

6. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

6.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

6.1.1 Promoter's shareholdings in Asia Poly

The following is the shareholding of the Promoter in Asia Poly after the Public Issue. The illustrated shareholding takes into consideration the Public Issue Shares entitled for subscription by the eligible Director and employees of the Asia Poly Group.

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Teoh Cheng Chuan	Chief Executive Officer	Malaysian	52,588,594	59.82	-	-

6.1.2 Substantial shareholders' shareholdings in Asia Poly

The following are the shareholdings of the substantial shareholders (holding 5% or more in the share capital) in Asia Poly after the Public Issue. The illustrated shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Director and employees of the Asia Poly Group.

Name	Designation	Nationality / Country of incorporation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Teoh Cheng Chuan	Chief Executive Officer	Malaysian	52,588,594	59.82	-	-
Ratna Maya	-	Malaysia	5,594,533	6.36	-	-
Johan Zainuddin bin Dzulkipli	Finance Director	Malaysian	-	-	5,594,533 ¹	6.36

Note:

¹ By virtue of his shareholding in Ratna Maya of more than 15%

6.1.3 Background on Promoter and substantial shareholders

Promoter

The Promoter of Asia Poly is Teoh Cheng Chuan who is also the Chief Executive Officer and a Director of Asia Poly. His profile is as set out in Section 6.2 of this Prospectus.

Substantial shareholders

The substantial shareholders of Asia Poly are Teoh Cheng Chuan, Johan Zainuddin bin Dzulkipli and Ratna Maya. Teoh Cheng Chuan and Johan Zainuddin bin Dzulkipli are Directors of Asia Poly and their profiles are set out in Section 6.2 of this Prospectus.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

A brief background on the other substantial shareholder of Asia Poly, apart from those who are the Directors of the Company is as follows:

Ratna Maya

Ratna Maya was incorporated on 8 October 2002 in Malaysia under the Act as a private limited company.

The authorised share capital of the company is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, all of which have been issued and fully paid-up as at 2 September 2005.

The company is principally an investment holding company.

The details of the Directors and the shareholders of Ratna Maya and their shareholdings therein as at 2 September 2005 are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	% held	No. of shares	% held
Johan Zainuddin bin Dzulkipli	Malaysian	99,999	100.00	-	-
Liza Binti Mohd Noor	Malaysian	1	*	-	-

Note:

* Less than 0.01%

6.1.4 Promoter's and substantial shareholders' directorships and/or substantial shareholdings in other public corporations

Save as disclosed in Section 6.2.3 of this Prospectus, none of the substantial shareholders and the Promoter has any other directorships and/or substantial shareholdings (holding five percent (5%) shareholding or more) in other public corporations for the past two (2) years.

6.1.5 Changes in the Promoter's and substantial shareholders' shareholdings in Asia Poly for the past three (3) years

Save as disclosed below, there has been no changes in the Promoter's and substantial shareholders' shareholdings in Asia Poly since incorporation.

	As at date of incorporation				After the Acquisition of APSB but before Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Teoh Cheng Chuan	-	-	-	-	52,588,594	80.00	-	-
Ratna Maya	-	-	-	-	5,594,533	8.51	-	-
Johan Zainuddin bin Dzulkipli	-	-	-	-	-	-	5,594,533 ¹	8.51

Note:

¹ By virtue of his shareholding in Ratna Maya of more than 15%

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

6.2 BOARD OF DIRECTORS

6.2.1 Profile

Chieng Ing Huang, a Malaysian aged 47, was appointed to the Board of Asia Poly on 2 September 2004 as the Non-Executive Chairman. He graduated in 1980 from the University of New South Wales, Australia with a Bachelor of Commerce Degree with Merit in Accounting, Finance & Information Systems. He qualified as a Chartered Accountant in 1981 and he is a member of the Institute of Chartered Accountants in Australia. He is also a Chartered Accountant registered with the Malaysian Institute of Accountants since 1983. He has extensive senior management working experience in both Malaysia and Australia. He is the founder of Nationwide Express Courier Services Berhad. He is the Senior Vice-President – Business Development of Hwang-DBS Securities Berhad. He is also the Chairman of Selangor Dredging Berhad and a Director of QL Resources Berhad and Esthetics International Group Berhad, which are listed on the Main Board of Bursa Securities.

Teoh Cheng Chuan, a Malaysian aged 50, was appointed to the Board of Asia Poly on 2 September 2004 as the Chief Executive Officer. He is in charge of the Group's operations, management and strategic planning. Mr Teoh graduated with a Bachelor of Science in Chemistry from University Malaya, Malaysia in 1978. He has accumulated vast experience in the chemical industry of more than twenty (20) years with Sumitomo Corporation (Kuala Lumpur) where he begun his career as a Business Executive in 1980 and rose to the Senior Manager position before he left and took over the business of running Asia Poly. During his tenure as the Senior Manager of Business Development with Sumitomo Corporation (Kuala Lumpur), he successfully initiated and developed business in areas such as export and domestic markets for chemical based products, food products, wires, animal feed, fatty acids and palm oil and its derivatives products for both export and local markets.

As the Chief Executive Officer of the Group, Mr Teoh has been the main driving force of the Asia Poly Group as witnessed by the steady growth of the Company. Together with a dedicated team of key personnel, which include Mr Alexander James Brown, the Director, Operations, he has managed to establish a sound working relationship with the Group's major customers and suppliers.

Alexander James Brown, a Canadian aged 65, was appointed to the Board of Asia Poly on 2 September 2004. He is the Executive Director and is in charge of the daily operations of the Group as well as a technical consultant where he constantly provides technology development and feedback to the R&D team of the Group. Mr Brown is a graduate in Bachelor of Business Administration from York University, Toronto, Canada. He has approximately forty-four (44) years of technical experience in custom injection moulding in the use of Engineering and Specialty Plastics for automotive, industrial, aerospace and military hardware applications. He was also involved in numerous other areas such as R&D, design, manufacturing / fabrication of products and toolings, metal fabrication, printing and sub-assemblies, purchasing, administration and management, as well as setting up plants and machinery. He has acted as an independent consultant on a contract basis with General Motors, United States of America and Boeing, United States of America and was also attached with TEK Plastics Malton Ontario, Canada, the world's largest acrylic sign manufacturer in the early 1970s. Prior to joining Asia Poly, he was attached to HIL Industries Sdn Bhd, a subsidiary of Hagemeyer Narden, Netherlands (1984 – 1991); Syarikat Malaysian Explosives, Batu Arang (1993 – 1997) and after 1997, he worked as a private consultant outside Malaysia.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Johan Zainuddin bin Dzulkipli, a Malaysian aged 43, was appointed to the Board of Directors of Asia Poly on 2 September 2004 as Non-Executive Director and was subsequently assigned as the Group's Finance Director on 25 May 2005. He is a Fellow of the Association of Chartered Certified Accountants and has a Post-Graduate Diploma in Islamic Banking and Finance from International Islamic University, Malaysia in 1997.

He began his career as a Financial Accountant with a multinational company in 1986 after his graduation. In 1989, he joined a merchant bank as Assistant Manager in the Corporate Advisory Department. He subsequently left and joined a public listed company as Vice President of Corporate and Business Development in 1992 and, in 1997 he left and joined another public listed company as Head of Corporate Services until 2002. He is well versed in areas of corporate advisory and business development. Encik Johan also sits on the Board of Nakamichi Corporation Berhad where he was appointed in November 2002 and Esthetics International Group Berhad where he was appointed in March 2005.

See **Ah Sing**, a Malaysian aged 46, was appointed to the Board of Directors of Asia Poly on 2 September 2004 as an Independent Director. He graduated with a Bachelor of Economics (Honours) from University of Malaya, Malaysia in 1982. He subsequently furthered his studies and obtained a Diploma in Public Management from National Institute of Public Administration in 1983. He later joined the public services sector in 1984 as an Administrative and Diplomatic Officer.

During his more than twenty (20) years tenure with the public services sector, he has served in various departments and held various positions as an Assistant Secretary of the Planning Division, Ministry of Housing and Local Government (1984-1986); Senior Confidential Secretary to Deputy Minister of Finance, Ministry of Finance (1986-1992); Assistant Director of the Infrastructure Section, Economic Planning Unit, Prime Minister's Department (1992-1998); Principal Assistant Director of the Agriculture Development Section, Economic Planning Unit (1998-1999); Special Officer to the Minister of Finance, Ministry of Finance (1999 to January 2004). He was the director of Silterra Sdn Bhd from 2002 to 2004 and currently he is also the Chief Executive Officer of Pantai Fomema & Systems Sdn Bhd, a wholly-owned subsidiary company of Pantai Holdings Berhad.

