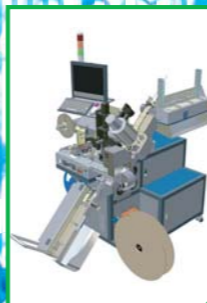


VisDynamics



# VisDynamics

## VISDYNAMICS HOLDINGS BERHAD

(Company No.: 677095-M)  
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 16,700,000 NEW ORDINARY SHARES OF RM0.10 EACH COMPRISING OF:-

- 1,200,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE PUBLIC;
- 14,500,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR PLACEMENT TO SELECTED INVESTORS; AND
- 1,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE EMPLOYEES, DIRECTORS AND/OR BUSINESS ASSOCIATES OF VISDYNAMICS HOLDINGS BERHAD AND ITS SUBSIDIARY

AT AN ISSUE PRICE OF RM0.66 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION PURSUANT TO ITS LISTING ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD

OFFER OF EMPLOYEES' SHARE OPTION SCHEME OPTIONS IN VISDYNAMICS HOLDINGS BERHAD TO ITS NON-EXECUTIVE DIRECTORS

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREOF

*Adviser, Sponsor, Managing Underwriter and Sole Placement Agent*

AmMerchant Bank Berhad  
(Company No.: 23742-V)  
A member of



**AmInvestment Group**

THIS PROSPECTUS IS DATED 23 MARCH 2006

PROSPECTUS

VisDynamics

21, Jalan IMJ2, Taman Industri Malim Jaya, 75250 Melaka, Malaysia  
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**PROSPECTUS**

### RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF **VISDYNAMICS HOLDINGS BERHAD** ("VHB" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING.

AMMERCHANT BANK BERHAD (A MEMBER OF THE AMINVESTMENT GROUP), BEING THE ADVISER, SPONSOR, MANAGING UNDERWRITER AND SOLE PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING.

### STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION HAS APPROVED THE PUBLIC ISSUE IN RESPECT OF THE INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF VHB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SECURITIES BERHAD SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INITIAL PUBLIC OFFERING, THE COMPANY OR OF ITS SECURITIES.



**CHARACTERISTICS OF THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD: -**

INVESTORS SHOULD BE AWARE THAT MESDAQ IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON MESDAQ ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES. COMPANIES THAT ARE LISTED ON MESDAQ MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, WHILST POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON MESDAQ MAY BE OF HIGHER INVESTMENT RISK. THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

**OTHERS**

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA MALAYSIA SECURITIES BERHAD'S WEBSITE AT [www.bursamalaysia.com](http://www.bursamalaysia.com)

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**INDICATIVE TIMETABLE**

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The indicative timing of events leading up to the listing of and quotation for VHB's entire enlarged share capital on the MESDAQ Market is set out below: -

<b><u>Date</u></b>	<b><u>Event</u></b>
23 March 2006	: Issue of Prospectus/Opening date of the IPO
30 March 2006	: Closing date of the IPO
3 April 2006	: Tentative date for balloting of applications
12 April 2006	: Tentative date for despatch of Notices of Allotment to successful applicants
13 April 2006	: Tentative listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 30 MARCH 2006 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF VHB TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE. SHOULD THE CLOSING DATE OF THE APPLICATION BE EXTENDED, THE DATES OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF VHB ON THE MESDAQ MARKET WILL BE EXTENDED ACCORDINGLY.

ANY CHANGES TO THE APPLICATION PERIOD FOR THE PUBLIC ISSUE WILL BE NOTIFIED TO THE PUBLIC VIA ADVERTISEMENTS IN WIDELY CIRCULATED BAHASA MALAYSIA AND ENGLISH NEWSPAPERS.

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**PRESENTATION OF INFORMATION**

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All references to “VHB” and “our Company” in this Prospectus are to VisDynamics Holdings Berhad. References to “our Group” is to our company and our subsidiary and references to “we”, “us”, “our” and “ourselves” are to our Company and, save where the context otherwise requires, our subsidiary.

