

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT THE EGM OF ANN JOO HELD ON 22 DECEMBER 2000

The following ordinary resolution was passed at the EGM of the Company held on 22 December 2000.

ORDINARY RESOLUTION – PROPOSED RIGHTS ISSUE

PROPOSED RIGHTS ISSUE OF UP TO 92,098,490 NEW ORDINARY SHARES OF RM1.00 EACH IN ANN JOO RESOURCES BERHAD ("ANN JOO") TOGETHER WITH UP TO 92,098,490 DETACHABLE WARRANTS 2001/2006 ON THE BASIS OF ONE (1) NEW ORDINARY SHARE PLUS ONE (1) WARRANT 2001/2006 FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD ON A DATE AND AT A PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE")

"THAT, subject to the requisite further approval being obtained from the Securities Commission, and from any other relevant authorities for the Proposed Rights Issue and the Kuala Lumpur Stock Exchange ("KLSE") and any other relevant authorities for the listing of and quotation for all the new ordinary shares and warrants to be issued pursuant thereto,

- (a) The Directors of the Company be authorised to increase the issued share capital of the Company by issuing up to 92,098,490 new ordinary shares of RM1.00 each ("Rights Shares"), by way of renounceable provisional allotment to the registered shareholders of the Company whose names appear on the Record of Depositors at the close of business on an entitlement date to be determined by the Directors, on the basis of one (1) Rights Share for every two (2) existing ordinary shares held, at an issue price to be determined and announced at a later date, which is payable in full upon acceptance, subject to a maximum discount of twenty percent (20%) to the five (5)-day weighted average market price of the shares in Ann Joo until and including a date immediately preceding the price fixing date and on such other terms and conditions as the Directors may determine;
- (b) The Directors of the Company be authorised to issue up to 92,098,490 new Warrants 2001/2006 in Ann Joo ("Rights Warrants") together with the Rights Shares free of charge, in registered form and constituted by a Deed Poll, on the basis of one (1) Rights Warrant for every one (1) Rights Share to be issued, where each Rights Warrant entitles the holder thereof at any time during the subscription period commencing on and including the date of issue of the Rights Warrants and expiring five (5) years later, to subscribe for one (1) new ordinary share of RM1.00 each in the Company at the subscription price to be determined and announced at a later date subject to a maximum discount of ten percent (10%) to the theoretical ex-rights price of the shares in Ann Joo determined based on the five (5)-day weighted average market price of the shares in Ann Joo until and including a date immediately preceding the price fixing date, subject to any adjustments to the subscription price in accordance with the provisions of the Deed Poll;
- (c) The Directors be authorised to issue such Rights Shares and Rights Warrants as may be required to give effect to the Proposed Rights Issue including, to any persons entitled on renunciation of a provisional allotment;
- (d) The Directors be authorised to allot and issue such shares in the Company as are required to be issued pursuant to any exercise of any such Rights Warrants (including, any arising from any adjustments to their number under the provisions of the Deed Poll) and that fractional Rights Shares and Rights Warrants arising from the Proposed Rights Issue and any Rights Shares and Rights Warrants not accepted by the registered shareholders of Ann Joo and/or their renounees are to be dealt with on such terms and conditions and at such time as the Board may at its discretion deem fit and expedient;
- (e) The new ordinary shares of RM1.00 each so issued and allotted pursuant to the Proposed Rights Issue or the exercise of the Rights Warrants will rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividend, rights, allotments and/or other distribution, unless the allotment of new ordinary shares were made prior to the entitlement date; and

- (f) The Directors of the Company be and are hereby authorised to give effect to the aforesaid with full power to assent to any modification, variation and/or amendment as may be imposed by relevant authorities as may be required, including, the number of ordinary shares and/or warrants which a shareholder is entitled to subscribe under the Proposed Rights Issue relative to the existing shares held to deal with fractional shares and/or warrants arising from the Proposed Rights Issue and to take all steps and to enter all such agreements, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties as may be required in order to implement, finalise and give full effect to the said Proposed Rights Issue."

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APPENDIX II**INFORMATION ON ANN JOO****1. HISTORY AND BUSINESS**

Ann Joo was incorporated in Malaysia under the Companies Act, 1965 on 19 December 1995 as a private limited company under the name of Ann Joo Resources Sdn. Bhd.. Subsequently, it was converted into a public limited company on 14 March 1996 and assumed the present name of Ann Joo Resources Berhad. On 26 November 1996, Ann Joo was listed on the Main Board of the KLSE.

