

RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS, OFFERORS AND PROMOTERS OF GUAN CHONG BERHAD ("GCB" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAIN HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

THE ADVISER AND MANAGING UNDERWRITER 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 INITIAL PUBLIC OFFERING AND ARE SATISFIED THAT ANY PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF GCB 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.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF GCB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD) SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF GCB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, GCB OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for GCB's entire enlarged share capital on the Main Board of Bursa Malaysia Securities Berhad (*formerly known as Malaysia Securities Exchange Berhad*) ("Bursa Securities") is set out below: -

<u>Date</u>	<u>Event</u>
22 March 2005	: Issue of Prospectus/Opening date of the IPO
29 March 2005	: Closing date of the IPO
31 March 2005	: Balloting of applications
7 April 2005	: Despatch of notice of allotment of the ordinary shares of GCB to successful applicants
8 April 2005	: Listing of the Company's entire issued and paid-up share capital on the Main Board of Bursa Securities

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 29 MARCH 2005 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS, PROMOTERS AND OFFERORS OF GCB TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

SHOULD THE CLOSING DATE OF THE AFORESAID APPLICATION BE EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT AND LISTING OF GCB'S ENTIRE ISSUED AND PAID-UP SHARE CAPITAL ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD MIGHT BE EXTENDED ACCORDINGLY AND CHANGES TO THE APPLICATION PERIOD FOR THE PUBLIC ISSUE AND OFFER FOR SALE WILL BE NOTIFIED TO THE PUBLIC VIA AN ADVERTISEMENT IN A WIDELY-CIRCULATED NEWSPAPER.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings: -

Acquisitions	: Acquisitions of GCC, GCT and EM collectively
Acquisition of EM	: The acquisition by GCB of 51% of the issued and paid-up share capital of EM, comprising 510,000 ordinary shares of RM1.00 each for a total cash consideration of RM556,662 from GCC after the completion of the acquisition of GCC by GCB
Acquisition of GCC	: The acquisition by GCB of 100% of the issued and paid-up share capital of GCC, comprising 12,000,000 ordinary shares of RM1.00 each for a total consideration of RM30,909,962 to be wholly satisfied by the issuance of 123,639,848 new GCB Shares at par credited as fully paid-up at an issue price of RM0.25 per Share
Acquisition of GCT	: The acquisition by GCB of 100% of the issued and paid-up share capital of GCT, comprising 250,500 ordinary shares of RM1.00 each for a total consideration of RM178,041 to be wholly satisfied by the issuance of 712,164 new GCB Shares at par credited as fully paid-up at an issue price of RM0.25 per Share
Act	: The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
AmMerchant Bank	: AmMerchant Bank Berhad (23742-V)
Application	: The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	: The printed Application Form(s) for the application for the IPO Shares
Bursa Depository	: Bursa Malaysia Depository Sdn. Bhd. (165570-W), a subsidiary of Bursa Securities (<i>formerly known as Malaysian Central Depository Sdn Bhd</i>)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W) (<i>Formerly known as the Malaysia Securities Exchange Berhad</i>)
CDS	: Central Depository System
Central Depositories Act	: The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force

DEFINITIONS

Deposited Security	: A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	: A holder of a Securities Account
DOE	: Department of Environment
EBIDTA	: Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	: An application for the IPO Shares through Participating Financial Institutions
EM	: Enrich Mix Sdn Bhd (593768-K)
EPS	: Earnings per share
ESOS	: Employee Share Option Scheme
FIC	: Foreign Investment Committee
FYE	: Financial Year End
GCB or Company	: Guan Chong Berhad (646226-K)
GCB Group or Group	: Guan Chong Berhad and its subsidiary companies
GCC	: Guan Chong Cocoa Manufacturer Sdn Bhd (133057-U)
GCG	: Guan Chong Group Sdn Bhd (92313-X)
GCR	: Guan Chong Resources Sdn Bhd (634588-X) (<i>Formerly known as Megatica Consulting Sdn Bhd</i>)
GCT	: Guan Chong Trading Sdn Bhd (124042-P)
IPO	: Initial Public Offering, namely the Offer for Sale and Public Issue
IPO Price	: RM0.65 for each IPO Share
IPO Shares	: The Public Issue Shares and Offer Shares, collectively
Listing	: Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of GCB of RM60,000,000 comprising 240,000,000 Shares on the Main Board of Bursa Securities
Listing Requirements	: The Listing Requirements of Bursa Securities
Listing Scheme	: The Acquisition(s), Rights Issue, Public Issue, Offer for Sale Listing and ESOS collectively
MCB	: Malaysian Cocoa Board
MGSB	: Misi Galakan Sdn Bhd (636304-P)
MI	: Minority interest
MIH or Issuing House	: Malaysian Issuing House Sdn Bhd (258345-X)

