

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

### 6.1 Promoters and substantial shareholders

#### 6.1.1 Promoters

The details of the promoters of MMSV and their shareholdings in MMSV after the Public Issue are as follows:

Name	Nationality/ Country of Incorporation	After the Public Issue			
		Direct		Indirect	
		No. of MMSV Shares held	%	No. of MMSV Shares held	%
Sia Teik Keat	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>2</sup>	10.56
Goh Kim Hock	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>3</sup>	10.56
Tan Beng Chuan	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>4</sup>	10.56
KSSB	Malaysia	17,207,204	10.56	-	-
IMTSB	Malaysia	17,207,204	10.56	-	-
AJFSB	Malaysia	17,207,204	10.56	-	-

Notes:

1. Inclusive of their respective entitlements of the Issue Shares reserved for application under the Pink Form Allocation
2. Deemed interest by virtue of Section 6A of the Act through his shareholding in KSSB
3. Deemed interest by virtue of Section 6A of the Act through his shareholding in IMTSB
4. Deemed interest by virtue of Section 6A of the Act through his shareholding in AJFSB

#### 6.1.2 Substantial shareholders

The details of the substantial shareholders of MMSV and their shareholdings in MMSV after the Public Issue are as follows:

Name	Nationality/ Country of Incorporation	After the Public Issue			
		Direct		Indirect	
		No. of MMSV Shares held	%	No. of MMSV Shares held	%
Sia Teik Keat	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>2</sup>	10.56
Goh Kim Hock	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>3</sup>	10.56
Tan Beng Chuan	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>4</sup>	10.56
KSSB	Malaysia	17,207,204	10.56	-	-
IMTSB	Malaysia	17,207,204	10.56	-	-
AJFSB	Malaysia	17,207,204	10.56	-	-
Tan Beng Cheong	Malaysian	13,637,400 <sup>1</sup>	8.37	-	-

Notes:

1. Inclusive of their respective entitlements of the Issue Shares reserved for application under the Pink Form Allocation
2. Deemed interest by virtue of Section 6A of the Act through his shareholding in KSSB
3. Deemed interest by virtue of Section 6A of the Act through his shareholding in IMTSB
4. Deemed interest by virtue of Section 6A of the Act through his shareholding in AJFSB

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

### 6.1.3 Changes in promoters' and substantial shareholders' shareholdings in MMSV for the past 3 years

Save as disclosed below, there has been no change in the promoters' and substantial shareholders' shareholdings in MMSV since its incorporation:

Name	Date	Shareholdings in MMSV before changes				Number of Shares acquired/ (disposed)	Shareholdings in MMSV after changes			
		Direct		Indirect			Direct		Indirect	
		Number of shares	%	Number of shares	%		Number of shares	%	Number of shares	%
Khew Sin Mei	29.03.04	-	-	-	-	10	10	50.00	-	-
	08.09.05*	-	-	-	-	(10)	-	-	-	-
Lim Phaik Lian	29.03.04	-	-	-	-	10	10	50.00	-	-
	08.09.05*	-	-	-	-	(10)	-	-	-	-
Sia Teik Keat	08.09.05^	-	-	-	-	17,207,204	17,207,204	10.56	-	-
Goh Kim Hock	08.09.05^	-	-	-	-	17,207,204	17,207,204	10.56	-	-
Tan Beng Chuan	08.09.05^	-	-	-	-	17,207,204	17,207,204	10.56	-	-
IMTSB	08.09.05^	-	-	-	-	17,207,204	17,207,204	10.56	-	-
KSSB	08.09.05^	-	-	-	-	17,207,204	17,207,204	10.56	-	-
AJFSB	08.09.05^	-	-	-	-	17,207,204	17,207,204	10.56	-	-
Tan Beng Cheong	08.09.05^	-	-	-	-	13,522,440	13,522,440	8.29	-	-

Notes:

^ Pursuant to the Acquisition of MMS

\* Pursuant to the Transfer of Shares

### 6.1.4 Background information on promoters and substantial shareholders

The profiles of the individual promoters who are also substantial shareholders are set out in Section 6.2.2 of this Prospectus. The background information on Tan Beng Cheong, who is an individual substantial shareholder, and on the corporate promoters and substantial shareholders are as follows:

#### (a) KSSB

##### (i) Background and principal activities

KSSB (Company No.: 624468-U) was incorporated in Malaysia under the Act on 8 August 2003 and is principally an investment holding company.

KSSB has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, out of which 2 ordinary shares of RM1.00 each have been issued and credited as fully paid-up.

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

### (ii) Board of Directors

The Board of Directors of KSSB and their respective shareholdings therein as at 15 November 2005 are as follows:

Director	<-----Direct interest----->		<----Indirect interest---->	
	No. of shares	%	No of shares	%
Sia Teik Keat	1	50.0	1 <sup>1</sup>	50.0
Kuan Goot Kheng	1	50.0	-	-

Note:

1. Deemed interest by virtue of the shareholding of his spouse, Kuan Goot Kheng, in KSSB.

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

According to the Register of Members, the substantial shareholders of KSSB and their respective shareholdings therein as at 15 November 2005 are as follows:

Substantial shareholder	<-----Direct interest----->		<----Indirect interest---->	
	No. of shares	%	No. of shares	%
Sia Teik Keat	1	50.0	1 <sup>1</sup>	50.0
Kuan Goot Kheng	1	50.0	-	-

Note:

1. Deemed interest by virtue of the shareholding of his spouse, Kuan Goot Kheng, in KSSB.

## (b) IMTSB

### (i) Background and principal activities

IMTSB (Company No.:580769-H) was incorporated in Malaysia under the Act on 20 May 2002 and is principally an investment holding company.

IMTSB has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, out of which 2 ordinary shares of RM1.00 each have been issued and credited as fully paid-up.

### (ii) Board of Directors

The Board of Directors of IMTSB and their respective shareholdings therein as at 15 November 2005 are as follows:

Director	<-----Direct interest----->		<----Indirect interest---->	
	No. of shares	%	No of shares	%
Goh Kim Hock	1	50.0	1 <sup>1</sup>	50.0
Sim Goay Hoon	1	50.0	-	-

Note:

1. Deemed interest by virtue of the shareholding of his spouse, Sim Goay Hoon, in IMTSB.

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

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

According to the Register of Members, the substantial shareholders of IMTSB and their respective shareholdings therein as at 15 November 2005 are as follows:

Substantial shareholder	<-----Direct interest----->		<-----Indirect interest----->	
	No. of shares	%	No. of shares	%
Goh Kim Hock	1	50.0	1 <sup>1</sup>	50.0
Sim Goay Hoon	1	50.0	-	-

Note:

1. Deemed interest by virtue of the shareholding of his spouse, Sim Goay Hoon, in IMTSB.

### (c) AJFSB

#### (i) Background and principal activities

AJFSB (Company No.: 614366-P) was incorporated in Malaysia under the Act on 7 May 2003 and is principally an investment holding company.

AJFSB has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, out of which 4 ordinary shares of RM1.00 each have been issued and credited as fully paid-up.

#### (ii) Board of Directors

The Board of Directors of AJFSB and their respective shareholdings therein as at 15 November 2005 are as follows:

Director	<-----Direct interest----->		<-----Indirect interest----->	
	No. of shares	%	No. of shares	%
Tan Beng Chuan	1	25.0	3 <sup>1</sup>	75.0
Loh Ah Moy @ Mary Anne	1	25.0	-	-
Jennifer Tan Suet Luan	1	25.0	-	-
Aileen Tan Suet Ping	1	25.0	-	-

Note:

1. Deemed interest by virtue of the shareholdings of his spouse, Loh Ah Moy @ Mary Anne, and his daughters, Jennifer Tan Suet Luan and Aileen Tan Suet Ping, in AJFSB

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

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

According to the Register of Members, the substantial shareholders of AJFSB and their respective shareholdings therein as at 15 November 2005 are as follows:

Substantial shareholder	<-----Direct interest----->		<-----Indirect interest----->	
	No. of shares	%	No. of shares	%
Tan Beng Chuan	1	25.0	3 <sup>1</sup>	75.0
Loh Ah Moy @ Mary Anne	1	25.0	-	-
Jennifer Tan Suet Luan	1	25.0	-	-
Aileen Tan Suet Ping	1	25.0	-	-

Note:

1. Deemed interest by virtue of the shareholdings of his spouse, Loh Ah Moy @ Mary Anne, and his daughters, Jennifer Tan Suet Luan and Aileen Tan Suet Ping, in AJFSB.