Richard George Azlan Bin Abas, a Malaysian aged 42, was appointed to the Board of Directors of Asia Poly on 2 September 2004 as an Independent Director. He graduated from the University of Western Australia with a Bachelor of Commerce in 1984. He articulated as a Chartered Accountant with Arthur Andersen & Co from 1984 to 1989 and then worked for the Arab-Malaysian Group of companies from 1989 to 1996. In 1995, he attended the Management Development Program at the Asian Institute of Management in Manila. He was the Group Chief Executive of YPJ Holdings Sdn Bhd, a subsidiary of Yayasan Pelajaran Johor, from April 1997 to March 2002.

He is currently a partner of Azlan & Co., Chartered Accountants, a member of the Malaysian Institute of Accountants and is a Fellow of The Institute of Chartered Accountants in Australia. Presently, he is a director of Silver Bird Group Berhad, Integrated Knowledge and Campus Management Berhad and several private limited companies.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

6.2.2 Directors' shareholdings in Asia Poly

The following are the shareholdings of the Directors in the Asia Poly Group after the Public Issue. The illustrated shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Director and employees of the Asia Poly Group.

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Chieng Ing Huong	3,286,788	3.74	-	-
Teoh Cheng Chuan	52,588,594	59.82	-	-
Alexander James Brown	200,000	0.23	-	-
Johan Zainuddin bin Dzul kifli	-	-	5,594,533 ¹	6.36
See Ah Sing	-	-	-	-
Richard George Azlan bin Abas	-	-	-	-

Note:

¹ By virtue of his shareholding in Ratna Maya of more than 15%

6.2.3 Directors' directorships and/or substantial shareholdings in other public corporations for the past two (2) years

Save as disclosed below, none of the other directors has any other directorships and/or substantial shareholdings (holding five percent (5%) shareholding or more) in other public corporations for the past two (2) years:

Name	Company	Designation	No. of shares held as at 2 September 2005				Date of appointment	Date of resignation
			Direct		Indirect			
			No of shares	%	No of shares	%		
Chieng Ing Huong ¹	Nylex (Malaysia) Bread	-	-	-	-	-	20.06.2001	31.05.2005
	Ancom Berhad	-	-	-	-	-	23.08.2001	31.05.2005
	QL Resources Berhad	Senior Independent Non-Executive Director	-	-	-	-	24.12.2001	-
	Esthetics International Group Berhad	Non-Independent Non-Executive Director	-	-	-	-	04.02.2004	-
	Nationwide Express Courier Services Berhad	-	-	-	-	-	09.01.1985	22.08.2005
	Selangor Dredging Berhad	Non-Independent Non-Executive Chairman	-	-	-	-	30.07.1999	-

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name	Company	Designation	No. of shares held as at 2 September 2005				Date of appointment	Date of resignation
			Direct		Indirect			
			No of shares	%	No of shares	%		
Johan Zainuddin bin Dzulkifli ²	Nakamichi Corporation Berhad	Independent Non-Executive Director	-	-	-	-	18.11.2002	-
	Esthetics International Group Berhad	Independent Non-Executive Director	-	-	-	-	23.03.2005	-
Richard George Azlan bin Abas ³	Integrated Knowledge and Campus Management Berhad	Executive Director	100,000	0.20	-	-	01.06.2003	-
	Silver Bird Group Berhad	Independent Non-Executive Director	5,000	-*	-	-	21.05.2004	-
	SKP Resources Berhad	-	-	-	-	-	10.10.2000	31.12.2004

Note:

* Negligible

1 *Chiang Ing Huong, in his respective capacity as Non-Executive Director/Chairman in the public corporations as disclosed above, is not involved in the business operations of those corporations.*

2 *Johan Zainuddin bin Dzulkifli, in his respective capacity as Non-Executive Director in the public corporations as disclosed above, is not involved in the business operations of those corporations.*

3 *Save for his involvement and allocation of approximately 10% of his time per week as an Executive Director in Integrated Knowledge and Campus Management Berhad, Richard George Azlan bin Abas, in his capacity as Independent Non-Executive Director, is not involved in the business operations of Silver Bird Group Berhad.*

6.2.4 Directors' remuneration and benefits

The aggregate remuneration and benefits (excluding performance bonus) paid for the financial year ended 31 March 2005 and proposed to be paid for the financial year ending 31 March 2006 to the Directors of the Group for services rendered in all capacities to the Company and its subsidiary amounted to RM490,050 and approximately RM529,200 respectively are as follows:

	Financial year ended 31 March 2005			Financial year ending 31 March 2006		
	Executive Directors*	Non- Executive Directors	Total	Executive Directors*	Non- Executive Directors	Total
Below RM100,000	-	4	4	1	3	4
RM100,001 to RM200,000	2	-	2	2	-	2

Note:

* *Includes remuneration and benefits for the Chief Executive Officer of Asia Poly, namely Teoh Cheng Chuan*

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

6.3 AUDIT COMMITTEE

The Audit Committee comprises the following Board members:

Name	Designation	Directorship
See Ah Sing	Chairman of Committee	Independent Director
Johan Zainuddin bin Dzul kifli	Member of Committee	Finance Director
Richard George Azlan bin Abas	Member of Committee	Independent Director

The Audit Committee, comprising two (2) Independent Directors and a Finance Director, is responsible for the recommendations to the Board of Directors regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviews and evaluates the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

6.4 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

The management team is headed by Teoh Cheng Chuan and Alexander James Brown. Assisting them is a team of experienced management and technically qualified personnel. The particulars of the key personnel are as follows:

6.4.1 Profile

Lim Chang Ching, a Malaysian aged 30, is the Director of Business Development, for the Asia Poly Group. She heads the Commercial Department which consists of the following three (3) divisions, namely Sales and Marketing Division for both export and local, for all APSB acrylic sheet products; Customer Service Division, which responds to all customer technical and advisory services; and Trading Division which services export customers' requirements for Industrial Chemicals, along with other commodities. She will continue to manage all the sales cum marketing, customer service, trading and logistics aspects of the entire Group. She graduated from Sheffield University in the United Kingdom in 1996 with a Bachelor of Arts in Business Studies. Prior to joining Asia Poly in 1998, she was attached to Intercontinental Specialty Fats Sdn Bhd as an Accounts Assistant and Commercial Executive from 1996 to 1998.

Ch'ng Siew Lei, a Malaysian aged 34, is the Finance Manager for the Asia Poly Group. She is responsible for the financial management of the Asia Poly Group. She completed her Chartered Institute of Management Accountants, United Kingdom in 1994. She is also a Chartered Accountant registered with the Malaysian Institute of Accountants. She has held various positions in the accounts department of various companies, such as Cullis Raggett Insurance Brokers Sdn Bhd as an Account Officer from 1990 to 1994. She subsequently joined Chua Song Seng Sdn Bhd as an Assistant Accountant cum Administrator from 1994 to 1996. In 1996, she joined Asian Professional Golf Association as an Accountant prior to joining Asia Poly in June 1998. She is well versed in the areas of financial management, taxation and accounting.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

Loh Poh Ming, a Malaysian aged 27, is the R&D and Quality Assurance Manager for the Asia Poly Group. She is currently assisting Mr Alexander James Brown in R&D activities of the manufacturing division of the Group. Miss Loh is responsible for the physical upgrading of all existing products and the introduction of all new products to the Asia Poly product line. She graduated with a Bachelor of Chemical Engineering degree from University Putra Malaysia in 1999. Prior to joining Asia Poly in 1999, she was attached to T.G Medical Sdn Bhd as the R&D Executive for less than a year.

Chiah Swee Hua, a Malaysian aged 29, is the Production Planning and Control / IT Manager for the Asia Poly Group. She is currently responsible for the planning of manufacturing schedules as well as raw materials management for the Group. In addition to her normal function, Miss Chiah is in charge of all the planning and purchasing of the companies information technology requirements for software and hardware. She graduated with a Bachelor of Science (Honours) (Human Development) from University Putra Malaysia in 1999. Prior to joining Asia Poly, she was attached to Agensi Pekerjaan Princeton for more than a year as an Administrative Assistant from 1999 to 2000.

6.4.2 Key management and key technical personnel's shareholdings in Asia Poly

Save as disclosed in Section 1.2 of this Prospectus, none of the key management or key technical personnel has any shareholdings in Asia Poly after the Public Issue.

6.5 INVOLVEMENT OF EXECUTIVE DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL IN OTHER BUSINESSES OR CORPORATIONS

None of the Executive Directors, key management or key technical personnel is involved in the operations of other businesses or corporations.

