI for the Proposed Share Exchange, Proposed Debt Settlement, Proposed Acquisition and Proposed OFS;
- (iv) the KLSE for the Proposed Listing Transfer and the listing of and quotation for the entire issued and paid-up share capital in PNB on the Second Board of the KLSE and ;
- (v) other relevant authorities, if any.

14. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors of BHB and/or substantial shareholders and persons connected with them has any interest, direct or indirect, in the Proposals.

15. DEPARTURE FROM THE SC GUIDELINES

The Proposals have not departed from the SC Guidelines.

16. SA's RECOMMENDATION

The SA, having taken into consideration all aspects of the Proposals, are of the opinion that the Proposals are in the best interest of the Company and its shareholders.

17. ADVISER

PMBB has been appointed as adviser to BHB for the Proposals.

18. APPLICATION TO THE AUTHORITIES

Barring unforeseen circumstances, applications to the relevant authorities for the Proposals will be submitted within two (2) months from the date of this announcement.

19. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the required approvals, the Proposals are expected to be completed within nine (9) months from the date of execution of the SSA.

20. INSPECTION OF DOCUMENTS

The SSA dated 13 August 2002 is available for inspection at the office of the SA at Business Suite 19A-30-2, Level 30, UOA Centre, No.19, Jalan Pinang, 50450 Kuala Lumpur during office hours for a period of 14 days from the date hereof.

Table 1 List of Principal Vendors

	Name	No. of PVOB Shares held	Percentage of shares (%)
1	National Land Finance Co-operative Society Ltd.	15,503,685	28.26
2	Sunworth Corporation Sdn Bhd	10,623,250	19.36
3	Forad Management Sdn Bhd	4,635,000	8.45
4	Picavest Sdn Bhd	4,488,750	8.18
5	Tan Sri Dato' Dr. K.R. Somasundram	3,575,001	6.52
6	Dutavest (M) Sdn Bhd	3,033,276	5.53
7	Pica (M) Corporation Berhad	2,772,413	5.05
8	Datuk Sahadivanaidu a/l Baliah	200,000	0.36
9	Kili Anandaraj a/l K.R. Somasundram	10,000	0.02
10	Subramaniam a/l Seenivasagam	10,000	0.02
11	Dharshan Ganeson	250,000	0.45
12	U R Sahasranamam	50,000	0.09
13	Munisamy a/l Thamburan	25,000	0.05
14	Atul Kumar Agarwal	11,000	0.02
15	Patapal Naidu a/l Iyaw Naidu	10,000	0.02
		45,197,375	82.38

Table 2 List of Signing Vendors

	Name	No. of PVOB Shares held	9 Percentage of shares (%)
1	Bank Kerjasama Rakyat Malaysia Berhad	1,650,000	3.01
2	HSBC Nominees (Asing) Sdn Bhd	1,170,000	2.13
3	Oriental Development Finance Ltd	1,000,000	1.82
4	Kenneth Teh Ah Kiam	536,250	0.97
5	Shakti Limited	400,000	0.73
6	S. Sunder & Sons Limited	415,000	0.76
7	Kili Rathnaraj a/l K.R. Somasundram	100,000	0.18
8	Dato' P. Balaram	1,138,500	2.08
9	Su Ming Keat	1,030,000	1.87
10	Ramier Sankararaman	25,000	0.05
		7,464,750	13.60

Table 3 List of Other Vendors

	Name	No. of PVOB Shares held	Percentage of shares (%)
1	Ahmad Khairi bin Ismail	200,000	0.36
2	Aianarappan a/l/ Mariappan Mudaliar	198,750	0.36
3	Jeraman @ Jayaraman s/o Nathan	107,250	0.20
4	Arjunan s/o Govindaraju	73,125	0.13
5	Sivadas a/l P.E.S Kumar	186,000	0.33
6	Alex Joseph a/l Maria Arputham	100,000	0.18
7	Kunasagara a/l Nagamuthu	100,000	0.18
8	Vengadesan a/l Palanisamy	100,000	0.18
9	Appadurai a/l Sinnasamy	50,000	0.09
10	Chandra Kumar a/l Surianarayanan	50,000	0.09
11	Muthuvelu a/l Thangavelu	50,000	0.09
12	Paidanaidu a/l Kala Ramasamy	50,000	0.09
13	Nadesan a/l Muniandy	40,000	0.07
14	Retna Rajah a/l S. Ampalavanar	30,000	0.05
15	Jeyaseelan a/l Annamalay	30,000	0.05
16	Krishnan a/l Chinapan	30,000	0.05
17	Rajagopal a/l S. Krishnan	30,000	0.05
18	Dato' Sundram @ Nagendaran a/l Muthaya	30,000	0.05
19	Thevasagayam a/l E.A. Joseph	25,000	0.05
20	Jeyachandran a/l V.Jeyaram	25,000	0.05
21	Kailainathan a/l Munusamy	20,000	0.04
22	Kamalanathan a/l Periasamy	20,000	0.04
23	Marimuthu a/l Thangaveloo	20,000	0.04
24	Subramaniam a/l Nalaiah	20,000	0.04
25	Twa Raju @ Thurairajoo a/l Periasamy	20,000	0.04
26	Aminah binti Mohamed	15,000	0.03
27	Ranjit a/l Charles Amarasuriya	15,000	0.03
28	Easparan a/l Subrayan Chetty	15,000	0.03
29	Kathiresan a/l Narayanan	15,000	0.03
30	Kuppusamy @ Gengan a/l Palayan	15,000	0.03
31	Mahmood bin Md Salleh	15,000	0.03