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**DEFINITIONS**

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings: -

Act	:	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
Acquisition	:	Acquisition of VRSB
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AmMerchant Bank	:	AmMerchant Bank Berhad (23742-V), a member of the AmInvestment Group Berhad (657000-X)
Amkor	:	Amkor Technology Inc. The company offers deep semiconductor wafer fabrication, wafer probe testing, IC packages assembly and design, final testing, reliability testing, burn-in and electrical characterisation. The company is listed on NASDAQ
ASTI	:	ASTI Holding Ltd. The company designs, develops, manufactures and markets semiconductor manufacturing equipment. It is listed on the SGX Mainboard
ATE	:	Automated Test Equipment
Application	:	The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	:	The printed Application Form(s) for the application for the IPO Shares
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities or the Securities Exchange	:	Bursa Malaysia Securities Berhad (635998-W)
CDS	:	Central Depository System
Central Depositories Act	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
CEO	:	Chief Executive Officer
CTO	:	Chief Technical Officer
Deposited Security	:	A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	:	A holder of a Securities Account
EBIDTA	:	Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	:	An application for the IPO Shares through Participating Financial Institutions

EPS	:	Earnings per share
ESOS	:	The employees' share option scheme of up to 10% of the issued and paid-up share capital of VHSB or VHB (as the case may be)
EU	:	European Union, a union of twenty-five (25) independent states in the European countries and founded to enhance political, economic and social co-operation. Formerly known as European Community (EC) or European Economic Community (EEC)
Euro	:	Euro dollar
EURONEXT Stock Exchange	:	Euronext N.V. is a European stock exchange with subsidiaries in Belgium, France, Netherlands, Portugal and the United Kingdom. It is merger of the exchanges of Amsterdam, Brussels and Paris, in order to take advantage of the harmonisation of the EU financial markets
FIC	:	Foreign Investment Committee
FP	:	Financial Period
FP 2003	:	Financial period between 4 December 2002 to 31 December 2003
FP 2004	:	Financial period between 1 January 2004 to 31 October 2004
FYE	:	Financial year ended/ending 31 October (12 months of a financial year under review)
GDP	:	Gross Domestic Product
ICOS	:	ICOS Vision Systems Corporation N.V. The company develops and supplies machine vision and inspection solutions for use in semiconductor manufacturing and electronic assembly industry. ICOS is listed on EURONEXT Stock Exchange
IDM	:	Integrated Device Manufacturer, the semiconductor company that performs every step of the semiconductor manufacturing process from design, development, manufacturing, testing to packaging
IP	:	Intellectual Properties
IPO	:	Initial Public Offering
IPO Shares	:	The Public Issue Shares
IPT	:	International Product Technology, Inc. The company develops and supplies process equipment for production of electronic components including ICs and is based in the USA
Issue Price	:	RM0.66 for each IPO Share
Listing	:	Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of VHB of RM6,670,000 comprising 66,700,000 ordinary shares of RM0.10 on the MESDAQ Market

Listing Requirements	:	The MESDAQ Market Listing Requirements
Listing Scheme	:	The Public Issue and Listing collectively
LMW	:	Licensed Manufacturing Warehouse
MESDAQ Market	:	The MESDAQ Market of Bursa Securities
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (Company No. 258345-X)
MITI	:	Ministry of International Trade and Industry
MNC	:	Multi-National Corporation
NASDAQ	:	NASDAQ or the "National Association of Securities Dealers Automatic Quotation System, USA" is a stock exchange. NASDAQ provides markets that facilitates the raising of capital and the trading of corporate securities
NTA	:	Net tangible assets
OEM	:	Original Equipment Manufacturer, a manufacturer that produces parts, components or products that are incorporated into finished products of another companies
Option	:	The right to subscribe for the new shares of the Company upon acceptance of an offer under the ESOS
Options Committee	:	Committee comprising Directors and/or senior management personnel appointed by the Board to administer the ESOS
PAT	:	Profit after taxation
Participating Financial Institution(s)	:	Refers to the participating financial institutions for Electronic Share Application as listed in Section 13
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Promoter(s)	:	Choy Ngee Hoe, Lee Chong Leng, Ong Hui Peng, Ch'ng Paed Wee, Chan Heng Soon, Jong Pit Fong, Lim Yong Juay and Teo Leong Khoon collectively
Public Issue	:	The public issue of 16,700,000 new Shares in VHB at an issue price of RM0.66 per new Share payable in full upon application, subject to the terms and conditions of this Prospectus
Public Issue Shares	:	The 16,700,000 Shares to be issued pursuant to the Public Issue
R&D	:	Research and Development
Record of Depositors	:	A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
Restructuring Scheme	:	The Acquisition and ESOS
RM and sen	:	Ringgit Malaysia and sen respectively
Rules	:	The Rules of the Central Depository