6.6 DECLARATIONS OF DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

None of the Directors, key management or key technical personnel is or was involved in 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) Convicted and/or charged in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) The subject of any order, judgement 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.

6.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

There is no family relationship or associations amongst the substantial shareholders, Promoter, Directors, key management or key technical personnel.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

6.8 EXISTING OR PROPOSED SERVICE AGREEMENTS BETWEEN ASIA POLY OR ITS SUBSIDIARY AND ITS DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL

None of the Directors, key management and key technical personnel of the Asia Poly Group has any existing or proposed service agreement with Asia Poly or its subsidiary, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year.

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7. APPROVALS AND CONDITIONS

The following authorities approved the Public Issue:

- (i) Bursa Securities vide its letters dated 14 May 2004 and 25 November 2004;
- (ii) SC* vide its letters dated 13 May 2004 and 9 May 2005; and
- (iii) MITI vide its letter 10 September 2003,

subject to the following conditions:

Authority/Date of Approval	Conditions imposed	Status of compliance
Bursa Securities/ 14 May 2004	<ul style="list-style-type: none"> (i) Asia Poly is required to make detailed disclosure in the prospectus of the following: <ul style="list-style-type: none"> (a) The risk of not having any formal or official agreement with Lucite International in respect of the use of its manufacturing facilities and the impact to Asia Poly in the event that there is no support from Lucite International when there is an excess demand over production capacity; (b) Action to be taken by Asia Poly in the event that there is no support from Lucite International when the excess demand arise; (c) How the business activity of Lucite International will not be in competition with Asia Poly; and (d) The mitigating steps taken/will be taken by Asia Poly to avoid any potential conflict of interest/business competition between Asia Poly and Lucite International through its extensive business collaborations. (ii) Asia Poly to inform Bursa Securities on the status of the application to seek an exemption from complying with Bumiputera equity condition as imposed by MITI; (iii) Asia Poly to inform Bursa Securities on the appointment of the proposed directors as well as Independent Directors and to provide confirmation that they qualify as defined in the Listing Requirements of Bursa Securities for the MESDAQ Market; and (iv) Asia Poly to disclose the consolidated profit forecast in the prospectus, as proposed. 	<ul style="list-style-type: none"> Complied. Disclosed in Section 3.6 of this Prospectus. Complied. Disclosed in Section 3.6 of this Prospectus. Complied. Disclosed in Section 3.5 of this Prospectus. Complied. Disclosed in Section 3.5 of this Prospectus. Complied. Disclosed in Section 9.1 of this Prospectus. Complied. Letters to Bursa Securities in relation to the appointment of the Independent Directors and confirmation that they qualify as Independent Directors were forwarded to Bursa Securities on 17 September 2004. Complied. Disclosed in Section 10.5 of this Prospectus.

7. APPROVALS AND CONDITIONS *(Cont'd)*

Authority/Date of Approval	Conditions imposed	Status of compliance
Bursa Securities / 25 November 2004	No condition attached	Not applicable
SC/ 13 May 2004	<p>(i) Asia Poly should fully disclose in the floatation prospectus with regard to the relationship between Chieng Ing Huong (one of the proposed directors of Asia Poly) and Hwang-DBS, together with justifications why the appointment of Hwang-DBS as the adviser of the proposal would not give rise to a conflict of interest situation;</p> <p>(ii) With regard to the utilisation of the flotation proceeds:</p> <p>(a) Asia Poly should disclose the time frame for the utilisation in the flotation prospectus.</p> <p>Any extension of time for the completion of the utilisation of the proceeds from that determined earlier should be approved by a clear resolution by the board of directors of Asia Poly and fully disclosed to Bursa Securities; and</p> <p>(b) Asia Poly should disclose the status of the utilisation of the flotation proceeds in its quarterly and annual reports until the proceeds are fully utilised;</p> <p>(iii) Asia Poly should comply with the National Development Policy requirement within one (1) year after Asia Poly has achieved the profit-track record requirement for companies applying for flotation on the Second Board of Bursa Securities or within five (5) years after being listed on the MESDAQ Market, whichever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by the MITI;</p> <p>(iv) Hwang-DBS/Asia Poly should submit a preliminary proposal to the SC on how Asia Poly intends to meet the Bumiputera equity condition six (6) months before the expiry date of compliance; and</p> <p>(v) Hwang-DBS/Asia Poly should inform the SC on the completion date of the proposed flotation.</p>	<p>Complied. Disclosed in Section 8.5 of this Prospectus.</p> <p>Complied. Disclosed in Section 2.7 of this Prospectus.</p> <p>To be complied with</p> <p>To be complied with</p> <p>To be complied with</p> <p>To be complied with</p> <p>To be complied with</p>

7. APPROVALS AND CONDITIONS (Cont'd)

Authority/Date of Approval	Conditions imposed	Status of compliance															
	(vi) The SC takes note on the following equity structure of Asia Poly arising from the Listing:	Not applicable															
	<table border="1"> <thead> <tr> <th></th> <th>Before the Public Issue %</th> <th>After the Public Issue %</th> </tr> </thead> <tbody> <tr> <td>Bumiputera</td> <td>-</td> <td>7.48</td> </tr> <tr> <td>Non-Bumiputera</td> <td>100.00</td> <td>92.52</td> </tr> <tr> <td>Foreign</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td><u>100.00</u></td> <td><u>100.00</u></td> </tr> </tbody> </table>		Before the Public Issue %	After the Public Issue %	Bumiputera	-	7.48	Non-Bumiputera	100.00	92.52	Foreign	-	-		<u>100.00</u>	<u>100.00</u>	
	Before the Public Issue %	After the Public Issue %															
Bumiputera	-	7.48															
Non-Bumiputera	100.00	92.52															
Foreign	-	-															
	<u>100.00</u>	<u>100.00</u>															
SC / 9 May 2005	No condition attached	Not applicable															
MITI/ 10 September 2003	(i) Asia Poly is required to increase its Bumiputera equity interest to 30% within five (5) years after flotation or within one (1) year after Asia Poly has achieved the profit-track record requirement for companies applying for flotation on the Second Board of Bursa Securities; and	Noted															
	(ii) Asia Poly is required to obtain approvals of the SC and Bursa Securities.	Complied. The approvals of the SC and Bursa Securities were obtained on 13 May 2004 and 14 May 2004, respectively.															

Note:

* Including approval under the FIC's Guidelines on the Acquisition of Interest, Mergers, and Take-Overs By Local and Foreign Interests

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8. RELATED PARTY TRANSACTIONS/CONFLICT OF INTERESTS

8.1 INTEREST IN SIMILAR BUSINESS

None of the Directors or substantial shareholders of Asia Poly and its subsidiary has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiary.

8.2 RELATED PARTY TRANSACTIONS AND/OR CONFLICT OF INTERESTS

There are no on-going or potential related party transactions and/or conflict of interests between the Asia Poly Group and its substantial shareholders or Directors or persons connected with the Director or substantial shareholders as defined under Section 122A of the Act and/or its key management and/or key technical personnel.

There is no amount of outstanding loans (including guarantees of any kind) made by Asia Poly or its subsidiary to or for the benefit of the related parties.

8.3 UNUSUAL TRANSACTIONS IN THEIR NATURE OR CONDITIONS

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which Asia Poly or its subsidiary was a party in respect of the past financial year ended 31 March 2005 or the subsequent period immediately preceding the date of this Prospectus.

8.4 PROMOTION OF ANY MATERIAL ASSETS

Save as disclosed in Section 4.3 of this Prospectus, none of the Directors or substantial shareholders has any interest, direct or indirect, in the promotion of any material assets acquired or proposed to be acquired or disposed of or proposed to be disposed or leased or proposed to be leased to the Company or its subsidiary within the two (2) years preceding the date of this Prospectus.

8.5 DECLARATION BY EXPERTS

Hwang-DBS is appointed as an Adviser and Sponsor for the Public Issue to Asia Poly in respect of the Listing of Asia Poly on the MESDAQ Market of Bursa Securities. Chieng Ing Huong is the Senior Vice President of Business Development in Hwang-DBS and the Non-Executive Chairman of Asia Poly.

No conflict of interest arises because Chieng Ing Huong is neither a director of Hwang-DBS nor does he hold any shares in Hwang-DBS. He is the Senior Vice-President of Business Development in Hwang-DBS. Further, the Business Development department of Hwang-DBS is completely separate from the Corporate Finance department in that their functions and roles are clearly distinct as required of a participating organisation of Bursa Securities for Universal Brokers.

In addition, in his capacity as the Senior Vice-President of the Business Development department of Hwang-DBS, Chieng Ing Huong is not involved in the decision making processes and systems of the Corporate Finance department of Hwang-DBS. Further, the aforementioned is mitigated as “Chinese Walls” exists between both departments.