### (d) Tan Beng Cheong

**Tan Beng Cheong**, aged 45, is a substantial shareholder of MMSV. He began his career when he joined Chan Sin Company as machinist in 1976. Later he was promoted to be a supervisor in 1983. In same year, he left Chan Sin Company to join MCE, a precision tooling company and was appointed Managing Director, a position he holds until today. He has vast knowledge and expertise in tooling and machining with 30 years working experience in the industry.

### 6.1.5 Directorships and substantial shareholdings in other public corporations for the past 2 years

None of the promoters and substantial shareholders holds any directorship and/or substantial shareholdings directly or indirectly in other public corporations for the past 2 years preceding 15 November 2005.

## 6.2 Board of Directors

### 6.2.1 Directors' shareholdings in MMSV

The designation, addresses and nationality of the Board of Directors of MMSV are set out in the Corporate Directory Section of this Prospectus. The shareholdings of the Directors in MMSV after the Public Issue are as follows:

Name	Designation	Nationality	<-----After Public Issue----->			
			<-----Direct----->		<-----Indirect----->	
			No. of MMSV Shares held	%	No. of MMSV Shares held	%
Sia Teik Keat	Managing Director	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>2</sup>	10.56
Saw Chong Keat	Executive Director	Malaysian	2,173,242 <sup>1</sup>	1.33	-	-
Goh Kim Hock	Non-Independent Non-Executive Director	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>3</sup>	10.56
Tan Beng Chuan	Non-Independent Non-Executive Director	Malaysian	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>4</sup>	10.56

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

Name	Designation	Nationality	After Public Issue			
			Direct		Indirect	
			No. of MMSV Shares held	%	No. of MMSV Shares held	%
Tan Hock Hin	Independent Non-Executive Director	Malaysian	500,000 <sup>1</sup>	0.31	-	-
Chong Chee Hong	Independent Non-Executive Director	Malaysian	200,000 <sup>1</sup>	0.12	-	-

### Notes:

1. Inclusive of their respective entitlements of the Issue Shares reserved for application under the Pink Form Allocation
2. Deemed interest by virtue of Section 6A of the Act through his shareholding in KSSB
3. Deemed interest by virtue of Section 6A of the Act through his shareholding in IMTSB
4. Deemed interest by virtue of Section 6A of the Act through his shareholding in AJFSB

### 6.2.2 Profile

**Sia Teik Keat**, aged 50, is the Managing Director of MMSV and was appointed to the Board on 23 September 2005. He obtained his Bachelor of Science Honours Degree in Mechanical Engineering, University of Teesside, United Kingdom in 1979. He has more than 20 years of experience in design and manufacture of automated manufacturing systems. He began his professional career in the semiconductor industry as a Process Engineer in 1980 when he joined National Semiconductor and subsequently Monolithic Memories in 1981, both American semiconductor pioneer companies operating in Penang, Malaysia. Subsequently, in 1982, he joined Micro Machining Sdn Bhd, a subsidiary of a US tooling and automation company, as a Design Engineer. Following that, in 1989, he left Micro Machining Sdn Bhd to join Dusan Equipment Corporation, a US company situated in California specialising in design, development and manufacture of equipment. In 1991, he returned to Malaysia and was appointed as the Engineering Director of Peta Engineering Sdn Bhd ("PESB"), a local tooling and automation company. In 1997, he left to start his own business by setting up MMS.

He is instrumental in shaping MMS's business relations and policies including the formulation and management of the Group's overall business strategies and financial affairs. He is involved in the overall management of the Group including production, quality management, customer service, Group administration and finance. He also manages and directs a team of engineers in mechanical design and control, software development as well as R&D. He is responsible for all quality assurance functions and has successfully led MMS through ISO 9001 certification and shop-floor quality improvement initiatives. He is also a member of the Management Council of the Collaboration, Research & Resource Centre, a non-profit organization formed on the initiative of the Penang State Government to foster working relationships between local universities and industries.

**Saw Chong Keat**, aged 38, is an Executive Director of MMSV and was appointed to the Board on 23 September 2005. He is also the Chief Operating Officer of MMS. He obtained his Diploma in Mechanical Engineering from Tunku Abdul Rahman College in 1991 and Master of Science (majoring in Engineering Business Management) from Warwick University, United Kingdom in 2000. He began his career in 1991 as a Tooling/Mechanical Engineer in PESB, a local tooling and automation company. He was later promoted to the position of Senior Design Engineer in 1996 and Engineering Manager in 1999. Subsequently, he joined MMS as a Director and was in charge of Engineering Design. He has broad and in-depth knowledge in tooling design and mechanical engineering. He was involved in setting up MMS's Quality Management System and was the ISO-Internal Quality Auditor of MMS. His responsibilities in MMS include overseeing the planning of projects design and the execution of the projects to ensure that all projects meet customers' specifications and expectations. His other responsibilities also include handling customer services, developing new designs through R&D, managing and training a team of mechanical and control and software design engineers. As the Chief Operating Officer of MMSV, he oversees the overall business operations covering R&D, design, system assembly, logistic and technical services.

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


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He was also a speaker at the United Nations Conference on Trade and Development (“UNCTAD”) workshop on “Technological and Managerial Upgrading of Small Medium-Sized Enterprises through Linkages with Transnational Corporations” jointly organised by UNCTAD and Intel Malaysia in August 2000.

**Goh Kim Hock**, aged 53, is a Non-Independent Non-Executive Director of MMSV and was appointed to the Board on 23 September 2005. He obtained his Higher School Certificate (A-Level) from University of Cambridge in collaboration with University of Malaya in 1972. He began his career in 1974 as a tool/die-maker in a multinational corporation. In 1980, he was seconded to a US corporation in Silicon Valley, Santa Clara, US where he was trained in ICs mould making. He was subsequently promoted to the position of Production Manager in 1984. Later in 1984, he left to join MCE, a precision tooling company, as the Operation Manager and was promoted to Operations Director in 1987. He subsequently assumed the position of Marketing/Quality Assurance Director in 1998. He has wide experience and knowledge in tooling, technical design, engineering and quality management.

**Tan Beng Chuan**, aged 53, is a Non-Independent Non-Executive Director of MMSV and was appointed to the Board on 23 September 2005. He began his career in 1974 with a multinational corporation where he specialised in tool and die making, machining and CNC programming. In 1986, he left the company to join MCE, a precision tooling company, as the Production Manager and was subsequently appointed as a director in 1987.

**Tan Hock Hin**, age 58, is an Independent Non-Executive Director of MMSV and was appointed to the Board on 23 September 2005. He qualified as a Chartered Certified Accountant (“ACCA”), United Kingdom in 1971. He began his career in the same year with Coopers & Lybrand Kuala Lumpur where he worked his way up to various managerial positions. In 1975, he was the Manager of the Coopers & Lybrand Ipoh and in between 1978 to 1981, he was promoted as a Director before becoming a Partner. In 1982, he was appointed as a Senior Partner in Coopers & Lybrand Penang (in 1998, it merged and became PricewaterhouseCoopers) until he retired in the year 2002. He has more than 31 years experience in public accountancy practice. His clientele portfolio spanned from medium sized corporations to public listed companies and multinationals. Besides providing audit and advisory services, he has experience in areas of corporate restructuring, business reviews and investigation.

He is a professional member of Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and ACCA, United Kingdom. Currently, he is an Independent Director of YLI Holdings Berhad.

**Chong Chee Hong**, age 54, is an Independent Non-Executive Director of MMSV and was appointed to the Board on 23 September 2005. He completed his diploma in Management program with the Malaysian Institute of Management in 1983 and pursued his Master in Business Administration with Brunel University, United Kingdom in 1987. He began his career with Peat Marwick Mitchell Singapore and has seven years of experience in public accountancy practice including at Deloitte Haskin & Sells Singapore and Kassim Chan & Co Malaysia (now known as Deloitte Kassim Chan). In 1979, he joined Advanced Micro Devices Sdn Bhd as the head of Internal Audit, before leaving as Finance Manager and Head of Finance Department after seven years. He was also employed by Molex Far East South Management Pte Ltd, Singapore and was later seconded to its joint venture partner, Pan International Wire and Cables Sdn Bhd, as the Corporate Representative and Finance Controller. In 1989, he joined Team Concepts Industries Sdn. Bhd. as its Finance and Administration Controller before leaving in 1993 for Mega High-Tech Corp (M) Berhad. He is currently the Vice President and Executive Director of the company as well as its wholly owned subsidiary, Shuangzen Resources Sdn Bhd.

