1. INFORMATION SUMMARY

THE INFORMATION SUMMARY SET OUT BELOW IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE ASIA POLY GROUP AND SHOULD BE READ IN CONJUNCTION WITH THE MORE DETAILED INFORMATION AND FINANCIAL STATEMENTS APPEARING IN THIS PROSPECTUS. INVESTORS SHOULD READ AND UNDERSTAND THE PROSPECTUS IN ITS ENTIRETY PRIOR TO DECIDING WHETHER TO INVEST.

1.1 HISTORY AND BUSINESS

Asia Poly was incorporated in Malaysia as a public company on 20 June 2003 under the Act.

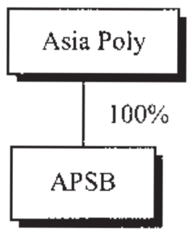
As at 2 September 2005, the authorised share capital of Asia Poly is RM10,000,000 comprising 100,000,000 Asia Poly Shares, of which 65,735,960 Asia Poly Shares have been issued and fully paid-up.

The Company was established as an investment holding company of the Asia Poly Group in conjunction with the listing of the Group on the MESDAQ Market. The principal activities of the Company's sole subsidiary are as follows:

Subsidiary	Date / Country of incorporation	Effective equity interest %	Issued & paid-up share capital RM	Principal activities
APSB	28 December 1984/ Malaysia	100	4,700,000	Manufacturing and selling of cast acrylic products

Further information on the subsidiary is set out in Section 4.4 of this Prospectus.

The Group's corporate structure is summarised as follows:



APSB was incorporated as a private limited company in Malaysia under the Act on 28 December 1984 as Mutual Jaya (Selangor) Sdn Bhd. The company subsequently changed its name to Mutualwang Poly Industrial Sdn Bhd on 17 August 1990 and on 12 January 1991 assumed its present name of Asia Poly Industrial Sdn Bhd.

The company was established as a joint venture between Taiwanese investors and local investors to manufacture acrylic sheet products. The company commenced operations in 1992 from its manufacturing plant located at Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan. The company occupies a land area of 19,096 sq. m., of which a built-up area of 9,104 sq. m. is being used for its current production facilities and labour quarters. APSB still has approximately 5,000 sq. m. land for future expansion.

In June 1997, the Taiwanese investors entered into a sale and purchase agreement to sell off their stakes in APSB to Teoh Cheng Chuan and the company has since transformed into a locally owned enterprise. Thereafter, control of management took place in June 1998.

The company commenced operations in 1992 with one (1) production line and a production capacity of 200 MT per month. As at 2 September 2005, the Group has expanded its production capacity to 500 MT per month with a single production line. The production is currently running on three (3) eight (8)-hour shifts daily.

The Asia Poly Group manufactures and distributes cell cast acrylic sheet products under the brand name of "**A-CAST**". For the financial year ended 31 March 2005, approximately 61% of its manufactured acrylic products are exported overseas to various countries covering four (4) regions, such as Asia, Australia, Europe, North Americas and others (including Africa, Middle East and South America). Its products are also exported to countries with stringent quality control such as Australia, Japan, UK and the USA. The cell cast acrylic sheet products (acrylic sheets and acrylic BLOCK) are manufactured in accordance to customers' specifications with enhanced physical properties and performance values.

Apart from manufacturing and selling cell cast acrylic sheet products, the Asia Poly Group also has a trading division which was set up in 2000 to distribute chemical and allied products to various industries such as the telecommunications and power, wood, chemical and paint, construction and plastics industries.

Technology and production process

The Asia Poly Group manufactures the cell cast acrylic sheet products using the cell cast method. The cell cast method is defined as a process whereby liquid monomer, namely MMA is processed together with a combination of chemical formula in a reactor to a temperature of 100 degrees Celsius, which is the boiling level for the MMA. Further details on the technology and production process used by the Asia Poly Group are set out in Sections 4.4.6 and 4.4.7 of this Prospectus.

Agreements and trade marks

APSB entered into a supply agreement with Lucite International on 1 April 2002 for the supply of MMA at competitive prices. The supply agreement is valid for an initial period of three (3) years and shall be renewable automatically unless terminated by either party giving twelve (12) months' notice in writing to the other. In this respect, APSB is ensured of constant supply of MMA at competitive prices and minimal disruption to its manufacturing process.

Further, on 3 July 2003, the Asia Poly Group has submitted applications to register the "**A-CAST**" and "Asia Poly" trade marks under the Trade Marks Act, 1976 in Classes 16, 17 and 19. The "Asia Poly" and the "**A-CAST**" trade marks have been approved for registration in Classes 16, 17 and 19 by the Registrar of Trade Marks and as at 2 September 2005, all these trade marks are still pending publication in the Government Gazette. These trade marks, when registered, will give the Company the exclusive right to use the aforesaid trade marks and will provide protection to the Company by preventing others from using its trade marks. Any person who uses the Company's trade marks without its authorisation will be liable to be sued for trade mark infringement.

Further details on the agreements and trade marks of the Asia Poly Group are set out in Section 4.4.5 of this Prospectus.

R&D activities

The Asia Poly Group's R&D mission statement and objectives are "Research, Design, Innovate and Integrate Processes with Optimal Cost Efficiency". The Group is committed to invest, both in terms of manpower and funds in R&D to gain competitive edge and to achieve its R&D objectives in product development, process and technology improvements. Further details of the R&D activities of the Group are set out in Section 4.4.12 of this Prospectus.

Further details on the business overview of the Asia Poly Group are provided in Section 4.4 of this Prospectus.

1.2 PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

The following are the beneficial interests, direct and indirect, of the Promoter, substantial shareholders, Directors, key management and key technical personnel in Asia Poly Shares 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.

		Direct		Indirect	
	Designation	**No. of shares**	**%**	**No. of shares**	**%**
Promoter					
Teoh Cheng Chuan	Chief Executive Officer	52,588,594	59.82	-	-
Substantial shareholders					
Teoh Cheng Chuan	Chief Executive Officer	52,588,594	59.82	-	-
Ratna Maya	-	5,594,533	6.36	-	-
Johan Zainuddin bin Dzulkifli	Finance Director	-	-	5,594,533[1]	6.36
Directors					
Chieng Ing Huong	Non-Executive Chairman	3,286,788	3.74	-	-
Teoh Cheng Chuan	Chief Executive Officer	52,588,594	59.82	-	-
Alexander James Brown	Executive Director	200,000	0.23	-	-
Johan Zainuddin bin Dzulkifli	Finance Director	-	-	5,594,533[1]	6.36
See Ah Sing	Independent Director	-	-	-	-
Richard George Azlan bin Abas	Independent Director	-	-	-	-
Key management and key technical personnel					
Lim Chang Ching	Director, Business Development	200,000	0.23	-	-
Ch'ng Siew Lei	Finance Manager	150,000	0.17	-	-
Chiah Swee Hwa	Production Planning and Control / IT Manager	150,000	0.17	-	-
Loh Poh Ming	R&D and Quality Assurance Manager	200,000	0.23	-	-

Notes:

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

* *Negligible*

Further information on the Promoter, substantial shareholders, Directors, key management and key technical personnel are provided in Section 6 of this Prospectus.

1.3 FINANCIAL HIGHLIGHTS

1.3.1 Historical financial information

The table below sets out a summary of the proforma consolidated results of the Asia Poly Group for the five (5) financial years ended 31 March 2005 are provided for illustration purposes based on the audited financial statements of APSB, and prepared on the assumption that the current Asia Poly Group structure had been in existence throughout the financial years under review:

	<------------------Financial year ended 31 March------------------>				
	2001	**2002**	**2003**	**2004**	**2005**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**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 four 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.*

1. INFORMATION SUMMARY *(Cont'd)*

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.