Hwang-DBS hereby confirms that there is no existing or potential conflict of interest in its capacity as the Adviser and Sponsor for the Public Issue.

Messrs. Deloitte KassimChan confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for the Public Issue.

8. RELATED PARTY TRANSACTIONS/CONFLICT OF INTERESTS (Cont'd)

Messrs. Raslan Loong confirms that there is no existing or potential conflict of interest in its capacity as the due diligence solicitors for the Public Issue.

Infocredit D&B confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Research Consultant for the Public Issue.

Avenue confirms that there is no existing or potential conflict of interest in its capacity as the Underwriter and Placement Agent for the Public Issue.

8.6 MORATORIUM ON THE SALE OF SHARES

Bursa Securities/SC, in approving the flotation of Asia Poly on the MESDAQ Market, have also imposed a moratorium on the disposal of shares held by the substantial shareholder/promoter of Asia Poly.

It is also a condition of Bursa Securities/SC that such substantial shareholder/promoter of Asia Poly will not be allowed to sell, transfer or assign 39,561,732 Asia Poly Shares, representing 45.0% of the total number of shares of Asia Poly, held by him within one (1) year from the date of admission of Asia Poly to the Official List of the MESDAQ Market. Thereafter, the substantial shareholder/promoter is permitted to sell, transfer or assign up to maximum of one-third per annum on a straight-line basis of his shareholding in Asia Poly which is under moratorium.

The restriction is specifically endorsed on the notice of allotment representing the Asia Poly Shares of the substantial shareholder/promoter, which are under moratorium to ensure that trading of these shares is not conducted in compliance with the restriction imposed by Bursa Securities/SC. The restriction is fully accepted by the substantial shareholder/promoter and the public is deemed to have notice of this restriction.

Part of the shareholding of Teoh Cheng Chuan amounting to 39,561,732 Asia Poly Shares, representing 45.0% of the enlarged issued and paid-up share capital of Asia Poly, are under moratorium as proposed by Asia Poly and approved by Bursa Securities/SC.

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9. OTHER INFORMATION CONCERNING THE GROUP

9.1 LICENCES AND PERMITS

The material licences and permits held by the Group required for the purposes of conducting its business are listed below:

Licences/Permits	Approving authority	Approval period	Salient conditions	Status of compliance
APSB Manufacturing licence issued under Section 3 of the Industrial Co-Ordination Act, 1975 Licence No.: A007633 Serial No.: A010861	MITI	Commencing from 11 March 1991 for the manufacture of cast acrylic sheets	The salient conditions attached to the manufacturing licence are as follows: ➤ 60% of the APSB Shares must be purchased and held by Malaysian citizens with a minimum of 30% reserved for Bumiputera and the company must consult with MITI prior to allocating the reserved shares; and ➤ APSB must export at least 55% of its total production.	To be complied. For details, please refer to explanation below. * Met
Letter of approval dated 2 June 2000 issued under Factories and Machinery Act, 1967 for "Thermal Oil Heater" Ref: JKKP IS 127/453/1-565(2)	Department of Occupational Safety and Health ("DOSH")	No expiry date	The salient conditions attached to the letter of approval are as follows: ➤ The heater during installation shall be inspected by the Inspection Authority; ➤ The installation of the heater shall comply with the procedures and quality control pursuant to Code: BS 1113-1992; and ➤ To obtain written consent from the DOSH for any material changes to the heater.	Met
Certificate of approval dated 24 August 2002 issued under Regulations 36 and 38 of the Environmental Quality (Clean Air) Regulations, 1978 for "Vertical Multi Coil Oil Heater" Certificate No: APB/165/2002	Department of Environment	No expiry date	The approval can be withdrawn if the installation works were not done in accordance to the approved drawings or plan.	Met
Letter of approval dated 26 October 2004 issued under Customs Act, 1967 (Section 14(2)) for import duty exemption on "Adhesive Masking Film" and "Adhesive Masking Paper"	Ministry of Finance	28 October 2004 to 27 October 2005	The salient conditions attached to the original letter of approval dated 28 October 2002 are as follows: ➤ The materials to which this exemption letter applies cannot be taken out of the factory premises or stores for any sub-contracting purposes or activities except with the written approval of the Customs Department; ➤ The prior written approval from the Customs Department is required for any transfer, sale, destruction or export of the raw materials or by-products or sale of	Met To be met if arises

9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Licences/Permits <i>APSB</i>	Approving authority	Approval period	Salient conditions	Status of compliance
			finished goods in local markets;	
			➤ The company shall prepare a statement of account every three (3) months regarding the usage of raw materials and final production in the factory; and	Met
			➤ This exemption can be withdrawn by the Ministry of Finance at any time without giving any reasons.	
Letter of approval dated 26 July 2005 issued under Customs Act, 1967 (Section 14(2)) for import duty exemption on "Clear Float Tempered Glass"	Ministry of Finance	13 May 2005 to 12 May 2006	The salient conditions attached to the letter of approval are as follows: ➤ Prior written approval from the Customs Department is required for any transfer, sale, export or destruction of the machines/equipment. For sale in local markets, tax/duty involved shall be paid based on the description of the goods and the rate of duty fixed by the Custom Duty Order and Sales Tax Order. For machines/equipment that was destroyed, the tax involved must be remitted; ➤ The Company shall keep an inventory list for all machines and/or equipment involved; and ➤ This exemption can be withdrawn by the Ministry of Finance at any time without giving any reasons.	To be met if arises Met
Letter of approval dated 24 January 2005 issued under Customs Act, 1967 (Section 14(2)) for import duty exemption on "PVC Gasket (Monofilament Rod)" and "PVC Gasket (Hollow)"	Ministry of Finance	22 January 2005 to 21 January 2006	The salient conditions attached to the letter of approval are as follows: ➤ The company shall record the usage of the raw materials, final production in the factory and the total of sales; ➤ The company shall prepare a statement of account every three (3) months regarding the usage of the raw materials, final production in the factory and the total of sales in a prescribed format as agreed by the senior officer of the customs/company and shall be duly signed and certified as true copies by the company's accountant or authorised officer of the company; ➤ Prior written approval from the Customs Department is required for any transfer, sale, export or destruction of the machines/equipment. For sale in local markets, tax/duty involved shall be paid based on the description of the goods and the rate of duty fixed by the Custom Duty Order and Sales Tax Order. For machines/equipment that was destroyed, the tax involved must be remitted; ➤ This exemption can be withdrawn by the Ministry of Finance at any time without giving any reasons.	Met Met

9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Licences/Permits	Approving authority	Approval period	Salient conditions	Status of compliance
<i>APSB</i>				
Business licence issued in respect of Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan	Majlis Perbandaran Klang	1 January 2005 to 31 December 2005	No conditions attached	Not applicable
Licence issued under the Sales Tax Act, 1972	Royal Customs and Excise Malaysia	Commencing from 1 December 1991	No conditions attached	Not applicable
Licence No: A043618				
Letter of Authority dated 21 June 2004 for Diesel issued under the Control of Supplies Regulation, 1974	Ministry of Domestic Trade and Consumer Affairs	21 June 2004 to 20 June 2005.*	The salient conditions attached to the letter of approval are as follows: <ul style="list-style-type: none"> ➤ The scheduled goods (i.e. up to 20,000 litres of diesel) may not be stored at any other location other than at Lot 758 Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan; ➤ The scheduled goods are to be used by the licence holder only and shall not be sold; and ➤ The licence holder shall keep a record book showing the purchases of the scheduled goods. 	Met

* On 6 October 2003, MITI has agreed and approved Asia Poly's application dated 17 July 2003 to extend the time frame for Asia Poly to comply with the equity condition imposed for another three (3) years commencing from 6 October 2003.

An application for extension of the period of approval under the Letter of Authority has been submitted and is pending approval.

9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

9.2 PROPERTIES

The details of the properties of the Asia Poly Group as at 2 September 2005 are set out below:

Registered owner / Beneficial owner	Title no./ Location	Address	Description / Existing use	Approximate land area / Built-up area (sq. m.)	Approximate age of building (years)	Date of issuance of certificate of fitness	Tenure	Encumbrances	Audited net book value as at 31.03.2005 RM'000
APSB	Title No. G.M. 2277, Lot No. 758, Mukim Kapar, District of Klang, State of Selangor Darul Ehsan	Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan	Comprise three (3) units of single storey warehouse / factory, a unit of double storey office building and the labour quarters. The land is designated for industrial use only.	19,096 / 9,104	Approximately 12 years	19 August 1997	Freehold	Charged to Affin Bank Berhad	14,554

None of the existing use on the abovementioned land is in breach of any land-use conditions or permissible land use. There is no restriction-in-interest for the abovementioned land.