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

He has more than 30 years experience in public accountancy practice as well in the manufacturing industry. He is a member of the Malaysia Association of Institute of Chartered Secretaries and Administrations, a local member of Bursa Malaysia Derivatives Berhad, and a chartered member of the Institute of Internal Auditors Malaysia. His other professional memberships are as follows:

- fellow member of the Institute of Professional Financial Managers, United Kingdom;
- associate member of the Institute of Cost and Executive Accountants United Kingdom;
- a corporate member of the Institute of Administrative Management, United Kingdom; and
- a member of the Malaysian Institute of Management and the Malaysian Institute of Directors.

### 6.2.3 Directors' directorships and substantial shareholdings in other public companies for the past 2 years

Save as disclosed below, none of the Directors hold or has held any directorships and/or substantial shareholdings in other public companies for the past 2 years preceding 15 November 2005.

Name	Company	Directorship	Date Appointed	Date Resigned	No of shares held as at 15 November 2005	
					Direct	%
Tan Hock Hin	YLI Holdings Berhad	Independent Director	01.04.2004	-	-	-
Chong Chee Hong	Mega High - Tech Corp (M) Berhad	Executive Director	16.03.1998	-	-	-

### 6.2.4 Directors' remuneration and benefits

For the financial year ended 31 December 2004, a total of approximately RM647,000 was paid to the Directors of MMS for services rendered. The remuneration and benefits payable to the Directors of MMSV for services rendered in all capacities to the MMSV Group for the financial year ending 31 December 2005 is estimated to be approximately RM720,000. Details of the aggregate remuneration are as follows:

Remuneration Band	Number of Directors	
	Financial year ended 31 December 2004	Financial year ending 31 December 2005
Below RM100,000	1	4
RM100,000-RM199,999	1	1
RM200,000-RM500,000	1	1

### 6.2.5 Involvement of Executive Directors in other business and corporations

Save as disclosed below, none of the Executive Directors of MMSV are involved in the operations of other businesses/operations:

Sia Teik Keat is a Non-Executive Director of Unique Visoft Engineering Sdn Bhd ("Unique Visoft"), a company principally involved in providing sub-contracting services for assembly of electrical wiring. However, he is not involved in the day-to-day operations of the said company. Accordingly, he allocates all of his time to the operations of the Group.



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

### 6.3 Audit Committee

The members of the Audit Committee are:

Member of the Audit Committee	Designation	Directorship
Tan Hock Hin	Chairman of the Audit Committee	Independent Non-Executive Director
Chong Chee Hong	Member of the Audit Committee	Independent Non-Executive Director
Saw Chong Keat	Member of the Audit Committee	Executive Director

The Audit Committee will be responsible for the recommendation to the Board of Directors of MMSV 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 will also be 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 Sia Teik Keat who is the Managing Director of MMSV and is assisted by a team of experienced management comprising Saw Chong Keat, the Executive Director and Chief Operating Officer and the following key personnel:

#### 6.4.1 Profile

**Andrei Lau Kar Pan**, aged 32, is the Marketing Manager of MMS. He obtained his Diploma in Material Engineering from Tunku Abdul Rahman College in 1998. After graduation, he joined PESB as Design Engineer. Subsequently in 1999, he joined MMS as a Design Engineer. As the Design Engineer, his responsibilities include identifying new customers, providing customer service, promoting existing products as well as planning for products improvement. Over the years, he has attended various seminars and training courses in leadership, training, and quality management as well as machining and mechanical related courses.

**Thomas Ginzl**, a German national aged 30, joined MMS as the International Marketing Manager in June 2004. He graduated with a Masters of International Business from the University of Maastricht, Netherlands, in 2001. After graduation, he worked as a Market Analyst/Consultant for BioEnterprise Asia, a Life-Science management consultancy firm in Singapore in December 2000. In September 2003, he returned to Germany where he accepted a position as Administration and Sales Co-ordinator with a textile wholesaler in Neuss. As the International Marketing Manager, his responsibilities include developing export strategies, identifying new international customers particularly in Europe and promoting existing products. He is fluent in English, German, Dutch, French and Russian.

**Ong Poh Ai**, aged 51, is the Finance Manager of MMS. She obtained a certificate in LCCI Higher accounting in 1978. She began her career in LeviStrauss (M) Sdn Bhd as an Accounts and Administrative Assistant in 1984 and was later promoted to Accounts and Administrative Supervisor in 1994. She joined MMS in 1999 as an Accounts Executive. She is responsible for managing the finance, accounting and administrative functions of MMS. Her duties include financial reporting, budgeting and periodic review of the company's results and ensuring compliance with statutory requirements. Over the years, she has attended numerous training and development programs in leadership. She has also attended courses in financial and management accounting.

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

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**Cheong Kin Seng**, aged 34, is the Engineering Manager of MMS. He obtained his Certificate of Technology (Mechanical) from Tunku Abdul Rahman College in 1991. He joined PESB in 1991 as a Design Engineer and was later promoted to Project Engineer in 1999. He joined MMS in May 1999 as a Senior Project Engineer and was promoted to Mechanical Design Section Manager in July 2002. He has a broad and in-depth knowledge in tooling design and mechanical engineering. He is responsible in managing and coordinating projects in MMS. He is also an ISO-Internal Quality Auditor of MMS. He pursued further education and in 2005 obtained a Graduate Diploma in Business and Management from the University of The Sunshine Coast, Australia.

**Cindy Foo Wei Kuan**, aged 33, is the Control and Software Manager of MMS. She obtained her Bachelor of Engineering in Electrical & Electronics from University Sains Malaysia in 1996. She began her career in 1996 as a Service Engineer with Elcomp Trading Sdn Bhd, a company dealing in control components. Subsequently, she joined Frontier Roofiles Sdn Bhd as the Equipment Engineer in early 1997. In August 1997, she joined PESB as a Software Engineer. Subsequently, in June 1999, she joined MMS as Software Engineer and was later promoted to Control and Software Section Manager in 2002. Her main responsibility is managing the Control and Software Department of MMS. She has attended and completed a course in ISO 9001: 2000 Conversion Training.

**Yeoh Keat Chin**, aged 35, is the R&D Manager of Evolusys. He graduated from Michigan Technological University in Michigan, US in 1994 with a Degree in Mechanical Engineering specialising in design and manufacturing. After graduation, he joined Xcel Precision Sdn Bhd as a Project Manager, where he was involved in equipment automation design, developing various types of automated pick and place handlers for the multinational corporations in the region. He left the company in 1997 to manage his family business. He also pursued further education and obtained a Master of Science degree (majoring in Engineering Business Management) from Warwick University, United Kingdom in 1999. Subsequently, he joined ASM Technology Singapore Private Limited as the Sales and Service Manager and was the project manager for the world's first semiconductor assembly manufacturing integrated line produced by the company, which incorporated new technology equipment from die attach, dual head wire bonder, mould, trim and form, and test handlers. In 2003, he joined Agilent as a Program Manager where he was involved in the development of new packages of Complementary Metal - Oxide Semiconductor image sensors product. There, he led a team which was responsible for process development and improvement in the manufacturing of camera module packages. He also led a team to identify a new contract manufacturer for these products. His other involvement in Agilent includes the provision of advisory and consultancy for setting-up of a new manufacturing plant in Shanghai, China. Subsequently, in July 2004, he joined Evolusys as the R&D Manager. He is currently responsible for the Group's entire R&D operations, which include research, investigation, design, development and implementation of new and existing automation systems and software. He also leads a team of engineers in the R&D of software solutions, new software platforms, integration of hardware interface device drivers and test methodology analysis.

**Ng Ban Sin**, aged 40, joined MMS as the Quality Assurance Manager in October 2004. He obtained his Bachelor of Science Degree in Mechanical Engineering from the University of Louisiana, US in 1988. After his graduation, he joined Hitachi Semiconductor (M) Sdn Bhd as Production Engineer. In 1990, he joined National Semiconductor Singapore Pte Ltd as Process Engineer. He left National Semiconductor in 1992 and joined Siemens Litronix (M) Sdn Bhd (now known as Osram Opto Semiconductors (Malaysia) Sdn Bhd) as Senior Development Engineer. In 1996, he joined Advanced Semiconductor Electronics (M) Sdn Bhd as End Of Line Process and Equipment Manager. He has accumulated vast manufacturing experiences from the various multinational companies which he served, which includes process output quality control, product design, new product introduction and qualification, equipment buy-off and continuous improvement practices. He has also attended many quality training seminars including, Problem Solving Skills, Juran Quality Control, QS 9000 Overview Training, Statistical Process Control (SPC), Process Failure Mechanism Evaluation Analysis, Advance Product Quality Planning and Six Sigma. He is responsible for ensuring the efficiency and effectiveness of the Group's Quality System and giving the final approval before the systems are delivered to the customer. He is also in charged of conducting reliability tests and internal buy-offs, based on customers' specification. His other responsibilities include monitoring that each stage of the Group's manufacturing and assembly processes complies with the stringent internal guidelines and quality control procedures.

