THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Notice of the Sixth Annual General Meeting of ORNAPAPER BERHAD to be held at No. 8998, Kawasan Perindustrian Peringkat 4, Batu Berendam, 75350 Melaka, on Thursday, 26 June 2008 at 10.30 a.m., together with the Form of Proxy are enclosed together with the Annual Report 2007 of the Company for the financial year ended 31 December 2007.

A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend and vote instead of him. The Form of Proxy should be lodged at the Registered Office of the Company at Lot 1A, 6th Floor, Menara Pertam, Jalan BBP 2, Taman Batu Berendam Putra, Batu Berendam, 75350 Melaka not later than forty-eight (48) hours before the time set for the Meeting or at any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you subsequently wish to do so.

Bursa Malaysia Securities Berhad (“Bursa Securities”) takes no responsibility for the contents of this Circular, 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 Circular.

ORNAPAPER BERHAD
(573695-W)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS
in relation to the

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Last day, date and time for lodging the Form of Proxy : Tuesday, 24 June 2008 at 10.30 a.m.
Day, date and time of the Annual General Meeting : Thursday, 26 June 2008 at 10.30 a.m.

This Circular is dated 3 June 2008
DEFINITIONS

In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

“Act” : The Companies Act, 1965 as may be amended from time to time and any re-enactment thereof

“AGM” : Annual General Meeting

“Board” or “Directors” : The Board of Directors of ORNA for the time being

“Bursa Securities” : Bursa Malaysia Securities Berhad (635998-W)

“Listing Requirements” : The Listing Requirements of Bursa Securities as modified, varied, supplemented or replaced from time to time and including any Practice Notes issued

“Major Shareholder” : A person who has an interest or interests in one or more voting shares in Orna and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-

(a) equal to or more than 10% of the aggregate of nominal amounts of all the voting shares in the Company; or
(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest in shares” shall have the meaning given in section 6A of the Act.

It also includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of Orna (as defined above) or any other company which is its subsidiary or holding company.

“NA” : Net assets attributable to ordinary equity holders of ORNA


“ORNAR” or “the Company” : Ornapaper Berhad (573695-W)

“ORNAR Group” or “the Group” : ORNA and its subsidiary companies as defined under section 5 of the Act

“Force Ordinary Resolution” : The ordinary resolution as set out in the Notice of AGM

“Proposed Renewal of Shareholders’ Mandate” : A proposal to seek renewal of shareholders’ mandate from the shareholders of the Company pursuant to Chapter 10, Paragraph 10.09 of the Listing Requirements in relation to RRPT
DEFINITIONS

“Recurrent Related Party Transactions” or “RRPT” : Transactions of a revenue or trading nature which are necessary for the day-to-day operations and are entered into by ORNA or its subsidiary companies in the ordinary course of business which involves the interest, direct or indirect, of a Related Party

“Related Party(ies)” : Directors or Major Shareholders of Orna or persons connected with such Director or Major Shareholder as defined under Chapters 1 and 10 of the Listing Requirements

“RM” and “sen” : Ringgit Malaysia and sen respectively

“Shareholders’ Mandate” : A mandate from the shareholders of the Company pursuant to Chapter 10, Paragraph 10.09 of the Listing Requirements in relation to RRPT

“Tripack” : Tripack Packaging (M) Sdn. Bhd. (404789-X)

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

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.
LETTER TO THE SHAREHOLDERS OF ORNA CONTAINING:-

SECTION

1.0 INTRODUCTION

2.0 PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE

  2.1 Details of the Proposed Renewal of Shareholders’ Mandate
  2.2 Principal Activities
  2.3 Class of Related Parties
  2.4 Disclosure and Review Procedures for the RRPT
  2.5 Statement by Audit Committee
  2.6 Validity Period
  2.7 Rationale for the Proposed Renewal of Shareholders’ Mandate
  2.8 Directors’ and Major Shareholders’ Interests
  2.9 Effects of the Proposed Renewal of Shareholders’ Mandate

