

8. INFORMATION ON OUR PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

8.1 Promoters and Substantial Shareholders

8.1.1 Particulars and Shareholdings of Promoters and Substantial Shareholders

As at the Latest Practicable Date, our Promoters and substantial shareholders' direct and indirect interests in our Shares (with 5% or more shareholdings) before and after our Public Issue will be as follows:

Name	Designation	Before Public Issue but after Rights Issue				After Public Issue				Nationality / Place of Incorporation
		Direct		Indirect		Direct		Indirect		
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Substantial Shareholders										
ATIS	-	45,900,000	51.0	-	-	45,900,000	38.3	-	-	Malaysia
KW Chin	Managing Director	44,100,000	49.0	-	-	44,100,000	36.8	-	-	Malaysian
Chen Khai Voon	Non-Independent Non-Executive Director	-	-	45,900,000	51.0 ¹	-	-	45,900,000	38.3 ¹	Malaysian
EISB	-	-	-	45,900,000	51.0 ²	-	-	45,900,000	38.3 ²	Malaysia
Promoters										
ATIS	-	45,900,000	51.0	-	-	45,900,000	38.3	-	-	Malaysia
KW Chin	Managing Director	44,100,000	49.0	-	-	44,100,000	36.8	-	-	Malaysian

Notes:

- 1 Deemed interested by virtue of his direct and indirect interests (via EISB) in ATIS pursuant to Section 6A of the Act.
- 2 Deemed interested by virtue of its substantial shareholding in ATIS pursuant to Section 6A of the Act.

8.1.2 Profile of the Promoters and Substantial Shareholders

The profiles of KW Chin and Chen Khai Voon are outlined in Section 8.2.2 of this Prospectus. The profiles of our other Promoters and substantial shareholders are set out below:

8.1.2.1 ATIS

(i) History and principal activities

ATIS was incorporated in Malaysia under the Act as a public limited company on 8 September 1997 under the name of KVC Corporation Berhad. Its name was changed to ATIS Corporation Berhad on 23 May 2002. ATIS was listed on the Main Board of Bursa Securities on 7 August 2002. The principal activity of ATIS is investment holding with interests in thirty four (34) subsidiaries and one (1) associated company. The ATIS Group is a One-Stop Industrial Supplier of industrial, electrical, control and automation, pneumatics, mechanical and other industrial products. Through us, the ATIS Group also provides industrial automation solutions from development, designing and manufacturing of customised automation equipments.

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The principal activities of its subsidiaries, all of which are incorporated in Malaysia, are summarised as follows:

Name	Effective interest held %	Principal activities
<u>Subsidiaries</u>		
KVCM	100.00	Investment holding and distribution and supply of industrial, electrical and electronic products and their related accessories and components.
WPI	100.00	Manufacturing of plastic injection moulding products.
GT	51.00	Designing and building of customised factory automation equipment and integrated vision inspection systems, from conceptual design, development of prototype to mass replication of equipment.
<i>Subsidiaries of KVCM</i>		
AZ Master (M) Sdn Bhd	51.00	Trading of raw materials for capacitor, compressor wire and thermostat.
Cable Solutions (SEA) Pte Ltd	70.00	Distribution of cable and wiring accessories.
Cotel Precision Industries Sdn Bhd	100.00	Trading and services on metrology and precision measuring equipment.
GEIC Technology Sdn Bhd	100.00	Distribution and supply of electronic components.
KVC Industries Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (Penang) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (Perak) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (Selangor) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Connectors Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (Klang) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (N.S.) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.

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Name	Effective interest held %	Principal activities
Subsidiaries of KVCM		
KVC Electric (Malacca) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (Johore) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
KVC Electric (Kuantan) Sdn Bhd	100.00	Distribution and supply of industrial, electrical and electronic products and their related accessories and components.
R&R Industrial Products (M) Sdn Bhd	100.00	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products.
R&R Industrial Products (Kuantan) Sdn Bhd	100.00	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products.
R&R Industrial Products (N.S.) Sdn Bhd	100.00	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products.
R&R Industrial Products (Malacca) Sdn Bhd	100.00	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products.
R&R Industrial Products (Johor Bahru) Sdn Bhd	100.00	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products.
Synet Controls Sdn Bhd	100.00	Provision of design and development services for systems integration and automation of manufacturing processes.
TSA Industries Sdn Bhd	100.00	Investment holding and distribution and supply of non-ferrous metal and other industrial hardware products.
Subsidiary of WPI		
GPT	51.00	Designing, developing and manufacturing of customised and standard advance engineering plastic product from mould design, fabrication to injection moulding.
Our Subsidiaries		
Genevision	51.00	Design and development of vision inspection system.
Fastech	30.60	Design and development of automated industrial equipment.

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Name	Effective interest held %	Principal activities
Subsidiaries of TSA Industries Sdn Bhd		
TSA Industries (Shah Alam) Sdn Bhd	100.00	Distribution and supply of non-ferrous metal and other industrial hardware products.
AYS Industries Hardware Sdn Bhd	100.00	Distribution and supply of non-ferrous metal and other industrial hardware products.
TSA Truck Parts Industries Sdn Bhd (formerly known as Center De Abrasive Sdn Bhd)	100.00	Supply and distribution of truck parts.
Metrosure Sdn Bhd	100.00	Trading of industrial abrasive products.
Mitra Bintang Sdn Bhd	99.99	Investment holding.
Subsidiary of R&R Industrial Products (M) Sdn Bhd		
R & R Industrial Products (Penang) Sdn Bhd	99.99	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products.
Subsidiary of AZ Master (M) Sdn Bhd		
AZ Master International Co. Limited (Incorporated in Hong Kong)	51.00	Trading and distribution of components and parts of heating, ventilation, air-conditioning and refrigeration products.
Associated company		
TGT (Incorporated in Thailand)	24.99	Provision of engineering and technical services including designing of machine, machinery equipment and accessories of industrial products.

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(ii) Board of Directors

The Board of Directors of ATIS and their respective shareholding as at the Latest Practicable Date are as follows:

Directors	Direct		Indirect	
	No. of shares	% held	No. of shares	% held
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	-	-	-	-
Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan	-	-	-	-
Lim Yong Jin	-	-	-	-
Hamidon Bin Abdullah	70,720	0.04	-	-
Chen Khai Voon	52,344,240	32.96	26,000,000	16.37 ¹
Yee Kim Yuen	808,900	0.51	-	-
Lee Kok Keong	486,330	0.31	-	-
Sa Chee Peng	473,720	0.30	-	-

Note:

- Deemed interested by virtue of his shareholding in EISB pursuant to Section 6A of the Act.

(iii) Substantial shareholders (holding 5% or more of the issued and paid-up share capital)

According to the Register of Substantial Shareholders, the substantial shareholders of ATIS and their respective shareholding as at the Latest Practicable Date are as follows:

Substantial shareholders	Direct		Indirect	
	No. of shares	% held	No. of shares	% held
Chen Khai Voon	52,344,240	32.96	26,000,000	16.37 ¹
HSBC Trustee	9,533,400	6.00 ²	-	-
LTAT	15,638,700	9.85	-	-
EISB	26,000,000	16.37	-	-

Notes:

- Deemed interested by virtue of his shareholding in EISB pursuant to Section 6A of the Act.
- Held as trustees for several unit trusts.

