

13. EXECUTIVE SUMMARY FOR THE INDEPENDENT MARKET RESEARCH REPORT

*(Prepared for inclusion in this Prospectus)*

**F R O S T & S U L L I V A N**

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**24 JUL 2006**

The Board of Directors  
Sanichi Technology Berhad  
PLO 135, Jalan Cyber 5,  
Kawasan Perindustrian Senai Fasa 3,  
81400 Senai, Johor  
Malaysia

Dear Sirs:

**Executive Summary of the Independent Market Research Report on the  
Strategic Analysis of the Advanced Plastic Injection Mould Fabrication Market in Malaysia**

The following is a summary of the Independent Market Research Report on the Strategic Analysis of the Advanced Plastic Injection Mould Fabrication Market in Malaysia prepared by Frost & Sullivan Malaysia Sdn Bhd ("Frost & Sullivan") for inclusion in the Prospectus of Sanichi Technology Berhad ("Sanichi") in relation to the proposed listing of and quotation for the entire issued and paid-up share capital of Sanichi on the MESDAQ Market of Bursa Malaysia Securities Berhad.

***Malaysia – An ASEAN Economic Powerhouse***

Malaysia, like most of the members in the ASEAN region, has managed to sustain its economic growth in 2005 albeit moderately as the unfavourable external environment impacted the positive drivers carried over from the previous year. The Malaysian economy entered 2005 on a slightly weaker overall growth performance. Malaysia's economy expanded by 4.4 percent in the second quarter of 2005, down by 4 percentage points over the same period last year. The third quarter performance improved marginally as it registered a growth of 5.3 percent, only down by 1.4

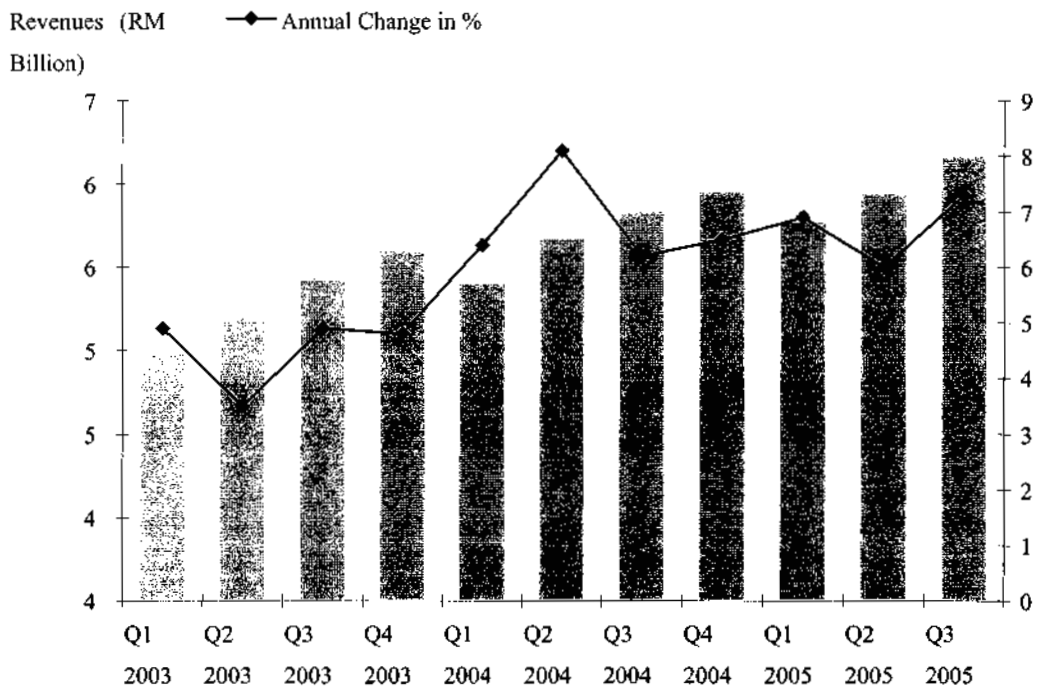
Bangalore	Bangkok	Beijing	Buenos Aires	Cape Town	Chennai	Delhi	Dubai	Frankfurt
Kuala Lumpur	London	Mexico City	Mumbai	New York	Oxford	Palo Alto	Paris	San Antonio
	Sao Paulo	Seoul	Shanghai	Singapore	Sydney	Tokyo	Toronto	

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percentage point from 6.7 percent achieved over the same period last year (Figure 1). For the fourth quarter of 2005, Malaysia is expected to record a growth rate of 4.1 percent, bringing the overall growth rate at 5 percent in 2005.

Figure 1: Malaysia Gross Domestic Product (GDP) Growth Rate



Source: Bank Negara Malaysia, 2005

Prospects for the Malaysian economy in 2006 remained favourable. Looking forward, Malaysia's economy would still be able to register a growth rate of 5% or more. The growth momentum in the US has remained strong despite the effects of the hurricane Katrina while the recovery in Japan is becoming more entrenched. Expansion in regional demand is expected to remain strong, supported by the continued improvement in the global electronics cycle and sustained growth in China. The favourable external environment is therefore expected to support the expansion in domestic demand. For the foreseeable future, domestic demand-led growth will continue to accelerate the pace of current economic development. Sustained export growth coupled with the potential recovery in the semiconductor industry will provide further impetus for the Malaysian economy. Meanwhile, the development of soft infrastructure such as human capital will ensure optimization in usage of in-placed infrastructure to propel Malaysia's economy to the next level.

***The Plastic Injection Mould Fabrication Industry in Malaysia***

The mould and die industry in Malaysia is categorised as one of the nation's engineering support industries. The engineering support industry in Malaysia further comprise the machining industry, metal stamping industry, casting industry, heat treatment industry and plating/surface treatment industry. There is no unified definition for the engineering support industry in Malaysia. Generally, it is regarded as an engineering support industry under the machinery and equipment industry that supports the assembly of final products through the supply of parts, components or other intermediate goods. The mould and die industry caters mainly to the manufacturing industry, particularly the electronic equipments sector and automotive sector. As such, the performance or growth of the mould and die industry is expected to perform in tandem with the electronic equipments sector and automotive sector.