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 respective financial years under review 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.

(iv) The net EPS/LPS of the Group for the respective financial years under review 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.

(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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

1.3.2 Proforma consolidated balance sheets

The Proforma Consolidated Balance Sheets of the Group as at 31 March 2005, assuming that the Public Issue had been completed as at that date, together with the detailed assumptions underlying its preparation are set out in the Section 10.9 of this Prospectus. The following table shows a summary of the Proforma Consolidated Balance Sheets of Asia Poly prepared as at 31 March 2005:

		Proforma 1	Proforma 2
	Per audited financial statements as of 31 March 2005	Proforma after public issue	Proforma after Proforma 1 and utilisation of proceeds
	RM	RM	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
	35,859,092	43,399,952	38,151,677
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
	34,045,851	34,045,851	34,045,851
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)
	(5,229,685)	(5,229,685)	(5,229,685)
Net Assets	12,916,655	20,457,515	19,357,515

1. INFORMATION SUMMARY *(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	12,916,655	20,457,515	19,357,515
Net tangible assets per ordinary share of RM0.10 each (sen)	19.6	23.3	22.0

1.3.3 Auditors' qualification

The audited financial statements of Asia Poly for the financial period from the date of incorporation to 31 March 2004 and financial year ended 31 March 2005 have not been subjected to any auditors' qualification.

The audited financial statements of APSB for the past five (5) financial years ended 31 March 2005 under review have not been subjected to any auditors' qualifications.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

1.4 RISK FACTORS

There are a number of risk factors (which may not be exhaustive), both specific to the Asia Poly Group and relating to the general business environment, which may impact the operating performance and financial position of the Group. To appreciate the risk factors associated with an investment in Asia Poly, this Prospectus should be read in its entirety. Details of the key risk factors of which investors should be aware are set out in Section 3 of this Prospectus.

(i) Business risks

(ii) Operational risks

(iii) Availability of skilled labour and human capital

(iv) Supply of raw materials

(v) Strategic alliance with Lucite International

(vi) Excess demand

(vii) Geographical exposure

(viii) Competition

(ix) Development of new products

(x) Technological change

(xi) Adequacy of insurance coverage on the Group's assets

(xii) Foreign currency exchange fluctuations

(xiii) Political and economic conditions

(xiv) Dependence on key personnel

(xv) Environmental concerns

(xvi) Systems disruptions

(xvii) Uncertainty in the proposed five (5)-year business development plan

(xviii) Profit forecast

(xix) Borrowings and interest rate risks

(xx) Control by substantial shareholders

(xxi) Forward looking statements

(xxii) Termination of the Underwriting Agreement

(xxiii) Capital market risk

(xxiv) No prior market for the Asia Poly Shares

(xxv) Failure / delay in the Listing

If you are unsure about any of the information contained in the section on "Risk Factors", you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

1.5 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE

1.5.1 Share capital

	RM
Authorised:	
100,000,000 ordinary shares of RM0.10 each	10,000,000
Issued and fully paid-up as at 2 September 2005:	
65,735,960 ordinary shares of RM0.10 each	6,573,596
To be issued and credited as fully paid-up pursuant to the Public Issue:	
22,179,000 new ordinary shares of RM0.10 each	2,217,900
Enlarged issued and fully paid-up share capital	8,791,496

1.5.2 Issue price per Public Issue Share (RM) **0.34**

1.5.3 Proforma consolidated NTA as at 31 March 2005

	NTA RM'000	NTA per share RM
Proforma consolidated NTA	12,917	0.20[1]
Proforma consolidated NTA after the Public Issue and the utilisation of proceeds	19,358	0.22[2]

Notes:

1 *Based on the issued and paid-up share capital of 65,735,960 Asia Poly Shares*

2 *Based on the enlarged issued and paid-up share capital of 87,914,960 of Asia Poly Shares after the Public Issue and the utilisation of proceeds*

The Proforma Consolidated Balance Sheets of the Asia Poly Group are set out in Section 10.9 of this Prospectus.

1.5.4 Classes of shares and ranking

There is only one (1) class of shares in Asia Poly, namely ordinary shares of RM0.10 each. The Public Issue Shares will rank pari passu in all respects with the existing Asia Poly Shares in issue except that they shall not rank for any dividends, rights, allotments and/or distributions declared or paid prior to the allotment thereof.

At any general meeting of the Company, each shareholder shall be entitled to vote at any general meeting of the Company, in person or by proxy or by attorney or duly authorised representative, and, on a show of hands, every person present who is a shareholder or duly authorised representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the registrar of companies.

Subject to any special rights attaching to any shares which may be issued by the Company in the future. the holders of shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company in accordance with the Articles of Association of the Company.

1.5.5 Consolidated profit forecast

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

Further information on the consolidated profit forecast of the Asia Poly Group is set out in Section 10.5 of this Prospectus.

1.5.6 Dividend forecast

Financial year ending 31 March	**Forecast 2006**
Gross / Net dividend per ordinary share (sen)	1.0
Net dividend cover (times) [1]	4.3
Gross / Net dividend yield based on the Issue Price of RM0.34 per Asia Poly Share (%)	2.9

Note:

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

Further information on the dividend forecast of the Asia Poly Group is as set out in Section 10.8 of this Prospectus.

1.6 UTILISATION OF PROCEEDS

The gross proceeds of approximately RM7.54 million from the Public Issue accruing to Asia Poly is expected to be utilised over the next two (2) financial years ending 31 March 2007 in the following manner:

	Notes	RM	To be utilised by financial year ending 31 March
Purchase of lab equipment	(i)	968,275	2007
Purchase of plant and machinery	(ii)	3,180,000	2007
Working capital	(iii)	2,292,585	2006
Estimated listing expenses	(iv)	1,100,000	2006
TOTAL		**7,540,860**	

Further information on the utilisation of proceeds is provided in Section 2.7 of this Prospectus.

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

1.7.1 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 after the date of issuance of this Prospectus.

1.7.2 Borrowings

Save as disclosed in Section 10.4.2 of this Prospectus, as at 2 September 2005, the Group has no other outstanding borrowings. 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 the subsequent financial period immediately preceding the date of this Prospectus.

1.7.3 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.

1.7.4 Contingent liabilities

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

1.7.5 Capital commitments

Save as disclosed in Section 10.4.5 of this Prospectus, as at 2 September 2005, the Group has not contracted capital commitments not provided for in the accounts in respect of acquisition of land and building, plant and machinery and other fixed assets, which upon becoming enforceable may have a material impact on the profit or net asset value of the Asia Poly Group.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

2. PARTICULARS OF THE PUBLIC ISSUE

2.1 INTRODUCTION

This Prospectus is dated 30 September 2005.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies who takes no responsibilities for its contents.

Approvals were obtained from Bursa Securities and the SC for the listing of Asia Poly on 14 May 2004 and 13 May 2004 respectively, for admission to the Official List of the MESDAQ Market and for permission to deal in and for quotation of the entire issued and paid-up share capital of Asia Poly including the Public Issue Shares which are the subject of this Prospectus. In addition, further approvals were obtained from Bursa Securities and the SC for the extension of time period pursuant to the above on 25 November 2004 and 9 May 2005 respectively.

These shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after the receipt of confirmation from the Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14 (1) of the Central Depositories Act and Section 39(1)(j) of the Act, Bursa Securities has prescribed Asia Poly Shares as a prescribed security. In consequence thereof, the Public Issue Shares will be deposited directly with the Depository and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of Depository. No share certificates will be issued to successful applicants.

Pursuant to the Listing Requirements of Bursa Securities, the Company needs to have at least 25% but not more than 49% of the total number of shares for which listing is sought in the hands of public shareholders and a minimum number of 200 shareholders. The Company is expected to achieve the requirement at the point of listing. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with its listing plan. In the event thereof, monies paid in respect of all applications will be refunded in full without interest.

In the case of an application by way of Application Form, the applicant must state his/her CDS account number in the space provided in the Application Form. Where an applicant does not presently have a CDS account, the applicant should open a CDS account at an ADA prior to making an application for the Public Issue Shares. In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by keying in his/her CDS account number if the instruction on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. In the case of an application by way of Internet Share Application, only an application who has a CDS account and an existing account with access to the Internet financial services facilities with the Internet Participating Financial Institution can make an Internet Share Application. The applicant shall furnish his/her CDS account number to the Internet Participating Financial Institution by way of keying in his/her CDS account number into the online application form. A corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application.

2. PARTICULARS OF THE PUBLIC ISSUE *(Cont'd)*

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by Asia Poly. Neither the delivery of this Prospectus nor any sale or subscription made in relation with this Prospectus shall, under any circumstances, and at any time constitute a representation or create any implication that there has been no change in the affairs of Asia Poly or the Group since the date hereof.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation to buy or subscribe for any Public Issue Shares in any jurisdiction where such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the sale of the Public Issue Shares are subject to Malaysian law and the Company takes no responsibility for the distribution of this Prospectus and/or sale of the Public Issue Shares outside Malaysia, which may be restricted by law in other jurisdictions. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions.

2.2 INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for Asia Poly's entire enlarged issued and paid-up share capital of RM8,791,496 comprising 87,914,960 Asia Poly Shares on the MESDAQ Market is set out below:

Date	Event
30 September 2005	Opening date of application
14 October 2005	Closing date of application
19 October 2005	Balloting of application
25 October 2005	Despatch of notice of allotment
26 October 2005	Listing of Asia Poly's entire enlarged issued and paid-up share capital on the MESDAQ Market

Note:

This timetable is tentative and is subject to changes, which may be necessary to facilitate implementation procedures. The Directors and the Underwriter may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting, despatch of notices of allotment and the listing of and quotation for the entire enlarged issued and paid-up share capital of Asia Poly on the MESDAQ Market would be extended accordingly. Asia Poly will notify the public via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in the event there is an extension of time on the closing date of the application.

2.3 PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:

(i) Raise funds for the Group's continued operation and expansion, details of which are elaborated in Section 2.7 of this Prospectus;

(ii) Enable the Asia Poly Group to gain access to the capital market to raise funds for future expansion and continued growth of the Asia Poly Group;

(iii) Provide an opportunity for the eligible employees, Executive Director and business associates of the Asia Poly Group as well as the Malaysian public to participate in the continuing growth of the Group by way of equity participation; and

(iv) Obtain the listing of and quotation for the entire enlarged issued and paid-up ordinary share capital of Asia Poly comprising 87,914,960 Asia Poly Shares on the MESDAQ Market, which is expected to enhance the business, profile and future prospects of the Group.

2.4 CLASSES OF SHARES AND RIGHTS

There is only one (1) class of shares in Asia Poly, namely, ordinary shares of RM0.10 each. The Public Issue Shares will rank pari passu in all respects with the existing Asia Poly Shares in issue except that they shall not rank for any dividends, rights, allotments and/or distributions declared or paid prior to the allotment thereof.

At any general meeting of the Company, each shareholder shall be entitled to vote at any general meeting of the Company, in person or by proxy or by attorney or duly authorised representative and on a show of hands, every person present who is a shareholder or duly authorised representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the registrar of companies.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company in accordance with the Articles of Association of the Company.

2.5 DETAILS OF THE PUBLIC ISSUE

The Public Issue of 22,179,000 Asia Poly Shares is an invitation by the Company to eligible employees, Executive Director, business associates of the Asia Poly Group, the Malaysian public as well as identified investors to apply for the Public Issue Shares at an issue price of RM0.34 per share, payable in full on application upon the terms and conditions of this Prospectus.

The Public Issue Shares totalling 22,179,000 Asia Poly Shares at an issue price of RM0.34 each shall be allocated in the following manner:

2.5.1 Eligible employees, Executive Director and business associates of the Asia Poly Group

4,395,000 new Asia Poly Shares representing approximately 5.00% of the enlarged issued and paid-up share capital to be reserved for application by eligible employees, Executive Director and business associates of the Asia Poly Group.

(i) Eligible employees and Executive Director

3,549,000 new Asia Poly Shares are reserved for application by the eligible employees and Executive Director of the Asia Poly Group. The eligible employees and Executive Director of the Asia Poly Group are selected based on the following criteria:

- Be at least 18 years of age and confirmed in service on the date of allocation;
- Position in the Group; and
- Contribution to the success of the Group.

Based on the abovementioned criteria, 3,349,000 new Asia Poly Shares are reserved for application by a total of 109 eligible employees of the Asia Poly Group, whilst the remaining 200,000 new Asia Poly Shares are reserved for application by the Executive Director, namely Alexander James Brown.

(ii) Business associates of the Asia Poly Group

Business associates of the Asia Poly Group, namely, the suppliers and customers of the Group are eligible to subscribe for the reserved shares based on the value of transactions of such business associates with the Asia Poly Group for the financial year ended 31 March 2005 (excluding persons connected to the Directors of Asia Poly and its subsidiary).

846,000 of the new Asia Poly Shares have been reserved for the business associates of the Asia Poly Group. The Asia Poly Group has a total of 10 business associates who are eligible to subscribe for the reserved shares.

2.5.2 Private placement

15,784,000 new Asia Poly Shares representing approximately 17.95% of the enlarged issued and paid-up share capital placed with identified investors by way of private placement.

The Public Issue Shares under Section 2.5.2 of this Prospectus are not required to be underwritten as the respective placees have given their irrevocable undertaking to subscribe for the placement shares.

2.5.3 Malaysian public

2,000,000 new Asia Poly Shares representing approximately 2.28% of the enlarged issued and paid-up share capital is available for application by Malaysian public.

Any Public Issue Shares in respect of Section 2.5.1 of this Prospectus, which are not subscribed for will be made available for application by Eligible Employees and subsequent untaken Public Issue Shares will be made available for application by members of the Malaysian public. The Public Issue Shares made available to the Malaysian public listed under Sections 2.5.1 and 2.5.3 of this Prospectus have been fully underwritten via the conditional Underwriting Agreement referred to in Section 2.9 of this Prospectus by the Underwriter as set out under the Corporate Directory of this Prospectus at an underwriting commission of 1.75% of the Issue Price.

2.6 PRICING OF THE PUBLIC ISSUE SHARES

The issue price of RM0.34 per Public Issue Share was determined and agreed upon by the Company and Hwang-DBS as the Adviser and Sponsor, after taking into consideration the following factors:

(i) the Group's financial and operating history and conditions as described in Section 4 of this Prospectus;

(ii) the industry review, future plans and strategies and outlook of the Group as described in Sections 4 and 5 of this Prospectus;

(iii) the forecast net PE Multiple of 7.9 times based on the forecast net EPS of 4.3 sen for the financial year ending 31 March 2006 computed based on the enlarged issued and paid-up share capital of 87,914,960 Asia Poly Shares;

(iv) the proforma consolidated NTA per share of Asia Poly of 22.0 sen as at 31 March 2005 after the Public Issue and the utilisation of proceeds; and

(v) the forecast net dividend yield of 2.9% for the financial years ending 31 March 2006.