10. FINANCIAL INFORMATION

10.1 HISTORICAL FINANCIAL INFORMATION

The following is a summary of the audited proforma consolidated results of the Asia Poly Group for the five (5) financial years ended 31 March 2001 to 2005. The proforma consolidated results are presented for illustrative purposes only and have been prepared on the assumption that the current Asia Poly Group structure has been in existence throughout the financial years under review. The table should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus.

	←----- Financial year ended 31 March ----->				
	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	2005 RM'000
Revenue	29,082	30,849	38,998	45,229	58,267
EBITDA	1,025	2,856	4,140	4,474	5,683
Interest expense	(963)	(500)	(399)	(354)	(415)
Depreciation	(466)	(613)	(848)	(861)	(1,030)
PBT / (LBT)	(404)	1,743	2,893	3,259	4,238
Income tax expense	(10)	(428)	(667)	(752)	(622)
Net profit / (loss)	(414)	1,315	2,226	2,507	3,616
Number of Asia Poly Shares in issue *	65,736	65,736	65,736	65,736	65,736
Gross EPS/(LPS) (sen)	(0.62)	2.65	4.40	4.96	6.45
Net EPS/(LPS) (sen)	(0.63)	2.00	3.39	3.81	5.50

Notes:

- * The number of ordinary shares assumed in issue throughout the financial years under review represents the number of ordinary shares in issue after the APSB Acquisition.
- (i) The summarised proforma consolidated income statements of the Group for the five (5) financial years ended 31 March 2005 are prepared based on the following:
- (a) audited financial statements of Asia Poly for the financial period from 20 June 2003 (date of incorporation) to 31 March 2004 and financial year ended 31 March 2005; and
- (b) audited financial statements of APSB for the financial years ended 31 March 2001, 2002, 2003, 2004 and 2005.
- (ii) No provision for estimated current tax payable has been made for the financial years under review as the Group has sufficient unabsorbed capital allowances, tax losses and reinvestment allowances to offset in full the business income that would otherwise be taxable.

Income tax expense during the financial years under review arose mainly from the retrospective recognition of deferred tax assets in accordance with Malaysian Accounting Standards Board ("MASB") 25, Income Taxes. Income tax expense for the financial years under review incorporates the retrospective effect of the adoption of MASB 25, Income Taxes, pursuant to which the deferred tax assets in respect of deductible temporary differences, unused tax losses and unused tax credits which were not recognised in the audited financial statements of APSB as of 31 March 2003 have been recognised and adjusted. The effects on the prior years' financial statements have also been recognised and adjusted by way of prior year's adjustments.

10. FINANCIAL INFORMATION (Cont'd)

The income tax expense for the financial year ended 31 March 2005 has been adjusted to reallocate the underprovision to the year in which it relates.

The effective tax rates for the financial years ended 31 March 2002, 2003, 2004 and 2005 are lower than the statutory tax rate due mainly to the utilisation of reinvestment allowances to partially offset the business income that would otherwise be taxable.

- (iii) The gross EPS/LPS of the Group for the four (4) financial years ended 31 March 2004 is calculated based on the proforma consolidated PBT/LBT over the enlarged issued and paid-up share capital of 65,735,960 Asia Poly Shares assumed in issue after the APSB Acquisition while the gross EPS of the Group for the financial year ended 31 March 2005 is calculated based on the consolidated PBT over the weighted average number of ordinary shares of RM0.10 each of 38,346,040.
- (iv) The net EPS/LPS of the Group for the four financial years ended 31 March 2004 is calculated based on the proforma consolidated net profit/(loss) for the year over the enlarged issued and paid-up share capital of 65,735,960 Asia Poly Shares assumed in issue after the APSB Acquisition while the net EPS of the Group for the financial year ended 31 March 2005 is calculated based on the consolidated net profit over the weighted average number of ordinary shares of RM0.10 each of 38,346,040.
- (v) There were no extraordinary or exceptional items during the financial years under review.
- (vi) There were no changes in accounting policies or accounting estimates for the financial years under review except for the change in accounting policy arising from the adoption of MASB 25, Income Taxes by APSB as mentioned above and the change in accounting policy by APSB in relation to the measurement of freehold land from cost to valuation in 2002.

Further details on the Asia Poly Group's historical financial performance are disclosed in Section 11 of this Prospectus.

10.2 SEGMENTAL ANALYSIS

The management discussion and analysis of the financial conditions and results of operations of the Group have been prepared as if the Group has been in existence for the financial years and period presented. The following discussion and analysis should be read in conjunction with the Group's consolidated financial statements included in Section 11 of this Prospectus.

10.2.1 Analysis of revenue by division

	<----- Financial year ended 31 March ----->				
	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	2005 RM'000
Trading	15,196	13,098	14,984	16,037	17,806
Manufacturing	13,887	17,751	24,014	29,192	40,461
TOTAL	29,083	30,849	38,998	45,229	58,267

10.2.2 Analysis of gross profit margin by division

	<----- Financial year ended 31 March ----->				
	2001 %	2002 %	2003 %	2004 %	2005 %
Trading	11	19	16	9	18
Manufacturing	13	17	16	15	20
Overall	13	18	16	13	19

10. FINANCIAL INFORMATION *(Cont'd)*

10.2.3 Overview of the revenue and profit before taxation for the past five (5) financial years ended 31 March 2005

Revenue for the financial year ended 31 March 2001 increased by approximately RM16.77 million or more than 100% to RM29.08 million mainly due to the full year results from the trading division compared to only one (1) month results for the financial year ended 31 March 2000 as the division was only set up in March 2000. The LBT increased by more than 100% to RM0.40 million mainly due to lower gross profit margin as a result of significant increase in prices of raw material, namely MMA and also higher sales commission payment as part of the Group's strategy to increase its market share.

Revenue for the financial year ended 31 March 2002 increased by approximately RM1.77 million or 6.08% to RM30.85 million mainly due to an increased in demand for the Group's products from its existing customers. PBT, however, rose by more than 100% to RM1.75 million mainly due to effective cost control measures implemented as well as lower sales commission payable.

Revenue for the financial year ended 31 March 2003 increased by approximately RM8.15 million or 26.42% to RM39.0 million arise mainly due to an increased in its customers' base as a result of the Group's effective marketing strategies and also taken into account the full-year production as a result from the production capacity expansion. The Group's PBT increased by RM1.15 million or 65.98% to RM2.89 million mainly due to penetration into new markets such as USA, UK and Portugal and the economies of scale which reduced the overall operating cost of the Group.

Revenue for the financial year ended 31 March 2004 increased by approximately RM6.23 million or 15.98% to RM45.23 million mainly attributed to the increased in demand from its existing customers. PBT increased by RM0.37 million or 12.80% to RM3.26 million, which was in line with the increased in revenue.

Revenue for financial year ended 31 March 2005 increased by approximately 28.83% to RM58.27 million mainly due to the increased in orders from its existing customers and sales from higher gross profit margin products such as larger acrylic sheets. The PBT increased by approximately 30.04% to RM4.24 million, which was in line with the increased revenue for the financial year under review.

Commentary on trading division

The trading division was set up in March 2000 to distribute chemical and allied products to various industries such as telecommunications and power, wood, chemical and paint, construction and plastics industries. The trading division was set up to branch out from the manufacturing of acrylic sheets. The contribution from the trading division in terms of revenue and gross profit margin for the past five (5) financial years ended 31 March 2005 are set out in Section 10.2 of this Prospectus.

For the past five (5) financial years ended 31 March 2005, there were payments of commission to agents. Cheques were issued to Chief Executive Officer, Mr Teoh Cheng Chuan and paid to a third party, namely Bostrade Enterprise ("Bostrade") to facilitate the payment of commission in cash to agents, who are mostly individuals. The commissions are payable for Bostrade to perform obligations such as facilitate the marketing and promoting the chemical and allied products to potential customers, procuring customers on behalf of APSB, attending to all queries and feedback receive from potential customers, monitoring shipments and delivery to customers. There was no proper arrangement between APSB and Bostrade for the payment of sales commission.

Afta Enterprise Sdn Bhd ("Afta") was a company owned by Chief Executive Officer, Mr Teoh Cheng Chuan. During the financial years ended 31 March 2000 to 2004, APSB would sell acrylic sheets to Afta below market price and in return, Afta would absorbed some of the sales commission payable to Bostrade for APSB. However, if Afta did not absorb the sales commission, APSB would have sold the acrylic sheets to Afta at market price. In view of this, the profits of APSB may be marginally overstated by the amount of sales commission absorbed by Afta for the aforesaid period. This arrangement was no longer practiced after the financial year ended 31 March 2004 and onwards.