The principal activity of the Company is that of an investment holding company and property management. Its subsidiaries and associated companies are mainly involved in the steel related sectors encompassing both manufacturing and trading activities. Its manufacturing arm is involved in the hot rolling of long products mainly of steel sections, round and deformed bars, cast iron products, the shearing and slitting of flat products and precision metal stamping activities. Its trading arm is involved in stocking and trading of ferrous as well as non-ferrous products for the construction sector, the oil and gas sector and the engineering sector among others.

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of Ann Joo as at 6 June 2001 are as follows:-

	RM
Authorised	
500,000,000 Shares	500,000,000
Issued and paid-up	
168,060,000 Shares	168,060,000

Details on the changes in the issued and paid-up share capital of Ann Joo since incorporation are as follows:-

Date of Allotment	No. of Shares allotted	Par value RM	Type of issue	Issued and paid-up share capital (cumulative) RM
19.12.1995	2	1.00	Cash	2
09.09.1996	41,186,589	1.00	Shares issued at RM1.2557 per Share for the acquisition of land and buildings	41,186,591
10.09.1996	90,470,475	1.00	Shares issued at RM1.2557 per Share for the acquisition of AJT, AJM, AJS, ASI, ASSC and API	131,657,066
19.11.1996	20,230,934	1.00	Initial public offering at RM2.00 per Share	151,888,000
24.12.1998	56,000	1.00	ESOS	151,944,000
06.01.1999	20,000	1.00	ESOS	151,964,000
25.01.1999	100,000	1.00	ESOS	152,064,000
04.02.1999	3,000	1.00	ESOS	152,067,000
06.05.1999	9,000	1.00	ESOS	152,076,000
19.05.1999	38,000	1.00	ESOS	152,114,000

Date of Allotment	No. of Shares allotted	Par Value RM	Type of issue	Issued and paid-up share capital (cumulative) RM
04.06.1999	10,000	1.00	ESOS	152,124,000
22.06.1999	127,000	1.00	ESOS	152,251,000
05.07.1999	100,000	1.00	ESOS	152,351,000
19.07.1999	249,000	1.00	ESOS	152,600,000
06.08.1999	18,000	1.00	ESOS	152,618,000
19.08.1999	5,000	1.00	ESOS	152,623,000
06.09.1999	2,000	1.00	ESOS	152,625,000
20.09.1999	2,000	1.00	ESOS	152,627,000
05.10.1999	12,000	1.00	ESOS	152,639,000
20.10.1999	25,000	1.00	ESOS	152,664,000
03.12.1999	1,000	1.00	ESOS	152,665,000
17.01.2000	31,000	1.00	ESOS	152,696,000
20.01.2000	42,000	1.00	ESOS	152,738,000
14.02.2000	202,000	1.00	ESOS	152,940,000
21.02.2000	132,000	1.00	ESOS	153,072,000
08.03.2000	460,000	1.00	ESOS	153,532,000
22.03.2000	320,000	1.00	ESOS	153,852,000
10.04.2000	518,000	1.00	ESOS	154,370,000
21.04.2000	212,000	1.00	ESOS	154,582,000
12.05.2000	48,000	1.00	ESOS	154,630,000
30.05.2000	44,000	1.00	ESOS	154,674,000
14.06.2000	27,000	1.00	ESOS	154,701,000
30.06.2000	51,000	1.00	ESOS	154,752,000
10.07.2000	462,000	1.00	ESOS	155,214,000
19.07.2000	309,000	1.00	ESOS	155,523,000
10.08.2000	22,000	1.00	ESOS	155,545,000
25.08.2000	15,000	1.00	ESOS	155,560,000
12.09.2000	31,000	1.00	ESOS	155,591,000
27.09.2000	10,000	1.00	ESOS	155,601,000
09.10.2000	18,000	1.00	ESOS	155,619,000
24.10.2000	13,000	1.00	ESOS	155,632,000
10.11.2000	3,000	1.00	ESOS	155,635,000
24.11.2000	12,400,000	1.00	Private Placement	168,035,000
27.11.2000	3,000	1.00	ESOS	168,038,000
02.01.2001	9,000	1.00	ESOS	168,047,000
26.02.2001	13,000	1.00	ESOS	168,060,000