Investors should also note that the market price of Asia Poly Shares, upon listing on the MESDAQ Market, are subject to vagaries of the market forces and other uncertainties which may affect the price of the Asia Poly Shares being traded. Investors should form their own views on the valuation of the Public Issue Shares before deciding to invest in the Public Issue Shares.

2.7 PROCEEDS FROM THE PUBLIC ISSUE AND UTILISATION OF PROCEEDS

The gross proceeds of approximately RM7.54 million from the Public Issue accruing to the Company are expected to be utilised over the next two (2) financial years ending 31 March 2007 in the following manner:

	Notes	RM	To be utilised by financial year ending 31 March
Purchase of lab equipment	(i)	968,275	2007
Purchase of plant and machinery	(ii)	3,180,000	2007
Working capital	(iii)	2,292,585	2006
Estimated listing expenses	(iv)	1,100,000	2006
TOTAL		**7,540,860**	

Notes:

(i) Purchase of lab equipment

The Asia Poly Group intends to invest RM968,275 to purchase additional lab equipment for its R&D activities. The R&D activities will focus on development of new products that the Asia Poly Group needs to complement its existing product line, to enhance as well as to improve present product formulation and to improve product quality and productivity by reducing wastages. The R&D activities would also include the testing of all new materials such as additives, chemicals, fillers and pigments required to formulate new product lines. Assuming an interest rate of 8% per annum is incurred if bank borrowings were obtained to purchase the lab equipment, the proceeds of RM968,275 are expected to result in interest savings of approximately RM77,500 per annum.

(ii) ***Purchase of plant and machinery***

It is proposed that RM3,180,000 be allocated for the purchase of plant and machinery. The purchase of plant and machinery is in line with the Group's expansion plan of manufacturing new product range which includes producing larger sized cast acrylic sheets and acrylic BLOCK as well as the manufacturing of value added acrylic sheet products. Assuming an interest rate of 8% per annum is incurred if bank borrowings were obtained to purchase the plant and machinery, the proceeds of RM3,180,000 are expected to result in interest savings of approximately RM254,400 per annum.

(iii) ***Working capital***

An amount of RM2,292,585 from the total gross proceeds raised will be allocated and utilized to fund the liquidity and administrative requirements of the Asia Poly Group.

(iv) ***Estimated listing expenses***

The estimated listing expenses incidental to the listing of and quotation for the entire enlarged issued and paid-up share capital of Asia Poly on the MESDAQ Market to be borne by the Company, are as follows:

	RM
Professional advisory fees	*500,000*
Fees to authorities	*38,000*
Underwriting commission, placement fees and brokerage fees	*228,100*
Advertisement and printing	*180,000*
Contingencies	*153,900*
Total estimated listing expenses	*1,100,000*

The proceeds from the Public Issue is expected to be fully utilised by the end of financial year ending 31 March 2007. There is no minimum subscription to be raised from the Public Issue as the Public Issue will be fully underwritten.

2.8 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

2.8.1 Brokerage

Brokerage relating to the Public Issue Shares will be paid by the Company at the rate of 1.0% of the issue price of RM0.34 per Public Issue Share in respect of successful applications bearing the stamp of Hwang-DBS, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

2.8.2 Underwriting commission

The Underwriter has entered into an Underwriting Agreement for the underwriting of 6,395,000 Public Issue Shares to be made available for application by the Malaysian public and application by the eligible employees, Executive Director and business associates of the Asia Poly Group ("Underwritten Shares"). Underwriting commission is payable by the Company at the rate of 1.75% of the Issue Price of RM0.34 per Underwritten Share.

2.8.3 Placement fee

The Placement Agent has agreed to place out 15,784,000 Public Issue Shares, which are reserved for the identified investors. Placement fee shall be payable by the Company to the Placement Agent at a rate of 1.75% of the issue price of RM0.34 per Public Issue Share placed out.

2.9 DETAILS OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the 6,395,000 Public Issue Shares available for application by the Malaysian public, eligible employees, Executive Director and business associates of the Asia Poly Group are underwritten by the Underwriter.

The salient terms of the Underwriting Agreement are summarised as follows:

(i) The Underwriter to apply or procure applications

The Company may determine in agreement with the Underwriter that if on or after the closing date the underwritten shares are not fully subscribed for or validly subscribed for in the manner provided for in this Prospectus, then, pursuant to Clause 2.1 of the Underwriting Agreement and subject to the fulfilment of the conditions precedent set out in Clause 4 of the Underwriting Agreement, the Underwriter relying upon each of the representations, warranties and undertakings set out in Clause 3 of the Underwriting Agreement, the Company shall within seven (7) business days after the closing date, give notice in writing to the Underwriter who shall forthwith notify the Underwriter of the number of underwritten shares required to be taken up by the Underwriter ("Underwriting Notice") whereupon the Underwriter shall apply or procure its nominees to apply for such portion of the Underwritten Shares which have not been fully subscribed for or validly subscribed for as aforesaid, Provided Always that the public shareholding spread has been met.

(ii) Underwriters to deliver applications and remittance

The Underwriter shall forthwith and in any case, within seven (7) business days from its receipt of the Underwriting Notice, deliver to MIH in its capacity as issuing house, applications in the appropriate forms with their respective central depository system account numbers where relevant, for such number of the underwritten shares for which the Underwriter is required to apply or procure applications, together with the remittance for the amounts payable on application in respect of the underwritten shares less the underwriting commission payable to the Underwriter. If the Underwriter shall fails within seven (7) business days of its receipt of the Underwriting Notice, to deliver such applications and remittance, the Company shall be authorised and at liberty to sign and lodge such applications on behalf and in the name of the Underwriter, and this authority and any application made thereunder shall be irrevocable.

(iii) Liability of Underwriter

The liability of the Underwriter pursuant to the provisions of the Underwriting Agreement will be to apply for or procure applications for such portion of the Underwritten Shares which have not been fully subscribed for or validly subscribed by the closing date provided that the public shareholding spread has been met.

(iv) Conditions precedent

The obligations of the Underwriter under the Underwriting Agreement shall be conditional upon:

(a) the Company's application, the SC having approved the Prospectus and Bursa Securities having agreed in principle on or prior to the closing date to the listing of and quotation for all the issued ordinary share capital of the Company on the MESDAQ Market on terms satisfactory to the Underwriter and the Underwriter being reasonably satisfied that such listing and quotation will be granted two (2) clear business days (or such other period as Bursa Securities may permit) after Bursa Securities has received all the necessary supporting documents and receipt of confirmation from the Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants;

(b) there not having been, on or prior to the closing date, in the opinion of the Underwriter (whose opinion is final and binding) any material adverse change or any development reasonably likely to involve a prospective material adverse change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which in the opinion of the Underwriter (whose opinion is final and binding) is material in the context of the issuance of the Public Issue Shares or the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representations, warranties or undertakings contained in the Underwriting Agreement as though they had been given or made on such date;

(c) upon the Company's application, the registration with the SC and lodgement with the CCM of the Prospectus together with copies of all documents required by the SC Act and the issue by the SC of the relevant certificate of registration;

(d) the public shareholding spread is met;