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

**Teoh Soo Kuang**, aged 45, is the Assembly and Service Manager of MMS. He has a vocational technical certificate. He began his career as a machinist in Micro Machining Sdn Bhd in 1980. Later, he joined MCE in 1983 as a machinist and was promoted to Assembly Supervisor in 1997 and Assembly and Service Manager in 2002. Subsequently, he joined MMS in June 2004. His areas of responsibilities include the management of a group of assembly operations. He is also responsible for all customer technical services.

**Sally Gan Boon Guat**, aged 37, is the Human Resource Manager of MMS. She obtained her Bachelor of Arts Degree from University Kebangsaan Malaysia in 1991 and a Certificate of Personnel Management from Strategic Business School in 1995. She began her career as a secondary school teacher in 1991 and moved on to be an Executive of Yamaha Music School in 1993. Later in 1996, she joined RIMA College as a College Counselor. In 1998, she joined MCE as a Training Administrator, responsible for co-ordinating, planning and executing training programmes. She was also involved in the company's ISO audit, both as an auditor as well the co-ordinating officer with the certification body. She joined MMS in June 2004. Over the years, she has attended numerous courses on quality control and audits as well as those on Human Resource Administration, Policies and Practices.

**Tan Siew Thye**, aged 32 is the Logistic Manager of MMS. He obtained a Diploma in Technology (Material Engineering) from Tunku Abdul Rahman College in 1996 and a Master of Science Degree (majoring in Engineering Business Management from Warwick University) United Kingdom in 2001. He joined PESB in 1996 as a Tooling and Automation Design Engineer and moved on to assume a similar position in MMS in 1999. His responsibilities include project management, design and development, hardware sourcing, purchasing, quality control and after-sales service. He was later promoted to be a Senior Project Engineer in 2001 and was responsible for project planning and scheduling and internal design review. He also supervised and advised a group of junior design engineers. He was appointed as the Logistic Manager of MMS in June 2004. As a Logistic Manager, he is responsible for project planning and co-ordination, purchasing, receiving and storage, shipping and delivery.

### 6.4.2 Key management and key technical personnel's shareholdings in MMSV

The shareholdings of the key management and key technical personnel of MMSV after the Public Issue are as follows:

Name	Designation	After Public Issue			
		Direct		Indirect	
		No. of MMSV Shares held	%	No. of MMSV Shares held	%
Sia Teik Keat	Managing Director	17,207,204 <sup>1</sup>	10.56	17,207,204 <sup>2</sup>	10.56
Saw Chong Keat	Executive Director	2,173,242 <sup>1</sup>	1.33	-	-
Andrei Lau Kar Pan	Marketing Manager	50,000 <sup>1</sup>	0.03	-	-
Thomas Ginzel	International Marketing Manager	10,000 <sup>1</sup>	Neg. <sup>3</sup>	-	-
Ong Poh Ai	Finance Manager	150,000 <sup>1</sup>	0.09	-	-
Cheong Kin Seng	Engineering Manager	485,944 <sup>1</sup>	0.30	-	-
Cindy Foo Wei Kuan	Control and Software Manager	185,000 <sup>1</sup>	0.11	-	-
Yeoh Keat Chin	R&D Manager	20,000 <sup>1</sup>	0.01	-	-
Ng Ban Sin	Quality Assurance Manager	75,000 <sup>1</sup>	0.05	-	-
Teoh Soo Kuang	Assembly and Service Manager	6,295,365 <sup>1</sup>	3.86	-	-
Sally Gan Boon Guat	Human Resource Manager	40,000 <sup>1</sup>	0.02	-	-
Tan Siew Thye	Logistic Manager	75,000 <sup>1</sup>	0.05	-	-

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

*Notes:*

1. *Includes their respective entitlements of the Issue Shares reserved for application under the Pink Form Allocation*
2. *Deemed interest by virtue of Section 6A of the Act through his shareholding in KSSB*
3. *Negligible*

**6.4.3 Key management and key technical personnel's directorships and/or substantial shareholdings in other public listed companies for the past 2 years**

None of the Group's key personnel hold or has held any directorships and/or substantial shareholding in other public companies for the past 2 years preceding 15 November 2005.

**6.4.4 Involvement of key management and key technical personnel's in other business and corporations**

Save as disclosed in Section 6.2.5, as at 15 November 2005, none of the key management and key technical personnel of MMSV are involved in the operations of other businesses/operations.

**6.5 Family relationships**

Save as disclosed below, there are no family relationships amongst the substantial shareholders, promoters, Directors, key management or key technical personnel of the MMSV Group:

- (i) Kuan Goot Kheng, a shareholder of KSSB (a substantial shareholder of MMSV), is the spouse of Sia Teik Keat, a substantial shareholder and Director of MMSV;
- (ii) Sim Goay Hoon, a shareholder of IMTSB, (a substantial shareholder of MMSV), is the spouse of Goh Kim Hock, a substantial shareholder and Director of MMSV;
- (iii) Tan Beng Chuan, a substantial shareholder and Director of MMSV, and Tan Beng Cheong, a substantial shareholder of MMSV, are brothers;
- (iv) Loh Ah Moy @ Mary Anne, a shareholder of AJFSB (a substantial shareholder of MMSV), is the spouse of Tan Beng Chuan, a substantial shareholder and Director of MMSV; and
- (v) Jennifer Tan Suet Luan and Aileen Tan Suet Ping, both shareholders of AJFSB (a substantial shareholder of MMSV), are the daughters of Tan Beng Chuan.

**6.6 Service agreement**

There are no existing or proposed service agreements between the Directors, key management or key technical personnel with the Group.

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

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**6.7 Declaration by 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:

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a Director or key personnel;
- (b) a charge and/or conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; and
- (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or the Government body permanently or 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.

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## 7. APPROVALS AND CONDITIONS

### 7.1 Approvals from the relevant authorities

The following approvals from relevant authorities were obtained in conjunction with the Public Issue:

- (i) MITI for the Flotation Scheme and Pink Form Reallocation (as defined in Section 7.2 below), approvals for which were obtained on 10 January 2005 and 1 September 2005 respectively; and
- (ii) SC (and under the FIC Guidelines), for the Flotation Scheme and Pink Form Reallocation (as defined in Section 7.2 below), approvals for which were obtained on 6 July 2005 and 26 October 2005 respectively.

### 7.2 Conditions to the approvals and compliance thereof

The conditions imposed by MITI and SC (and under the FIC Guidelines) and their respective status of compliance are set out below:

Authority	Conditions imposed	Status of compliance
MITI	(i) Obtaining SC's approval for the Flotation Scheme and compliance with FIC's Guidelines on Acquisition of Interest, Mergers and Takeovers;	Complied
	(ii) MMSV to increase its Bumiputera equity to 30% of its enlarged paid-up capital within five (5) years after Listing or within one (1) year from MMSV's fulfilment of the Second Board listing criteria of Bursa Securities, whichever earlier;	Noted by MMSV and to be complied after Listing
	(iii) Allocation(s) in (ii) above is subject to MITI's approval; and	Noted by MMSV and to be complied after Listing
	(iv) MMSV is to provide MITI with the compliance status with conditions (i)-(iii) above upon completion of the flotation exercise.	Noted by MMSV and to be complied after Listing
SC (and under the FIC Guidelines)	(i) MMSV to disclose in its prospectus the risks related to its business and the steps taken to/factors to mitigate the same;	Complied in Section 3 of this Prospectus
	(ii) MMSV to disclose in its public prospectus, relevant details on the proposed utilisation of the proceeds from the Public Issue allocated to expansion of the core and related business of MMSV including, specific allocation, the planned utilisation and remarks/elaboration on the respective allocations;	Complied in Section 2.8 of this Prospectus
	(iii) MMSV to disclose in its prospectus the extent and level of the Company's dependence on major customers, in particular major customers' contribution towards the Company's latest revenue. In addition, MMSV should also disclose the principal activities of major customers;	Complied in Section 5.4.11 of this Prospectus