The plastic mould industry which is part of the mould and die industry, is worth an estimated RM1.13 billion – approximately 45% of the total estimated RM2.52 billion mould and die industry. The plastic injection mould fabrication sector has traditionally evolved alongside the plastic moulding sector. Both are almost characteristically identical and their symbiotic relationship is a crucial growth element. This relationship refers to that shared by the two crucial parties i.e. the fabricators and moulders. The plastic injection mould *fabricators* are mainly involved in the design and fabrication of plastic injection moulds. The fabricated moulds are subsequently used by the plastic injection *moulders* to manufacture or produce semi-finished products in the form of parts and/or components.

The plastic injection mould fabrication sector in Malaysia is made up of small medium industries ("SMIs") which play a role in supplying plastic injection moulds to the plastic injection moulders and the Original Equipment Manufacturers ("OEMs") or the multinational companies ("MNCs"), often by establishing joint ventures or technical tie-ups with them. Foreign OEMs/ MNCs from Japan, Germany, Taiwan and Singapore played a major part in introducing the state-of-the-art technology into the sector which is now capable of meeting most sophisticated mould and die needs for high-end electronic production.

The plastic injection mould fabrication sector in Malaysia is directly correlated to the growth of the electronics industry, particularly the consumer electronics sector. This is largely due to the fact that the need for plastic injection moulds depends on the production of electronics parts and components. An overview of the Malaysia's electronics industry in 2004 is as depicted in Figure 2.

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Figure 2: Malaysia's Electronics Industry in 2004

<i>Number of companies</i>	<b>&gt;900</b>
<i>Gross Output Value</i>	<b>RM183.1 bil</b>
<i>Electronic Components</i>	<b>68.1%</b>
<i>Consumer Electronics</i>	<b>19.5%</b>
<i>Industrial Electronics</i>	<b>12.4%</b>
<i>Average Annual Growth, 1996 – 2003</i>	<b>9.6%</b>
<i>Employment</i>	<b>332,186</b>
<i>Exports</i>	<b>RM241.5bil</b>
<i>Electronic Components</i>	<b>RM89.3bil</b>
<i>Consumer Electronics</i>	<b>RM19.8 bil</b>
<i>Industrial Electronics</i>	<b>RM74.9 bil</b>
<i>Imports</i>	<b>RM181.7bil</b>

Source: Malaysian Industrial Development Authority, 2005 and  
Department of Statistics, 2005

The electronics industry in Malaysia is the largest contributor to the Malaysia's economy in terms of export earnings, manufacturing output, and employment creation. In 2004, there are more than 900 companies involved in the electronics industry employing 332,186 workers with the value of exports estimated at RM225.0 billion. The contribution of electronics industry to the economy also comes in the form of extensive industrial linkages with other economic sectors. The electronics industry has extensive inter-industry and intra-industry linkages through which it supports the developments of components and ancillary industries such as the plastic injection mould fabrication industry. Therefore, any shifts in the consumption pattern or demands for electronics products would have a multiplying effect on the plastic injection mould fabrication sector as a whole.

Besides the electronics industry, the automotive industry is fast-becoming an important market for the plastic injection mould fabrication sector as well. The Malaysian automotive market continued to expand albeit slower amidst rising interest rates, higher fuel prices and tighter loan approvals. The Malaysian vehicle sales recorded a strong growth of 13% to 551,045 units in 2005 driven by attractive loan packages, aggressive marketing campaigns by the various car makes and also new car launches like the Perodua MyVi and Proton's Savvy. Additionally, consumers that have earlier held back their purchases after realising that AFTA is not going to result in lower prices for cars, and lured by the various aggressive marketing and new car launches, proceeded to make their purchases.

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The automotive industry holds a bright future for the development of plastic injection mould fabrication sector. In recent years, the automotive manufacturers, under pressure from consumers and government agencies, have consistently sought to produce vehicles that are safer, less polluting, more durable, more fuel efficient and more maintenance-free. In light of these factors, the characteristics of the automotive parts and components that contribute to these goals are important selling points for the plastic injection mould fabrication sector.

The automotive industry seeks higher strength materials that are lightweight and easy to fabricate and plastics can provide cost-effective solutions to many difficult automotive applications. The creative trend in plastic usages is bound to boost the consumption of more plastic parts and components. Some of the newer high-performance plastics can withstand the high temperatures of engine compartments and maintain excellent resistance to combustion products and solvents. Composite materials are strong, wear-resistant, and can handle high loads and impact. Some plastics can be metal-plated for decorative components where appearance is a premium. Ultimately, as these applications finds its way to the market, the demand for plastic injection moulds is expected to expand accordingly.

***Market Segmentation***

The plastic injection mould fabrication sector can be segmented into two main categories as follows:

- Conventional plastic injection mould fabrication market
- Advanced plastic injection mould fabrication market

***Conventional Plastic Injection Mould Fabrication Market***

As its name suggest, conventional plastic injection mould fabricators are plastic injection mould fabricators who only fabricate conventional plastic parts and components. The fabrication of conventional plastic injection moulds does not involve the utilisation of advanced mould fabrication technologies. Conventional plastic injection moulds are usually used for the fabrication of plastic parts and components like home audio front panels, plastic casings for various electrical and electronical appliances.

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*Advanced Plastic Injection Mould Fabrication Market*

The advanced plastic injection mould fabrication market covers mainly on the fabrication of advanced plastic injection moulds, incorporating unique mould fabrication technology and concepts which could cater to more specific needs and customisation of plastic injection moulds which would otherwise be unachievable with conventional plastic injection moulds. The advanced plastic injection moulds are usually used for the fabrication of complicated, small and highly functionable parts and components meant for various electrical and electronical equipment, and automotive parts. Amongst some of the specific and customised plastic injection parts which require advanced plastic injection moulds are worm gears, multiple colour parts and etc.