(iv) Substantial shareholdings in other public corporations for the past two (2) years

Save as disclosed in Section 8.1.2.1 above, ATIS does not have any substantial shareholding in other public corporations for the past two (2) years.

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8.1.2.2 LTAT

(i) History and principal activities

LTAT was established in August 1972 by Act 101 of the Act of Parliament to manage the fund contributed by the members of the Armed Forces.

(ii) Board of Directors

The Board of Directors of LTAT as at 9 September 2005 are as follows:

- YBhg. Gen. (B) Tan Sri Dato' Mohd Ghazali Bin Hj Che Mat
- YBhg. Tan Sri Dato' Sri Subhan Bin Jasmon
- YBhg. Laksamana Tan Sri Dato' Sri Mohd Anwar Bin Mohd Nor
- YBhg. Lt. Gen. Dato' Muhammad Ismail Bin Hj. Jamaluddin
- YBhg. Laksamana Madya Dato' Ramlan Bin Mohamed Ali
- YBhg. Lt. Gen. Dato' Azizan bin Ariffin

8.1.2.3 EISB

(i) History and principal activities

EISB was incorporated in Malaysia on 23 April 2002 as a private limited company under the Act. The present authorised share capital of EISB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, out of which 10,000 ordinary shares of RM1.00 each have been issued and fully paid-up. Its principal activity is investment holding.

(ii) Board of Directors

The Board of Directors of EISB and their respective shareholding therein as at the Latest Practicable Date are as follows:

Director	Direct		Indirect	
	No. of shares	% held	No. of shares	% held
Chen Khai Voon	9,999	99.99	-	-
Chen Voon Choy	1	0.01	-	-

(iii) Substantial shareholders (holding 5% or more of the issued and paid-up share capital)

According to the Register of Substantial Shareholders, the substantial shareholders of EISB and their respective shareholding as at the Latest Practicable Date are as follows:

Director	Direct		Indirect	
	No. of shares	% held	No. of shares	% held
Chen Khai Voon	9,999	99.99	-	-

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(iv) Substantial shareholdings in other public corporations for the past two (2) years

EISB does not have any substantial shareholding in other public corporations for the past two (2) years.

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8.2 Directors

8.2.1 Particulars and Shareholdings of Directors

The designation, addresses and nationality of our Board are set out in the Corporate Directory. Our Directors' shareholdings as at the Latest Practicable Date and after our Public Issue are as follows:

Director	As at the Latest Practicable Date				After Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares '000	% held	No. of Shares '000	% held	No. of Shares '000	% held	No. of Shares '000	% held
Chen Khai Voon	-	-	510	51.00 ¹	-	-	45,900	38.3 ¹
KW Chin	490	49.00	-	-	44,100	36.70	-	-
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	-	-	-	-	-	-	-	-
Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan	-	-	-	-	-	-	-	-
Lim Yong Jin	-	-	-	-	-	-	-	-
Tan Kok Ang	-	-	-	-	-	-	-	-
Ong Phoe Be	-	-	-	-	-	-	-	-

Note:

- Deemed interested by virtue of his direct and indirect shareholdings (via EISB) in ATIS pursuant to Section 6A of the Act.

8.2.2 Profile of our Directors

The profiles of our Directors are as follows:

Chin Kem Weng, aged 35, is our Managing Director since 27 October 1997. He has a Diploma in Mechanical Engineering from the Institute Technology of Butterworth and specialises in the area of design. Upon graduation in 1991, he joined Applied Magnetics Malaysia Sdn Bhd (Disc Drive Recording Heads Group) (Applied Magnetics) as a Technical Specialist. He was involved mainly in the design of mechanical tooling and maintenance of automation equipment. After having gained four (4) years of experience at Applied Magnetics, he joined Quantum Peripheral Indonesia (QPI) as an expatriate engineer and managed the automation project at the plant. Later, he was sent to the QPI office in the USA for a year, undertaking research and development work related to new technology. With his expertise and technical know-how, especially in the area of design, KW Chin decided to leave QPI in 1997 to start his own company, i.e. GT which specialises in the design and building of customised automated and semi-automated machines.

Chen Khai Voon, aged 45, is our Non-Independent Non-Executive Director. He was appointed to our Board on 3 November 1998. He is the founder and Director of the KVCM Group as well as the Group Managing Director of ATIS. He completed his High School Certificate and Diploma in Accounting in 1981. For the next eight (8) years, he gained exposure in several industries from audit (Messrs. Tan Choon Chye) to banking (D&C Bank Berhad (now known as RHB Bank Berhad) and Pacific Bank Berhad (now merged with Malayan Banking Berhad) and trading.

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In 1989, he founded KVC group of companies (KVC Group) which are principally involved in the trading and distribution of electrical and electronics products. In 1997, together with KW Chin, he co-founded GT. Under his leadership, the KVC Group grew to become the leading One Stop Industrial Supply provider in Malaysia. The KVC Group via ATIS was listed on the Main Board of Bursa Securities on 7 August 2002.

Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain, aged 65, was appointed to our Board as the Chairman and an Independent Non-Executive Director on 3 August 2005. He is a graduate from the Command and Staff College of Indonesia and the Joint Services Staff College of Australia. He has also attended management training courses in South Korea and the USA. He has since 1960, served many years in the Malaysian Army and the Royal Malaysian Air Force, and held various positions in the command and staff appointments before retiring in November 1994 as Deputy Chief of Air Force. He was Joint-Chairman of the planning and execution committee of air exercises with Thailand and Indonesia and was also involved in the training and operations along the border of Malaysia and Thailand. Besides ATIS, he currently sits on the Board of MCM Technologies Berhad and RCE Capital Berhad, both are public companies listed on Bursa Securities.

Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan, aged 44, was appointed to our Board as an Independent Non-Executive Director on 3 August 2005. He was certified by the Association of Certified Accountants in 1984 and was admitted as an associate of the Chartered Association of Certified Accountants and a member of the Malaysian Institute of Accountants in 1998. He was made a Fellow of the Chartered Association of Certified Accountants in 2001. He has over 21 years of experience in the banking and financial industry. He has been with the Commerce Asset-Holding Berhad (Commerce Group) since 1984 and is currently managing the Chief Executive Officer's office and the integration process of the Commerce Group. During his tenure with the Commerce Group, he worked in various departments from Finance, Credit Administration, Internal Audit to Retail and Corporate Banking. In 1994, he was appointed as the Financial Controller of the Commerce Group where he was responsible for the day-to-day management of the company and group accounts and managed the group's investors relations. He was appointed as Executive Director and Chief Executive Officer of Commerce Assets Fund Managers Sdn Bhd in May 1998. In 2003, he was appointed as the Group Chief Internal Auditor (GCIA) for the Commerce Group. Prior to his appointment as the GCIA, he was also a Director of several companies within the Commerce Group, namely Commerce Asset Fund Managers Sdn Bhd, Commerce Trust Berhad and Commerce Asset Ventures Sdn Bhd. Besides ATIS, he currently also sits on the Board of four other public companies namely MTD InfraPerdana Berhad, TH Group Berhad, BBMB Unit Trust Management Berhad and EP Manufacturing Bhd.