10. FINANCIAL INFORMATION (Cont'd)

Further, APSB has put in place several internal controls in relation to the payment of sales commission:

- (i) APSB and Bostrade had, on 16 June 2005, entered into a sales commission agreement to formalise the arrangement of the payment of the sales commission. However, the commission rate will be based on negotiated basis depending on customers and products and each transaction will be supported with a supplemental agreement; and
- (ii) All sales commissions have been paid via telegraphic transfer.

Effective tax rates

No provision for estimated current tax payable had been made for the financial years under review as APSB had sufficient unabsorbed capital allowances and tax losses, and unutilised reinvestment allowances to offset in full the business income that would otherwise be taxable.

Income tax (expense)/credit during the financial years under review arose mainly from the recognition of deferred tax assets in accordance with MASB 25, Income Taxes. Income tax (expense)/credit for the financial years under review incorporates the retrospective effect of the adoption of the MASB 25, Income Taxes, pursuant to which the deferred tax assets of RM321,700 as of 31 March 2003 which was not recognised in the audited financial statements as of 31 March 2003 has now been recognised by way of retrospective adjustments.

The effective tax rates for the financial years ended 31 March 2002, 2003, 2004 and 2005 were lower than the statutory tax rate due mainly to the utilisation of unutilised reinvestment allowances to partially offset the business income that would otherwise be taxable.

10.3 FACTORS AFFECTING FINANCIAL PERFORMANCE, POSITION AND OPERATIONS OF THE GROUP

As at 2 September 2005, save as disclosed in Sections 2.7, 3 and 10.4 of this Prospectus, the financial performance, position and operations of the Group are not materially affected by any of the following:

- (i) Known trends, demands, commitments, events or uncertainties that have had or that are reasonably likely to have a material favourable or unfavourable impact on the financial performance, position and operations of the Company and/or the Group;
- (ii) Material commitments for capital expenditure;
- (iii) Unusual or infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Company and/or the Group;
- (iv) Substantial increase in revenue; and
- (v) Known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of the future financial performance and position of the Company and/or the Group.

10. FINANCIAL INFORMATION (Cont'd)

10.4 WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

10.4.1 Working capital

The Directors of the Company are of the opinion that, after taking into account, amongst others, the cashflow position, the gross proceeds from the Public Issue and the banking facilities available, the Asia Poly Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

10.4.2 Borrowings

As at 2 September 2005, the total bank borrowings of the Group amounted to approximately RM19.66 million comprising term loans, bank overdraft, trust receipts and bankers acceptance and hire-purchase financing, all of which are interest-bearing, as follows:

	Payable within twelve (12) months RM'000	Payable after twelve (12) months RM'000	Total outstanding RM'000
Term loan	966	3,809	4,775
Trust receipts and bankers acceptance	14,856	-	14,856
Hire-purchase	9	21	30
TOTAL	15,831	3,830	19,661

There has been and will be no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past financial year ended 31 March 2005 and during the subsequent financial period thereof, immediately preceding the date of this Prospectus.

10.4.3 Material litigation

As at 2 September 2005, neither Asia Poly nor its subsidiary is engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary and the Directors of the Company have no knowledge of any proceedings, pending or threatened, against the Company and its subsidiary or any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company and its subsidiary.

10.4.4 Contingent liabilities

The Group does not have any material contingent liabilities as at 2 September 2005, which upon becoming enforceable, may materially impact the profit or net asset value of the Group.

10.4.5 Capital commitments

Save as disclosed below, the Group has not contracted capital commitments not provided for in the accounts in respect of acquisition of land and building, plant and equipment and other fixed assets as at 2 September 2005:

Contracted but not provided for:	RM
Acquisition of property, plant and equipment	479,039

10. FINANCIAL INFORMATION (Cont'd)

10.5 CONSOLIDATED PROFIT FORECAST AND ASSUMPTIONS

Financial year ending 31 March	Forecast 2006 RM'000
Revenue	<u>70,186</u>
Consolidated PBT	4,823
Income tax expense	<u>(1,050)</u>
Consolidated PAT	<u>3,773</u>

Based on weighted average number of 74,977,210 Asia Poly Shares

Gross EPS (sen) ¹	6.4
Net EPS (sen) ²	5.0
Gross PE Multiple based on the issue price of RM0.34 per share (times)	5.3
Net PE Multiple based on the issue price of RM0.34 per share (times)	6.8

Based on enlarged issued and paid-up share capital of 87,914,960 Asia Poly Shares

Gross EPS (sen) ¹	5.5
Net EPS (sen) ²	4.3
Gross PE Multiple based on the issue price of RM0.34 per share (times)	6.2
Net PE Multiple based on the issue price of RM0.34 per share (times)	7.9

Notes:

- 1 *Based on the consolidated PBT*
2 *Based on the consolidated PAT*

For principal bases and assumptions, please refer to Section 10.6 of this Prospectus.

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10. FINANCIAL INFORMATION (Cont'd)

10.6 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST (Prepared for inclusion in this Prospectus)

Deloitte.

20 September 2005

The Board of Directors
Asia Poly Holdings Berhad
Lot 758, Jalan Haji Sirat
Mukim Kapar
42100 Klang
Selangor Darul Ehsan

Deloitte KassimChan (AF 0080)
Chartered Accountants
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Tel : +603 77236500, 77261833
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myaaa@deloitte.com
www.deloitte.com.my

Dear Sirs,

ASIA POLY HOLDINGS BERHAD CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 MARCH 2006

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Asia Poly Holdings Berhad ("Asia Poly") and its subsidiary company ("Asia Poly Group"), for which the Directors are solely responsible, for the year ending 31 March 2006, as set out in the Prospectus to be dated 30 September 2005 in connection with the public issue of 22,179,000 new ordinary shares of RM0.10 each in Asia Poly at an issue price of RM0.34 per share payable in full upon application pursuant to the listing of and quotation for the entire enlarged issued and paid-up share capital of Asia Poly, comprising 87,914,960 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Malaysia Securities Berhad.

In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the Directors as set out in the Prospectus and is presented on a basis consistent with the accounting policies normally adopted by Asia Poly and its subsidiary company as stated in their latest audited financial statements.

We understand that this report will be used for inclusion in the Prospectus in connection with the abovementioned corporate exercise. As such, this report should not be used for any other purposes without our prior written consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants



LAI CAN YIEW
2179/09/07 (J)
Partner

Audit. Tax. Consulting. Financial Advisory.

Member of
Deloitte Touche Tohmatsu

10. FINANCIAL INFORMATION (Cont'd)**ASIA POLY HOLDINGS BERHAD** (619176-A)

Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia
 Tel > 60-3-3342 2567, 3342 8604 Fax > 60-3-3342 8320 E-mail > apoly@po.jaring.my

<http://www.asiapoly.com.my>

**ASIA POLY HOLDINGS BERHAD (“ASIA POLY”) AND ITS SUBSIDIARY COMPANY
 (“ASIA POLY GROUP”)
 CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31
 MARCH 2006**

Based on the bases and assumptions set out below, the Board of Directors of Asia Poly forecasts that the consolidated profit of the Asia Poly Group for the financial year ending 31 March 2006 will be as follows:

	RM
Profit before tax	4,822,892
Income tax expense	<u>(1,050,409)</u>
Profit after tax	<u>3,772,483</u>
Weighted average number of ordinary shares of RM0.10 each in issue	<u>74,977,210</u>
Net earnings per share (sen)	<u>5.0</u>
Net price-earnings multiple based on the issue price of RM0.34 per share (times)	<u>6.8</u>

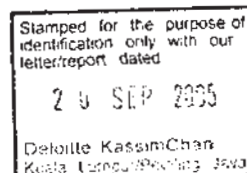
Principal Bases and Assumptions

The principal bases and assumptions upon which the consolidated profit forecast has been prepared are as follows:

1. The public issue of 22,179,000 new ordinary shares of RM0.10 each at an issue price of RM0.34 per share payable in full on application comprising:
 - (i) 2,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public;
 - (ii) 4,395,000 new ordinary shares of RM0.10 each available for application by eligible employees, executive director and business associates of Asia Poly and its subsidiary company; and
 - (iii) 15,784,000 new ordinary shares of RM0.10 each to be placed with identified investors by way of private placement.

is expected to be completed by 31 October 2005.

2. The listing of and quotation for the entire enlarged issued and paid-up share capital of Asia Poly, comprising 87,914,960 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Malaysia Securities Berhad is expected to be completed by 31 October 2005.