*Strategic Analysis of the Advanced Plastic Injection Mould Fabrication Market in Malaysia*

The advanced plastic injection mould fabrication market in Malaysia is a niche market. Advanced plastic injection moulds are used for the fabrication of higher-end plastic parts and components with specific needs and customisations. This includes a need for reduced cycle time, higher and better aesthetic values, more refined and detailed finishes and most importantly, better product functional quality. Unlike any conventional plastic injection moulds, the use of advanced plastic injection moulds allow for faster, more effective and innovative manufacturing of specific plastic parts and components which would otherwise be impossible. As of now, most of the demands for advanced plastic injection moulds are being met by imports, and this provides room for further expansion for local advanced plastic injection mould fabricators. Consequently, the demands for advanced plastic injection moulds are expected to expand along with the increasing sophisticated needs, innovations and trends of both the electronics and automotive industry moving forward.

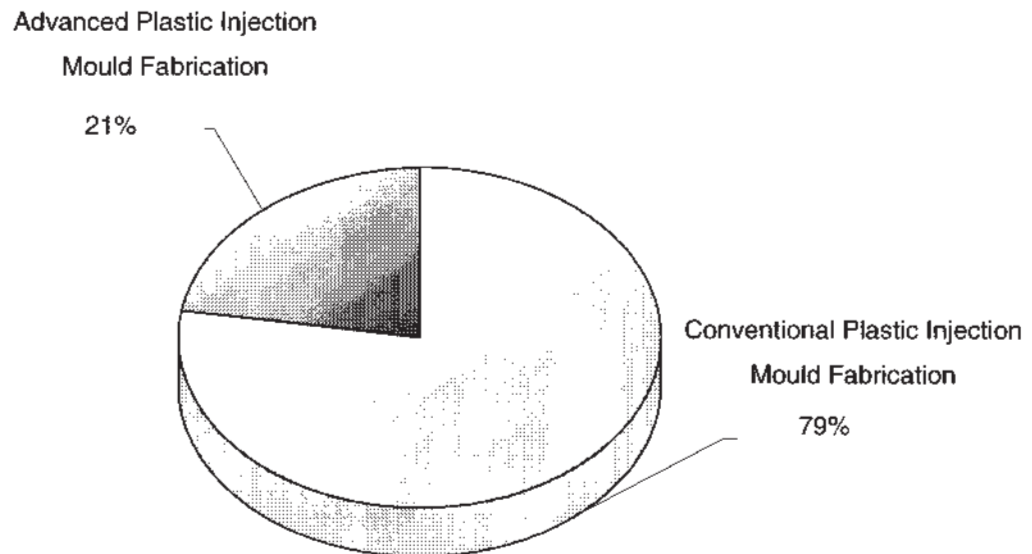
The plastic injection mould fabrication sector is worth approximately RM565 million or about 45% - 50% of the estimated RM1.13 billion plastic mould industry. Of the two plastic injection mould fabrication markets in Malaysia – conventional plastic injection mould fabrication market and advanced plastic injection mould fabrication market – the conventional plastic injection moulds currently dominates the plastic injection mould fabrication sector by a ratio of approximately 8:2 respectively as shown in Figure 3. The advanced plastic injection mould fabrication market is worth approximately RM119 million in the year 2005. The combination factor of a bright outlook for the electronics industry and its sub-sectors, the consumer electronics sub-sector, computers and computer peripherals sub-sector and telecommunication equipment sub-sector and also the automotive industry has significantly boosted the demand for advanced plastic injection moulds.

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Figure 3 illustrates the market share of the plastic injection mould fabrication sector in Malaysia for the 2005.

Figure 3: The plastic injection mould fabrication sector in Malaysia, 2005



Source: Frost & Sullivan

Amongst some of the advanced plastic injection moulds, not limited to those listed below, are:

- (i) Rapid Cooling Mould
- (ii) Worm Gear (Motorised) Mould
- (iii) Multi-polymer Injection Mould

Advanced plastic injection moulds help improve production time and it also allow for the moulding of specific plastic injection parts and components. The differences between advanced plastic injection moulds and conventional plastic injection moulds are as shown in Figure 4.

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Figure 4: The differences between advanced precision plastic injection moulds and conventional plastic injection moulds

Advanced Plastic Injection Mould	Conventional Plastic Injection Mould
Rapid Cooling Moulds: Total cycle time per injection process $\approx$ 20 seconds.	Total cycle time per injection process $\approx$ 40 seconds.
Worm Gear (Motorised) Mould: Able to achieve seamless gear on threaded profile without parting lines thus improving component functional quality.	Unable to achieve seamless gear quality hence affecting the functional quality of produced component
Multi-polymer Injection Mould: Multiple polymer material per injection by using only one mould and one machine for moulding of dual colour material products.  Able to achieve fine definition of lettering on buttons and flawless shining surface finishing with increased durability.	Only single polymer material per injection by using two separate moulds and machines for moulding of dual colour material products.  Requires additional processes. Low durability.

Source: Sanichi

**Revenue Forecast**

Advanced plastic injection moulds are required for the manufacturing of advanced plastic injection parts and components for the electronics and automotive sector due to its ability to produce specific, advanced customised parts and components, and also its ability to reduce production time. The expected expansion in both the electronics and automotive industries is forecasted to have a very positive effect on the advanced plastic injection mould fabrication market in Malaysia. Further to that, the current high imports of advanced plastic injection moulds translates into tremendous market potential for local advanced plastic injection mould fabricators to expand further and replace the imports with quality and more cost-effective advanced plastic injection moulds. Additionally, there is a huge amount of opportunities for exports of advanced plastic injection moulds. Figure 5 presents the revenue forecasts for the advanced plastic injection mould fabrication market in Malaysia from the year 2000 to 2009.