Lim Yong Jin, aged 45, was appointed to our Board as an Independent Non-Executive Director on 3 August 2005. He graduated with a Bachelor of Mechanical Engineering Degree in Production & Management Option from University of Technology, Malaysia in 1983. He has wide experience in the manufacturing sector, especially the storage industry and has successfully set-up many start-up operations including several manufacturing facilities in Asia. Over the last 10 years, he has held key management positions in several multi-national companies such as MKE-Quantum Components LLC and MCMS Sdn Bhd. Except for ATIS, he is currently not a director of any public listed company.

Tan Kok Ang, aged 48, was appointed to our Board as an Executive Director on 3 August 2005. His profile is set out in Section 8.4.2 of this Prospectus.

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Ong Phoe Be, aged 35, was appointed to our Board as a Non-Independent Non-Executive Director on 3 August 2005. She is currently the Chief Financial Officer of ATIS. She started her career with KPMG, an audit firm in Malaysia, for four (4) years from December 1989 to September 1994. In 1994, she completed the Malaysian Institute of Certified Public Accountants professional course.

She has wide experience in finance related matters, ranging from accounting to corporate finance. Her exposure to corporate finance began in Arab-Malaysian Merchant Bank Berhad (*now known as AmMerchant Bank Berhad (AMB)*) in 1994. She left AMB in 1996 and moved on to Tanco Holdings Berhad (Tanco), a company listed on the Main Board of Bursa Securities. She was the Head of Corporate Planning Department for Tanco for about four (4) years before she joined KVC Electric (M) Sdn Bhd, a wholly owned subsidiary of ATIS, in June 2000 as its Head of Corporate Finance. In November 2002, she was promoted to her current position of Chief Financial Officer of ATIS. She has overall responsibility for the financial management of the ATIS Group.

8.2.3 Directors' Directorship and/or Substantial Shareholdings in Other Public Companies for the Past Two (2) Years

Save as disclosed below, none of our Directors hold any directorship and/or substantial shareholdings in other public companies for the past two (2) years:

Director	Company	Directorship Date appointed (resigned)	Substantial shareholding as at the Latest Practicable Date			
			Direct		Indirect	
			No. of shares	%	No. of shares	%
Chen Khai Voon	ATIS	28 May 2002	52,344,240	32.97	26,000,000	16.37 ¹
KW Chin	ATIS	-	27,900	0.02	-	-
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	ATIS	6 June 2002	-	-	-	-
	British American Tobacco (Malaysia) Berhad	16 December 1994 (28 April 2005)	-	-	-	-
	MCM Technologies Berhad	17 September 2001	-	-	-	-
	RCE Capital Berhad	25 April 2003	-	-	-	-
Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan	ATIS	6 June 2002	-	-	-	-
	Federal Furniture Holdings (M) Berhad	30 March 2002 (31 December 2004)	-	-	-	-
	MTD InfraPerdana Berhad	1 January 2003	-	-	-	-
	TH Group Berhad	18 July 2003	-	-	-	-
	BBMB Unit Trust Management Bhd	13 December 2001	-	-	-	-
	EP Manufacturing Bhd	24 February 2005	-	-	-	-
Lim Yong Jin	ATIS	6 June 2002	-	-	-	-

Note:

1 Deemed interested by virtue of his shareholding in EISB pursuant to Section 6A of the Act.

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8.2.4 Directors' Remuneration and Benefits

For the FYE 31 March 2005, the aggregate remuneration and benefits paid to our Directors for services rendered in all capacities to us was approximately RM259,000. For the financial year ending 31 March 2006, the aggregate amount of remuneration and benefits proposed to be paid to our Directors for services rendered to us is approximately RM560,000.

The banding of remuneration and benefits of our Directors for the FYE 31 March 2005 and the financial year ending 31 March 2006 are as follows:

	No. of Directors	Range
FYE		
31 March 2005	-	RM0 – RM50,000
	1	RM50,001 – RM100,000
	1	RM100,001 – RM200,000
	<u>2</u>	
Financial year ending		
31 March 2006	4	RM0 – RM50,000
	1	RM50,001 – RM100,000
	2	RM100,001 – RM200,000
	<u>7</u>	

8.3 Audit Committee

The members of our Audit Committee are as follow:

Name	Designation	Directorship
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	Chairman	Independent Non-Executive Director
Tunku Ahmad Burhanuddin Bin Tunku Datuk Seri Adnan	Member	Independent Non-Executive Director
Tan Kok Ang	Member	Executive Director

Our Audit Committee is responsible for recommending to our Board the selection of external auditors, reviewing the scope of audit work and findings conducted by our external auditors including any other services provided, reviewing and evaluating our internal audit and controls, assessing financial risks and matters relating to related party transactions and conflict of interest and undertake such other responsibilities as may be agreed by our Audit Committee and our Board.

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8.4 Key Management and Key Technical Personnel

8.4.1 Particulars and Shareholdings of Key Management and Key Technical Personnel

None of our key management or key technical personnel holds any of our Shares.

8.4.2 Profile of Key Management and Key Technical Personnel

Our key management and key technical personnel are responsible for each of the following:

Department	Headed by
Business Development	Tan Kok Ang
Operations (including Engineering)	Ooi Eng Sun
R&D	Sow Ewe Lee
Software Development	Goh Yik Yong
Engineering	Yeo Teik Hock
Finance, Administration and Human Resource	Tan Kon Hoan
Procurement	Goh Lai Wan

Tan Kok Ang, aged 48, is our Executive Director who is heading our Business Development Department. He obtained a Diploma in Mechanical Engineering from Bedford Institute of Technology in 1976 and has over twenty-five (25) years of hands-on experience in areas of production and engineering such as mould fabrication, tool, die and equipment maintenance to equipment and tool design. Upon graduation in 1976, he joined Micro Machining Sdn Bhd as a machinist. After four (4) years, he left to join Advance Micro Devices Sdn Bhd and was working as a Senior Technician in the Tool, Die & Equipment Maintenance Department for twelve (12) years.

Equipped with over sixteen (16) years of experience in fabrication and maintenance of equipment, he decided to venture into designing when he joined Applied Magnetics as a design engineer in 1991. He later moved on to QPI in 1994 as an Equipment Engineering Manager. With his strong background in factory operations and production, he was selected by the management to set-up a new plant in Batam, Indonesia. At QPI, he headed a group of engineers and technicians. He resigned from QPI in 1998 to join us as our Operational Director in October 1998. He left in April 2000 to join Genevision but rejoined us on 1 June 2001.

Ooi Eng Sun, age 36, is our General Manager. He holds a Degree in Engineering (Electronics/Computer) from Universiti Pertanian Malaysia. After his graduation in 1995, he joined QPI as an Equipment Engineer. At QPI, he was responsible for the maintenance and upgrading of equipment. After his two (2) years stint in QPI, he joined Powermatic Sdn Bhd (Powermatic) in early 1997 and was involved in the design of the airport SCADA software as well as the design of the airport monitory and control systems.

He left Powermatic in December 1997 to join us and was one of our pioneer staff and part of our key management and technical team, which contributed significantly to our development.

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Sow Ewe Lee, age 35, is our Head of R&D. He holds a Master of Science in Mechatronics from the University of De Montfort, Leicester, United Kingdom. Upon his graduation in 1996, he joined Hitachi Semiconductor (M) Sdn Bhd as a design engineer and was involved in designing circuit and developing software. After one (1) year, he left to join QPI as an automation engineer where he gained experience in the area of automation system design and set-up. His forte lies in the area of software programming.