Sale and Purchase Agreement	:	Share sale agreement between VHSB and the shareholders of VRSB as set out in Section 4.1.3
Share(s)	:	Ordinary share(s) of RM0.10 each in VHB
SC	:	Securities Commission
SC Guidelines	:	SC's Policies and Guidelines on Issue/Offer of Securities
SCM	:	Semiconductor Contract Manufacturer, the outsourced semiconductor assembly and test company providing turnkey assembly and test services to factory-less design companies and IDMs
Securities Account	:	An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
SEMI	:	Semiconductor Equipment and Materials International, the forum of semiconductor equipment and material suppliers
SGD	:	Singapore Dollar
SGX	:	Singapore Exchange Ltd
STATS ChipPAC	:	STATS ChipPAC Ltd. The company is a premier service provider of semiconductor packaging design, assembly, test and distribution solutions listed on NASDAQ and SGX
STII	:	Semiconductor Technologies & Instruments Incorporation, based in Dallas, USA, formerly a wholly owned subsidiary of ASTI
STISB	:	Semiconductor Technologies & Instruments Sdn Bhd, a wholly owned subsidiary of ASTI
STIPL	:	Semiconductor Technologies & Instruments Pte Ltd, a wholly owned subsidiary of ASTI
Telford	:	Telford Industries Pte Ltd, a wholly owned subsidiary of ASTI
TQSSB	:	TQS Manufacturing Sdn Bhd, a wholly owned subsidiary of Telford
USD	:	US Dollar
USA	:	United States of America
VHB or the Company	:	VisDynamics Holdings Berhad (Company No. 677095-M)
VHB Group or the Group	:	VHB and its subsidiary company
VHSB	:	VisDynamics Holdings Sdn Bhd, the name of VHB before its conversion to a public limited company
VRSB	:	VisDynamics Research Sdn Bhd (Company No. 600657-D), the wholly owned subsidiary of VHB

**GLOSSARY OF TECHNICAL TERMS**

μM	: Micron Meter, 1,000th of millimetre
2D	: Two (2) Dimension
3D	: Three (3) Dimension
AC Motor	: Alternate Current Motor
BGA	: Ball Grid Array, type of IC package which uses solder balls instead of leads
C++	: An object-oriented programming language based on the C language
CAD	: Computer Aided Design
CAM	: Computer Aided Manufacturing
Capex	: Capital Expenditure
CCD	: Charge Coupled Device, imaging device based on a silicon Metal Oxide Semiconductor capacitor structure
CE	: Abbreviation of French phrase "Conformité Européene", indicates product meets European Union for Standardization product safety testing requirements
CPU	: Central Processing Unit
CSP	: Chip Scale Package, a single-die, direct surface mountable package, type of IC package
DSP	: Digital Signal Processing, the study of signals in digital representation and the processing methods of these signals
DT-3	: Code name of DeTaper machine produced by VRSB
ERP SYSTEM	: Enterprise Resource Planning System, multi-module application software that integrates activities across functional departments, from product planning, parts purchasing, inventory control, product distribution, order tracking, to Finance and Human Resources
G3	: Code name of medium speed TNR Machine produced by VRSB
G5	: Code name of medium speed TNR Machine with performance and cost between G3 and G6, to be produced by VRSB
G6	: Code name of flagship machine performs test, vision inspection and taping functions for backend semiconductor device assembly produced by VRSB
G6-PS	: Code name of automatic high speed post seal in-tape vision inspection machine to be produced by VRSB
G6r	: Code name of enhanced G6 series with multiple test/vision stations produced by VRSB