3.0 APPROVED REQUIRED

4.0 DIRECTORS’ RECOMMENDATION

5.0 ANNUAL GENERAL MEETING

6.0 FURTHER INFORMATION

APPENDIX I

APPENDIX I FURTHER INFORMATION
The Board of Directors:

Ang Kwee Teng (Executive Director)
See Wan Seng (Executive Director)
Lim Tau Lih (Managing Director)
Haji Azhar bin Nayan (Non-Independent Non-Executive Director)
Siow Kee Yen (Independent Non-Executive Director)
Adillah binti Ahmad Nordin (Independent Non-Executive Director)

To: The Shareholders of Ornapaper Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1.0 INTRODUCTION

The Company had on 28 April 2008, announced to Bursa Securities its intention to seek shareholders’ approval for the Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the day-to-day operations of the Group pursuant to Paragraph 10.09 of the Listing Requirements. The said mandate is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM to be held.

The existing Shareholders’ Mandate, which was approved by the shareholders at the AGM held on 29 June 2007 shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless renewal is obtained.

The purpose of this Circular is to provide shareholders of ORNA with details of the Proposed Renewal of Shareholders’ Mandate and to seek your approval for the Ordinary Resolution under the agenda of Special Business to be tabled at the forthcoming AGM of the Company.

The AGM of the Company is scheduled to be held at No. 8998, Kawasan Perindustrian Peringkat 4, Batu Berendam, 75350 Melaka, on Thursday, 26 June 2008 at 10.30 a.m. The Notice of the AGM is set out in the Annual Report of the Company for the purpose of considering and if thought fit, passing the Ordinary Resolution to approve the Proposed Renewal of Shareholders’ Mandate.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS AND APPENDICES OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
2.0 PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE

2.1 Details of the Proposed Renewal of Shareholders’ Mandate

At the Company’s AGM on 29 June 2007, the Company had obtained Shareholders’ Mandate to enter into RRPT. This approval shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM which has been scheduled to be held on 26 June 2008 unless the approval is renewed.

The Company is seeking approval from the shareholders for the renewal of the Shareholders’ Mandate which will allow ORNA Group, in their normal course of business, to enter into the categories of RRPT referred to in the ensuing section provided such transactions are made at arm’s length basis and based on ORNA Group’s normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders.

Under paragraph 10.09 of the Listing Requirements, the Company may seek Shareholders’ Mandate in respect of RRPT which are necessary for its day-to-day operations subject to the following:-

(i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

(ii) the Shareholders’ Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders’ Mandate during the financial year where:-

(a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or

(b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%;

whichever is the lower; and

(iii) the interested Directors, interested Major Shareholders and/or interested persons connected with a director and/or major shareholder and where it involves the interest of an interested person connected with a director and/or major shareholder, such director and/or major shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions.

2.2 Principal Activities

The principal activities of ORNA are investment holding and provision of management services. The principal activities of its subsidiary companies are as follows:-

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Effective equity interest (%)</th>
<th>Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>OISB</td>
<td>100</td>
<td>Manufacturing of corrugated boards and carton boxes</td>
</tr>
<tr>
<td>OISB(BP)</td>
<td>100</td>
<td>Manufacturing of carton boxes</td>
</tr>
<tr>
<td>OISB (J)</td>
<td>80</td>
<td>Manufacturing of carton boxes</td>
</tr>
<tr>
<td>OISB(Perak)</td>
<td>100</td>
<td>Manufacturing of corrugated boards and carton boxes</td>
</tr>
<tr>
<td>Tripack</td>
<td>100</td>
<td>Manufacturing of carton boxes</td>
</tr>
</tbody>
</table>
In view of the time sensitive, confidential and frequent nature of such RRPT, the Board is seeking Shareholders’ Mandate which will allow the Group, in their normal course of business, to enter into RRPT with the classes of Related Parties set out in Section 2.3, provided such transactions are made at arm’s length and on normal commercial terms of the Group and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

The RRPT are also subject to the review procedures set out in Section 2.4 in this Circular.