In 1998, he left QPI to join us as our senior software engineer. He left us in April 2000 to join Genevision but rejoined us in June 2001.

Goh Yik Yong, age 39, is our Head of Software Development. He graduated from French Singapore Institute with a Diploma in Electronics Engineering. He has more than ten (10) years experience in the automated machine vision application and software application. Upon graduation, he joined a company in Singapore as an Application Engineer for five (5) years and was responsible for developing the software for automation machine vision application. In 1994, he joined Eyetron Sdn Bhd (Eyetron) as Senior Engineer and was involved in the conceptual design of the machine vision application, and the development of the software for the machine vision application. He left Eyetron in 1999 and joined us. In 2000, he joined VS Integration Sdn Bhd as a Manager for two (2) years and rejoined us in 2003 as a Manager of our software division in the Engineering Department.

Yeo Teik Hock, age 42, is our Project Manager. He graduated from Institute Technology of Butterworth with a Diploma in Electrical Engineering in 1985. He also obtained a full certificate from City and Guide Certificate of London in 1985. He has more than ten (10) years experience in the setup, maintenance and upgrading of manufacturing production equipment. Upon graduation, he joined KESP Sdn Bhd as Maintenance Technician for two (2) years and was responsible for the setup, maintenance of test and burn-in equipment. In 1987, he joined Applied Magnetics Malaysia Sdn Bhd (AMMSB) as Maintenance Technician and was responsible for setting up and maintenance of the HGA and HSA manufacturing line and machine. He left AMMSB in 1994 and joined QPI as an expatriate Engineer where he was involved in managing a group of engineers, technicians and operators on the set up and maintenance of manufacturing production equipment as well as upgrading of automation project. In 1999, he joined us as Staff Engineer and was assigned to set up our Purchasing Department in 2000. In 2001, he was assigned to set up our Facility and IT Department. In 2002, he was responsible for setting up our Logistic Department.

Tan Kon Hoan, age 34, is our Finance Manager. He graduated from Nelson Polytechnic New Zealand with a Bachelor of Commerce Degree, majoring in Accounting in 1996. He is an associate member of the Institute of Chartered Accountants of New Zealand (ICANZ). He is also an associate member of the Association of International Accountants, United Kingdom (AIA) and the Malaysian Institute of Taxation (MIT). He is a certified member of the Financial Planning Association of Malaysia (FPAM) and registered as a Certified Financial Planner (CFP).

He commenced his career with Country Heights Property Management Sdn Bhd in July 1992 as an Accounts Clerk and left as Accounts Assistant in October 1994 for further studies. He later joined SCA Packaging Malaysia (Kuala Lumpur) Sdn Bhd (*formerly known as Tritex Containers Sdn Bhd*), a manufacturer of corrugated carton boxes as Finance Manager in March 1996. Subsequently, he left in July 2004 and joined us in September 2004. He is overall in-charge of our Finance, Administration and Human Resource department.

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Goh Lai Wan, age 27, is our Head of Procurement. She graduated from University Putra Malaysia with a Bachelor of Human Development Degree, majoring in Consumer Studies. In October 2000, she commenced her career with KVC Electric (M) Sdn Bhd, a wholly-owned subsidiary company of ATIS, as an Indoor Sales Executive. In August 2002, she left the company and later joined Sony Technology Malaysia Sdn Bhd as Production Control Executive in November 2002. Subsequently, she joined us in March 2003. Her roles and responsibilities include the overall operations of our Purchasing, Logistics and Warehouse Department.

8.5 Declaration by Our Directors, Key Management and Key Technical Personnel

None of our Directors, key management or key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel; or
- (ii) Charged and/or convicted in criminal proceedings or is a named subject of a pending criminal proceeding; or
- (iii) Being the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.

8.6 Family Relationships or Associations

As at the Latest Practicable Date, none of our substantial shareholders, Promoters, Directors, key management and key technical personnel has any family relationships or associations with each other.

8.7 Executive Directors, Key Management and Technical Personnel's Involvement in Other Business / Corporations in Competition with Our Businesses

As at the Latest Practicable Date, none of our Executive Directors, key management and technical personnel are involved in any other businesses or corporations in competition with our businesses where such interest would place our Directors directly or indirectly in a position of conflict of interest.

8.8 Service Agreements

Save as disclosed below, as at the Latest Practicable Date, there were no existing or proposed service agreements entered into or to be entered into between us and our Directors or key management or key technical personnel. All the other employees of the Group have standard employment contracts:

Service agreements dated 9 September 2005 between us and several key management staff, namely, KW Chin, Tan Kok Ang, Ooi Eng Sun, Sow Ewe Lee and Goh Yik Yong from the date of the agreements for an initial term of two (2) years subject to earlier termination by either party pursuant to the terms of the agreements. The terms of their appointments provide for payment of a monthly basic salary and other benefits.

9. APPROVALS AND CONDITIONS

9.1 Approvals Required

On 6 January 2004, the MITI approved our Flotation. On 9 June 2005, the SC approved our Flotation (including approval under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests). The SC had also on 24 August 2005 approved our ESOS.

The approvals from the aforesaid authorities were subjected to, inter-alia, the following conditions:

9.1.1 Flotation

Authority	Conditions imposed	Status of compliance
SC	(i) GT to disclose in its public issue prospectus (Prospectus) the risk associated with its lack of long term contracts with major customers and mitigating factors taken/to be taken by the GT Group, and the impact on the GT Group's future financial performance in the event it fails to secure future orders from key customers, given the absence of long term contracts;	Complied. Please refer to Section 4.8 of this Prospectus.
	(ii) GT to disclose, in its Prospectus, information on its current/proposed measures to mitigate dependency on the Hard Disk Drive industry, in particular the proposed expansion of GT's product and industry focus;	Complied. Please refer to Section 4.2 of this Prospectus.
	(iii) GT's Shares held by promoters amounting to 51% of the issued and paid-up share capital of GT at the date of admission to the MESDAQ Market and any interest in such shares may not be sold, transferred or otherwise disposed of for one (1) year from the date of the applicant's admission to the MESDAQ Market of Bursa Securities. Thereafter, the promoters may sell, transfer or otherwise dispose of up to a maximum of one-third of their respective shareholdings p.a. on a straight line basis;	To be complied with. Please refer to Section 9.2 of this Prospectus.
	(iv) Any pre-existing related party contracts/transactions entered into by GT are to be on arms-length basis and at commercial terms which are not more favourable to the related party than those normally extended to the general public;	Complied. Please refer to Section 10.1.1 of this Prospectus.
	(v) GT shall not utilise the public issue proceeds for the purpose of repayment of the amounts owing to ATIS;	To be complied with.