DEFINITIONS

MITI	:	Ministry of International Trade and Industry
mt	:	metric tonne
NTA	:	Net tangible assets
Offerors	:	GCR, Tay Hoe Lian, Tey Chi @ Tay Chin Chuan, Tay How Sik @ Tay How Sick, Tay How Yeh, Lim Yock @ Lim Kiak, Tay Hoe Chin, Tay How Seng, Tan Bak Keng @ Tang Ka Guek, Tay See @ Tay Cheng Guan and Hia Cheng collectively. Their respective Offer Shares are as follows: -

Offerors	No. of Offer Shares	% of enlarged share capital
GCR	510,596	0.21
Tay Hoe Lian	12,442,986	5.19
Tey Chi @ Tay Chin Chuan	4,667,212	1.95
Tay How Sik @ Tay How Sick	6,221,495	2.59
Tay How Yeh	6,221,493	2.59
Lim Yock @ Lim Kiak	6,221,493	2.59
Tay Hoe Chin	9,332,240	3.89
Tay How Seng	6,221,493	2.59
Tan Bak Keng @ Tang Ka Guek	4,665,029	1.94
Tay See @ Tay Cheng Guan	6,221,493	2.59
Hia Cheng	3,274,470	1.37
Total	66,000,000	27.50

Offer For Sale or Offer	:	Offer for sale by the Offerors of 66,000,000 Shares, at an offer price of RM0.65 per ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus
Offer Shares	:	The 66,000,000 Shares to be offered pursuant to the Offer For Sale
PAT	:	Profit after taxation
Participating Financial Institution(s)	:	Refers to the participating financial institutions for Electronic Share Application as listed in Section 15 of this Prospectus
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Promoter(s)	:	GCR, Tey Chi @ Tay Chin Chuan, Tay How Sik @ Tay How Sick, Tay Hoe Lian, Tay How Yeh, and Hia Cheng, collectively
Public	:	Individuals and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Public Issue	:	The public issue of 24,000,000 new Shares in GCB at an issue price of RM0.65 per Share payable in full upon application, subject to the terms and conditions of this Prospectus

DEFINITIONS

Public Issue Shares	: The 24,000,000 new Shares in GCB which are the subject of the Public Issue
Rights Issue	: The renounceable rights issue of 91,647,980 new Shares in GCB at par to the existing shareholders of GCB on the basis of approximately 74 Rights Shares for every 100 existing shares held after the Acquisitions
Rights Shares	: The 91,647,980 Shares in GCB issued pursuant to the Rights Issue
R&D	: Research and development
Record of Depositors	: A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
RM and sen	: Ringgit Malaysia and sen respectively
ROC	: Registrar of Companies
Rules	: The Rules of the Central Depository
SC	: Securities Commission
SC Guidelines	: SC's Policies and Guidelines on Issue/Offer of Securities
Securities Account	: An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
Shares	: Ordinary shares of RM0.25 each in GCB
Underwriting Agreement	: The Underwriting Agreement dated 18 February 2005 between the Company and the Managing Underwriter and Underwriters for the underwriting of 16,200,000 Shares comprising 16,200,000 Public Issue Shares for an underwriting commission of 2.0% of the Public Issue price of RM0.65 per share.
UK	: United Kingdom
US or USA	: United States of America
USD	: US Dollar