3. BOARD OF DIRECTORS

The Directors of Ann Joo, all of whom are Malaysians, and their respective shareholding interests in Ann Joo according to the Register of Directors and Directors' Shareholdings as at 6 June 2001 before and after the Rights Issue are as follows:-

Name	Age	Occupation	Address	(i) As at 6 June 2001			(ii) After the Rights Issue			(iii) After (i) and the full exercise of the Rights Warrants		
				No. of Shares held	%	Indirect	No. of Shares held	%	Indirect	No. of Shares held	%	Indirect
Lim Seng Chee ^v	68	Executive Chairman	No. 62, Jalan 5/60 460000 Petaling Jaya Selangor Darul Ehsan	1,163,000	0.69	ⁱ 95,090,435	56.58	0.69	ⁱ ^{vi} 142,635,653	2,326,000	0.69	ⁱ 190,180,870
Lim Seng Qwee ^v	62	Deputy Executive Chairman	No. 11A, Jalan Permata 7/1 41000 Shah Alam Selangor Darul Ehsan	1,201,099	0.71	ⁱⁱ 95,090,435	56.58	0.71	ⁱⁱ ^{vi} 142,635,653	2,402,198	0.71	ⁱⁱ 190,180,870
Lim Kiam Lam ^v	49	Group Managing Director	No. 62, Jalan 5/60 46000 Petaling Jaya Selangor Darul Ehsan	352,000	0.21	ⁱ 95,090,435	56.58	0.21	ⁱ ^{vi} 142,635,653	704,000	0.21	ⁱ 190,180,870
Lim Sin Seong ^v	45	Company Director	No. 59, Jalan 17/33 46400 Petaling Jaya Selangor Darul Ehsan	-	-	ⁱⁱⁱ 95,090,435	56.58	-	ⁱⁱⁱ ^{vi} 142,635,653	-	-	ⁱⁱⁱ 190,180,870
Toh Tuan Sun ^v	50	Company Director	No. 30, Jalan SS3/80 47300 Petaling Jaya Selangor Darul Ehsan	920,163	0.55	-	-	0.55	-	1,840,326	0.55	-
Tan Sri Zulkifli Bin Mahmood	64	Company Director	17 SS1/38 SEA Park 47300 Petaling Jaya Selangor Darul Ehsan	-	-	-	-	-	-	-	-	-
Dato' Ong Kim Hoay	67	Company Director	595 Lorong 17/18A 46400 Petaling Jaya Selangor Darul Ehsan	10,000	*	-	-	*	-	20,000	*	-
Mohd Alkaf Bin Mohd Kahar	53	Company Director	Lot 307 (No. 2A) Lorong Bayu Nyaman B Country Heights Sungai Ramal 43000 Kajang Selangor Darul Ehsan	110,000	0.07	^{iv} 840,970	0.50	0.07	^{iv} 1,261,455	220,000	0.07	^{iv} 1,681,940
Haidar Ali Bin Haji Sheikh Fadzir	40	Company Director	83 Taman Pinggiran Ukays Ampang, Ulu Kelang 68000 Ampang Selangor Darul Ehsan	-	-	-	-	-	-	-	-	-

Notes:-

* Negligible.

ⁱ Deemed interested through their substantial shareholdings in Lim Seng Chee & Sons Sdn. Bhd. which in turn has a substantial shareholding in AJC.

ⁱⁱ Deemed interested through his substantial shareholding in LSQ & Sons Sdn. Bhd. which in turn has a substantial shareholding in AJC.

ⁱⁱⁱ Deemed interested through his substantial shareholding in Lim Sin Seong Sdn. Bhd. which in turn has a substantial shareholding in AJC.

^{iv} Deemed interested through his substantial shareholding in Pandu Sinar Sdn. Bhd. which holds the Shares in Ann Joo.

^v The above does not take into account the proforma effects of the Directors exercising their ESOS Options to subscribe for the remaining Shares entitled to them under the ESOS, if applicable.

^{vi} The above assumes that United Hardware Holdings Sendirian Berhad, a company in which Lim Seng Chee, Lim Kiam Lam, Lim Seng Qwee and Lim Sin Seong are deemed interested, only subscribes to its entitlement to the Rights Issue and the portion of its undertaking to subscribe for Rights Shares via excess share application is assumed not required (please refer to Section 9 of this Abridged Prospectus for details on the undertaking by United Hardware Holdings Sendirian Berhad under the Rights Issue).

4. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Ann Joo and their respective shareholdings in Ann Joo before and after the Rights Issue as at 6 June 2001 are as follows:-

Name	As at 6 June 2001			(i) After the Rights Issue			(ii) After (i) and the full exercise of the Rights Warrants		
	Direct		No. of Shares held	Indirect		No. of Shares held	Direct		No. of Shares held
	Shares held	%		Shares held	%		Shares held	%	
AJC	93,872,098	55.86	^{*i} 1,218,337	0.72	140,808,147	55.86	^{*i, *iii} 1,827,506	0.72	^{*i} 2,436,674
Aseania Industries Sdn. Bhd.	750,000	0.45	^{*ii} 7,742,703	4.61	1,125,000	0.45	^{*ii} 11,614,055	4.61	^{*ii} 15,485,406
Macroflex Sdn. Bhd.	4,776,876	2.84	-	-	7,165,314	2.84	-	-	-
Lim Seng Chee ^{*iii}	1,163,000	0.69	^{*iii} 95,090,435	56.58	1,744,500	0.69	^{*iii} 142,635,653	56.58	^{*iii} 190,180,870
Lim Seng Qwee ^{*iv}	1,201,099	0.71	^{*iv} 95,090,435	56.58	1,801,649	0.71	^{*iv} 142,635,653	56.58	^{*iv} 190,180,870
Lim Kiam Lam ^{*iii}	352,000	0.21	^{*iii} 95,090,435	56.58	528,000	0.21	^{*iii} 142,635,653	56.58	^{*iii} 190,180,870
Lim Sin Seong ^{*iii}	-	-	^{*v} 95,090,435	56.58	-	-	^{*v} 142,635,653	56.58	^{*v} 190,180,870
Lim Seng Chee & Sons Sdn. Bhd.	-	-	^{*vi} 95,090,435	56.58	-	-	^{*vi} 142,635,653	56.58	^{*vi} 190,180,870
LSQ & Sons Sdn. Bhd.	-	-	^{*vi} 95,090,435	56.58	-	-	^{*vi} 142,635,653	56.58	^{*vi} 190,180,870
Lim Sin Seong Sdn. Bhd.	-	-	^{*vi} 95,090,435	56.58	-	-	^{*vi} 142,635,653	56.58	^{*vi} 190,180,870
Dato' Soo Lai Sing	3,230,000	1.92	2,680,668	1.60	4,845,000	1.92	4,021,002	1.60	5,361,336

Notes:-

^{*i} Deemed interested via its substantial shareholding in United Hardware Holdings Sendirian Berhad.

^{*ii} Held through Alliance Merchant Nominees (Tempatan) Sdn. Bhd. (formerly known as Amanah Merchant Nominees (Tempatan) Sdn. Bhd.).

^{*iii} Deemed interested through their substantial shareholdings in Lim Seng Chee & Sons Sdn. Bhd. which in turn has a substantial shareholding in AJC.

^{*iv} Deemed interested through his substantial shareholding in LSQ & Sons Sdn. Bhd. which in turn has a substantial shareholding in AJC.

^{*v} Deemed interested through his substantial shareholding in Lim Sin Seong Sdn. Bhd. which in turn has a substantial shareholding in AJC.

^{*vi} Deemed interested through their substantial shareholdings in AJC.

^{*vii} The above does not take into account the proforma effects of these individuals who are Executive Directors of the Company from exercising the ESOS Option to subscribe for the remaining Shares entitled to them under the ESOS, if applicable.

^{*viii} The above assumes, that United Hardware Holdings Sendirian Berhad, a company in which AJC is deemed interested, only subscribes to its entitlement to the Rights Issue and the portion of its undertaking to subscribe for Rights Shares via excess share application is assumed not required (please refer to Section 9 of this Abridged Prospectus for details on its undertaking under the Rights Issue).