9. APPROVALS AND CONDITIONS

Authority	Conditions imposed	Status of compliance
	<p>(vi) With respect to trade receivables:</p> <p>(a) GT to disclose in the Prospectus the ageing analysis based on the GT Group's latest audited trade receivables including measures taken to recover long overdue balances and other credit control measures undertaken to mitigate the risk of bad debts;</p> <p>(b) Full provision for trade receivables outstanding that have exceeded the normal credit period granted of 60 days but less than 180 days, unless it can be justified that the outstanding amount can be collected. The said justification must be disclosed in the Prospectus supported by an independent opinion from the Reporting Accountants; and</p> <p>(c) GT to collect or make full provision for all trade receivables that have been outstanding for more than 180 days.</p> <p>(vii) SIBB/GT to inform the SC when the Flotation is completed;</p> <p>(viii) GT to meet the 30% Bumiputera equity requirement within one (1) year after GT has achieved the profit track record requirement for companies applying for listing on the Second Board of Bursa Securities or five (5) years after being listed on the MESDAQ Market of Bursa Securities, whichever is the earlier, in which the shares to be allocated to Bumiputera investors are to be approved by MITI;</p> <p>(ix) SIBB/GT to submit to SC on how GT proposes to meet the Bumiputera equity condition, six (6) months before the expiry date of compliance;</p>	<p>Complied. Please refer to Section 12.3 of this Prospectus.</p> <p>Complied. Please refer to Section 12.3 of this Prospectus.</p> <p>Complied. Please refer to Section 12.3 of this Prospectus.</p> <p>Noted by us and to be complied with.</p> <p>Noted by us and to be complied with.</p> <p>To be complied with.</p>

9. APPROVALS AND CONDITIONS

9.1.2 ESOS

Authority	Conditions imposed	Status of compliance
SC	(i) SIBB/GT to fully comply with the earlier conditions as stipulated in the SC's letter dated 9 June 2005; and	Please refer to Section 9.1.1 of the SC's conditions in this Prospectus.
	(ii) SIBB/GT to provide a confirmation from the legal adviser, to the SC, that the restriction/terms of the ESOS stipulating that Options to be granted pursuant to the ESOS would only be capable of exercise after one (1) year has lapsed from the listing of GT Shares on the MESDAQ Market, have been incorporated into the final by-laws of the ESOS and approved by the shareholders of GT prior to issuance of prospectus.	Complied. We obtained the approval from our shareholders on 16 September 2005. The confirmation from the legal adviser was submitted to the SC on 19 September 2005.

The SC had also noted the effects of the equity structure of GT arising from the Flotation, as follows:

	Before the Flotation %	After the Flotation %
Bumiputera	-	-
Non-Bumiputera	99.68	99.78
Foreign	0.32	0.22
	<u>100.00</u>	<u>100.00</u>

9.2 Moratorium on Disposal of Our Shares

It is a condition of the MMLR that shares held by our Promoters and/or substantial shareholders amounting to 51% of our nominal issued and paid-up share capital as at the date of our admission to the Official List of the MESDAQ Market be placed under moratorium.

However, pursuant to item (iii) of the conditions imposed by the SC as stated in Section 9.1.1, 51% of the issued and paid-up share capital of our Shares held by our Promoters as at the date of our admission to the Official List of the MESDAQ Market must be placed under moratorium.

9. APPROVALS AND CONDITIONS

Our Promoters and substantial shareholders who are subject to the moratorium are as follows:

	After Public Issue		Shares proposed to be held under moratorium	
	No. of Shares held	% of the issued and paid-up share capital	No. of Shares held	% of the issued and paid-up share capital
<i>Promoters and substantial shareholders</i>				
ATIS	45,900,000	38.25	31,212,000	26.01
KW Chin	44,100,000	36.75	29,988,000	24.99
TOTAL	90,000,000	75.00	61,200,000	51.00

Our Promoters and substantial shareholders will not be allowed to sell, transfer or otherwise dispose of any part of their interests in our Shares for one (1) year from the date of our admission to the Official List of MESDAQ Market. Thereafter, they are allowed to sell, transfer or otherwise dispose only up to a maximum of one-third p.a. of their respective shareholdings on a straight-line basis under moratorium.

The restriction that is fully accepted by our Promoters and substantial shareholders, is specifically endorsed on our share certificates, representing the shareholdings of our Promoters and substantial shareholders which are under moratorium to ensure that our Registrar does not register any transfer which is not in compliance with the restriction imposed by the SC.

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10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS

10.1 Existing and Proposed Related Party Transactions

10.1.1 Save as set out below, there have been no existing or potential related party transactions between us and our Directors, substantial shareholders and/or persons connected with such Directors or substantial shareholders as defined under Section 122A of the Act:

(i) Subsidiary company

Related party	Nature of business	Nature of interest/relationship	Amount in 15-month period ended 31 March 2004 RM'000	Amount in FYE 2005 RM'000	Nature of transaction
GPT*	Designing, developing and manufacturing of customised and standard advance engineering plastic product from mould design, fabrication to injection moulding	Chen Khai Voon is our Director and an indirect substantial shareholder via ATIS. He is also a Director and an indirect substantial shareholder of GPT (via ATIS and WPI). KW Chin is our Director and a substantial shareholder who is also a Director of GPT.	11 30 80	- - 766	<ul style="list-style-type: none"> • Sales of tooling parts • Sales of plant and equipment • Purchases of industrial related products

Note:

* GPT was our subsidiary until 19 September 2004. It became our related company effective from 20 September 2004.

(ii) Related companies

Related party	Nature of business	Nature of interest/relationship	Amount in 15-month period ended 31 March 2004 RM'000	Amount in FYE 2005 RM'000	Nature of transaction
KVC Electric (N.S.) Sdn Bhd (KVCNS)	Distribution and supply of industrial, electrical and electronic products and their related accessories and components	Chen Khai Voon is our Director and an indirect substantial shareholder via ATIS. He is also an indirect substantial shareholder of KVCNS (via ATIS and KVCM).	161	-	Purchases of industrial related products
KVCM	Investment holding and distribution and supply of industrial, electrical and electronic products and their related accessories and components	Chen Khai Voon is our Director and an indirect substantial shareholder via ATIS. He is also a Director and an indirect substantial shareholder of KVCM (via ATIS).	287 130	203 104	<ul style="list-style-type: none"> • Purchases of industrial related products • Management fee in relation to corporate and legal advisory services

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS

Related party	Nature of business	Nature of interest/relationship	Amount in 15-month period ended 31 March 2004 RM'000	Amount in FYE 2005 RM'000	Nature of transaction
R&R Industrial Products (M) Sdn Bhd (RRM)	Distribution of industrial supply products ranging from electrical, mechanical, pneumatics and other industrial products	Chen Khai Voon is our Director and an indirect substantial shareholder via ATIS. He is also an indirect substantial shareholder of RRM (via ATIS and KVCM).	80	292	Purchases of industrial related products
TSA Industries Sdn Bhd	Investment holding and distribution and supply of non-ferrous metal and other industrial hardware products	Chen Khai Voon is our Director and an indirect substantial shareholder via ATIS. He is also a Director and an indirect substantial shareholder of TSA (via ATIS and KVCM).	8	24	Purchases of industrial related products

(iii) Associated company

Related party	Nature of business	Nature of interest/relationship	Amount in 15-month period ended 31 March 2004 RM'000	Amount in FYE 2005 RM'000	Nature of transaction
TGT	Provision of engineering and technical services including designing of machine, machinery equipment and accessories of industrial products and distribution and supply of industrial, electrical and electronic products and their related accessories and components	Chen Khai Voon is our Director and an indirect substantial shareholder via ATIS. He is also a Director and an indirect substantial shareholder of TGT (via ATIS and us). KW Chin is our Director and a substantial shareholder. He is also a Director and an indirect substantial shareholder of TGT (via us)	450	900	Servicing fee for designing our machines

Our Directors are of the opinion that the above transactions have been entered into in the ordinary course of business and on normal commercial terms, at arms length basis and on no more favourable terms than those extended to third parties.