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

Authority	Conditions imposed	Status of compliance
SC (and under the FIC Guidelines) (Cont'd)	(iv) RHB Sakura/MMSV to ensure that all provisions of MMLR are complied with;	To be complied in due course
	(v) MMSV to disclose in its prospectus risks with respect to termination of contract with customers and the impact and/or consequences thereof and measures undertaken and/or to be undertaken by the Company to mitigate the risks;	Complied in Sections 3.5 and 5.4.11 of this Prospectus
	(vi) MMSV to adequately disclose in its prospectus the risks associated with the fluctuation of the global semiconductor industry and the state of semiconductor industry today;	Complied in Sections 3.12 and 4.1 of this Prospectus
	(vii) RHB Sakura/ MMSV to disclose the status of utilisation of proceeds in its periodic and annual reports until the proceeds are fully utilized;	Noted by MMSV and to be complied after Listing
	(viii) RHB Sakura/ MMSV to inform the SC on the appointment of Independent Directors and to provide confirmation that they qualify as Independent Directors as defined in MMLR;	Complied vide letter from RHB Sakura to the SC dated 10 November 2005
	(ix) MMSV to provide undertaking that any transactions involving related parties are to be done at arms-length;	Complied vide an undertaking letter from the Board of Directors of MMSV to the SC dated 25 October 2005
	(x) MMSV to meet the 30% Bumiputera equity requirement within one (1) year after the Company has achieved the profit track record required for listing on the Second Board of Bursa Securities or five (5) years after being listed on MESDAQ Market, whichever is earlier, in which the shares to be allocated to Bumiputera investors should be approved by MITI*;	Noted by MMSV and to be complied after Listing
	(xi) MMSV to submit a preliminary proposal to SC on how the company proposes to meet the Bumiputera equity condition, 6 months before the expiry date of the compliance;	Noted by MMSV and to be complied after Listing
	(xii) RHB Sakura/ MMSV to inform the SC when the proposed flotation on MESDAQ Market is completed; and	Noted by MMSV and to be complied after Listing
	(xiii) Approvals obtained from other relevant authorities, if any.	Complied

*Note:*

\* The SC has noted that all the shareholding in MMSV pursuant to the Flotation Scheme will be 100% held by non-Bumiputera shareholders since the recognition on the Bumiputera shareholders after the Flotation Scheme is not approved by MITI.

Subsequently, on 16 August 2005, MMSV had made an application to MITI and the SC to increase the Pink Form Allocation of the Issue Shares from 2,444,960 Issue Shares to 6,607,860 Issue Shares with the total Public Issue remaining unchanged ("Pink Form Reallocation").

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

The Pink Form Reallocation was approved by MITI on 1 September 2005. MITI's approval was subject to MMSV obtaining the approval of the SC for the Pink Form Reallocation and compliance with the FIC Guidelines.

The Pink Form Reallocation was approved by the SC (and under the FIC Guidelines) on 26 October 2005. The SC's approval was subject to the following conditions:

Authority	Conditions imposed	Status of compliance
SC (and under the FIC Guidelines)	(i) RHB Sakura/MMSV to fully comply with the earlier conditions as stipulated in the SC letter dated 6 July 2005;	Noted by MMSV and to be fully complied after Listing
	(ii) With respect to shares placed out to investors to be identified/placees pursuant to MMSV's Public Issue, RHB Sakura is to submit to the SC, prior to the listing and quotation of MMSV's entire enlarged issued and paid-up share capital on the MESDAQ Market, the following: <ul style="list-style-type: none"> <li>(a) Name of placee/ultimate beneficiaries for nominee companies (if any);</li> <li>(b) NRIC/passport/company registration number;</li> <li>(c) CDS account number;</li> <li>(d) Number of private placement shares allocated;</li> <li>(e) Home/business address;</li> <li>(f) Occupation/principal activities;</li> <li>(g) Date of listing of the private placement shares;</li> <li>(h) Issue price of the placement shares;</li> <li>(i) Name of the placement agent;</li> <li>(j) A declaration by the promoters of MMSV that the placees are parties not related to the promoters; and</li> <li>(k) A declaration by the placement agent that the MMSV shares have been placed with parties not related to the promoters.</li> </ul>	Noted by MMSV and to be complied before Listing

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

### 7.3 Moratorium on sale of shares

In accordance with Paragraph 2.10.2 of the MMLR, shares held by promoters amounting to 45% of the enlarged issued and paid up share capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market shall be under moratorium.

Details of the promoters of MMSV who will be subjected to the moratorium are as follows:

Promoters	Shareholdings after the Public Issue		Shareholdings under moratorium	
	No. of MMSV Shares	% of the enlarged issued and paid-up share capital	No. of MMSV Shares	% of the enlarged issued and paid-up share capital
Sia Teik Keat	17,207,204	10.56	12,225,000	7.50
Goh Kim Hock	17,207,204	10.56	12,225,000	7.50
Tan Beng Chuan	17,207,204	10.56	12,225,000	7.50
KSSB	17,207,204	10.56	12,225,000	7.50
IMTSB	17,207,204	10.56	12,225,000	7.50
AJFSB	17,207,204	10.56	12,225,000	7.50
<b>Total</b>	<b>103,243,224</b>	<b>63.34 *</b>	<b>73,350,000</b>	<b>45.00</b>

Note:

\* Subject to rounding differences

The quantum and proportion of MMSV Shares which are to be held under moratorium, have been fully accepted by the promoters above, representing 45% of the enlarged issued and paid-up share capital of the Company.

The aforesaid promoters of MMSV will not be allowed to sell, transfer or assign their shareholding in MMSV under moratorium within 1 year from the date of admission of MMSV on the Official List of the MESDAQ Market. Thereafter, the promoters may be allowed to sell, transfer or assign their shareholding in MMSV in every subsequent year up to a maximum of one-third per annum of their respective shareholding in MMSV which is under moratorium on a straight line basis.

Sia Teik Keat, Goh Kim Hock, Tan Beng Chuan, KSSB, IMTSB and AJFSB have vide their letters dated 26 November 2004 given their respective undertakings that they will not sell, transfer or assign their respective MMSV Shares held under moratorium during the moratorium period that will be imposed on the MMSV Shares held by them respectively.

Further, the following parties have given their respective undertakings that they will not sell, transfer or otherwise dispose their respective shareholdings in their respective companies during the moratorium period that will be imposed on the MMSV Shares held by their respective companies:

- (i) Sia Teik Keat and Kuan Goot Kheng, who are shareholders of KSSB, vide their letters dated 26 November 2004;
- (ii) Goh Kim Hock and Sim Goay Hoon, who are shareholders of IMTSB, vide their letters dated 26 November 2004; and
- (iii) Tan Beng Chuan, Loh Ah Moy @ Mary Anne, Jennifer Tan Suet Luan and Aileen Tan Suet Ping, who are shareholders of AJFSB, vide their letters dated 26 November 2004.

The restriction is specifically endorsed on the notices of allotment and share certificates of MMSV representing the respective shareholdings of the promoters which are under moratorium to ensure that the Company's registrar do not register any transfer not in compliance with the moratorium restrictions.

## 8. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

### 8.1 Declaration by advisers on conflicts of interest

There are no existing or potential conflicts of interest between the Group and its Adviser, Underwriter, Placement Agent, Reporting Accountants, Solicitors for the Public Issue and Independent Business and Market Research Consultant respectively as set out in the Corporate Directory of this Prospectus.

- (i) RHB Sakura hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser, Underwriter and Placement Agent for the Public Issue.
- (ii) Messrs. Mathew & Partners hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Auditors and Reporting Accountants for the Public Issue.
- (iii) Messrs. Cheang & Ariff hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Solicitors for the Public Issue.
- (iii) Vital Factor Consulting Sdn Bhd hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Independent Business and Market Research Consultant for the Public Issue.

### 8.2 Interests in similar business

Save as disclosed below, none of the Directors or substantial shareholders of MMSV have any interest, direct or indirect, in any other business carrying on a similar trade as MMSV or any of its subsidiary companies:

#### (i) MCE

Tan Beng Chuan and Goh Kim Hock, the existing Directors and substantial shareholders of MMSV, and Tan Beng Cheong, an existing substantial shareholder of MMSV, are also substantial shareholders and directors of MCE. Sia Teik Keat, the existing Managing Director of MMSV and a substantial shareholder of MMSV, is also a substantial shareholder of MCE. MCE is a private limited company principally involved in the fabrication of precision tools and parts. However, previously MCE has procured orders for Industrial Automation Systems and Machinery from certain customers which were subsequently subcontracted to MMS ("the Procurements").