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Figure 5: Advanced Plastic Injection Mould Fabrication Market: Revenue Forecasts (Malaysia), 2000-2009

Year	Revenues (RM Million)	Revenue Growth Rate (%)
2000	61.8	--
2001	70.5	14.0
2002	79.7	13.0
2003	90.0	13.0
2004	104.0	15.0
2005	119.0	15.0
2006	136.9	15.0
2007	154.7	13.0
2008	174.8	13.0
2009	199.3	14.0
CAGR (2005-2009):	13.8%	

*Note: All figures are rounded; the base year is 2005. Source: Frost & Sullivan*

The revenues for the Malaysian market reflect the sales of advanced plastic injection moulds used mainly in the electronics and automotive industries in the country. Higher growth of 15% in 2006 is expected for advanced plastic injection moulds in tandem with the projected expansion in the electronics sector in addition to the growth in the automotive sector. An increase in exports of manufacturing goods is likely to increase the local consumption of advanced plastic injection moulds. The expansion in electronics sector is expected to peak in 2006 before experiencing a slowdown due to the cyclical nature of the industry. The Compounded Annual Growth Rate ("CAGR") for the period 2005 to 2009 is calculated to be about 13.8%.

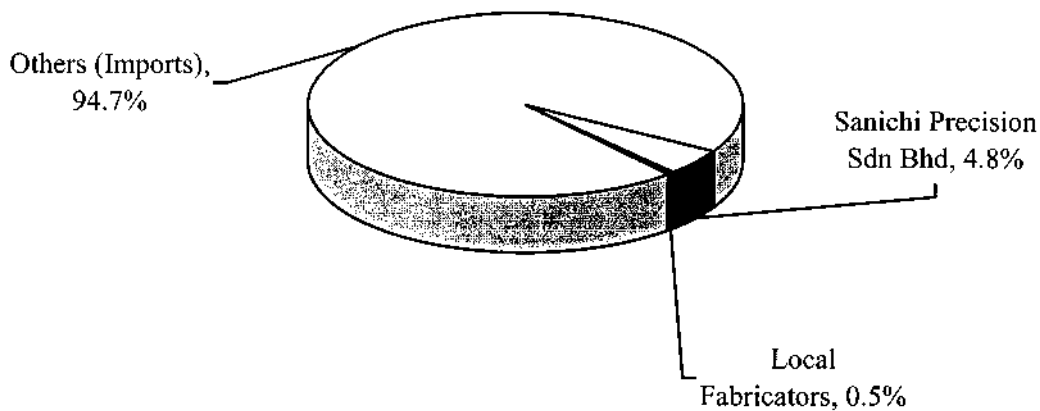
### ***Market Share***

The advanced plastic injection mould fabrication market is a niche market in Malaysia. Most of the current plastic injection mould fabricators in Malaysia have yet to adopt and adapt the leading edge technology required in advanced plastic injection mould fabrication. Figure 6 presents the market share for the advanced plastic injection mould fabrication market in Malaysia for the year 2005.

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Figure 6: Advanced Plastic Injection Mould Market Pie Chart: Company Market Share by Revenues (Malaysia), 2005



Source: Frost & Sullivan

The primary factor favouring Sanichi's position as the market leader in the advanced plastic injection mould fabrication market in Malaysia is due to their leading edge advanced plastic injection mould fabrication technology along with their commitment and efforts in the area of R&D on advanced plastic injection mould fabrication. This allows them to cater to specific customised demand from many OEMs/MNCs for advanced plastic injection moulds at competitive pricing and excellent technical assistance and support. The huge amount of imports can be attributed to the lack of local advanced plastic injection mould fabricators that possess the required expertise and technology to produce advanced plastic injection moulds. Sanichi are able to capture market share that was previously held by importers and further carve new market share with their advanced plastic injection moulds like their "Sanichi Rapicool" mould.

The market drivers for the advanced plastic injection mould fabrication industry in Malaysia are:

- Increase in Demand for Manufactured Electronics Export Goods
- Shorter Product Life Cycle Leading to Higher Replacement Cycle
- Increasing New Applications of Plastics
- Potential Replacement for Other Materials

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The market restraints for the advanced plastic injection mould fabrication industry in Malaysia are:

- Economic Slowdown
- Lack of Skilled Workers
- Relocation of Multinational Companies
- Environmental Concerns

The critical success factors for advanced plastic injection mould fabricators in Malaysia are:

- Strong R&D
- High-end technostucture facilities
- Reliability and flexibility
- Long established relationship with OEMs/MNCs
- Strong pool of experienced and skilled workers
- International certification and recognition
- Pricing and cost-effectiveness

***Future Outlook of the Advanced Plastic Injection Mould Fabrication Industry In Malaysia***

In an era where technological advances and evolving trends are occurring at a phenomenal rate and product life cycle is getting shorter, it has become mission critical to get new products to the market as quickly as possible. This means that the role of plastic injection mould fabricators has become even more vital to the competitive growth of manufacturers. Further to that, there are tremendous potentials for the growth of plastic parts and components in the automotive manufacturing industry due to its increasing application and innovation which would in turn spur the growth of plastic injection mould fabrication activities. Along with the identified industries such as electronics and automotive, there are still many areas like medical and food processing which still provide many opportunities for further expansion and new ventures.

Additionally, new plastic materials are developed to replace metals, glasses, ceramics, and other natural materials. At the rapid pace of today's world, only plastics can keep up with the demand for low-cost and high-tech materials solutions. Already, advanced plastic and composites have revolutionised sports goods, household appliances and electronics industries and have made some great impact on the design of medical equipment and prostheses.

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The two main drivers for the plastic injection moulds in Malaysia are the electronics and automotive industry. The growth of plastic injection mould fabrication sector has over the past three decades accelerated in tandem with the overall growth of these two manufacturing sectors as a whole. The electronics industry needs a reliable support industry that can effectively build and supply the needed parts and components, allowing them to concentrate on their strategies and core business issues. And this applies to the automotive industry as well. The continuous push for the localisation of parts and components along with the drive for more inter and intra linkages within the economy have seen the plastic injection mould fabrication sector expand significantly. The scope for further development of the plastic injection mould fabrication sector remains bright as reflected by the streaming increase in demand for advanced plastic injection moulds.