(e) all agreements in relation to the private placement in a form acceptable to the Underwriter have been duly executed before the issuance of the Prospectus;

(f) the issuance of the Prospectus within one (1) month from the date of the Underwriting Agreement or such other date as the parties may mutually agree upon in writing;

(g) the delivery to the Underwriter prior to the date of issuance of the Prospectus of :

- a certified true copy by an authorized officer of the Company of all the resolutions of the Directors of the Company and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; and

- a certificate in the form or substantially in the form contained in the Second Schedule of the Underwriting Agreement dated the day of the Prospectus signed by a duly authorized officer of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 3.1 of the Underwriting Agreement; and

- such evidence satisfactory to the Underwriter that the placement of all Public Issue Shares under the private placement has been fully placed out;

(h) the delivery to the Underwriter on the closing date of such reports and confirmations dated the closing date from the Board of Directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change of condition or circumstances subsequent to the date of the Underwriting Agreement that would or may have an adverse effect on the performance or financial position of the Company;

(i) the Underwriter having been satisfied that adequate arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 7.3 of the Underwriting Agreement;

(j) the Public Issue is not being prohibited by any statute, order rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;

(k) the Underwriter having been satisfied that the Company has complied and that the Public Issue is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto;

(l) the acceptance for registration by the SC of the Prospectus and such other documents as may be required in accordance with the SC Act in relation to the Public Issue and the lodgement of the Prospectus with the CCM on or before its release;

(m) the offering of the Issue Shares having been approved by the SC and Bursa Securities (approval as regards the listing of the entire issued and paid-up share capital of the Company) and/or any other relevant authority or authorities;

(n) the Underwriting Agreement having been duly executed by all parties and stamped; and

(o) The Composite Index of Bursa Securities is at no less than 750 points on or prior to 5.00 pm on the closing date.

If any of the conditions stipulated above is not satisfied on or before the closing date and if after the closing date it shall become apparent to the Underwriter that the public shareholding spread has not been met, the Underwriter shall thereupon be entitled, to terminate the Underwriting Agreement by notice in writing to the Company and in that event the parties hereto shall be released and discharged from their respective obligations hereunder PROVIDED THAT the Company shall remain liable for the payment of the underwriting commission and of all other costs and expenses including but not limited to those referred to in Clause 7.3 of the Underwriting Agreement.

(v) Change in circumstances

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time before the closing date, by notice in writing to the Company, propose to terminate its obligations under this Agreement if in its reasonable opinion there shall have been such a change in national or international monetary, financial, political or economic conditions or in market condition (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regards to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or exchange control legislation or regulations or currency exchange rates or an occurrence as a result of an act or acts of God as would in its reasonable opinion materially prejudice the success of the offering of the underwritten shares and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) or in the event of national disorder, outbreak of war or the declaration of a state of national emergency.

(vi) Force majeure

Notwithstanding anything herein contained the Underwriter may at any time be entitled to terminate its obligations under the Underwriting Agreement with a notice in writing delivered to the Company on the occurrence of all or any of the matters stated in Clause 5 of the Underwriting Agreement on or before the closing date if the success of the Public Issue is, in the opinion of the Underwriter (whose opinion is final and binding), seriously jeopardised by:

(a) any Government requisition or other occurrence of any nature whatsoever which in the opinion of the Underwriter (whose opinion is final and binding) seriously affects or will seriously affect the business and/or financial position of the Company;

(b) any change or any development involving a prospective change in national or international monetary, financial (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriter prejudice materially the success of the Public Issue and its distribution or sale (whether in the primary or in respect of dealings on the secondary market); or

(c) any breach of the representations, warranties and undertakings referred to in Clause 3 of the Underwriting Agreement or withholding of information of a material nature from the Underwriter ; or

(d) any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, which in the opinion of the Underwriter has or is likely to have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Company; or

(e) any event or series of events beyond the reasonable control of the Underwriter (including without limitation acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance with its terms or which prevents the processing of application, crediting of accounts and/or payments pursuant to the Public Issue or pursuant to the underwriting hereof; or

(f) the imposition of any moratorium, suspension or material restriction on trading in securities generally in Bursa Securities due to exceptional financial circumstances or otherwise; or

(g) if the Composite Index of Bursa Securities drops below 750 points for three (3) consecutive business days.

On delivery of such a notice by the Underwriter to the Company and confirmation of such a notice by facsimile or by hand, the Underwriting Agreement shall be terminated and the obligations of the Underwriter under the Underwriting Agreement shall be discharged accordingly. In the event of any such termination under Clause 5 of the Underwriting Agreement, the Company shall bear all the cost and expenses incurred under the Underwriting Agreement including but not limited to those stated in Clause 7.3 of the Underwriting Agreement.

(vii) Termination

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may by notice in writing to the Company given at any time before the closing date, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

(a) there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3 of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company; or

(b) there is failure on the part of the Company to perform any of its obligations under the Underwriting Agreement; or

2. PARTICULARS OF THE PUBLIC ISSUE *(Cont'd)*

(c) there is withholding of information of a material nature from the Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company, the success of the Public Issue, or the distribution or sale of the Issue Shares; or

(d) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company; or

(e) there shall have occurred, or happened any of the following circumstances:

- any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing;

- any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

- which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

Upon any such notice(s) being given pursuant to Clause 6.1 of the Underwriting Agreement, the Underwriter shall be released and discharged from its obligations hereunder whereupon the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other party in respect of the Underwriting Agreement, save and except that the Company shall remain liable for the payment of the underwriting commission and in respect of its obligations and liabilities under Clause 7.3 of the Underwriting Agreement for the payment of costs and expenses already incurred prior to or in connection with such termination and for the payment of any taxes, duties or levies, and for any antecedent breach.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

3. RISK FACTORS

There are a number of risk factors, both specific to the Asia Poly Group and relating to the general business environment, which may impact on the operating performance and financial position of the Asia Poly Group. Investors should carefully consider the following factors (which may not be exhaustive), which may have a significant impact on the future performance of the Asia Poly Group before applying for the Public Issue Shares.

3.1 BUSINESS RISKS

The Asia Poly Group is principally involved in the manufacture and sale of cell cast acrylic products for a wide range of industries. The Group is therefore subject to certain risks inherent in the industry in which it operates. These include, inter-alia, possible increase in the operating and capital costs due to increase in the cost of labour and raw materials, rising global oil prices, constraints in labour supply, changes in economic and business conditions, foreign exchange rate fluctuations, changes in government and international policies, the introduction of new and superior technology or products by competitors, changes in legal and environmental framework within which the respective industries operates and the drop in the demand for its products.

The Group sets to limit these risks through, inter-alia, expansion of both existing and new markets, developing new product lines and improving its technological competence through R&D and advanced technologies and maintaining good business relationships with its customers and suppliers.

However, no assurance can be given that any change in the above factors will not have an adverse effect on the Group's business and financial conditions.