	Name	No. of PVOB Shares held	Percentage of shares (%)
32	Nantakumar a/l M. Rajoo	15,000	0.03
33	Sashindran Seth a/l K. Sethuraman	15,000	0.03
34	Serjit Kaur a/p Munsha Singh	15,000	0.03
35	Rajarem @ Rajaram a/l Achilingam	10,000	0.02
36	Anantharao a/l Vengadapathy	10,000	0.02
37	Chendera Deby a/p Dorisamy	10,000	0.02
38	Debikant Jha	10,000	0.02
39	Eh Suk a/l Cha Bong	10,000	0.02
40	Ganesan a/l Govindasamy	10,000	0.02
41	Jayaletchery a/l Renganathan	10,000	0.02
42	Loganathan a/l Kalithan @ Kaliathan	10,000	0.02
43	Sadasivam a/l Kupusamy	10,000	0.02
44	Karuppiah a/l Nagappan	10,000	0.02
45	Kesavan a/l Veran	10,000	0.02
46	Kokilaranie a/p S. Rajoo	10,000	0.02
47	Mursidah Farvin binti M Haja Mohideen	10,000	0.02
48	Gopala Krishnan a/l V. Renganathan	10,000	0.02
49	Ramasamy a/l Velusamy	10,000	0.02
50	Ramesh a/l Iyavoo	10,000	0.02
51	Siti Zaiton binti Zainal Sankaran	10,000	0.02
52	Sobar a/p V. Perumal	10,000	0.02
53	Supramaniam a/l Nadason	10,000	0.02
54	Balakrishnan a/l Thirumal @ Tirumalai	10,000	0.02
55	Tamilarasy a/p Sivalingam	10,000	0.02
56	Thurairaja a/l K. Thangarajoo	10,000	0.02
57	Vadivelo a/l Veerappan	10,000	0.02
58	Wan Salbiyah binti Wan Ismail	10,000	0.02
59	Supramaniam a/l Ramasamy	10,000	0.02
60	Siva Sakthyvel a/l Arjunan	8,250	0.01
61	Abd. Ghani bin Abdullah	8,000	0.01
62	Nithiyanda Vel a/l Arjunan	8,000	0.01
63	Abbey a/l A.J. Samuel	7,000	0.01
64	Karunanithi a/l Kadappan	7,000	0.01
65	Sivadas a/l Muthusamy	7,000	0.01
66	Dilip Kanighat	6,000	0.01
67	Anantharajah a/l S. Thambirajah	5,000	0.01
68	Chelvamalar a/p Cumurasamy	5,000	0.01
69	Ramasamy a/l Gengan @ Gopal	5,000	0.01
70	Ganesan a/l/ Krishnan	5,000	0.01
71	Jagathesa Rao a/l Appasamy	5,000	0.01
72	Kaliany a/p A. Sagathavan	5,000	0.01
73	M. J. I. Lourdes a/l D. Gnanapragasam	5,000	0.01
74	Mageswari a/p Ramalingam	5,000	0.01
75	Manoharan a/l V Kaniah	5,000	0.01
76	Michael a/l Joseph	5,000	0.01
77	Mohamad Azid bin Rahmat	5,000	0.01
78	Munniandie @ Ganesan a/l Erruson @ Irusen	5,000	0.01
79	Appanah a/l Samdram	5,000	0.01
80	Nagapan a/l Rajoo	5,000	0.01
81	Nor Thalwa binti Abdul Kadir	5,000	0.01
82	Polammah a/p Ravanalah	5,000	0.01
83	S.G. Arasu a/l Ganesan	5,000	0.01
84	Santhanamary @ Ceceilia a/p C. Anthony	5,000	0.01
85	Sivaraj a/l Ramasamy	5,000	0.01
86	Subramaniam a/l Sellam	5,000	0.01
87	Susela Devi a/p M Sanagaralingam	5,000	0.01