Concomitantly, the manufacturing sector in Malaysia, driven by an upturn in the global electronics industry and improved domestic demand is likely to spur higher consumption of plastic injection moulds. The rebound in the E&E manufacturing sector came on the back of a vibrant design and development (D&D) activities in the electronic and ICT industries, particularly software and systems development as well as high-tech knowledge-based manufacturing processes. These industries are set to benefit from dynamic changes to consumer electronics brought about by new technologies, innovation and new products. The strong growth in consumer electronics were mainly driven by a strong and enthusiastic consumer interest in adopting new technology, particularly in digital convergent products, such as eco-friendly flat-screen panel television sets, digital cameras, digital video disc (DVD) players and camera-phones (*Source: Economic Report 2005/2006*). Additionally, the E&E industry further attracted new entrants such as electronic manufacturing service (EMS) companies. Some of these EMS companies have developed original design manufacturing (ODM) capabilities, and are designing and manufacturing products at more competitive prices under their own brand or for their customers. Consequently, the plastic injection mould fabrication sector is set for higher growth in tandem with the growth in the electronics sector.

In addition to the electronics industry, the automotive industry is also another important market for the plastic injection mould fabrication sector as well. The Malaysian automotive market continued to expand albeit slower amidst rising interest rates, higher fuel prices and tighter loan approvals. The Malaysian vehicle sales recorded a strong growth of 13% to 551,045 units in 2005 driven by attractive loan packages, aggressive marketing campaigns by the various car makes and also new car launches like the Perodua MyVi and Proton's Savvy. Additionally, consumers that have earlier held back their purchases after realising that AFTA is not going to result in lower prices for cars, and lured by the various aggressive marketing and new car launches, proceeded to make

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their purchase. The automotive industry holds a lot of potential for the plastic injection mould fabrication sector. The increasing use of plastics in automotive applications will allow manufacturers more freedom in the design of new cars in coming years. The creative trend in plastic usage is bound to boost the consumption of more plastic products. As of now the plastic injection mould fabricators in Malaysia are only able to fabricate smaller items like lighting panels, wing mirrors and the like, hence there is still much room for expansion and growth.

There are tremendous potentials to look forward to for the plastic injection mould fabricators. Already, plastics are used in various applications as diverse as fuel pumps to grills to bumper cores and airbag housings. Clips, fasteners, fuses, electrical connectors and pedals are also among the many other uses of plastic in the automotive industry. Additionally, other future trends include expanded use of plastics under the hood in applications such as modular unit combining an oil pan, filter and pump. This type of application will reduce weight and help speed assembly through the use of more modular elements. Ultimately, as these applications finds its way to the market, the growth for plastic injection moulds is expected to expand accordingly.

Moving forward, the market demand for advanced plastic injection moulds is expected to expand faster. The advanced plastic injection moulds are used for the fabrication of specific higher-end plastic parts and components where a higher degree of precision and accuracy, and advance technology is essential. Additionally, the need for faster, more effective and innovative manufacturing of plastic parts and components has become inevitable. It helps improve productivity by reducing cycle times, and improve the quality of moulds fabricated. The plastic parts and components fabricated from these advanced plastic injection moulds, have higher aesthetic values, better and more detailed finishes, and better parts and components functional quality. As products gets smaller and smaller, and where how a product look now is as important if not most important becomes a reality in today's product trend, the high growth of the advanced injection mould is expected to grow further moving forward.

The expected expansion in the advanced injection moulds segment is also hugely rewarding, as the profit margins are higher due to the technology and skills needed to fabricate these moulds. Further to that, the current trend suggests that product life cycles are becoming shorter and more rapid. Consequently, these demands can only be met with an increasing consumption of more advanced injection moulds which can produce higher precision, accuracy, and detailed plastic mouldings in a faster, more effective manner as compared to the non-advanced plastic injection moulds.

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The long term growth prospects of the advanced plastic injection mould fabrication sector in Malaysia looks encouraging. The future of the Malaysian plastic mould fabrication sector is very encouraging as the Government place continuous emphasis on the development of the supporting role and utilities to facilitate the growth of other sectors, particularly the manufacturing sectors. This is in line with the Government's plans/efforts to develop the supporting industry and encourage more local consumption of parts and components. Going forward, there is still much room for expansion and development in the local plastic injection mould fabrication sector, especially more so for the advanced plastic injection mould fabrication segment.

Frost & Sullivan has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the limitations of among others, secondary statistics and primary research. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and / or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Yours Sincerely,



Sanjay Singh

Director

Frost & Sullivan Malaysia Sdn. Bhd.

**14. DIRECTORS' REPORT**

*(Prepared for inclusion in this Prospectus)*



**SANICHI TECHNOLOGY BERHAD** (661826-K)  
(Incorporated in Malaysia)

PLO 135, Jalan Cyber 5, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor  
Tel No : 07 – 598 8866 Fax No : 07 – 598 2886

**Registered Office:**  
30-05, Menara Landmark  
Mail Box 172  
No. 12, Jalan Ngee Heng  
80000 Johor Bahru  
Johor Darul Takzim

Date: **08 AUG 2006**

**THE SHAREHOLDERS OF SANICHI TECHNOLOGY BERHAD**

Dear Sir/Madam

On behalf of the Board of Directors of Sanichi Technology Berhad ("Sanichi" or "Company"), I report, after making due enquiries in relation to the interval between 28 February 2006, being the date to which the last audited financial statements of the Company and its subsidiary companies ("Sanichi Group") have been made up, and the date hereof, being a date not earlier than fourteen (14) days before the issue of this Prospectus:-

- (a) the business of the Sanichi Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Sanichi Group which have adversely affected the trading or the value of the assets of the Sanichi Group;
- (c) the current assets of the Sanichi Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Sanichi Group;
- (e) the Directors are not aware of any default or any known event that could give rise to a default situation in respect of payments of either interest and/or principal sums in relation to any borrowings of the Sanichi Group since the last audited financial statements of the Group; and
- (f) save as disclosed in the Accountants' Report and the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in this Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of the Sanichi Group since the last audited financial statements of the Sanichi Group.