2.3 Class of Related Parties

Details of the RRPT, including classes of Related Parties with whom the transactions will be carried out and the nature of such transactions contemplated shall include those described below:

<table>
<thead>
<tr>
<th>Company/ Person</th>
<th>Interested Directors/ Major Shareholders/ Person Connected to them (Interested Parties)</th>
<th>Nature of transactions</th>
<th>Benefits to the Group</th>
<th>Estimated aggregate value from 26 June 2008 (date of AGM) to the next AGM (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perfect Food Manufacturing (M) Sdn. Bhd. (PFM)</td>
<td>Sai Chin Hock (Sai Chin Hock is deemed a substantial shareholder of ORNA and PFM by virtue of his substantial shareholdings in Intisari Delima Sdn. Bhd. and PFM respectively) (via the transaction in PFM)</td>
<td>Sales of corrugated carton boxes by OISB</td>
<td>The sales are a source of business income</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Ornapaper Industry (Penang) Sdn. Bhd. (OISB (PG))</td>
<td>Han Guan Peng (mother of Lim Tau Lih, is a substantial shareholder of OISB (PG)) (via the transaction in OISB (PG))</td>
<td>Sale of paper boards by OISB (Perak)</td>
<td>The sales are a source of business income</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Notes:-
The above estimated annual values are derived from the actual transacted value with the Group in the previous year (i.e. 2007) and adjusted for expected growth in the transactions in year 2008.

The shareholdings of the interested parties in the related companies are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Direct Interest (%)</th>
<th>Indirect Interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFM Sai Chin Hock</td>
<td>-</td>
<td>40.0^</td>
</tr>
<tr>
<td>OISB (PG) Han Guan Peng</td>
<td>25.00</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

^ Sai Chin Hock’s indirect interest in PFM is through his substantial shareholdings in Julie’s Corporation Sdn. Bhd., the holding company of PFM.
2.4 Disclosure and Review Procedures for the RRPT

To ensure that the RRPT are undertaken on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders and that they are conducted at arm’s length and on normal commercial terms consistent with the Group’s usual business practices and policies and will not be prejudicial to shareholders, the Board will ensure that all transactions with Related Parties will only be entered into after taking into consideration the pricing, level and quality of products or services.

The pricing of products or services shall be determined based on the usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/consideration.

The Directors of ORNA have established the following review procedures which are to be carried out for the proposed RRPT:-

(a) The sale and purchase of carton boxes shall be determined based on prevailing rates/prices of the carton boxes (including where applicable, preferential rates/prices/discounts accorded to classes of customers) according to their usual commercial terms, business practices and policies. The transaction price for the sale and purchase of carton boxes are determined by comparing quotations from local suppliers, quality and delivery service as well as feedback from sales and purchasing personnel on the indicative pricing.

(b) An updated list of Interested Parties shall be circulated to the Management from time to time for reference in ensuring that all transactions with such Interested Parties are undertaken on arm’s length basis and on normal commercial terms and on terms which are not more favourable to the Interested Parties than those generally available to the public.

(c) Records will be maintained by the Company to capture all RRPT entered into pursuant to the Proposed Renewal of Shareholders’ Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.

(d) Disclosure shall be made in the Company’s Annual Report of a breakdown of the aggregate value of all RRPT conducted pursuant to the Proposed Renewal of Shareholders’ Mandate during the financial year and, amongst others, based on the type of the RRPT made and their relationship with the Company, to which the Annual Report relates, for so long as the shareholders’ mandate remains in force.

(e) The Audit Committee has the responsibility of reviewing the RRPT and report the same to the Board.

(f) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Renewal of Shareholders’ Mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Should any discrepancies arise relating to the procedures and guidelines, proper steps would be taken to rectify them accordingly. The external auditors shall also review all RRPT as part of their work scope.

(g) In the review of RRPT, Audit Committee may, as they deem fit, request for additional information pertaining to the transactions from independent sources and advisers.

(h) The Board and Audit Committee shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. Such review methods and procedures may be modified, supplemented or replaced from time to time by the audit committee.

(i) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor recurrent transactions are adhered to.