10. FINANCIAL INFORMATION (Cont'd)

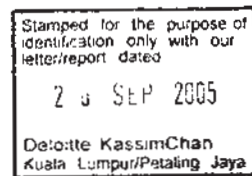


ASIA POLY HOLDINGS BERHAD (619176-A)

Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia
Tel > 60-3-3342 2567, 3342 8604 Fax > 60-3-3342 8320 E-mail > apoly@po.jaring.my

<http://www.asiapoly.com.my>

3. There will be no significant changes in the prevailing economic and political conditions in Malaysia and elsewhere that may directly or indirectly affect the activities or performance of the Asia Poly Group and the business of the Asia Poly Group's major customers and suppliers.
4. There will be no material changes in present legislation and government regulations, including taxation and guidelines of regulatory authorities which will affect the Asia Poly Group's activities or the markets in which the Asia Poly Group operates.
5. Inflation rates will remain at current levels and there will not be any material fluctuation in prevailing exchanges rates of foreign currencies against Ringgit Malaysia ("RM").
6. Existing financing facilities will remain available and the level of interest rates will not change materially from those presently prevailing.
7. There will be no major industrial disputes or any abnormal factors or changes, both domestic and overseas, which will adversely affect the Asia Poly Group's operations.
8. There will be no significant changes in the principal activities, management structure and accounting policies adopted by the Asia Poly Group.
9. The capital expenditure programs will be implemented, incurred and paid as planned with no material changes in the expected cost of assets to be acquired. There will not be any major additions to property, plant and equipment other than those planned.
10. There will be no significant impairment in the carrying values of assets held by the Asia Poly Group.
11. There will be no material deviation in the gross profit margin forecasted.
12. There will be no interruption in the supply of raw materials and labour for the production of the Asia Poly Group's products at forecasted level.
13. There will be no material claims under the product warranty given by the Asia Poly Group to its customers and no provision for loss arising from warranty claims is necessary.



10. FINANCIAL INFORMATION (Cont'd)**10.7 DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT FORECAST**

The Directors of Asia Poly have reviewed and analysed the reasonableness of the bases and assumptions stated therein after due and careful enquiry in arriving at the consolidated profit forecast for the financial year ending 31 March 2006. The Directors of Asia Poly are of the opinion that the consolidated profit forecast is fair and reasonable in light of the future prospects of the Asia Poly Group, the future plans and strategies to be adopted by the Asia Poly Group and after taking into consideration the forecast level of gearing, liquidity and working capital requirements of the Group. However, a forecast by its nature is subject to inherent uncertainties and unexpected events, which may occur beyond the control or prediction of the Group or its Board. Accordingly, the Board does not guarantee the achievement of the consolidated profit forecast.

The Asia Poly Group is expected to register a revenue growth of approximately RM11.9 million or approximately 20.5% for the financial year ending 31 March 2006 as compared to the previous financial year. The revenue growth is mainly attributable to the expected increase in revenue from its manufacturing division for the following:

- (i) introduction of new products such as gloworm series and sparkle series; and
- (ii) increased demand from new products introduced previously such as acrylic blocks and larger sheets (2m x 3m);

Meanwhile, the Asia Poly Group is forecasting revenue contribution of RM18.0 million from its trading division. The trading division was set up to complement the business operations of the Asia Poly Group and it is not expected to contribute significantly to the future growth of the Group.

The PBT increased by approximately RM0.6 million or 13.80% to approximately RM4.8 million for the financial year ending 31 March 2006 mainly due to the economies of scale and contribution from higher profit margin products such as acrylic blocks and larger sheets (2m x 3m).

10.8 DIVIDEND FORECAST AND POLICY

It is a policy of the Directors of the Company in recommending dividends to allow shareholders to participate in the profits of the Group whilst retaining adequate reserves for its future growth.

The Directors of the Company anticipate that, the Company will be in a position to propose 1.0 sen tax exempt dividend for the financial year ending 31 March 2006 based on the enlarged issued and paid-up share capital of RM8,791,496 comprising 87,914,960 Asia Poly Shares.

The intended appropriation of the consolidated profit forecast for the financial year ending 31 March 2006 is shown below:

Financial years ending 31 March	2006
Gross / Net dividend per ordinary share (sen)	1.0
Net dividend cover (times) *	4.3
Gross / Net dividend yield based on the Issue Price of RM0.34 per Asia Poly Share (%)	2.9

Note:

* Based on the enlarged issued and paid-up share capital of 87,914,960 Asia Poly Shares

10. FINANCIAL INFORMATION (Cont'd)

The declaration, amount and payment of dividends are subject to the approval of the Board of Asia Poly. Further, the Directors of Asia Poly will take into consideration the retained profits, cashflow as well as the funding requirements of the Group before recommending any future dividends.

Notwithstanding the above, the Directors have full discretion not to propose any future dividend payment as and when necessary, if it is in the best interests of the Company.

Future dividends may be waived in the event of the following circumstances:

- (i) insufficient retained profits to declare as dividends;
- (ii) insufficient tax credits to frank its dividends; and
- (iii) insufficient cashflow to pay dividends.

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10. FINANCIAL INFORMATION (Cont'd)

10.9 PROFORMA CONSOLIDATED BALANCE SHEETS

Set out below are the detailed proforma consolidated balance sheets of the Asia Poly Group, for which the Directors of Asia Poly are responsible, which have been prepared for illustrative purposes only to show the effects on the proforma consolidated balance sheet of the Group as at 31 March 2005 after making adjustments and on the assumption that the Public Issue had been effected on that date and the proceeds arising from the Public Issue being utilised in the manner as set out in Section 2.7 of this Prospectus.

	Per audited financial statements as of 31 March 2005 RM	Proforma 1 Proforma after public issue RM	Proforma 2 Proforma after Proforma 1 and utilisation of proceeds RM
Property, plant and equipment	16,333,099	16,333,099	20,481,374
Current Assets			
Inventories	16,700,426	16,700,426	16,700,426
Trade receivables	12,288,414	9,965,500	9,965,500
Other receivables and prepaid expenses	2,633,916	4,956,830	4,956,830
Fixed deposit with licensed bank	200,000	200,000	200,000
Cash and bank balances	4,036,336	11,577,196	6,328,921
	<u>35,859,092</u>	<u>43,399,952</u>	<u>38,151,677</u>
Current Liabilities			
Trade payables	11,832,114	11,832,114	11,832,114
Other payables and accrued expenses	798,896	798,896	798,896
Hire-purchase payables - current portion	14,196	14,196	14,196
Short-term borrowings	21,400,645	21,400,645	21,400,645
	<u>34,045,851</u>	<u>34,045,851</u>	<u>34,045,851</u>
Net Current Assets	1,813,241	9,354,101	4,105,826
Long-term and Deferred Liabilities			
Hire-purchase payables – non-current portion	(21,314)	(21,314)	(21,314)
Term loans – non-current portion	(4,054,371)	(4,054,371)	(4,054,371)
Deferred tax liabilities	(1,154,000)	(1,154,000)	(1,154,000)
	<u>(5,229,685)</u>	<u>(5,229,685)</u>	<u>(5,229,685)</u>
Net Assets	<u>12,916,655</u>	<u>20,457,515</u>	<u>19,357,515</u>

10. FINANCIAL INFORMATION (Cont'd)

	Per audited financial statements as of 31 March 2005 RM	Proforma 1 Proforma after public issue RM	Proforma 2 Proforma after Proforma 1 and utilisation of proceeds RM
Represented by:			
Issued capital	6,573,596	8,791,496	8,791,496
Share premium	-	5,322,960	4,222,960
Reserve on consolidation	3,606,599	3,606,599	3,606,599
Unappropriated profit	2,736,460	2,736,460	2,736,460
Shareholders' Equity	<u>12,916,655</u>	<u>20,457,515</u>	<u>19,357,515</u>
Net tangible assets per ordinary share of RM0.10 each (sen)	<u>19.6</u>	<u>23.3</u>	<u>22.0</u>

For the notes and assumptions to the proforma consolidated balance sheets, please refer to Section 10.10 of this Prospectus.

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10. FINANCIAL INFORMATION (Cont'd)

10.10 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)

Deloitte.