Yours faithfully  
For and on behalf of the Board of Directors of  
**SANICHI TECHNOLOGY BERHAD**

  
**Dato' Dr Pang Chow Huat**  
Chairman / Managing Director

## 15. ADDITIONAL INFORMATION

### 15.1 SHARE CAPITAL

- (i) No Sanichi Shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) There is no founder, management or deferred shares in the Company. There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) Save as disclosed in Sections 6.1.2 and 6.2 of this Prospectus, no ordinary shares, stocks, debentures, warrants, options, convertible securities or uncalled capital of the Company or its subsidiaries have been issued or been agreed to be issued or is proposed to be issued as fully or partly paid-up, in cash or otherwise, within the two (2) years immediately preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, other than the 2,499,980 Public Issue Shares offered to the eligible Directors, employees and business associates of the Sanichi Group as disclosed in Section 3.2 of this Prospectus, there are no share schemes involving the Group's employees.
- (v) As at the date of this Prospectus, the Company and its subsidiaries have no outstanding convertible debt securities.
- (vi) Save for the Public Issue as disclosed in this Prospectus, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
- (vii) As at the date of this Prospectus, no capital of the Company or its subsidiary companies is under option or agreed conditionally or unconditionally to be put under option.

### 15.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association ("Articles"). The words and expressions appearing in the following provisions shall bear the same meaning used in the Articles unless they are otherwise defined here or the context otherwise requires:-

#### 15.2.1 Transfer of Securities

The provisions in the Articles of the Company in respect of the arrangements for the transfer of shares and restrictions on their free transferability are as follows:

**Article 43**      *Transfer of Securities*

Subject to the Act, these Articles, the Central Depositories Act and the Rules, the transfer of any securities or class of listed securities of the Company shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of securities.

**Article 44**      *Execution Requirements*

The instrument of transfer lodged with the Company shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share.



**15. ADDITIONAL INFORMATION (Cont'd)****Article 45      *Directors' right to decline registration***

The Directors may decline to register any instrument of transfer of shares which are not fully paid (whether these are quoted or otherwise) to a person of whom they do not approve.

**Article 46      *Central Depository's right to refuse transfer***

The Central Depository may, in its absolute discretion, refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

**Article 47      *Transfer fully paid securities***

Subject to the Central Depositories Act and the Rules, any members may transfer all or any of its securities by instrument in writing in the form prescribed and approved by Bursa Malaysia and the Registrar (as the case may be). Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law. The instruments shall be executed by or on behalf of the transferor and the transferee and the transferor shall remain the holder of the shares transferred is entered in the Register and/or the Record of Depositors as the case may be. All transfers of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.

**Article 48      *Closure of register***

The Register shall be closed for such periods as the Directors may from time to time determine but such register shall not be closed for more than 30 days in any year. The Company shall before it closes such register:

- (1) give notice of such intended closure (in the case of the Register) in accordance with Section 160 of the Act;
- (2) give notice of such intended closure to Bursa Malaysia at least 12 Market Days before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration;
- (3) publish in a daily newspaper circulating in Malaysia, a notice of such intended closure including the information to be included in the notice referred to in Article 48(2);

At least three (3) clear market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

**Article 49      *Destruction of records***

- (1) The Company shall be entitled to destroy:
  - (a) any instrument of transfer which has been registered at any time after 6 years from the date of its registration;
  - (b) any dividend mandate or any variation or cancellation of it or any notification of change of address, at any time after 2 years from the date of the recording;
  - (c) any share certificate which has been cancelled, at any time after 1 year from the date of its cancellation;
  - (d) any other document on the basis of which any entry in the Register is made, at any time after 6 years from the date such entry in the Register was first made in respect of such document.

**15. ADDITIONAL INFORMATION (Cont'd)**

- (2) Every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document destroyed under Article 49(1) shall be conclusively deemed to have been duly and properly made and that:
- (a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - (b) every share certificate so destroyed was a valid certificate duly and properly cancelled;
  - (c) every other document destroyed under Article 49(1) was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.
- (3) The provisions of Articles 49(1) and (2) shall be subject to the following:
- (a) any document may only be destroyed in good faith and without express notice to the Company that the preservation of such document was relevant to any claim;
  - (b) nothing in such provisions shall be construed to impose on the Company any liability in respect of the destruction of any such document earlier than provided for in Article 49(1) or in any case where the conditions in such Article have not been fulfilled;
  - (c) references to the destruction of any document include references to its disposal in any manner;
  - (d) references to documents include (without limitation) any records or copies of documents stored on microfilm, microfiche, any electronic database or any other system of data recording and storage.

**Article 50 No liability of Directors**

Subject to the Act, every entry in the Register, purporting to have been made on the basis of an instrument of transfer or other document in good faith by the Company shall be conclusively deemed to have been duly and properly made including (without limitation) where:

- (1) the instrument of transfer or other document is obtained or created fraudulently or is otherwise void, voidable or otherwise unenforceable;
- (2) the Company or any of its Directors or officers may have notice that such instrument of transfer was signed, executed and/or delivered by the transferor or other authorised person in blank as to the name of the transferee or the particulars of the shares transferred or otherwise made defectively,

and any person who becomes the registered holder of any shares by reason of any such entry shall be entitled to be recognised as the registered holder of such shares, and the Company, its Directors and/or other officers shall not be liable to any person by reason of any such entry being made.

**Article 51 No liability of the Company and Directors**

Neither the Company nor any of its Directors shall be liable for any transfer of shares effected by the Central Depository.

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**15. ADDITIONAL INFORMATION (Cont'd)**

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**15.2.2 Remuneration of Directors**

The provisions in the Articles of the Company dealing with the remuneration of directors are as follows:

**Article 110 Remuneration**

Subject to these Articles, the remuneration of the Directors shall from time to time be determined by the Company in general meeting but:

- (1) Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover. Salaries payable to non-executive directors may not include a commission on or percentage of turnover;
- (2) salaries payable to Directors holding executive office in the Company may not include a commission on or a percentage of turnover;
- (3) all remuneration payable to Directors shall be deemed to accrue from day to day;
- (4) fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (5) any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

**Article 111 Expenses**

The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

**Article 112 Special remuneration**

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:

- (1) render any special or extra services to the Company; or
- (2) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

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**15. ADDITIONAL INFORMATION (Cont'd)**

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**15.2.3 Voting and Borrowing Powers of Directors**

The provisions in the Articles of the Company in respect of the powers of Directors, in particular the voting powers of Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

**Article 118      *General powers***

Subject to the Act, the Memorandum of the Company and these Articles, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or these Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

**Article 119      *Power to appoint attorneys, etc.***

The Directors may by power of attorney or otherwise, appoint any corporation, firm, individual, or any fluctuating body of persons, to be the attorney or attorneys or agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those exercisable by the Directors) and for such period and on such terms as to remuneration and otherwise as they may think fit, with or without power to sub-delegate.