The Board of Directors of MMSV is of the view that the Procurements do not result in MCE being involved in a business which is closely similar to the Group which may result in a potential conflict of interest due to the following reasons:

- (a) MCE is principally involved in the fabrication of precision tools and parts, and does not possess MMSV Group's capability to design and manufacture Industrial Automation Systems and Machinery. Consequently, there is a distinct difference between the activities of MCE and the activities of MMSV Group. Previously, MCE had merely acted as an intermediary to procure orders for Industrial Automation Systems and Machinery for and on behalf of MMS. MCE was able to secure the Procurements from the customers due to its previous business relationships with those customers;
- (b) Tan Beng Chuan and Goh Kim Hock are Non-Independent Non-Executive Directors of MMSV and Tan Beng Cheong is a substantial shareholder but not a Director of MMSV. As such, although the said individuals are substantial shareholders and/or Directors of MMSV, they are not involved in the day-to-day management and activities of the MMSV Group. Conversely, although Sia Teik Keat is a substantial shareholder of MCE, he is not a director of MCE and is not involved in the day-to-day management and activities of MCE; and

## 8. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS *(Cont'd)*

- (c) To mitigate any potential conflict of interest in the future, MCE has provided a written undertaking that it will not carry out any business relating to the design, assembling and testing of automated machines/systems, nor procure any such business to be subcontracted out to third parties in the future.

### (ii) Accutek Engineering (PG) Sdn Bhd and Pro Acc Hi-Tech Sdn Bhd

Tan Beng Chuan, an existing Director and substantial shareholder of MMSV is also a substantial shareholder and director of Accutek Engineering (PG) Sdn Bhd and Pro Acc Hi-Tech Sdn Bhd, companies which are principally involved in the fabrication of precision tools and parts.

### (iii) Eu Engineering Sdn Bhd

Goh Kim Hock, an existing Director and substantial shareholder of MMSV is also a substantial shareholder and director of Eu Engineering Sdn Bhd, a company principally involved in the fabrication of precision tools and parts.

The Board of Directors of MMSV believes that none of the businesses of the aforesaid companies mentioned in (ii) and (iii) above are closely similar to the Group as the principal business of the aforesaid companies is the fabrication of precision tools and parts. The aforesaid companies are not involved in the Group's principal business of the design and manufacture of Industrial Automation Systems and Machinery and design of precision Die Sets, Jigs and Fixtures.

### 8.3 Promotion of any assets acquired / to be acquired

Save for the Flotation Scheme and as disclosed below, none of the Directors or substantial shareholders of the MMSV Group have any interest, direct or indirect, in the promotion of or in any material assets acquired by or proposed to be acquired by or material assets disposed of by or proposed to be disposed of by or leased to or proposed to be leased to the Company or its subsidiary companies within the 2 years preceding the date of this Prospectus:

#### (i) Acquisition of land and building from MCE

As set out in Section 2.8 of this Prospectus, part of the proceeds to be raised from the Public Issue will be utilised for the expansion of production facilities through the acquisition of the land and building from MCE.

In this regard, a conditional sale and purchase agreement was entered into between MMSV and MCE on 23 November 2004 for the acquisition of a piece of leasehold land held under HS(D) 20150, PT No. PT 5109 in Mukim 12, District of Barat Daya, State of Pulau Pinang together with a factory building erected thereon bearing the postal address of Plot 84-A, Jalan Lintang Bayan Lepas 9, Taman Perindustrian Bayan Lepas, Fasa 4, Pulau Pinang, Malaysia ("Factory Building"), for a purchase consideration of RM7,799,000 to be wholly satisfied in cash.

The purchase consideration of RM7,799,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the land cost and the estimated construction costs of the factory building incurred/to be incurred by MCE. The purchase consideration for the Factory Building is further supported by a market valuation of the Factory Building of RM7,799,000 as appraised by Messrs. BHL Property Consultants on 28 July 2005.

As set out in Section 2.8 of this Prospectus, the purchase consideration shall be partly financed by the proceeds arising from the Public Issue of RM5.0 million and the balance RM2.8 million will be financed via internally generated funds.

Further salient terms of the sale and purchase agreement are as set out in Section 14.8.1 of this Prospectus.

## 8. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS (Cont'd)

As set out in Section 8.2 above, MCE has common shareholders and directors with the Group. Accordingly, the said acquisition will be deemed as a related party transaction. However, as the said acquisition is conducted on an arms-length basis, the Board of Directors of MMSV is of the opinion that the said acquisition will not be detrimental to the minority shareholders of MMSV.

### (ii) Rental of premises from MCE

Currently, MMS has a rental arrangement with MCE, on an arm's length basis, for the Factory Building located at Plot 84-A, Jalan Lintang Bayan Lepas 9, Taman Perindustrian Bayan Lepas, Fasa 4, Pulau Pinang, Malaysia (to be acquired by MMSV as mentioned in (i) above) with a monthly rental payment amounting to RM30,300 per month pursuant to the tenancy agreement dated 1 August 2005 until the completion of the acquisition of the said Factory Building by MMSV from MCE after the Public Issue.

As set out in Section 8.2 above, MCE has common shareholders and directors with the Group. Accordingly, the rental arrangement will be deemed as a related party transaction.

### 8.4 Related party transactions / conflict of interest

Save as disclosed below, there are no other existing or potential related party transactions between the MMSV Group and its Directors, substantial shareholders, key management and/or key technical personnel:

Name of Company	Principal activities	Nature of Transaction	Interested Related Party	Nature of Interest	<Transaction Value->	
					Financial year ended 31 December 2004 RM	6-month period ended 30 June 2005 RM
MCE	Fabrication of precision tools and parts	<ul style="list-style-type: none"> <li>Provision of tooling and machining services</li> <li>Rental of Factory Building (refer to Section 8.3 above)</li> <li>Sale of Factory Building (refer to Section 8.3 above)</li> </ul>	Sia Teik Keat ("STK")	STK is a common substantial shareholder	3,754,526	204,253
			Tan Beng Chuan ("TBC")	TBC and GKH are common substantial shareholders and directors	24,000 ^	96,000
			Goh Kim Hock ("GKH")			
			Tan Beng Cheong ("TBH")	TBH is a common substantial shareholder		
			Teoh Soo Kuang ("TSK")	TSK is a common shareholder and key management of MMS		
Unique Visoft Engineering Sdn Bhd	Sub contracting services for assembly of electrical wiring	Provision of electrical wiring services	STK	STK is a common substantial shareholder and director	466,385	79,334

**8. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS (Cont'd)**

Name of Company	Principal activities	Nature of Transaction	Interested Related Party	Nature of Interest	<-Transaction Value->	
					Financial year ended 31 December 2004 RM	6-month period ended 30 June 2005 RM
(Cont'd)						
Soon Teck Engineering Works Sdn Bhd	Sheet metal works (machine structure and covers)	Supply of sheet metals	TBC	TBC is a common substantial shareholder and director	170,044	19,223
Accutek Engineering (PG) Sdn Bhd	Fabrication of precision tools and parts	Provision of tooling and machining services	TBC	TBC is a common substantial shareholder and director	93,267	153,129
Pro-Acc Hi-Tech Sdn Bhd	Fabrication of precision tools and parts	Provision of tooling and machining services	TBC	TBC is a common substantial shareholder and director	200	6,340
					4,508,422	558,279

Note:

<sup>^</sup> Arising from previous rental arrangement with MCE for a partially-furnished office building located at 25, Jalan Sungai Tiram 2, 11900 Penang

Based on the Group's audited accounts for the financial year ended 31 December 2004 and the Group's audited accounts for the 6-month period ended 30 June 2005, the value of related party transactions with the abovementioned parties amount to RM4,508,422 and RM558,279, respectively. The above transactions which are in the ordinary course of business are carried out on an arms length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties.

Further, subsequent to its listing, the Board of Directors of MMSV will continue to ensure that such related party transactions will be carried out on an arms length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties and which will not be detrimental to the Group. Appropriate disclosure will be made in the annual report of the Company in relation to any of such transactions.