10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS

- 10.1.2** None of our key management or key technical personnel has entered into any transactions with us.
- 10.1.3** There have been no unusual transactions in the nature or conditions involving goods, services, tangible or intangible assets, to which we were a party for the past one (1)-year and the subsequent financial period thereof, if any, immediately preceding the date of this Prospectus.
- 10.1.4** There is no outstanding loan including our guarantees of any kind to or for the benefit of our Directors, substantial shareholders, and/or persons connected with them for the past one (1) financial year and the subsequent period thereof, if any, immediately preceding the date of this Prospectus.
- 10.1.5** Other than the restructuring scheme as set out in Section 6.3 of this Prospectus, none of our Directors and substantial shareholders has any interest, direct or indirect, in the promotion of or in any assets which have, within the two (2) preceding years of the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of or leased or proposed to be leased to us or any contract or arrangement subsisting at the end of this Prospectus which is significant in relation to our business taken as a whole.

10.2 Conflicts of Interests

10.2.1 Declaration of Conflict of Interests by our Directors and Substantial Shareholders

None of our Directors or substantial shareholders has any interest, direct or indirect, in any business or corporation carrying on a similar trade as us where such interest would place our Directors and substantial shareholders directly or indirectly in a position of conflict of interest.

Further, none of our Directors and other companies controlled by our Directors and substantial shareholders (those holding 5% or more in the issued and paid-up share capital) and/or persons connected with such Directors or substantial shareholders as defined under Section 122A of the Act, has any debts owing to us.

10.2.2 Declaration by our Advisers, Auditors, Reporting Accountants and Solicitors

SIBB hereby confirms that save for the following circumstances, there are no existing or potential interest or conflict of interest in its capacity as our Adviser for the Public Issue:

- (a) Its appointment as our Sponsor, Underwriter and Placement Agent for the Public Issue; and
- (b) Its holding company, Southern Bank Berhad (SBB), has extended to us an overdraft facility of RM2 million and a trade financing facility of RM11 million.

The above facilities of RM13.0 million represents less than 1.0% of the total loans, advances and financing of SBB of RM15.02 billion (at SBB bank's level) and RM21.51 billion (at SBB Group level) based on the audited financial statements of SBB as at 31 December 2004 and is therefore not material. Accordingly, SIBB is of the view that the above circumstances do not give rise to a conflict of interest in their capacity as our Adviser for the Public Issue.

Messrs KPMG have given their confirmation that there are no existing or potential interest or conflict of interest in their capacities as our Auditors and Reporting Accountants for the Public Issue.

Messrs Tay & Helen Wong have given their confirmation that there are no existing or potential interest or conflict of interest in their capacities as our due diligence Solicitors for the Public Issue.

11. OTHER INFORMATION CONCERNING OUR GROUP

11.1 Approvals, Major Licences and Permits

Our approvals, major licences and permits are set out below:

Authority	Date of issue	Type of licence	Date of expiry	Equity/other conditions	Status of compliance
MITI	30 April 2002	Manufacturing licence ¹	-	-	-
Royal Malaysian Customs	29 April 2005	Warehouse licence	30 April 2007	-	-
Royal Malaysian Customs	29 April 2005	Manufacturing warehouse licence	30 April 2007	-	-
Majlis Perbandaran Kajang (MPKJ)	4 January 2005	MPKJ licence	31 December 2005	-	-

Note:

1 There is no expiry date for the above manufacturing licence.

11.2 Summary of Properties

As at the Latest Practicable Date, we own the following property:

Owner	Location	Tenure / Year of expiry	Description / Existing use	Land area / Built-up area (sq. ft)	Net book value (RM'000)	Age of building (years)	Date of acquisition
GT	23-03A, Blok A, Kenanga Point, Jalan Gelugor, Wilayah Persekutuan, Kuala Lumpur	Freehold	Condominium – The property is currently rented out with a monthly rental income of RM900.	* - / 861	179	7	9 June 1998

Notes:

* The strata title to the property has yet to be issued by the relevant authorities.

- The said property received its Certificate of Occupation from Dewan Bandaraya Kuala Lumpur on 18 October 2000, with no restriction of interest imposed on the said property.
- The said property is currently charged to Bumiputra-Commerce Bank Berhad for credit facilities amounting to RM6,450,000 granted to us.

12. FINANCIAL INFORMATION

12.1 Proforma Historical Financial Information

You should read the summary of our proforma consolidated income statements for the five (5) financial years/period ended 31 March 2005 in conjunction with the notes and assumptions extracted from the Accountants' Report in Section 13 of this Prospectus.

	Audited				
	< --- FYE 31 December --- >			15-month period ended 31 March 2004 RM'000	31 March 2005 RM'000
	2000 RM'000	2001 RM'000	2002 RM'000		
Revenue	14,310	15,112	22,531	28,420	28,259
EBITDA	2,209	2,120	3,295	3,187	2,604
Depreciation	(319)	(563)	(577)	(751)	(611)
Interest expense	(17)	(69)	(141)	(223)	(166)
Interest income	1	2	-	7	13
Amortisation	-	-	-	-	(58)
	1,874	1,490	2,577	2,220	1,782
Impairment loss on investment in a subsidiary	-	-	-	(51)	-
Share of loss of associate	-	-	(49)	-	-
PBT	1,874	1,490	2,528	2,169	1,782
Taxation	(365)	(217)	(338)	(703)	(575)
PAT but before extraordinary items and MI	1,509	1,273	2,190	1,466	1,207
Extraordinary items	-	-	-	-	-
MI	-	-	-	-	-
PAT after extraordinary items and MI	1,509	1,273	2,190	1,466	1,207
Number of ordinary shares of RM1.00 each in issue ('000)	1,000	1,000	1,000	1,000	1,000
Weighted average number of ordinary shares of RM1.00 each in issue ('000)	1,000	1,000	1,000	1,000	1,000
EPS (RM)					
Gross	1.87	1.49	2.53	1.74**	1.78
Net	1.51	1.27	2.19	1.17**	1.21

Notes:

** Annualised.

- (i) The 32% increase in revenue for 2000 was due to orders for prototype machines as well as mass replication orders for ACB machines, vision inspection systems and provision of high precision tooling parts for the Read-Rite Group, WDM and ITM.
- (ii) Although the revenue in 2001 was marginally higher than 2000, the PAT decreased by 16% mainly due to the increase in operating expenses resulting from an increase in headcount from the expansion of setting up of the production department and overseas representative offices in Thailand and the Philippines.
- (iii) The revenue in 2002 grew by 49% mainly due to increase in replication of prototypes that we designed and developed for Seagate. There were also mass replication orders for two (2) types of automated machines used in the HDA lines of WDM and a high precision tooling project from Ya Hsin Group which is in the semiconductor industry.

12. FINANCIAL INFORMATION

- (iv) There was a marginal increase in revenue for 2004 (on an annualised figure) compared to 2002. This was mainly due to sales of automation machines. However, there was a decrease of 46% in PAT (on an annualised basis) which was mainly attributable to the drop in gross profit resulted from the change in sales mix.
- (v) There was an increase of 24% in revenue for 2005 compared to that of 2004 (on an annualised figure) which was mainly due to the increase in sales of automation machines which were derived from customers' replication orders. However, PAT only improved marginally as compared to 2004, which was attributable to higher R&D expenses incurred in respect of prototypes developed during the year.
- (vi) There were no extraordinary and exceptional items during the periods/years under review.
- (vii) The effective tax rate for 2000 to 2002 was lower than the statutory tax rate due to the availability of pioneer status tax incentives, which expired on 31 January 2003. The effective tax rate for the 15-month financial period ended 31 March 2004 and financial year ended 31 March 2005 was higher than the statutory tax rate mainly due to non-deductible expenses for tax purposes.