3.2 OPERATIONAL RISKS

Other risks, which are inherent to the operations of the Asia Poly Group include fire outbreaks and the disruption of electricity supply, which would affect the Group's business operations. In addressing these inherent risks, the Group has in place the following risk management practices/plans:

(i) The Group has formed a Safety Committee (consisting of senior management and operational staff of the Group), which is entrusted with the duty of evaluating and performing security and safety checks on the factory and facilities to ensure security and safety policies and control systems are adhered to. The members of the Safety Committee are trained and have attended external safety courses in relation to handling fire fighting equipment and proper procedures to be carried out should fire outbreak occurs in the factory. The said members are responsible for the provision of such training to the factory workers;

(ii) The factory premises are patrolled by six (6) security guards employed by Asia Poly. There are two (2) guards on each of the three (3) shifts. The guard house is equipped with a telephone system that has lines connected throughout the plant and office including the fire stations as well as police stations throughout the neighbouring areas for emergency;

(iii) Fire fighting systems such as fire hydrants, hose reels and fire extinguishers have been installed in the factory and a sprinkler system has been installed throughout the manufacturing areas. Further, the fire fighting system installed in the factory is controlled by a fire control panel which will alert the Jabatan Bomba Klang when the system is triggered;

(iv) Back-up generator sets to be installed in the factory in the event of electricity supply disruption in order to minimise any disruption to production;

(v) The Group has insurance coverage on, inter-alia, fire consequential loss, fire of factory building, plant and machinery, stocks and office equipment; and

(vi) Total of fourteen (14) units of security CCTV cameras, connected via internet, which have been installed throughout the main manufacturing sections to optimise all-round surveillance on possible theft and break-ins.

However, no assurance can be given that, even with the existing risk management practices/plans in place, the business operations of the Group will not be affected in the event of a fire and energy crisis.

3.3 AVAILABILITY OF SKILLED LABOUR AND HUMAN CAPITAL

The primary factor for the Group's success in forging a partnership with Lucite International is the quality of its products as well as its commitment to constant innovation in developing new products to meet the requirements of its customers as well as its objective of becoming a world-class producer of cell cast acrylic sheet products. As such, the Group has a team of R&D personnel who will undertake R&D and QA activities to ensure the quality of workmanship is maintained as well as to develop new products.

Asia Poly has trained and installed a competent group of key personnel in management positions who are responsible for the day-to-day operation.

Furthermore, the manufacturing of cell cast acrylic sheet products requires constant supply of labour as it is a fairly labour intensive industry. In addition, the management of the Group recognises the importance of human resource training and staying ahead in technological advancement. Therefore, the Asia Poly Group endeavours to constantly organise training programmes through in-house and external training programmes for its personnel.

Apart from organising training programmes, the Group also emphasises on continuous training of its personnel through work orientation programmes, on-the-job training and cross training in various processes in the production of acrylic sheet products. This is to mitigate the over reliance on a single personnel in the production process. In addition, the Group also sources foreign labour from Myanmar to reduce the risk of labour shortages.

Although the Asia Poly Group seeks to limit the above business risk, no assurance can be given that any change to this risk will not have adverse effects on the Group's business.

3.4 SUPPLY OF RAW MATERIALS

The main raw material used in the production of cell cast acrylic sheet products is MMA, a special type of chemical used in the production of a wide range of specialty polymers. The Asia Poly Group sources MMA from Lucite International, the world's largest producer of MMA and acrylic based products.

On 1 April 2002, the Asia Poly Group has entered into a supply agreement with Lucite International, which ensures the supply of MMA at competitive prices for the manufacturing of the cell cast acrylic sheet products for the Group. The supply agreement is valid for an initial period of three (3) years and is renewable automatically unless terminated by either party giving twelve (12) months' notice in writing to the other. In this respect, the Asia Poly Group is ensured constant supply of MMA at competitive prices and minimal disruption to its manufacturing process.

However, in the event the supply agreement between Asia Poly and Lucite International is terminated, the Asia Poly Group is able to source alternative supplies of MMA from countries such as Japan, Singapore, Thailand, Taiwan and Russia. The Group also sources its other raw materials from both the local market as well as the overseas markets such as the USA, the UK, Taiwan, Japan, China and Thailand.

Nevertheless, while the Group has established a good long-term relationship with Lucite International and its other major raw material suppliers, there is no guarantee that the suppliers will continue to supply to the Asia Poly Group the same quality of raw materials at competitive prices and on other competitive terms. However, the Board of Asia Poly and the key management of the Group are confident that the Group is able to maintain a long-term relationship with Lucite International and its other raw material suppliers based on its existing good working relationships with them, which will ensure the supply of MMA and other raw materials at competitive prices and terms.

3.5 STRATEGIC ALLIANCE WITH LUCITE INTERNATIONAL

Lucite International and its group of companies have worldwide operations covering Europe, Africa, the Middle East, Asia Pacific, North America and South America. The company is a global manufacturer of acrylic based products, intermediate chemicals and related materials as well as being the world's largest producer of MMA, including the manufacturer of acrylic sheets. Lucite International has confirmed that it is a strategic partner of Asia Poly and that to the best of its knowledge and belief, it is of the view that its business activities is not and will not be in competition with Asia Poly to the extent that it does not target the same group of customers.

Furthermore, Asia Poly and Lucite International have embarked on a "Manufacturing Excellence Programme". This programme was developed by Lucite International as a system to benchmark its own manufacturing facilities around the world to ensure that its manufacturing facilities have and maintain the highest standards and consistency in quality throughout the industry. The "Manufacturing Excellence Programme" between Lucite International and Asia Poly is a strategic partnership between the two (2) parties and this is the first time Lucite International has shared its expertise with any external party. A bond of mutual respect and friendship has developed between the two (2) parties to the extent of mutual cooperation.

3.6 EXCESS DEMAND

Through APSB, the Group's current production capacity for its acrylic sheet products is 500 MT per month. The Group in the past has not encountered a situation where there is an excess demand for sheet products as APSB's plant still has the capability to meet the ever-increasing demands of its customers. In the extreme event of an excess demand situation, Asia Poly Group has the option to work with Lucite International to manage the excess of incoming orders. Amongst others, Asia Poly may seek Lucite International's assistance in using a plant in Thailand, which is partly owned by Lucite International to produce acrylic sheets to meet any unexpected excess in demand from its customers. To date, Asia Poly Group has not had to resort to this as it is continuously upgrading its manufacturing facilities to increase quality and production capacity.

The management of Asia Poly has taken the initiative to increase the present calculated plant production capacity from 500MT to 750MT per month. The management has already started to put in place the necessary matrix, to ensure its manufacturing independence and security, so as to never resort to request other producers to OEM for Asia Poly. Asia Poly will utilise its proceeds amounting to RM3.18 million to purchase plant and machinery where these plant and machinery will increase the production capacity of Asia Poly.

In addition, Asia Poly still has vacant land measuring approximately 5,000 sq. m. at the back of its current plant, which could be converted to a new manufacturing facility, if so required, to further increase its plant production capacity.

There is no formal or official agreement between both parties in respect of Lucite International's support for the Asia Poly Group other than an understanding in support of the partnership to assist in the supply of acrylic sheet products in the event of a need by Asia Poly. In the event of such requirement Asia Poly has the option to formalise such arrangement if the parties should find it necessary.

Lucite International has also confirmed that despite there being no official agreement between Lucite International and Asia Poly, Asia Poly is able to call on Lucite International for its assistance to meet any excess demands from their customers for acrylic sheets. Lucite International has always been ready to assist Asia Poly in this regard and will continue to do so if Asia Poly so requests.

3.7 GEOGRAPHICAL EXPOSURE

Asia Poly is predominantly an export oriented Group, where approximately 61% of its manufactured acrylic sheets products are exported overseas to various countries covering four (4) regions, such as Asia, Australia, Europe, North America and others (including Africa, Middle East and South America) based on the financial year ended 31 March 2005. For the financial year ended 31 March 2005, the Group's largest cell cast acrylic sheet products customers are from Australia and New Zealand where the combined sales constituted approximately 23% of the Group's total revenue. However, the Group policy is not to commit to long term contracts, either written or expressed, to or with, any of its customers for the distributions of it's "**A-CAST**" brand of acrylic sheet products.