20 September 2005

The Board of Directors
Asia Poly Holdings Berhad
Lot 758, Jalan Haji Sirat
Mukim Kapar
42100 Klang
Selangor Darul Ehsan

Dear Sirs,

ASIA POLY HOLDINGS BERHAD PROFORMA CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2005

We have reviewed the presentation of the proforma consolidated balance sheets of Asia Poly Holdings Berhad ("Asia Poly") and its subsidiary company ("Asia Poly Group") as of 31 March 2005, together with the notes thereto, for which the Directors of Asia Poly are solely responsible, as set out in the Prospectus to be dated 30 September 2005 in connection with the public issue of 22,179,000 new ordinary shares of RM0.10 each in Asia Poly at an issue price of RM0.34 per share payable in full upon application pursuant to the listing of and quotation for the entire enlarged issued and paid-up share capital of Asia Poly, comprising 87,914,960 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Malaysia Securities Berhad.

In our opinion:

- (i) the Proforma Consolidated Balance Sheets have been properly compiled on the bases of preparation stated;
- (ii) such bases are consistent with the accounting policies of Asia Poly and its subsidiary company as stated in their latest audited financial statements; and
- (iii) the adjustments as explained in Notes to the Proforma Consolidated Balance Sheets are appropriate for the purposes of the Proforma Consolidated Balance Sheets.

Deloitte KassimChan (AF 0080)
Chartered Accountants
Level 19, Uptown 1
1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Malaysia

P. O. Box 10093
50704 Kuala Lumpur
Malaysia

Tel : +603 77236500, 77261833
Fax : +603 77263986, 77268986
myaaa@deloitte.com
www.deloitte.com.my

10. FINANCIAL INFORMATION (Cont'd)

Deloitte KassimChan

Asia Poly Holdings Berhad
20 September 2005
Page No. 2

We understand that this report will be used for inclusion in the Prospectus in connection with the abovementioned corporate exercise. As such, this report should not be used for any other purposes without our prior written consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants



LAI CAN YIEW
2179/09/07 (J)
Partner

10. FINANCIAL INFORMATION (Cont'd)

**ASIA POLY HOLDINGS BERHAD** (619176-A)

Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia
 Tel > 60-3-3342 2567, 3342 8604 Fax > 60-3-3342 8320 E-mail > apoly@po.jaring.my

<http://www.asiapoly.com.my>

PROFORMA CONSOLIDATED BALANCE SHEETS OF THE ASIA POLY GROUP AS OF 31 MARCH 2005, TOGETHER WITH THE NOTES THERETO, ARE AS FOLLOWS:

	Per audited financial statements as of 31 March 2005 RM	Proforma 1 after public issue RM	Proforma 2 Proforma after Proforma 1 and utilisation of proceeds RM
Property, plant and equipment	16,333,099	16,333,099	20,481,374
Current Assets			
Inventories	16,700,426	16,700,426	16,700,426
Trade receivables	12,288,414	12,288,414	12,288,414
Other receivables and prepaid expenses	2,633,916	2,633,916	2,633,916
Fixed deposit with licensed bank	200,000	200,000	200,000
Cash and bank balances	4,036,336	11,577,196	6,328,921
	<u>35,859,092</u>	<u>43,399,952</u>	<u>38,151,677</u>
Current Liabilities			
Trade payables	11,832,114	11,832,114	11,832,114
Other payables and accrued expenses	798,896	798,896	798,896
Hire-purchase payables - current portion	14,196	14,196	14,196
Short-term borrowings	21,400,645	21,400,645	21,400,645
	<u>34,045,851</u>	<u>34,045,851</u>	<u>34,045,851</u>
Net Current Assets	1,813,241	9,354,101	4,105,826
Long-term and Deferred Liabilities			
Hire-purchase payables – non-current portion	(21,314)	(21,314)	(21,314)
Term loans – non-current portion	(4,054,371)	(4,054,371)	(4,054,371)
Deferred tax liabilities	(1,154,000)	(1,154,000)	(1,154,000)
	<u>(5,229,685)</u>	<u>(5,229,685)</u>	<u>(5,229,685)</u>
Net Assets	<u>12,916,655</u>	<u>20,457,515</u>	<u>19,357,515</u>

(Forward)

Stamped for the purpose of
 identification only with our
 letter/report dated
 20 SEP 2005
 Prelette Kassim Chan
 Kuala Lumpur/Petaling Jaya

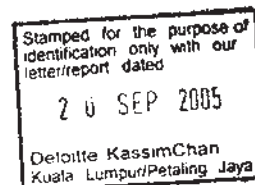
10. FINANCIAL INFORMATION (Cont'd)

ASIA POLY HOLDINGS BERHAD (619176-A)

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	Per audited financial statements as of 31 March 2005 RM	Proforma 1 after public issue RM	Proforma 2 after Proforma 1 and utilisation of proceeds RM
Represented by:			
Issued capital	6,573,596	8,791,496	8,791,496
Share premium	-	5,322,960	4,222,960
Reserve on consolidation	3,606,599	3,606,599	3,606,599
Unappropriated profit	<u>2,736,460</u>	<u>2,736,460</u>	<u>2,736,460</u>
Shareholders' Equity	<u>12,916,655</u>	<u>20,457,515</u>	<u>19,357,515</u>
Net tangible assets per ordinary share of RM0.10 each (sen)	<u>19.6</u>	<u>23.3</u>	<u>22.0</u>



10. FINANCIAL INFORMATION (Cont'd)



ASIA POLY HOLDINGS BERHAD (619176-A)

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NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS OF ASIA POLY HOLDINGS BERHAD ("ASIA POLY") AND ITS SUBSIDIARY COMPANY ("ASIA POLY GROUP")

The proforma consolidated balance sheets have been presented on the following bases:

1. The proforma consolidated balance sheets of Asia Poly and its subsidiary company, Asia Poly Industrial Sdn Bhd ("APSB"), have been prepared based on the accounting policies consistent with those adopted in the preparation of the statutory financial statements of Asia Poly and APSB. The proforma consolidated balance sheets are prepared for illustrative purposes to reflect the effects on the financial position of the Asia Poly Group as of 31 March 2005 had the following proposals been completed on the same date:
 - (i) Public issue of 22,179,000 new ordinary shares of RM0.10 each at an issue price of RM0.34 per share payable in full on application comprising:
 - (a) 2,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public;
 - (b) 4,395,000 new ordinary shares of RM0.10 each available for application by eligible employees, executive director and business associates of Asia Poly and its subsidiary company;
 - (c) 15,784,000 new ordinary shares of RM0.10 each to be placed with identified investors by way of private placement; and
 - (iii) Listing of and quotation for the entire enlarged issued and paid-up share capital of Asia Poly, comprising 87,914,960 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Malaysia Securities Berhad.

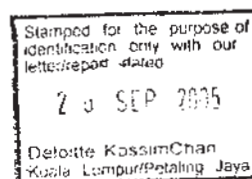
2. The proforma consolidated balance sheets have been prepared based on:
 - (i) Audited financial statements of Asia Poly and APSB as of 31 March 2005; and
 - (ii) Assumptions that the public issue had taken place on 31 March 2005 as follows:

Proforma 1

Proforma 1 incorporates the public issue of 22,179,000 new ordinary shares of RM0.10 each in Asia Poly at an issue price of RM0.34 per ordinary share giving rise to a share premium of RM5,322,960.

Proforma 2

Proforma 2 incorporates Proforma 1 and the utilisation of the proceeds from the public issue amounting to RM7,540,860.



10. FINANCIAL INFORMATION (Cont'd)



ASIA POLY HOLDINGS BERHAD (619176-A)

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3. The gross proceeds from the public issue amounting to RM7,540,860 will be utilised as follows:

	RM
Purchase of lab equipment	968,275
Purchase of plant and machinery	3,180,000
Working capital requirements	2,292,585
Estimated listing expenses	<u>1,100,000</u>
	<u>7,540,860</u>

The estimated listing expenses are assumed to be set-off against the share premium.

4. The movements in issued and paid-up share capital and reserves of the Asia Poly Group are as follows:

	Issued Capital RM	Share Premium RM	Reserve on Consolidation RM	Unappropriated Profit RM
Per audited financial statements as of 31 March 2005	6,573,596	-	3,606,599	2,736,460
Public issue	<u>2,217,900</u>	<u>5,322,960</u>	<u>-</u>	<u>-</u>
Proforma 1	8,791,496	5,322,960	3,606,599	2,736,460
Estimated listing expenses	<u>-</u>	<u>(1,100,000)</u>	<u>-</u>	<u>-</u>
Proforma 2	<u>8,791,496</u>	<u>4,222,960</u>	<u>3,606,599</u>	<u>2,736,460</u>

5. The movements in cash and bank balances of the Asia Poly Group are as follows:

	RM
Per audited financial statements as of 31 March 2005	4,036,336
Public issue	<u>7,540,860</u>
Proforma 1	11,577,196
Utilisation of proceeds	<u>(5,248,275)</u>
Proforma 2	<u>6,328,921</u>