12.2 Segmental Analysis of Revenue by Customer Segmentation

The segmental analysis of our revenue by customer segmentation is set out below:

By customer segmentation	FYE 31 December						15-month period ended 31 March		FYE 31 March	
	2000		2001		2002		2004		2005	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
HDD	7,851	54.9	11,926	78.9	17,107	75.9	25,021	88.0	22,912	81.1
Semiconductor	3,931	27.5	1,491	9.9	5,227	23.3	1,266	4.4	1,952	6.9
Electronics	434	3.0	5	-	19	-	843	3.0	816	2.9
Others	2,094	14.6	1,690	11.2	178	0.8	1,290	4.6	2,579	9.1
TOTAL	14,310	100.0	15,112	100.0	22,531	100.0	28,420	100.0	28,259	100.0

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12. FINANCIAL INFORMATION

12.3 Trade Debtors Ageing Analysis and Commentary on Recoverability of Trade Debts Exceeding Credit Period

Based on our latest audited financial statements as at 31 March 2005, we recorded a total trade receivables of RM11.50 million. The normal credit period extended to our customers ranges from 30 to 90 days.

We set out below our ageing analysis of trade receivables as at 31 March 2005, the collections received subsequent to 31 March 2005 and the allowance for doubtful debts:

	Total RM'000	0-60 days RM'000	61-90 days RM'000	91-180 days RM'000	> 180 days RM'000
As at 31 March 2005	11,501	7,074	674	3,000	753
Less: Collections subsequent to 31 March 2005	(5,698)	(4,150)	(395)	(1,087)	(66)
Less: Allowance for doubtful debts	(687)	-	-	-	(687)
Balance	5,116	2,924	279	1,913	-

As set out above, as at the Latest Practicable Date, we have collected RM66,000 of our trade receivables outstanding for more than 180 days as at 31 March 2005 and the balance of RM687,000 have been fully provided for.

For our trade receivables of RM3.67 million which have been outstanding for more than 60 days but less than 180 days as at 31 March 2005, we have subsequently collected RM1.48 million. We are confident of collecting the remaining balance of RM2.19 million based on the following justifications:

- The trade receivables of RM2.19 million are due from MNCs which have stable financial footing;
- Included in RM2.19 million is RM2.14 million due from a MNC which we expect to receive payment by end of October 2005. This is based on a written correspondence provided by the MNC to us; and
- We have a long term business relationship with these MNCs with an average relationship of four (4) years.

For the purpose of the Flotation, our Reporting Accountants, Messrs KPMG, has reviewed on a test basis the trade receivables which have been outstanding for more than 60 days but less than 180 days as at 31 March 2005, together with the latest available information and the abovementioned justifications provided by our Management that these debts are recoverable and hence no allowance for doubtful debts is required. In the opinion of Messrs KPMG, nothing has come to their attention that the justifications are not unreasonable.

Measure taken to recover our long overdue balances and other credit control measures undertaken to mitigate the risk of bad and doubtful debts

Going forward, we have taken the following measures to recover our long overdue balances:

- To put in place more stringent payment terms for our sales, including upfront cash for certain types of our products, in particular the replication products; and
- To conduct mid-monthly management review of outstanding trade receivables in addition to the current monthly review and have closer communication with overdue debtors to ensure recovery.

12. FINANCIAL INFORMATION

Our Directors believe that these measures will mitigate the risks of bad and doubtful debts as well as improve the collection of our Group.

12.4 Our Directors' Declaration on Financial Performance

Save as disclosed in this Prospectus, our Directors are of the view that our financial performance, position and operations are not affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations;
- (ii) material capital expenditure commitments;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations; and
- (iv) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

12.5 Working Capital, Borrowings, Material Litigations, Contingent Liabilities and Capital Commitments

12.5.1 Working Capital

Our Directors are of the opinion that, after taking into account of our cashflow position, banking facilities available and the gross proceeds raised pursuant to our Public Issue, we will have adequate working capital for the preceding twelve (12) months from the date of this Prospectus.

12.5.2 Borrowings

As at the Latest Practicable Date, our total borrowings are approximately RM12.48 million. These interest-bearing/non-interest bearing local borrowings comprise the following:

	Amount outstanding as at the Latest Practicable Date		
	Repayable within twelve (12) months RM '000	Repayable after twelve (12) months RM'000	Total RM'000
Financial Institutions			
Interest bearing			
Bumiputra-Commerce Bank Berhad	3,853	-	3,853
Southern Bank Berhad	4,174	-	4,174
Total borrowings from financial institutions	8,027	-	8,027
Non-Interest bearing Related Party Loan			
ATIS*	4,456	-	4,456
Total	12,483	-	12,483

Note:

* The loan provided by ATIS is for our working capital requirements.

12. FINANCIAL INFORMATION

As at the Latest Practicable Date, we have not defaulted on payments, either interest and/or principal, on bank borrowings for the past one (1) financial year and the subsequent financial period thereof, if any, preceding the date of this Prospectus.

12.5.3 Contingent Liabilities

As at the Latest Practicable Date, we do not have any material contingent liabilities, which upon materialisation, would have a material impact on our financial performance, position and operations.

12.5.4 Capital Commitments

As at the Latest Practicable Date, our Directors are not aware of any material capital commitments contracted or known to be contracted by us, which upon becoming enforceable, may have a material impact on our financial performance, position and operations.

12.5.5 Material Litigations

As at the Latest Practicable Date, our Directors do not know of any pending or threatened proceeding that is likely to have material adverse effect on our financial condition, results of operations, business or prospects. Our Management is also not aware of any fact likely to give rise to such proceedings.

12.6 Future Financial Information

Due to the uncertain nature and inherent risks in our business, we do not include our future financials in this Prospectus. Please refer to Section 4 – Risk Factors for further information.

12.7 Dividend Forecast and Policy

Our Board is of the view that all our shareholders should be given the chance to participate in our profits while maintaining adequate reserves for our future growth.

The declaration, amount and payment of final dividends are subject to our shareholders' approval and our Board's recommendation. The pay-out ratio will depend on our operations results, financial conditions, cash requirements and other factors deemed relevant by our Board.

You should note that all foregoing statements are merely statements of our present intention, thus are not legally binding statements in respect of our future dividends intention and are subject to modification at the sole and discretion of our Board.