**Article 120      *Power to delegate***

The Directors may delegate any of their powers to any committee consisting of one or more Directors and (if the Directors think fit) one (1) or more other persons co-opted. Such other persons may be given voting rights by the Directors as members of the committee. A committee may consist of a majority of persons who are not Directors. Notwithstanding that a committee may include persons (whether a majority or otherwise) who are not Directors, references in these Articles to a 'committee of Directors' or words to similar effect include a committee which includes members who are not Directors. The Directors may also delegate to any president, vice president, managing director, any Director holding any other executive office, any other Director or such other person as the Directors may think fit such of their powers as they consider desirable to be exercised by him. Any such delegation may be with or without the power to sub-delegate as the Directors may think fit and may be subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with 2 or more members shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying.

**Article 121      *Power to contribute to charity, etc.***

The Directors may in each financial year contribute subscriptions, other payments or guarantees by the Company of an aggregate amount not exceeding 3% of the net profit before tax of the Company for charitable or benevolent objects or for any exhibition or for any public, general or useful object including (without limitation) the promotion of culture, sports, recreation, art and craft but such limitation on the amounts which the Directors may contribute shall not apply to any contributions related to or in the course of the business of the Company, any Subsidiary or associated company of the Company or any contributions likely (directly or indirectly) to benefit or further the interests of any of the persons (other than the Company or any Subsidiary of the Company) referred to in Article 137.

**Article 122      *Disposal of substantial portion of undertaking, etc.***

Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to ratification by shareholders in general meeting.

**15. ADDITIONAL INFORMATION (Cont'd)****Article 123**      *Cheques, etc.*

All cheques, promissory notes, drafts, bills of exchange and other instruments (whether negotiable, transferable or not), and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) by any 2 Directors or in such other manner as the Directors may from time to time by resolution determine.

**Article 150**      *Disqualification from voting*

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (1) any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its Subsidiaries;
- (2) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its Subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security;

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

**Article 124**      *General borrowing powers*

Except as provided by Article 125, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company or any other party.

**Article 125**      *Restrictions on borrowing*

The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

**Article 126**      *Register of charges*

The Company shall keep a 'register of charges' in accordance with Section 115 of the Act. No fee shall be charged for any inspection of such register by a Member or a creditor of the Company.

**15.2.4 Changes in Capital and Variation of Class Rights**

The provisions in the Articles of the Company dealing with changes in capital and variation of class rights which are no less stringent than those required by law are as follows:

**Article 12**      *Variation of class rights*

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or
- (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

**15. ADDITIONAL INFORMATION (Cont'd)**

To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be 2 persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

**Article 13      *New issues of Securities***

All new issues of securities for which listing is sought shall be made by way of crediting the securities accounts of the allottees or entitled persons with such securities save and except where the Company is specifically exempted from complying with Section 38 of the Central Depositories Act, in which event it shall be so similarly be exempted from compliance with this Article. For this purpose, the Company shall notify the Central Depository of the names of the allottees or entitled persons and all such particulars as may be required by the Central Depository to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees or entitled persons. Notwithstanding these Articles, the Company shall comply with the provisions of the Central Depositories Act and the Rules in all matters relating to the prescribed securities.

**Article 14      *No deemed variation***

Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect pari passu with that class.

**Article 69      *Consolidation division and cancellation***

The Company may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger amount;
- (2) (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
- (3) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**Article 70      *Fractions***

Subject to any direction by the Company in general meeting, if any consolidation or subdivision and consolidation of shares results in Members being entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they may determine including (without limitation), selling the shares to which Members are so entitled for such price as the Directors may determine and paying and distributing to the Members entitled to such shares in due proportions the net proceeds of such sale.

**Article 71      *Nomination of person to execute transfer***

The Directors may (to give effect to such sale referred to in Article 70):

- (1) nominate any person to execute a transfer of the shares sold on behalf of the Members so entitled to or in accordance with the directions of the purchaser;
- (2) enter or have entered the name of the transferee in the Register as the holder of the shares to which such transfer relates,

and the purchaser shall not be concerned to ensure that the purchase consideration is properly applied nor shall title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

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**15. ADDITIONAL INFORMATION (Cont'd)**

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**Article 72      *Reduction of capital***

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law.

**Article 73      *Resolution to increase capital***

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies provided that where the capital of the Company consists of shares of different monetary denominations, voting rights (if specified in such resolution) shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

**Article 74      *Application of provision to new shares***

All new shares shall be subject to the same provisions as to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the existing share capital.

**15.3 PROMOTERS, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names, addresses and occupations of the Directors of the Company are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) Other than salaries, allowances, or employment related benefits as disclosed in Section 8.4.4 of this Prospectus, dividends (if any) payable to the Directors and/or the Promoters as shareholders and the purchase consideration paid pursuant to the SPMSB Acquisition as detailed in Section 6.2.2 of this Prospectus, there are no amounts or benefits paid or intended to be paid or given by the Company to its directors, substantial shareholders or Promoters within the two (2) years preceding the date of this Prospectus.
- (iv) None of the Directors or substantial shareholders of the Company has any interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Sanichi Group, taken as a whole.

**15.4 MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company or its subsidiary companies is engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of the Company and/or its subsidiary companies upon becoming enforceable, and the Board does not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiary companies or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Company and/or its subsidiary companies.