Nevertheless, the Group has a track record of repeated orders from its customers as evidenced by the long-term relationship with some of its customers based on the technical services and quality of Asia Poly's acrylic sheet products produced at competitive prices. The Asia Poly Group has an established customer base where its major customers have been dealing with the Group for more than ten (10) years. This serves as an endorsement of the quality of its products.

In addition, in order to mitigate the geographical risk, the Group, had some time ago, begun to extend its market to other countries such as Belgium, Hungary, India and Russia along many others, with its new value-added products, in order to minimise its dependence on its current major markets, namely, Australia and New Zealand.

However, no assurance can be given that the new products would be able to mitigate the geographical market risk successfully.

3.8 COMPETITION

The Group faces competition from various competitors from both local and overseas markets. The Asia Poly Group may also face competition from competitors who may expand their business to emulate the same range of product and services range and from new players entering into the industry.

Currently, there are only two (2) other local competitors within an industry similar to that of the Group and based on the research findings conducted by Infocredit D&B, the Asia Poly Group is the only producer which is able to produce various sizes of cell cast acrylic sheet products.

Although no assurance can be given that the Group will be able to maintain its existing market share and edge over its competitors in the future, the Board of Asia Poly is confident that the Group will be able to meet the competition presented by its competitors. Such confidence is based on the strength of the Group's relationships with its customers, its past ability to meet standards required by its customers particularly in areas of delivery and quality and its efforts to further improve its manufacturing processes and quality standards through R&D.

In addition, the Board of Asia Poly is of the view that the following will further mitigate the competition faced by the Group:

(i) Business affiliation

The Asia Poly Group and Lucite International have embarked on a "Manufacturing Excellence Programme" where Asia Poly is able to tap on Lucite International's expertise to ensure that Asia Poly's manufacturing processes are further enhanced to compete against other acrylic sheet product manufacturers and to produce high quality products to meets its customers' requirements.

(ii) Product development

For the next five (5) years, the Asia Poly Group has plans in place to develop new products. At present, the Group has already developed some value-added products through R&D to penetrate new markets and to diversify its customer portfolio.

(iii) R&D

The R&D team constantly conducts market studies to explore new technologies to enhance the Group's products and to conduct a series of tests in its laboratory. Approximately RM4.15 million of the proceeds from the Public Issue will be utilised by the Group to purchase additional lab equipment, plant and machinery in aid of its expansion plan to produce new products and increase R&D activities.

The Group's tagline of "Committed to Excellence" ensures that customers are satisfied with its products and that the Group keeps abreast with the latest trends and developments in the acrylic industry by conducting market studies.

Despite the aforementioned strategies, there can be no assurance that the Group will not be affected by the competitive strategy adopted by other manufacturers within the same industry, both locally and overseas.

3.9 DEVELOPMENT OF NEW PRODUCTS

The Group plans to penetrate and tap into new markets situated in North America, Europe, the African continent, India and China which have growth potential for the value added acrylic sheet products. In order to tap into these markets, the Asia Poly Group plans to produce these new products within the next five (5) years via its expansion plans and intensive R&D activities. The Group plans to distribute the new products via their existing distributors. In addition, the Group strives to monitor the market demand and be receptive towards their customers' needs as well as to conduct market surveys.

However, there can be no assurance that the Group can successfully penetrate these markets, as the markets may not be receptive to the new products being produced by the Group.

3.10 TECHNOLOGICAL CHANGE

The success of the Group is very much dependent on its ability to maintain and enhance its technology and technical know-how in order to compete with the world's best and to produce the quality and innovative products that meets the stringent requirements of its clients.

The continued emphasis on R&D activities on technology and technical know-how in the past and future will enable Asia Poly to stay ahead of its competitors and to allow the Group to compete with the best in the world.

The Directors believe that it is imperative for the Group to continue exploring new technologies and expanding its technical know-how by investing in new machinery and capitalising on its various partnerships worldwide in order to tap into technological know-how to produce new products. However, there can be no assurance that the Group's development policy will be successful or that the Group will be able to procure the latest technologies and/or expand on its technical know-how or that the emergence of new technologies will not reduce the competitiveness of the Group.

3.11 ADEQUACY OF INSURANCE COVERAGE ON THE GROUP'S ASSETS

The Group is aware of the adverse consequences arising from inadequate insurance coverage that could affect its business operations. In ensuring that such risks are minimised, the Group reviews and ensures adequate insurance coverage for its assets on a continuous basis.

The major assets of the Group are the manufacturing facilities, which include, amongst others, buildings, plant and machinery as well as inventories, which are adequately insured under the fire and allied perils and all risk insurance policies. Further, the Group continuously reviews and ensures that there is adequate insurance coverage for its manufacturing facilities as a measure to mitigate the risk of inadequate insurance coverage.

Although, the Group has taken necessary steps to insure its assets, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets or any consequential loss arising from the damage or loss of the assets.

3.12 FOREIGN CURRENCY EXCHANGE FLUCTUATIONS

The Group sources its raw materials mainly from the overseas market and its transactions are mainly denominated in USD. Fluctuations in the conversion rate of RM against USD may have a material impact on the Group's financial performance. The risk of extreme foreign currency exchange fluctuations has been minimised to a certain extent by the imposition of a managed floating exchange rate mechanism adopted by Bank Negara Malaysia since 21 July 2005 for the RM-USD conversion rate.

In addition, the foreign currency exchange risk is mitigated by the fact that the Group's products are exported in USD, which provides a natural hedge against the foreign exchange risk.

However, there can be no assurance that any future significant fluctuations in foreign currency exchange rates and financial crisis will not have an impact on the revenue, cost of sales and earnings of the Group. In the event the Company is exposed to such risk, the Company will undertake hedging to mitigate such risk.

3.13 POLITICAL AND ECONOMIC CONDITIONS

Any adverse development in the political situations and economic uncertainties in Malaysia and other countries in which the Asia Poly Group has business links, directly or indirectly, could materially and adversely affect the financial performance of the Group. These include risks of war, global economic downturn, expropriation, nationalisation, unfavourable change in government policy and regulations such as foreign exchange rates and methods of taxation and currency exchange controls. There can be no assurance that any change to these factors will not have a material adverse effect on the Group's business.

3.14 DEPENDENCE ON KEY PERSONNEL

The Asia Poly Group believes that, like in all businesses, its continued success will also depend to a significant extent, upon the abilities and continued efforts of its existing directors and management team. The loss of any key members of the Board of Asia Poly in particular its Executive Directors and any of its key technical and management personnel could adversely affect the Asia Poly Group's continued ability to compete in the cast acrylic industry.

The Board of Asia Poly recognises the importance of the Group's ability to attract and retain its key personnel and have put in place a human resources programme, which includes a suitable compensation package. The Group sends its employees on a regular basis for in-house as well as external training programmes. Efforts are constantly made to strategically develop a dynamic and strong management team and to establish a sound management structure to ensure a smooth succession plan.

Although the Asia Poly Group seeks to limit the dependence of key personnel through the efforts by the management mentioned above, no assurance can be given that any change in the key management structure will not have a material adverse effect on the Group's future performance.

3.15 ENVIRONMENTAL CONCERNS

From an environmental perspective, plastic products, which take a long time to decompose, have come under some amount of increasing scrutiny. There have been sporadic pressures from some local authorities and the public to reduce and recycle plastic products. However, at present, recycling of PMMA is non-existent in Malaysia due to its high costs and environmental requirements to recycle plastic products.