	Name	No. of PVOB Shares held	Percentage of shares (%)
88	Tanalachimi a/p Karuppiyah	5,000	0.01
89	Thana Lakshmi a/p Dhanapalu	5,000	0.01
90	Yuslinda binti Md. Ajid	5,000	0.01
91	Zaleha binti Buang	5,000	0.01
92	Novomany a/p Ponniah	3,000	0.01
93	Renugadevi a/p Kanthasamy	3,000	0.01
94	Tuzannah binti Saion	3,000	0.01
95	Annaha binti Ibrahim	2,000	*
96	Kanagambigai a/p Devarajoo	2,000	*
97	Loo Min Wai	2,000	*
98	Malathi a/p Vengadasen	2,000	*
99	Rejenikanthen a/l Ramakrishnan	2,000	*
100	Sagthi a/p Kaliappan	2,000	*
101	Applanaidu a/l Kaniah	1,000	*
102	Ayer Jairam Viswanath	1,000	*
103	Azlina Fairuz binti Anuar	1,000	*
104	Bala a/l Sannasi	1,000	*
105	Chandra Mathi a/p Ramachandram	1,000	*
106	Kathiravelu a/l Muthusamy	1,000	*
107	Latha a/p Avadiappan	1,000	*
108	Letchumy a/p P. Saminathan	1,000	*
109	M Suppaya a/l Madasamy	1,000	*
110	Mahamayee a/p Periyah	1,000	*
111	Muthukumarasamy a/l Krishna Padayachi	1,000	*
112	Ramasamy a/l Munisamy	1,000	*
113	Sivaramayah a/l Sivalingam	1,000	*
		2,200,375	4.02

* *negligible as the shareholding is less than 0.01%*

Table 4: Key financial information of PVOB for the past five (5) financial years ended 31 December 2001 based on audited accounts

	Financial year ended 31 December				
	1997	1998	1999	2000	2001 [^]
Turnover (RM'000)	240,963	364,715	302,838	225,553	208,913
Profit before taxation (RM'000)	9,775	6,004	8,307	12,089	7,002
Taxation (RM'000)	-	-	-	-	(500)
Profit after taxation (RM'000)	9,775	6,004	8,307	12,089	6,502
No. of shares in issue ('000)	39,900	39,900	39,900	39,900	39,900
NTA (RM'000)	57,828	60,916	60,370	71,262	85,738
NTA per share (RM)	1.45	1.53	1.51	1.79	2.15
Borrowings (RM'000) #	42,771	47,043	65,616	67,189	65,144
Shareholders' funds (RM'000)	57,828	60,916	60,370	71,262	85,755
Gearing ratio (times)	0.74	0.77	1.09	0.94	0.76
Gross dividend (%)					
- Ordinary	5	6	6	3	5
- Cumulative Redeemable Preference Shares 'D' (p.a.)	9.5	*	*	-	-

Notes:

- i) * *Dividend declared for the followings periods were as follows:-*
- | | |
|---------------------------|-------------------|
| <i>1/1/98 to 30/6/98</i> | <i>11.0% p.a</i> |
| <i>1/7/98 to 31/12/98</i> | <i>12.0% p.a</i> |
| <i>1/1/99 to 28/6/99</i> | <i>12.0% p.a.</i> |
- ii) ^ *Consolidated results of the PVOB Group (comprising PVOB, MSSB and PFSB)*
- iii) # *Inclusive of cumulative redeemable preference shares and unsecured convertible redeemable loan stocks held by the shareholders of PVOB*
- iii) *There are no group results for the financial years ended 31 December 1997 to 2000 as PVOB acquired MSSB and PFSB during the financial year ended 31 December 2001*

Table 5: Effects of the Proposals on the share capital of PNB

	No. of Shares in PNB
Existing issued and paid-up share capital	*
To be issued pursuant to:	
- the Proposed Share Exchange	2,000,000
- the Proposed Debt Settlement	62,000,000
- the Proposed Acquisition	273,000,000
Enlarged issued and paid-up share capital	337,000,000

* *subscriber's shares*

Table 6: Effects of the Proposals on the NTA of PNB

	Existing RM'000	(I) After the Proposed Share Exchange RM'000	(II) After (I) and the Proposed Debt Settlement RM'000	After (II) and the Proposed Acquisition RM'000
Share capital	-	1,000	32,000	168,500
Reserves	-	-	-	-
Accumulated profit/(loss)	-	-	-	-
Shareholders' funds	-	1,000	32,000	168,500
Goodwill	-	-	(31,000)	(81,745)
NTA	-	1,000	1,000	86,755
NTA per share of RM0.50 each (RM)	-	0.50	0.02	0.26

(Note: The proforma effects above are subject to verification by the Reporting Accountants)

Table 7: The PNB Group Structure after The Proposals