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of the subsidiaries and associated companies of Ann Joo as at 6 June 2001 are as follows:-

Name	Place and date of incorporation	Effective equity interest %	Par value RM	Issued and paid-up share capital RM	Principal Activities
Subsidiary Companies					
AJT	Malaysia; 13.01.1981	100.00	1.00	3,000,020	Supplier of steel and non-steel building and construction materials
AJM	Malaysia; 02.04.1993	100.00	1.00	8,000,000	Trading in hardware and steel materials and non-ferrous products for mechanical and engineering works
AJS	Malaysia; 13.10.1988	100.00	1.00	1,306,000	Trading in hardware and steel materials
ASI	Malaysia; 09.12.1976	100.00	1.00	50,000,000	Manufacturing, sales and distribution of steel and iron products
Saga Makmur Sdn. Bhd.	Malaysia; 29.01.1991	100.00	1.00	10,000	Dormant
SMI	Malaysia; 16.10.1996	51.00	1.00	5,000,000	Steel bar service centre
ASSC	Malaysia; 07.09.1987	60.00	1.00	8,600,000	Steel service centre
API	Malaysia; 24.10.1989	59.12	1.00	15,050,000	Manufacturing and trading of precision press parts and related products
AJE Best-On Sdn. Bhd. ^{*i}	Malaysia; 02.10.1973	100.00	1.00	1,200,000	Trading in steel and iron products and building and construction materials
Lian Tiong Steel Fabrication & Civil Engineering Sdn. Bhd. ^{*ii}	Malaysia; 05.09.1983	100.00	1.00	181,411	Letting of property
ACI ^{*iii}	Malaysia; 12.04.1984	100.00	1.00	3,500,000	Manufacturing and trading of cast iron related products
Associate Companies					
ACSAN ^{*v}	Malaysia; 07.07.1999	42.00	1.00	15,000,000	Slitting and shearing of hot-rolled sheets/coil
Daian Technical Industries Sdn. Bhd. ^{*iv}	Malaysia; 02.08.1995	21.28	1.00	5,000,000	Manufacturing of die tooling
Malayawata	Malaysia; 10.10.1961	30.03	1.00	201,583,701	Integrated steel mill, property investment holding and cultivation of oil palm and sale of its related products

Notes:-

^{*i} Held through AJM.

^{*ii} Held through AJS.

^{*iii} Held through ASI.

^{*iv} Held through API

^{*v} The Company is in the process of disposing five percent (5.0%) equity interest in ACSAN to a third party buyer.

6. SUMMARY OF FINANCIAL DATA

A summary of the Group's consolidated results based on the audited accounts of Ann Joo for the past five (5) financial years ended 31 December 2000 is as follows:-

	Audited Financial Year ended 31 December				
	1996 RM'000	*ii 1997 RM'000	*iii 1998 RM'000	1999 RM'000	2000 RM'000
Turnover	432,532	409,459	240,287	237,987	356,750
Operating profit	31,004	36,600	12,730	24,929	29,991
Earnings before interest, depreciation, taxation and amortisation	50,507	50,444	26,691	36,789	42,670
Interest expense	(8,487)	(5,615)	(6,941)	(3,087)	(4,275)
Depreciation	(7,024)	(7,899)	(8,876)	(8,527)	(10,772)
Amortisation	(400)	(403)	(409)	(379)	(359)
Profit before taxation and minority interest	34,596	36,527	10,465	24,796	27,264
Taxation	(6,731)	(7,190)	(4,795)	29	(9,786)
Profit after taxation	27,865	29,337	5,670	24,825	17,478
Minority interests	37	257	450	553	(1,320)
Profit after taxation and minority interests	27,902	29,594	6,120	25,378	16,158
Pre-acquisition profit	(3,113)	-	-	-	-
Extraordinary item	-	-	-	-	*vii(15,571)
Profit after taxation, minority interest and extraordinary items	24,789	29,594	6,120	25,378	587
No. of Shares in issue ('000)	151,888	151,888	151,944	152,665	168,038
Weighted average number of Shares in issue ('000)	151,888	151,888	151,889	152,343	155,954
Net EPS (sen) *	16.3	19.5	4.0	16.7	0.4
NTA (RM'000)	222,682	243,921	246,660	266,935	235,930
NTA per Share (RM)	1.47	1.61	1.62	1.75	1.40
Gross dividend rate (%)	-	*iv6.0	*v3.0	*vi5.0	3.5

Notes:-

*i Computed based on weighted average number of Shares in issue for the respective financial years under review.

*ii Although the Group recorded a lower turnover for the financial year ended 31 December 1997, it achieved a higher profit after taxation due to the higher proportion of sales of higher quality products with better margins by the Group's trading division and the costs saving efforts implemented in the manufacturing division.

*iii The lower turnover and profit after taxation for the financial year ended 31 December 1998 was due to the lower demand caused by the slowdown in property development and construction sector in the country.

*iv Of which 5.0% relates to tax exempt dividends.

*v Of which 1.5% relates to tax exempt dividends.