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality / Profession
Directors			
Dato Dr. Mohamad Musa Bin Md. Jamil	Executive Chairman	34 Jalan Undan 6 Taman Perling 81200 Johor Bahru Johor	Malaysian/ Director
Tay Hoe Lian	Managing Director/Chief Executive Officer	Block 3, T3-10-22 Villa Beverly Hill Condominium Jalan Kemus, Simpang Empat 78000 Alor Gajah Melaka	Malaysian/ Director
Tay How Sik @ Tay How Sick	Executive Director/Chief Operating Officer	109 Jalan Impian Emas 15 Taman Impian Emas 81200 Skudai Johor	Malaysian/ Director
Hia Cheng	Executive Director/Chief Financial Officer	13, Jalan Warisan Taman Warisan 84000 Muar Johor	Malaysian/ Director
Tey Chi @Tay Chin Chuan	Alternate Director to Tay Hoe Lian	Block 3, T3-10-22 Villa Beverly Hill Condominium Jalan Kemus, Simpang Empat 78000 Alor Gajah Melaka	Malaysian/ Director
Tay How Yeh	Alternate Director to Tay How Sik @ Tay How Sick	Lot 6, Ground Floor Block 3, Jalan Kiansom Pekan Inanam 88450 Kota Kinabalu Sabah	Malaysian/ Director
Dato' Dr. Omar @ S Omar Bin Abdul Rahman	Independent Non-Executive Director	1124, Jalan 18/47 Taman Seri Serdang 43300 Seri Kembangan Selangor	Malaysian/ Director
Tay Puay Chuan	Independent Non-Executive Director	No.32, Jalan Putera 3 Taman Putera Indah 84000 Muar Johor	Malaysian/ Director

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Dr. Omar @ S Omar Bin Abdul Rahman	Chairman of Audit Committee	Independent Non-Executive Director
Hia Cheng	Member of Audit Committee	Executive Director/Chief Financial Officer
Tay Puay Chuan	Member of Audit Committee	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Pang Kah Man
(MIA No 18831)
LSCA Management Consultants Sdn Bhd (151489-K)
1-10 (1st Floor), Jalan Arab
84000 Muar, Johor
Telephone No : 06-9541705
- REGISTERED OFFICE** : 1-10 (1st Floor), Jalan Arab
84000 Muar, Johor
Telephone No : 06-9541705
- HEAD OFFICE** : PLO 273, Jalan Timah 2
81700 Pasir Gudang, Johor
Telephone No : 07-2511588
E-mail : info@guanchong.com
Website : <http://www.favorich.com>
- REGISTRARS AND TRANSFER OFFICE** : Symphony Share Registrars Sdn Bhd (378993-D) (formerly known as Malaysian Share Registration Services Sdn Bhd)
Level 26, Menara Multi Purpose Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No : 03-27212222
- AUDITORS AND REPORTING ACCOUNTANTS** : S. C. Lim & Co., Chartered Accountants
(AF No 0681)
1-9 (1st Floor), Jalan Arab,
84000 Muar, Johor
Telephone No : 06-9524328
- SOLICITORS FOR THE PUBLIC OFFERING** : Chee Siah Le Kee & Partners
Advocates and Solicitors
105, Taman Melaka Raya,
75000 Melaka
Telephone No : 06-2833423
- PRINCIPAL BANKERS** : Malayan Banking Berhad (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Telephone No : 03-20708833
- : HSBC Bank Malaysia Berhad (127776-V)
15, Jalan Petrie
84000 Muar, Johor
Telephone No : 06-9523169
- : Standard Chartered Bank Malaysia Berhad (115793-P)
Level 13, Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone No : 03-21177777
- INDEPENDENT MARKET AND RESEARCH CONSULTANT** : Infocredit D&B (Malaysia) Sdn Bhd (527570-M)
Level 9-3A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone No : 03-27181000

CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No : 03-26932075

**ADVISER, MANAGING
UNDERWRITER AND
PLACEMENT AGENT** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No : 03-20782633 / 44 / 55

UNDERWRITERS : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No : 03-20782633 / 44 / 55

: AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No : 03-20782788

LISTING SOUGHT : Main Board of Bursa Securities

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