(j) If a member of the Board or Audit Committee has an interest in the RRPT, he shall abstain from any decision making by the Board or Audit Committee in respect of such transactions and continue to abstain from voting on the resolution approving the transactions.

(k) The interested Director or interested Major Shareholder shall also ensure that the persons connected with him abstain from voting on the resolution approving the transactions.
2.5 **Statement by Audit Committee**

The Audit Committee of ORNA has seen and reviewed the terms of the Proposed Renewal of Shareholders’ Mandate and is satisfied that the review procedures for RRPT (as set out in Section 2.4 above) are sufficient to ensure that such transactions will be carried out on an arm’s length basis and on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of ORNA.

2.6 **Validity Period**

If approved at the forthcoming AGM, the Proposed Renewal of Shareholders’ Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto at the AGM and will continue in force until:-

(i) the conclusion of the next AGM of the Company following this AGM at which the Proposed Renewal of Shareholders’ Mandate was passed, at which time it shall lapse, unless by Ordinary Resolution passed at an AGM, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.

Thereafter, shareholders’ approval will be sought for the renewal of such mandate at each subsequent AGM subject to a satisfactory review by the Audit Committee of its continued application to RRPT.

2.7 **Rationale for the Proposed Renewal of Shareholders’ Mandate**

The RRPT to be entered into by the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time.

These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders’ approval on a case-to-case basis before entering into such RRPT. As such, the Board is seeking Shareholders’ approval pursuant to paragraph 10.09 of the Listing Requirements to allow the Group to enter into such RRPT made on arm’s length basis and on normal commercial terms and which are in the Board’s opinion, not prejudicial to the interests of the shareholders and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining shareholders’ approval for the Proposed Renewal of Shareholders’ Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such RRPT occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings and allow manpower resources and time to be channelled towards attaining other corporate objectives without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

In addition to the above benefits, the Related Parties has also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group’s operations and is able to meet the Group’s business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that has arisen. By entering into the RRPT detailed in Section 2.3 above, the Group would be able to derive additional income for its businesses.

The sale of carton boxes transactions are considered by the Board to be beneficial to ORNA Group as they constitute transactions which are necessary for the day-to-day operations of ORNA Group, and which contribute to the generation of its turnover and profit.
2.8 Directors’ and Major Shareholders’ Interests

Save as disclosed below, none of the other Directors, Major Shareholders and/or persons connected with the Directors and/or Major Shareholders of ORNA, have any interest, either direct or indirect, in the Proposed Renewal of Shareholders’ Mandate.

The shareholdings of the interested Directors, Major Shareholders and persons connected to them as at 8 May 2008 are as follows:

<table>
<thead>
<tr>
<th>Interested Party(ies)</th>
<th>Shareholdings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct (%)</td>
<td>Indirect (%)</td>
</tr>
<tr>
<td>Major Shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sai Chin Hock</td>
<td>93,000</td>
<td>21,870,212*</td>
</tr>
<tr>
<td>Intisari Delima Sdn. Bhd.</td>
<td>18,634,888</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lim Tau Lih ^</td>
<td>5,374,045</td>
<td></td>
</tr>
<tr>
<td>Persons Connected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Han Guan Peng</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
* Deemed interest through his substantial shareholdings in Intisari Delima Sdn. Bhd. and his son’s shareholding in ORNA.
^ Deemed interest by virtue of him being the son to Han Guan Peng, a substantial shareholder of OISB(PG).

The interested Director and Major Shareholder, namely Lim Tau Lih, who has interest, direct and indirect, in the Proposed Renewal of Shareholders’ Mandate has abstained and will abstain from board deliberations and voting in respect of his direct and indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders’ Mandate at the forthcoming AGM or at any adjournment thereof.

The interested Major Shareholders, namely Intisari Delima Sdn. Bhd. and Sai Chin Hock who have interest, direct and indirect, in the Proposed Renewal of Shareholders’ Mandate have abstained and will continue to abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders’ Mandate at the forthcoming AGM or at any adjournment thereof.