12. FINANCIAL INFORMATION**12.8 Proforma Consolidated Balance Sheets as at 31 March 2005***(Prepared for inclusion in this Prospectus)*

**Genetec Technology Berhad
and its subsidiaries ("GT Group")
Proforma consolidated balance sheets as at 31 March 2005**

The following is a summary of the proforma consolidated balance sheets of GT Group as at 31 March 2005, prepared for illustrative purposes only, to show the effects of the proposed transactions on the assumption that these transactions were completed on 31 March 2005 and should be read in conjunction with the notes thereon:

	Consolidated	<----- Proforma Group ----->		
	Audited as as 31.3.2005 RM'000	Proforma 1 RM'000	Proforma 2 RM'000	Proforma 3 RM'000
Property, plant and equipment	3,515	3,515	3,515	3,515
Investment in an associate	-	-	-	-
Goodwill	329	329	329	329
Current assets				
Inventories	4,815	4,815	4,815	4,815
Trade and other receivables	12,253	12,253	11,259	11,259
Amount due from an associate	1,093	1,093	1,093	1,093
Tax recoverable	295	295	295	295
Cash and cash equivalents	2,745	4,803	13,597	17,197
	<u>21,201</u>	<u>23,259</u>	<u>31,059</u>	<u>34,659</u>
Current liabilities				
Trade and other payables	5,990	5,990	5,990	5,990
Amount due to holding company	4,456	2,314	2,314	2,314
Amounts due to related companies	1,870	1,870	1,870	1,870
Bank borrowings (secured)	3,937	3,937	3,937	3,937
Hire purchase liabilities	149	149	149	149
	<u>16,402</u>	<u>14,260</u>	<u>14,260</u>	<u>14,260</u>
Net current assets	4,799	8,999	16,799	20,399
	<u>8,643</u>	<u>12,843</u>	<u>20,643</u>	<u>24,243</u>
Financed by: -				
Share capital	1,000	9,000	12,000	13,200
Share premium	-	-	4,800	7,200
Retained profits	6,900	3,100	3,100	3,100
Shareholders' funds	<u>7,900</u>	<u>12,100</u>	<u>19,900</u>	<u>23,500</u>
Long term and deferred liabilities				
Hire purchase liabilities	201	201	201	201
Deferred tax liabilities	542	542	542	542
	<u>8,643</u>	<u>12,843</u>	<u>20,643</u>	<u>24,243</u>
Number of shares in issue ('000)	1,000	90,000	120,000	132,000
Net tangible assets per share (RM)	7.57	0.13	0.16	0.18



12. FINANCIAL INFORMATION

**Genetec Technology Berhad
and its subsidiaries ("GT Group")
Proforma consolidated balance sheets as at 31 March 2005**

Notes to the proforma consolidated balance sheets

1. The proforma consolidated balance sheets of Genetec Technology Berhad ("GT") and its subsidiaries ("GT Group") are based on the audited financial statements of GT as at 31 March 2005.
2. The proforma consolidated balance sheets of GT Group have been prepared on the basis consistent with the accounting policies adopted in the preparation of audited financial statements of GT Group.
3. The proforma consolidated balance sheets are for illustrative purposes only to incorporate the following transactions as though they were effected on 31 March 2005: -

3.1 Proforma 1

Proforma 1 incorporates the following:

- i) Bonus issue of 3,800,000 new ordinary shares of RM1.00 each in GT, credited as fully paid-up on the basis of thirty eight (38) ordinary shares for every ten (10) existing ordinary shares of RM1.00 each held in GT ("Bonus Issue").
- ii) Share split into ten (10) new ordinary shares of RM0.10 each for every one (1) existing ordinary share of RM1.00 each held in GT after the Bonus Issue.
- iii) Rights issue of 42,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.10 per ordinary share on the basis of seven (7) ordinary shares for every eight (8) existing ordinary shares of RM0.10 each held in GT ("Rights Issue").
- iv) Utilisation of proceeds from the Rights Issue of RM4.2 million as set out in Note 4.

3.2 Proforma 2

Proforma 2 incorporates Proforma 1 and the following:

- i) Public issue of 30,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.30 per ordinary share ("Public Issue").
- ii) Utilisation of proceeds from the Public Issue of RM9.0 million as set out in Note 4.
- iii) The estimated share issue expenses of RM1.2 million are written off against the share premium account.
- iv) Listing of and quotation for the 120,000,000 ordinary shares of RM0.10 each, representing the entire issued and fully paid-up share capital of GT on the MESDAQ Market of Bursa Malaysia Securities Berhad.



12. FINANCIAL INFORMATION

**Genetec Technology Berhad
and its subsidiaries ("GT Group")
Proforma consolidated balance sheets as at 31 March 2005**

3.3 Proforma 3

Proforma 3 incorporates Proforma 2 and issuance of 12,000,000 new GT Shares at an issue price of RM0.30 per GT Share pursuant to the exercise of options to be granted under the Employees' Share Option Scheme ("ESOS"). The number of the GT Shares under the options to be granted under the ESOS shall not exceed 10% of the issued and paid-up ordinary share capital of GT at any time.

4. The gross proceeds from the Rights and Public Issues will be utilised as follows:-

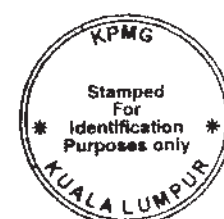
	RM'000
i) Repayment to holding company	2,142*
ii) Working capital	9,858
iii) Estimated share issue expenses	1,200

	13,200
	=====

* the amount will be capitalised pursuant to the Rights Issue.

5. Movement in share capital, share premium and retained profits accounts:-

	Share capital RM'000	Share premium RM'000	Retained profits RM'000
Balance at 31 March 2005	1,000	-	6,900
Bonus issue	3,800	-	(3,800)
Rights issue	4,200	-	-
	-----	-----	-----
Proforma 1	9,000	-	3,100
Public issue	3,000	6,000	-
Payment of share issue expenses	-	(1,200)	-
	-----	-----	-----
Proforma 2	12,000	4,800	3,100
Upon full exercise of ESOS Options	1,200	2,400	-
	-----	-----	-----
Proforma 3	13,200	7,200	3,100
	=====	=====	=====



12. FINANCIAL INFORMATION

12.9 Reporting Accountants' Letter on Our Proforma Consolidated Balance Sheets as at 31 March 2005

(Prepared for inclusion in this Prospectus)



KPMG (Firm No. AF 0758)
Chartered Accountants
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The Board of Directors
Genetec Technology Berhad
Lot 1, Jalan P10/12
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan

17 September 2005

Dear Sirs

Reporting accountants' letter on the proforma consolidated balance sheets as at 31 March 2005

We have reviewed the presentation of the proforma consolidated balance sheets of Genetec Technology Berhad ("GT") and its subsidiaries (collectively known as "GT Group") as at 31 March 2005 which have been prepared for illustrative purposes only, for which the Directors are solely responsible, as set out in the attachment (which we have stamped for identification purposes), for inclusion in the Prospectus to be dated 29 September 2005 in connection with the flotation of shares of GT on the Malaysian Exchange of Securities Dealing & Automated Quotation ("MESDAQ") Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

- (i) Public issue of 30,000,000 new ordinary shares of RM0.10 each in GT ("GT Shares") at an issue price of RM0.30 per GT share;
- (ii) Listing of and quotation for the 120,000,000 GT Shares, representing the entire enlarged issued and paid-up ordinary share capital of GT on the MESDAQ Market of Bursa Securities; and
- (iii) Offer of Employees' Share Option Scheme options of GT to non-executive Directors.

12. FINANCIAL INFORMATION



*Genetec Technology Berhad
Reporting accountants' letter on
the proforma consolidated balance sheets
as at 31 March 2005*

In our opinion,

- the proforma consolidated balance sheets have been properly compiled on the basis of preparation stated;
- such basis is consistent with the accounting policies of GT Group; and
- the adjustments are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants

Chan Kam Chiew
Partner
Approval No: 2055/06/06(J)