There is no outstanding loan (including guarantees of any kind) that has been made by MMSV or its subsidiary companies to or for the benefit of any related parties.

The Group has not entered into any transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which MMSV or its subsidiary companies was a party in respect of the financial year ended 31 December 2004 and the subsequent period immediately preceding the date of this Prospectus.

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## 9. FINANCIAL INFORMATION

### 9.1 Proforma consolidated income statements

The table below sets out a summary of the proforma consolidated income statements of MMSV for the past 5 financial years ended 31 December 2004 and 6-month period ended 30 June 2005 prepared based on the assumption that the current structure of the Group has been in existence throughout the financial years/period under review. The proforma consolidated income statements of MMSV are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes thereto and assumptions as set out in the Accountants' Report set out in Section 11 of this Prospectus.

	Financial year ended 31 December					6-month
	2000	2001	2002	2003	2004	period ended
	RM	RM	RM	RM	RM	30 June 2005
						RM
Revenue	3,708,133	5,096,188	7,123,593	11,995,208	21,034,751	15,884,459
Cost of sales	(2,778,189)	(3,370,291)	(4,483,329)	(8,427,461)	(15,086,341)	(11,265,642)
Other operating income	9,026	40,013	57,450	54,059	187,921	87,111
General, administrative and selling expenses	(457,574)	(568,323)	(761,983)	(1,015,319)	(1,451,335)	(1,390,079)
Profit before depreciation, interest and taxation	481,396	1,197,587	1,935,731	2,606,487	4,684,996	3,315,849
Depreciation	(16,267)	(43,480)	(93,708)	(148,650)	(166,934)	(107,392)
Bank charges	(622)	(833)	(1,181)	(2,674)	(5,078)	(3,029)
PBT	464,507	1,153,274	1,840,842	2,455,163	4,512,984	3,205,428
Taxation	(157,600)	(15,380)	(188,878)	(207,264)	(410,238)	(926,275)
PAT	306,907	1,137,894	1,651,964	2,247,899	4,102,746	2,279,153
No. of MMSV Shares assumed in issue <sup>1</sup>	126,392,140	126,392,140	126,392,140	126,392,140	126,392,140	126,392,140
Gross EPS (sen) <sup>2</sup>	0.37	0.91	1.46	1.94	3.57	2.54 <sup>^</sup>
Net EPS (sen) <sup>3</sup>	0.24	0.90	1.31	1.78	3.25	1.80 <sup>^</sup>

*Notes:*

- <sup>^</sup> Annualised Gross EPS and Net EPS are 5.08 sen and 3.60 sen, respectively
1. Number of MMSV Shares assumed in issue after the Acquisitions but before the Public Issue
  2. Computed based on the proforma consolidated PBT over the number of MMSV Shares assumed to be in issue after the Acquisitions
  3. Computed based on the proforma consolidated PAT over the number of MMSV Shares assumed to be in issue after the Acquisitions
  4. There were no extraordinary/exceptional items during the financial years/period under review
  5. There were no minority interests during the financial years/period under review
  6. MMSV did not declare any dividends during the financial years/period under review

Further details of the proforma consolidated income statements of MMSV are set out in Section 11 of this Prospectus.

## 9. FINANCIAL INFORMATION (Cont'd)

### 9.2 Segmental analysis

The segmental analysis of the proforma revenue for the 5 financial years ended 31 December 2004 and 6-month period ended 30 June 2005 is as follows:

#### (i) Revenue by product

The Group's revenue by product for the past 5 financial years ended 31 December 2004 and 6-month period ended 30 June 2005 are as follows (in value):

	Financial year ended 31 December					6-month period ended
	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	30 June 2005 RM'000
Test Handling Systems	729	577	1,244	1,431	1,553	1,358
Trim and Form Systems	2,354	3,741	4,732	2,121	2,156	845
Marking Systems	-	-	54	226	2,024	1,103
Camera Focusing Systems	-	-	-	5,629	13,037	10,036
Vision Inspection Systems	-	-	-	370	32	214
Design Services	559	553	899	1,518	1,508	1,682
Others *	66	225	189	635	725	646
Third-party R&D Services^	-	-	6	65	-	-
<b>Total</b>	<b>3,708</b>	<b>5,096</b>	<b>7,124</b>	<b>11,995</b>	<b>21,035</b>	<b>15,884</b>

The Group's revenue by product for the past 5 financial years ended 31 December 2004 and 6-month period ended 30 June 2005 are as follows (in percentages):

	Financial year ended 31 December					6-month period ended
	2000 %	2001 %	2002 %	2003 %	2004 %	30 June 2005 %
Test Handling Systems	19.66	11.32	17.46	11.93	7.38	8.55
Trim and Form Systems	63.48	73.41	66.42	17.68	10.25	5.32
Marking Systems	-	-	0.76	1.88	9.62	6.94
Camera Focusing Systems	-	-	-	46.93	61.98	63.18
Vision Inspection Systems	-	-	-	3.08	0.15	1.34
Design Services	15.08	10.85	12.63	12.66	7.17	10.60
Others *	1.78	4.42	2.65	5.30	3.45	4.07
Third-party R&D Services^	-	-	0.08	0.54	-	-
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Notes:

\* Design and manufacture of other Industrial Automation Systems and Machinery comprise of products such as optical mouse lid attachment systems, LED lens attachment systems, stand-alone temperature characterisation chamber, LED de-lamp semi-auto tester, pins and bead assembly tooling machine and conversion kits for various automation systems

**9. FINANCIAL INFORMATION (Cont'd)**

^ *Third-party R&D Services comprise of small-scale consultancy services and development of software for industrial automation control systems for external parties. In the financial year ended 31 December 2003, 70% of the revenue generated by Evolusys was derived from providing in-house support for the manufacturing operations of MMS. However, in conjunction with the Group's business development plan, the activities of Evolusys were streamlined in 2004 to provide support solely for the design and manufacture operations, focusing on software development.*

**(ii) Revenue by principal market**

MMSV Group's revenue by principal market for the past 5 financial years ended 31 December 2004 and 6-month period ended 30 June 2005 are as follows (in value):

	Financial year ended 31 December					6-month
	2000	2001	2002	2003	2004	period ended
	RM'000	RM'000	RM'000	RM'000	RM'000	30 June 2005
						RM'000
Local						
Free Trade Zone companies	3,708	5,075	6,976	10,399	17,547	5,806
Licensed Manufacturing Warehouse companies	-	-	-	696	34	362
Others	-	20	6	65	429	23
Export	-	-	142	835	3,025	9,694
<b>Total</b>	<b>3,708</b>	<b>5,095*</b>	<b>7,124</b>	<b>11,995</b>	<b>21,035</b>	<b>15,885</b>

Note:

\* Subject to rounding differences

MMS Group's revenue by principal market for the past 5 financial years ended 31 December 2004 and 6-month period ended 30 June 2005 are as follows (in percentages):

	Financial year ended 31 December					6-month
	2000	2001	2002	2003	2004	period ended
	%	%	%	%	%	30 June 2005
						%
Local						
Free Trade Zone companies	100.0	99.6	97.9	86.7	83.4	36.6
Licensed Manufacturing Warehouse companies	-	-	-	5.8	0.2	2.3
Others	-	0.4	0.1	0.5	2.0	0.1
Export	-	-	2.0	7.0	14.4	61.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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**9. FINANCIAL INFORMATION (Cont'd)**

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**9.3 Commentary on past financial performance****(i) Financial year ended 31 December 2000**

The Group commenced its operations in the design and manufacture of Industrial Automation Systems and Machinery in 1999, focusing mainly on designing and manufacturing test handling systems for the semiconductor and optoelectronics industries. For the financial year 31 December 2000, total revenue of the Group increased by 55.08% from RM2.39 million achieved in its pilot operating financial year ended 31 December 1999. The increase in revenue was due to the Group's success in securing orders from 3 new local customers, which led to an increase in orders for its trim and form systems from 10 units in 1999 to 21 units in 2000. Revenue generated from the sale of test handling systems and design services also increased during the year.

However, gross margin before depreciation decreased from 65.77% for the financial year ended 31 December 1999 to 25.08% due to the substantial increase in raw material costs and labour charges. As raw material and hardware costs as well as labour charges vary according to the products manufactured, MMS recorded higher overall cost of sales for the year due to the increased complexity of the products offered to its customers. Due to the lower gross margin coupled with the increase in staff costs, the Group recorded a lower profit before taxation of RM0.46 million, representing a profit before tax margin of 12.53%.