In addition, such interested Directors and Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting on the resolution approving the Proposed Renewal of Shareholders’ Mandate at the forthcoming AGM to be convened or at any adjournment thereof.

2.9 Effects of the Proposed Renewal of Shareholders’ Mandate

The Proposed Renewal of Shareholders’ Mandate will not have any material effects on the issued and paid up share capital, NA or earnings per share, dividends, and substantial shareholders of ORNA Group is not expected to be any different from similar transactions with a non-related party based on the latest audited consolidated financial statements for the financial year ended 31 December 2007. The Proposed Renewal of Shareholders’ Mandate will also have no material effects on the major shareholders and their respective shareholdings including any benefit which is expected to accrue to the Company as a result of the transactions.

3.0 APPROVED REQUIRED

The Proposed Renewal of Shareholders’ Mandate is conditional upon approval being obtained from the shareholders of ORNA at the forthcoming AGM to be convened and other relevant regulatory authority, if any.
4.0 DIRECTORS’ RECOMMENDATION

Having considered all aspects of the Proposed Renewal of Shareholders’ Mandate, the Board of ORNA, save for Mr. Lim Tau Lih, being interested Director and Major Shareholder to the Proposed Renewal of Shareholders’ Mandate (who had and will continue to abstain from any recommendation by virtue of his respective direct and indirect shareholding), is of the opinion that the entry into the RRPT between ORNA Group and those Related Parties described in paragraph 2.3 above in the ordinary course of its business is fair, reasonable and in the best interest of the Company and its subsidiary companies and accordingly will be entered into to enhance the efficiency of ORNA Group.

For the reasons stated above, the Directors (with the exception of Mr. Lim Tau Lih) recommend that shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Renewal of Shareholders’ Mandate to be proposed at the forthcoming AGM.

5.0 ANNUAL GENERAL MEETING

The AGM, the Notice of which is enclosed in the Annual Report of the Company for the financial year ended 31 December 2007 accompanying this Circular, will be held at No. 8998 Kawasan Perindustrian Peringkat 4, Batu Berendam, 75350 Melaka on Thursday, 26 June 2008 at 10.30a.m. for the purpose of considering and if thought fit, passing the Ordinary Resolution on the Proposed Renewal of Shareholders’ Mandate under the agenda of Special Business as set out in the said Annual Report.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy attached to the Annual Report of the Company for the financial year ended 31 December 2007, in accordance with the instructions printed thereon as soon as possible, so as to arrive at the Registered Office of the Company at Lot 1A, 6th Floor, Menara Pertam, Jalan BBP 2, Taman Batu Berendam Putra, Batu Berendam, 75350 Melaka, not less than forty-eight (48) hours before the time appointed for holding the AGM. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

6.0 FURTHER INFORMATION

Shareholders are requested to refer to Appendix I of this Circular for further information.

Yours faithfully

For and on behalf of the Board of Directors of
ORNAPAPER BERHAD
ANG KWEE TENG
Executive Director
FURTHER INFORMATION

1. Directors’ Responsibility Statement

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group within the 2 years immediately preceding the date of this Circular, other than contracts entered into in the ordinary course of business.

3. Material Litigation

Neither ORNA nor any of its subsidiary companies is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Directors of ORNA do not have any knowledge of any proceedings pending or threatened against ORNA and/or its subsidiary companies or of any facts likely to give rise to any proceedings which may materially affect the financial position and business of ORNA Group, as at the date of this Circular.

4. Documents For Inspection

Copies of the following documents will be available for inspection during normal office hours on any week day (except public holiday) at the Registered Office of ORNA at Lot 1A, 6th Floor, Menara Pertam, Jalan BBP 2, Taman Batu Berendam Putra, Batu Berendam, 75350 Melaka from the date of this Circular up to and including the date of the AGM:-

(a) Memorandum and Articles of Association of ORNA;

(b) Audited Consolidated Financial Statements of ORNA Group for the past two (2) financial years ended 31 December 2006 and 2007;

(c) The unaudited consolidated results of ORNA Group for the three (3) months period ended 31 March 2008.