*vi Of which all relates to tax exempt dividends.

*vii This relates to the deposits and related expenses previously paid in respect of the proposed purchase of plant and machinery pertaining to the planned construction of a new steel mill which was subsequently aborted following the Acquisition.

7. HISTORICAL SHARE PRICES

The monthly high and low prices of the Shares of Ann Joo as traded on the KLSE for the past twelve (12) months are as follows:-

	High RM	Low RM
2000		
June	2.44	2.00
July	2.24	2.00
August	2.20	2.00
September	2.00	1.55
October	1.80	1.38
November	1.60	1.35
December	1.39	1.06
2001		
January	1.50	1.06
February	1.41	1.17
March	1.25	0.89
April	1.02	0.94
May	1.08	0.91

Last transacted price on 31 May 2000, being the day prior to the date of announcement of the Rights Issue	RM2.48
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Last transacted price on 18 June 2001, being the latest practicable date prior to the printing of this Abridged Prospectus (price is on ex-rights basis)	RM0.925
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(Source:- KLSE Daily Diary as extracted from the Investors Digest)

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APPENDIX III

PROFORMA CONSOLIDATED BALANCE SHEETS OF ANN JOO AS AT 31 DECEMBER 2000 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

The proforma consolidated balance sheets of Ann Joo as at 31 December 2000 as set out below are provided for illustrative purposes only.

	Audited consolidated balance sheet as at 31.12.00 RM'000	Proforma I After the actual issue and allotment of shares under the ESOS since 01.01.01 to 06.06.01 RM'000	Proforma II After Proforma I and the Rights Issue RM'000	Proforma III After Proforma II and the full exercise of the Rights Warrants RM'000
FIXED ASSETS	178,852	178,852	178,852	178,852
ASSOCIATED COMPANIES	204,145	204,145	204,145	204,145
INVESTMENTS	235	235	235	235
INTANGIBLE ASSETS	1,228	1,228	1,228	1,228
CURRENT ASSETS				
Stocks	137,186	137,186	137,186	137,186
Trade debtors	76,025	76,025	76,025	76,025
Other debtors, deposits and prepayments	5,709	5,709	5,709	5,709
Amount due from ultimate holding company	6	6	6	6
Fixed deposit with a licensed bank	-	14	3,347	3,347
Cash and bank balances	3,986	3,986	3,986	3,986
	222,912	222,926	226,259	226,259
CURRENT LIABILITIES				
Trade creditors	7,161	7,161	7,161	7,161
Other creditors and accruals	191,514	191,514	113,717	113,717
Short term borrowings	96,823	96,823	96,823	12,793
Taxation	4,420	4,420	4,420	4,420
Proposed dividend	6,469	6,469	6,469	6,469
	306,387	306,387	228,590	144,560
NET CURRENT (LIABILITIES)/ASSETS	(83,475)	(83,461)	(2,331)	81,699
	300,985	300,999	382,129	466,159
Financed by:				
SHARE CAPITAL	168,038	168,060	252,090	336,120
SHARE APPLICATION MONEY	10	-	-	-
SHARE PREMIUM	34,679	34,681	31,781	31,781
CAPITAL RESERVES	7,789	7,789	7,789	7,789
ACCUMULATED PROFIT	75,127	75,127	75,127	75,127
SHAREHOLDERS' FUNDS	285,643	285,657	366,787	450,817
MINORITY INTERESTS	13,872	13,872	13,872	13,872
DEFERRED TAXATION	1,470	1,470	1,470	1,470
	300,985	300,999	382,129	466,159
NET TANGIBLE ASSET PER SHARE * (RM)	1.40	1.40	1.26	1.19

* The net tangible assets represent the shareholders' funds less the intangible assets which includes the premium on acquisition of associated companies net of amortisation amounting to RM48,485,000.

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

The Proforma Consolidated Balance Sheets of Ann Joo Resources Berhad, for which the Directors are solely responsible, are prepared based on the audited consolidated balance sheet of the Group at 31 December 2000 and accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements and are provided for illustrative purposes only to show the effects of the following events on the assumption they were completed on 31 December 2000.