During the year, MMS was granted pioneer status by MIDA for its manufacturing activities under the category of "Automated Equipment for Semiconductor Industry" pursuant to the Promotions of Investments Act 1986. Under the pioneer status incentive, 70% of the statutory income of MMS will be exempted from income tax for a period of 5 years commencing from 1 July 1999.

However, for the financial year, there was an overprovision of tax of RM95,620 due to the provision of tax based on statutory rate pending the approval for the pioneer status application. The overprovision was subsequently adjusted in the following year. After adjusting for the overprovision and excluding certain expenses which were non tax deductible, the effective tax rate for the year was approximately 13.34%.

**(ii) Financial year ended 31 December 2001**

For the financial year, total revenue of the Group increased by 37.43% as compared to the previous financial year. The increase in revenue was due to the successful development and delivery of the Group's new clinching machines, which contributed approximately RM1.15 million to total revenue for the year. The increase was also attributable to the widening of the Group's customer base from 4 to 7 customers.

The gross margin before depreciation increased to 33.87% due to the increase in sale of products with higher margins while maintaining operating expenses at the same level as the previous year. Correspondingly, the Group recorded a higher profit before tax of RM1.15 million, representing a profit before tax margin of 22.63%.

The tax charges for the year was marginal due to the tax incentive enjoyed by the Group pursuant to its pioneer status and the write back of the overprovision in the previous financial year. After adjusting for the write back and excluding certain expenses which were non tax deductible, the effective tax rate for the year was approximately 9.62%.

**(iii) Financial year ended 31 December 2002**

For the financial year, total revenue of the Group increased by 39.78% as compared to the previous year. The increase in revenue was due to the increase in the Group's local customer base to include other major customers such as Lumileds, Penang Seagate Industries (M) Sdn Bhd and Finisar Malaysia Sdn Bhd, as well as the Group's successful penetration of the direct export sales market in Thailand.

## 9. FINANCIAL INFORMATION *(Cont'd)*

The small-scale operations of Evolusys in the provision of consultancy services and development of software for industrial automation control systems to external parties which commenced during the financial year, also generated marginal revenue contribution to the Group.

Correspondingly, the gross margin before depreciation for the Group increased to 37.06% whilst the profit before tax margin increased to 25.84%, thus recording a total profit before tax of RM1.84 million.

Depreciation expenses increased in the financial year due to the increase in investments made by the Group to cater for the growth of its operations.

The tax charges for the year was marginal due to the tax incentive enjoyed by the Group pursuant to its pioneer status, resulting in an effective tax rate for the year of approximately 10.26% after adjusting for expenses which were non tax deductible.

### (iv) Financial year ended 31 December 2003

For the financial year, total revenue of the Group increased by 68.39% as compared to the previous year. The increase in revenue was mainly attributed to the following factors:

- (a) increase in orders from existing and new local customer base;
- (b) increase in direct export sales to Thailand and US, which contributed approximately 7% to overall revenue; and
- (c) increase in new high technology product range such as the camera focusing systems and marking systems

Meanwhile, revenue contribution from Evolusys remained marginal as approximately 70% of its turnover were derived from the provision of in-house support for the manufacturing operations of MMS.

Despite the overall revenue growth, the gross margin before depreciation of the Group reduced to 29.74% as the Group decreased prices for its products in order to increase sales volume and to be more competitive. Correspondingly, the profit before tax margin for the year also decreased to 20.47%, thus recording a total profit before tax of RM2.46 million.

The tax charges for the year was marginal due to the tax incentive enjoyed by the Group pursuant to its pioneer status, resulting in an effective tax rate for the year of approximately 8.44%.

### (v) Financial year ended 31 December 2004

For the financial year, total revenue of the Group increased by 75.36% as compared to the previous year. The increase in revenue was mainly attributed to the following factors:

- (a) increase in local orders from existing and new customers;
- (b) increase in direct export sales to Thailand and China, contributing approximately 14% of the revenue generated during the period; and
- (c) increase in sales of camera focusing systems to cater for the surge in demand for camera modules for mobile phones, recording increase in revenue by RM9.1 million as compared to the previous financial year.

Gross profit margin before depreciation for the year declined marginally from 29.74% in the previous year to approximately 28.28%. Nevertheless, the profit before taxation margin for the year increased from 20.47% in 2003 to 21.45% this year, due to the increase in fixed deposit interest of RM132,062, resulting in a total profit before taxation of RM4.5 million.

There was no revenue contribution from Evolusys during the financial period as the activities of Evolusys have been streamlined to provide support solely for the design and manufacturing operations of MMS.

**9. FINANCIAL INFORMATION (Cont'd)**

The pioneer status period incentive expired on 30 June 2004. Consequently, 30% of the statutory income for the first half and 100% of the statutory income for the second half of year 2004 was subject to tax at the rate of 28%.

**(vi) Financial period ended 30 June 2005**

For the 6-month period, the Group recorded a total revenue of RM15.9 million which represents approximately 75.52% of the RM21.0 million revenue recorded in the previous financial period, translating into an effective annualised growth of 51.03%. The substantial revenue growth was mainly due to increase in export sales. Direct export sales to overseas markets consist of 61.03% of total revenue generated for the period. The China market was the major revenue contributor of approximately RM9.0 million, accounting for 56.66% of total revenue for the period. Sales to China mainly comprised repeat orders of camera focusing systems for camera modules incorporated in mobile phones. The remaining 38.97% comprised sales to existing local customers.

Despite the significant revenue growth, the Group's gross profit margin before depreciation for the financial period increased marginally by 0.80% to 29.08%, while the profit before taxation margin declined from 21.45% in the prior year to 20.18% due to higher R&D cost being incurred in the period under review.

For the 6-month period ended 30 June 2005, tax has been provided at the tax rate of 28.00%.

**9.4 Exclusion of profit forecast**

The Group's future financials are not disclosed in this Prospectus due to its uncertain nature and inherent risks, such as, but not limited to those disclosed in Section 3 of this Prospectus.

**9.5 Directors' declaration on financial performance**

As at 15 November 2005, the Directors of MMSV hereby confirm that the financial conditions and operations of the Company and its subsidiary companies are not affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the Group;
- (ii) material capital expenditure commitments;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group; and
- (iv) 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.

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**9. FINANCIAL INFORMATION (Cont'd)****9.6 Working capital, borrowings, contingent liabilities, material capital commitments and material litigations****9.6.1 Working capital**

The Directors of MMSV are of the opinion that, after taking into consideration the cashflow positions, banking facilities available and the net proceeds from the Public Issue, the Group will have adequate working capital for a period of 12 months from the date of issue of the Prospectus.

**9.6.2 Borrowings**

As at 15 November 2005, the Group does not have any outstanding borrowings.

**9.6.3 Contingent liabilities**

As at 15 November 2005, the Directors of MMSV are not aware of any material contingent liabilities which have become enforceable or are likely to be enforceable, which will affect the ability of the Company or any of its subsidiary companies to meet their obligations as and when they fall due.

**9.6.4 Material capital commitments**

As at 15 November 2005, save as disclosed below the Directors of MMSV are not aware of any material capital commitments incurred or known to be incurred by MMSV or any of its subsidiary companies, which, upon becoming enforceable, may have a material impact on the result or financial position of the Group:

	<b>RM'000</b>
Approved and contracted for	7,799
Approved but not contracted for	-
<b>Total</b>	<b>7,799</b>

The abovementioned material capital commitment relates to the acquisition of a piece of leasehold land held under HS(D) 20150, PT No. PT 5109 in Mukim 12, District of Barat Daya, State of Pulau Pinang together with a factory building erected thereon bearing the postal address of Plot 84-A, Jalan Lintang Bayan Lepas 9, Taman Perindustrian Bayan Lepas, Fasa 4, Pulau Pinang, Malaysia, pursuant to a conditional sale and purchase agreement entered into between MMSV and MCE on 23 November 2004, for a purchase consideration of RM7,799,000 to be wholly satisfied in cash.

**9.6.5 Material litigations**

As at 15 November 2005, neither MMSV nor any of its subsidiary companies is engaged in any material litigation, claims or arbitration either as plaintiffs or defendants, which has a material effect on the financial position of MMSV or its subsidiary companies, and the Directors of MMSV have no knowledge of any proceedings pending or threatened against MMSV or its subsidiary companies or of any other facts likely to give rise to any proceedings which may materially and adversely affect the position or business of MMSV or its subsidiary companies.

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