G6-RR	:	Code name of enhanced G6 series with reel to reel transfer to be produced by VRSB
IC	:	Integrated Circuit, also known as semiconductor device or chips
LCC	:	Leadless Chip Carrier, type of IC package
M3	:	Code name of Manual Taper produced by VRSB
MMX	:	Multimedia Extension Code, instruction set in CPU
PCB	:	Printed Circuit Board
PSA	:	Code name of peel strength analyser produced by VRSB
QFP	:	Quad Flat Pack, No Leads, a type of IC package
T8	:	Code name for prototype of high-speed tray transfer and vision inspection equipment, utilising 3D inspection technology based on laser triangulation to be produced by VRSB
TNR	:	Tape and Reel
UPH	:	Unit Per Hour, refers to the machine throughput
WLP	:	Wafer Level Packaging, the die and "package" are manufactured and tested on the wafer prior to singulation, type of IC package

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>Nationality / Profession</b>
Khairil Anuar Abdullah	Chairman/ Non-Executive Non-Independent Director	20, Jalan 22/44 46300 Petaling Jaya Selangor, Malaysia	Malaysian / Company Director
Choy Ngee Hoe	Executive Director/ CEO	714-A, Taman Megah Bukit Beruang 75450 Melaka, Malaysia	Malaysian / Chief Executive Officer
Lee Chong Leng	Executive Director/ CTO	15, Jalan TU 28 Taman Tasek Utama Ayer Keroh 75450 Melaka, Malaysia	Malaysian / Engineer
Ong Hui Peng	Executive Director/ Machine Software Section Head	46, Taman Indah Bukit Siput 85020 Segamat Johor, Malaysia	Malaysian / Engineer
Dato' Nordin Baharuddin	Non-Executive Independent Director	24, Jalan Kent 1 Off Jalan Maktab 54000 Kuala Lumpur Malaysia	Malaysian / Company Director
Datuk Azzat Kamaludin	Non-Executive Independent Director	No. 38, Jalan TR 8/2 Tropicana Golf and Country Resort 47410 Petaling Jaya, Selangor, Malaysia	Malaysian / Advocate & Solicitor

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Dato' Nordin Baharuddin	Chairman of Audit Committee	Non-Executive Independent Director
Lee Chong Leng	Member of Audit Committee	Executive Director
Datuk Azzat Kamaludin	Member of Audit Committee	Non-Executive Independent Director



**COMPANY SECRETARIES**

: Mah Li Chen  
MAICSA No 7022751  
33, Jalan BRP 4/6  
Bukit Rahman Putra  
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Selangor, Malaysia

Kim Yi Hwa  
MAICSA No 7029686  
52, Jalan Wangsa Murni 9  
Wangsa Melawati  
53300 Kuala Lumpur  
Malaysia

Pang Nam Ming  
MIA No 18974  
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Malaysia

**REGISTERED OFFICE**

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**HEAD OFFICE**

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**AUDITORS AND REPORTING  
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AF 1018  
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Malaysia

- SOLICITORS FOR THE IPO** : Cheang & Ariff  
Advocates and Solicitors  
39 Court  
39, Jalan Yap Kwan Seng  
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Malaysia
- PRINCIPAL BANKERS** : Public Bank Berhad  
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- Bumiputra-Commerce Bank Berhad  
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75300 Melaka, Malaysia
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)  
27<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
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- ADVISER, SPONSOR,  
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AND SOLE PLACEMENT  
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Malaysia
- UNDERWRITERS** : AmMerchant Bank Berhad (23742-V)  
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Malaysia
- AmSecurities Sdn Bhd (92977-U)  
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50200 Kuala Lumpur  
Malaysia
- LISTING SOUGHT** : MESDAQ Market of Bursa Securities