(1) PROFORMA CONSOLIDATED BALANCE SHEETS**Proforma I**

Proforma I incorporates the actual exercise of the following options under the employees' share option scheme ("ESOS") ("ESOS Options") which resulted in the issue and allotment of Shares in Ann Joo between 1 January 2001 to 6 June 2001:-

ESOS Options exercised in financial year ended 31 December	Year granted	Number of ESOS Options exercised	Exercise price (per share)	Proceeds RM	Premium RM
2000	1998	9,000	1.10	* 9,900	900
2001	1998	13,000	1.10	14,300	1,300

* The proceeds of RM9,900 was received in the financial year ended 31 December 2000, but the 9,000 new shares were only issued and allotted in the financial year ending 31 December 2001.

Proforma II

Incorporates the effects of Proforma I and the renounceable rights issue of 84,030,000 new ordinary shares of RM1.00 each ("Rights Shares") together with 84,030,000 Warrants 2001/2006 ("Rights Warrants") at an issue price of RM1.00 per share, payable in full upon acceptance, on the basis of one (1) Rights Share plus one (1) Rights Warrant for every two (2) existing shares held ("Rights Issue")

The proceeds from the Rights Issue of RM84,030,000 will be utilised in the following manner:-

	RM
To refinance part of the acquisition of 30.03% equity interest in Malayawata Steel Berhad ("Acquisition")	77,797,000
General working capital	3,333,000
Estimated expenses relating to the Rights Issue	2,900,000
Total	84,030,000

The proceeds of RM77,797,000 allotted to refinance part of the Acquisition are to be utilised to pay the vendor of the equity interest in Malayawata Steel Berhad ("Vendor"), classified under other creditors and accruals, and/or borrowings to be raised to pay the Vendor.

The proceeds of RM3,333,000 allotted for general working capital purposes are assumed deposited as fixed deposits.

The estimated expenses relating to the Rights Issue of RM2,900,000 are to be written off against the share premium account.

Proforma III

Incorporates the effects of Proforma II and the exercise of all the 84,30,000 Rights Warrants to subscribe for 84,030,000 new ordinary shares of RM1.00 each at an exercise price of RM1.00 per share.

The proceeds from the exercise of Rights Warrants of RM84,030,000 are used for the repayment of short-term borrowings.

(2) SHARE CAPITAL

	No. of shares of RM1.00 each	RM'000
Audited as at 31 December 2000	168,038,000	168,038
Arising from the exercise of the ESOS Options which resulted in the actual issue and allotment of shares under the ESOS since 1 January 2001 to 6 June 2001	22,000	22
As per Proforma I	168,060,000	168,060
Arising from the Rights Issue	84,030,000	84,030
As per Proforma II	252,090,000	252,090
Arising from the full exercise of the Rights Warrants	84,030,000	84,030
As per Proforma III	336,120,000	336,120

(3) SHARE PREMIUM

	RM'000
Audited as at 31 December 2000	34,679
Arising from the exercise of the ESOS Options which resulted in the actual issue and allotment of shares under the ESOS since 1 January 2001 to 6 June 2001	2
As per Proforma I	34,681
Arising from the Rights Issue	-
Estimated expenses relating to the Rights Issue	(2,900)
As per Proforma II	31,781
Arising from the full exercise of the Rights Warrants	-
As per Proforma III	31,781

ONG BOON BAH & CO

PUBLIC ACCOUNTANTS

REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS OF ANN JOO AS AT 31 DECEMBER 2000

(Prepared for inclusion in this Abridged Prospectus)

15 June 2001

The Board of Directors
Ann Joo Resources Berhad
Wisma Ann Joo
Lot 19391, Batu 8 1/2
Jalan Klang Lama
46000 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

ANN JOO RESOURCES BERHAD ("ANN JOO") PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2000

We have reviewed the Proforma Consolidated Balance Sheets of Ann Joo and its subsidiary companies as at 31 December 2000, together with the accompanying notes for which the Directors are solely responsible, as set out in the Abridged Prospectus to be dated 25 June 2001, in connection with the renounceable rights issue of 84,030,000 new ordinary shares together with 84,030,000 detachable Warrants 2001/2006 at an issue price of RM1.00 per new ordinary share, payable in full upon acceptance, on the basis of one (1) new ordinary share plus one (1) Warrant 2001/2006 for every two (2) existing ordinary shares of RM1.00 each held in Ann Joo at 5.00 p.m. on 18 June 2001.

In our opinion, the Proforma Consolidated Balance Sheets, which are prepared for illustrative purposes only, have been properly prepared on the bases set out in the accompanying notes to the Proforma Consolidated Balance Sheets.

Yours faithfully,



ONG BOON BAH & CO
AF:0320
Public Accountants