**15. ADDITIONAL INFORMATION (Cont'd)****15.5 MATERIAL CONTRACTS**

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Sanichi Group within two (2) years immediately preceding the date of this Prospectus:-

- (a) Conditional Share Sale Agreement dated 5 October 2004 and supplemented by a Supplemental Share Sale Agreement dated 25 May 2006 entered into between Sanichi, as Purchaser, and the Vendors of SPMSB for the entire equity interest in SPMSB comprising 350,000 ordinary shares of RM1.00 each for a total purchase consideration of RM8,300,000 fully satisfied by the issuance of 83,000,000 new Sanichi Shares at par;
- (b) Conditional Share Sale Agreement dated 5 October 2004 and supplemented by a Supplemental Share Sale Agreement dated 25 May 2006 entered into between Sanichi, as Purchaser, and the Vendors of APSB for the entire equity interest in APSB comprising 2 ordinary shares of RM1.00 each for a total purchase consideration of RM2.00 fully satisfied by cash;
- (c) Tenancy Agreement dated 1 December 2004 entered into between SPMSB and L&L Technology Plastics Sdn Bhd ("L&L"), pursuant to which SPMSB agreed to rent to L&L the premises bearing the address No. 26, Jalan Perdagangan 16, Taman Universiti Industrial Park, 81300 Skudai, Johor Darul Takzim, for a term of two (2) years commencing 1 December 2004 with an option to renew for another period of one (1) year at a monthly rental of RM3,000.00;
- (d) Underwriting Agreement dated 5 July 2006 entered into between Sanichi and Alliance for the underwriting of the 3,000,000 Public Issue Shares reserved for application by the Malaysian public and any Pink Form Shares which are not taken up by the eligible Directors, employees and business associates of the Sanichi Group and subsequently made available for subscription by the Malaysian public at the Issue Price for an underwriting commission of 2.5% of the Issue Price for each Public Issue Share underwritten; and
- (e) Sponsor Agreement dated 13 July 2006 entered into between Sanichi and Alliance whereby Sanichi appointed Alliance as the sponsor to the Company for a period beginning from the date of Sanichi's listing on the Securities Exchange until the completion of one (1) full financial year of Sanichi following its listing on the MESDAQ Market for a monthly fee of RM8,300.

**15.6 PUBLIC TAKE-OVER OFFERS**

None of the following has occurred in the last FYE 30 June 2006 and the current financial year up to the date of this Prospectus:-

- (i) Public take-over offers by third parties for the shares of the Company or any of its subsidiary companies; or
- (ii) Public take-over offers by the Company or any of its subsidiary companies for other companies' shares.

**15.7 GENERAL**

- (i) The nature of the Company's business is described in Section 6 of this Prospectus and the names of all the corporations which are deemed to be related to the Company by virtue of Section 6 of the Act have been disclosed in Section 6.4 of this Prospectus.
- (ii) Save as disclosed in Section 4 of this Prospectus, the Directors are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company and/or its subsidiary companies.



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**15. ADDITIONAL INFORMATION (Cont'd)**

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- (iii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained as set out in Section 16 of this Prospectus.
- (iv) The time of opening and closing of applications for the Public Issue is set out in Section 16.1 of this Prospectus.
- (v) The amount payable in full on application of the Public Issue is RM0.52 per Public Issue Share.
- (vi) Save for the Promoters and the substantial shareholders whose shareholdings are disclosed in Sections 8.1 and 8.2 of this Prospectus, there are no persons who, directly or indirectly, jointly or severally, exercise control over the Company.
- (vii) The name and address of the Auditors and Reporting Accountants are set out under Section 1 of this Prospectus.

**15.8 CONSENTS**

The written consent of the Adviser/Sponsor/Underwriter/Placement Agent, the Principal Banker, the Issuing House, the Share Registrar, the Company Secretaries and the Solicitors to the inclusion in this Prospectus of their names and all references thereto in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, the Accountants' Report, the Reporting Accountants' letter on Proforma Consolidated Financial Information and the Reporting Accountants' letters on the Consolidated Profit Estimate and Forecast and all references thereto in the form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Market Researcher to the inclusion in this Prospectus of its name, extractions from the Independent Market Research Report and the Executive Summary of the Independent Market Research Report and all references thereto in the form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**15.9 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of Sanichi;
- (ii) Directors' Report as included in Section 14 of this Prospectus;
- (iii) Accountants' Report as included in Section 12 of this Prospectus;
- (iv) The Reporting Accountants' letters relating to the consolidated profit estimate and forecast of Sanichi for the FYE 30 June 2006 and FYE 30 June 2007 as included in Section 11.17 of this Prospectus;
- (v) The Reporting Accountants' letter relating to the proforma consolidated financial information for the FYE 30 June 2003 to 30 June 2005 and the eight (8)-month period ended 28 February 2006 as included in Section 11.15 of this Prospectus;
- (vi) the Executive Summary of the Independent Market Research Report as included in Section 13 of this Prospectus and the full Independent Market Research Report prepared by Frost & Sullivan dated July 2006;

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**15. ADDITIONAL INFORMATION (Cont'd)**

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- (vii) Audited financial statements of Sanichi and its subsidiary companies as follows:-
- (a) Sanichi for the financial period commencing from 5 August 2004, the date of its incorporation, to 30 June 2005 and the eight (8)-month financial period ended 28 February 2006;
  - (b) APSB for the financial period commencing from 5 July 2004, the date of its incorporation, to 30 June 2005 and the eight (8)-month financial period ended 28 February 2006; and
  - (c) SPMSB for the three (3) financial years ended 30 June 2003 to 2005 and the eight (8)-month financial period ended 28 February 2006;
- (viii) Material contracts referred to under Sections 15.5 of this Prospectus; and
- (ix) Letters of consent referred to in Section 15.8 of this Prospectus.

**15.10 RESPONSIBILITY STATEMENTS**

This Prospectus has been seen and approved by the Directors and Promoters of Sanichi and they, collectively and individually, accept full responsibility for the accuracy of the information in this Prospectus 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 statement in this Prospectus false or misleading. The Directors hereby accept full responsibility for the profit estimate and forecast included in this Prospectus and confirm that it has been prepared based on the assumptions made.

Alliance, being the Adviser, Sponsor, Underwriter and 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 Public Issue and is satisfied that the profit estimate and forecast (for which the Directors of Sanichi are fully responsible), prepared for inclusion in this Prospectus, has been stated by the Directors after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

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