Asia Poly's products are known to be environmental friendly. Off-cuts from cast acrylic products can be reprocessed without causing any special environmental problems. Furthermore the raw materials used such as monomers are 100% recyclable. The Group collects all the scraps and waste left over from sizing and production, and later to be sold to countries such as India and South Africa for recycling purposes. Cast acrylic wastes such as scraps and chips are subjected to thermal cracking at very high temperature. The products obtained after this process can be distilled to regenerate decomposed MMA.

However, Asia Poly is unable to control the recycling of acrylic when they have reached end-users as acrylics are used in various industries such as aerospace, building construction, advertising, transportation, lightings, food, pharmaceutical and others. It is difficult to decompose or pull apart the steel, fibre and acrylics that have been riveted together.

(Source: Infocredit D&B Report)

The Directors of Asia Poly believe that its existing operations are in strict compliance with the relevant environmental legislation governing activities within Malaysia. No assurance can be given that the ensuing steps taken by the Group to comply with such regulations will continue to be adequate in the event the relevant environmental regulations in Malaysia are changed.

3.16 SYSTEMS DISRUPTIONS

The Group did not experience any disruption in business arising from system disruption of its plant. which had a significant effect on its operations for twelve (12) months prior to the date of this Prospectus. Notwithstanding this, no assurance is given that a system disruption will not materially affect Asia Poly's business. However, the Directors do not foresee a disruption of its operation, which could significantly materially affect Asia Poly's manufacturing output. To this end, Asia Poly has a regular maintenance schedule for its machinery and equipment.

3.17 UNCERTAINTY IN THE PROPOSED FIVE (5)-YEAR BUSINESS DEVELOPMENT PLAN

The Group's proposed future plans and prospects will be dependent upon, amongst others, the Group's ability to launch the new products as planned and to enter into strategic marketing or other arrangements on a timely basis and on favourable terms; hire, retain skilled management as well as financial, technical, marketing and other personnel; successfully manage growth (including monitoring operations, controlling costs and maintaining effective quality and service controls); and obtain adequate financing as and when required.

This is mitigated by the fact that the current management team of the Asia Poly Group has more than five (5) years experience in the production of cell cast acrylic sheet products and a team of qualified and committed technical personnel as well as a strategic alliance with Lucite International, the world's largest producer of MMA and manufacturer of acrylic-based products.

However, there can be no assurance that the Group will be able to successfully implement its business plan or that unanticipated expenses or problems or technical difficulties will not occur which would result in material delays in its implementation or even deviation from its original plans. In addition, the actual results may deviate from the business plan due to rapid technological changes, market as well as competitive pressures.

3.18 PROFIT FORECAST

This Prospectus contains a profit forecast of the Group that are based on assumptions which the Directors believe to be reasonable, but which nevertheless are subject to uncertainties and are contingent in nature. Due to the inherent uncertainties of the profit forecast, and as events and circumstances frequently do not occur as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the assumptions underlying the profit forecast that is contained herein.

3.19 BORROWINGS AND INTEREST RATE RISKS

As at 2 September 2005, the Asia Poly Group has approximately RM19.66 million in bank borrowings from financial institutions. The Asia Poly Group has obtained the said loan facilities to finance amongst others its day-to-day operations. As with many agreements relating to the extension of loan facilities by financial institutions, there may be certain negative covenants, fixed assets charges, pledges and/or liens imposed. Any failure by the Asia Poly Group to meet the timely repayment of such facilities may result in a default of the same, which could materially affect the operating and financing capabilities of the Asia Poly Group.

Further, for the latest audited financial statements for the financial year ended 31 March 2005, the Asia Poly Group's interest expense was approximately RM246,000 based on interest rates of between 1% to 7.5% per annum. Any increase in interest rates will increase the burden of the Group with respect to interest payments of the borrowings depending on the total outstanding borrowings as at the point in time. There can be no assurance that the performance of the Group would remain favourable in the event of adverse changes in the interest rates.

Notwithstanding the above, the Directors of Asia Poly are not expected to encounter and does not foresee, in the immediate future, any particular financial-related risks that may adversely impact its business operations and does not anticipate potential events of default to arise. In addition, the Group has also to-date met all of its financial obligations in respect of the financing facilities provided to the Group from financial institutions.

3.20 CONTROL BY SUBSTANTIAL SHAREHOLDERS

Following the Public Issue, the substantial shareholders, as shown in Section 1.2 of this Prospectus, collectively hold approximately 66.18% of the Company's enlarged issued and paid-up share capital. The aforesaid shareholders, if they act together, may be able to influence the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law and/or by the relevant authorities.

The introduction of corporate governance that requires the formation of an Audit Committee, which includes two (2) Independent Directors, may effectively help to promote transparency in all material transactions and the Asia Poly Group's accountability, thereby representing the interest of the minority and general public at large. The major shareholders would also be required to abstain from voting if there is any related-party transaction, which may pose as a conflict to the interest of the Company.

3.21 FORWARD LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which are statements other than statements of historical facts that are based on assumptions that are subject to uncertainties and contingencies. The word "anticipates", "believe", "intends", "plans", "expects", "estimates", "forecasts", "predicts" and similar expressions as they relate to the Asia Poly Group or its business are intended to identify such forward-looking statements. The Asia Poly Group believes that the expectations reflected in such forward-looking statements are reasonable at this point of time. There can be no assurance that such expectations will prove to have been correct. Any deviation from the expectations may have adverse effect on the Asia Poly Group's financial and business performances.

3.22 TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement allows the Underwriter to terminate the Underwriting Agreement if the Underwriter is of the reasonable opinion that the success of the Public Issue is likely to be materially and adversely affected by certain events, details of which have been set out in Section 2.9 of this Prospectus.

3.23 CAPITAL MARKET RISK

As an investor of Asia Poly, it is to be noted that Asia Poly will be listed on the MESDAQ Market. The performance of our local bourse is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors will invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risk to the market price of the listed Asia Poly Shares. Nevertheless, it shall be noted the profitability of Asia Poly is not dependent on the performance of Bursa Securities.

3.24 NO PRIOR MARKET FOR THE ASIA POLY SHARES

Prior to this listing of Asia Poly on the MESDAQ Market, there has been no public market for Asia Poly Shares. There can be no assurance that an active market for Asia Poly Shares will develop upon its listing on the MESDAQ Market or, if developed, that such market will be sustained. The issue price of RM0.34 per Asia Poly Share has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial and operating history and conditions, the prospects of the industry in which the Group operates, the management of the Group, and the prevailing market conditions. There can be no assurance that the Issue Price will correspond to the price at which the Asia Poly Share will trade on the MESDAQ Market upon or subsequent to its listing or that active market for the Asia Poly Shares will develop and continue upon or subsequent to its listing. The price at which Asia Poly Shares will be traded may be higher or lower than the Issue Price.

3.25 FAILURE / DELAY IN THE LISTING

The success of the listing exercise is also exposed to the risk that it may fail or be delayed should any of the following events occur:

(i) the Underwriter of the Public Issue fail to honour their obligations under the Underwriting Agreement;

(ii) the identified investors for the private placement fail to subscribe for the portion of the Public Issue Shares allocated to them; or

(iii) Asia Poly is unable to meet the public spread requirements, that is, at least 25% but not more than 49% of the total number of shares of the Company must be held by a minimum number of 200 public shareholders (including employees).

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK