

11. HISTORICAL FINANCIAL INFORMATION (cont'd)

11.2 REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED FINANCIAL INFORMATION

(Prepared for inclusion in the Prospectus)



**Grant Thornton**

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The Board of Directors  
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**AEMULUS HOLDINGS BERHAD  
REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED  
FINANCIAL INFORMATION  
PUBLIC ISSUE OF 87,790,000 NEW ORDINARY SHARES OF RM0.10 EACH AND THE  
OFFER FOR SALE BY THE OFFERORS OF EXISTING 43,885,000 ORDINARY SHARES  
OF RM0.10 EACH IN AEMULUS HOLDINGS BERHAD ("AEMULUS" OR THE  
"COMPANY") AT AND ISSUE/OFFER PRICE OF RM0.28 PER SHARE  
(COLLECTIVELY REFERRED HEREIN AS THE "IPO") AND THE LISTING OF AND  
QUOTATION FOR ITS ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL  
OF 438,850,000 ORDINARY SHARES OF RM0.10 EACH ON THE ACE MARKET OF  
BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

We have completed our assurance engagement to report on the compilation of the proforma consolidated financial information of Aemulus and its wholly-owned subsidiary, Aemulus Corporation Sdn. Bhd. ("ACSB") acquired under the Listing Scheme as defined in Note 1 of Appendix I (the "Group"). The proforma consolidated financial information comprises the proforma consolidated statement of financial position as at 30 April 2015, the proforma consolidated statement of comprehensive income and proforma consolidated statement of cash flows for the financial year ended ("FYE") 30 September 2014 and for the 7-months financial period ended ("FPE") 30 April 2015 together with the accompanying notes thereon which we have stamped for the purpose of identification.

The applicable criteria on the basis of which the Directors have compiled the proforma consolidated financial information are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and disclosed in Note 1 of Appendix I.

The proforma consolidated financial information has been compiled by the Directors to illustrate the impact of the transactions set out in Note 1 of Appendix I on the Group's financial position as at 30 April 2015, the Group's financial performance and cash flows for the FYE 30 September 2014 and for the FPE 30 April 2015, as if the newly formed Group has been in existence throughout the financial year/period under review. As part of this process, information about the proforma consolidated financial information has been extracted by the Directors from the audited consolidated financial statements of ACSB for the FYE 30 September 2014 and for the FPE 30 April 2015 and the audited financial statements of Aemulus for the FPE 30 April 2015.

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11. HISTORICAL FINANCIAL INFORMATION (cont'd)

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**REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)**

**The Directors' Responsibility for the Proforma Consolidated Financial Information**

The Directors are responsible for compiling the proforma consolidated financial information on the basis of the applicable criteria and in accordance with the requirements of the Prospectus Guidelines. The basis and proforma transactions used in the compilation are described in Note 1 of Appendix I.

**Our Responsibilities**

Our responsibility is to express an opinion as required by Prospectus Guidelines about whether the proforma consolidated financial information have been compiled, in all material respects, by the Directors on the basis of the applicable criteria and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420, *Assurance Engagements to Report on the Compilation of Proforma Financial Information in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the proforma consolidated financial information on the basis of the applicable criteria as described in Note 1 of Appendix I.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the proforma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the proforma consolidated financial information.

The purpose of the proforma consolidated financial information included in the Prospectus is solely to illustrate the impact of the transactions as described in Note 1 of Appendix I on the proforma consolidated financial information of the Company as if the transactions had taken place from day one of the financial year and period under review. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the proforma consolidated financial information have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in compilation of the proforma financial information provide a reasonable basis for presenting the impact of the transactions as described in Note 1 of Appendix I, and to obtain sufficient appropriate evidence about whether:

- The related proforma adjustments give appropriate effect to those criteria; and
- The proforma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

11. HISTORICAL FINANCIAL INFORMATION (cont'd)



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**REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)**

**Our Responsibilities (cont'd)**

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the proforma consolidated financial information have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluation of the overall presentation of the proforma consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the proforma consolidated financial information have been properly compiled, in all material respects, in accordance with the basis as set out in Notes 1 of Appendix I and in accordance with the requirements of the Prospectus Guidelines.

**Other matters**

This letter is issued for the sole purpose of inclusion in the Prospectus in connection with the IPO and the listing of and quotation for the entire issued and paid-up share capital of Aemulus on the ACE Market of Bursa Securities ("Listing") and should not be used or relied upon for any other purpose. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the IPO and Listing.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'John Lau Tiang Hua'.

Grant Thornton  
No. AF: 0042  
Chartered Accountants

A handwritten signature in black ink, appearing to be 'John Lau Tiang Hua'.

John Lau Tiang Hua, DJN  
No. 1107/03/16 (J)  
Chartered Accountant

Date: 17 AUG 2015

Penang

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

APPENDIX I

**AEMULUS HOLDINGS BERHAD (1114009-H)****NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. Basis of preparation**

Aemulus was incorporated in Malaysia on 17 October 2014 as a public company limited by shares in accordance with the Companies Act, 1965. The Company was incorporated to facilitate its IPO and Listing. The IPO entails the following Listing Scheme:

**i. Acquisition of ACSB**

As part of the Listing Scheme, the redeemable convertible preference shares ("RCPS") holders in ACSB have on 21 July 2015 converted their RCPS comprising 20,308,360 series 'A' RCPS of RM0.10 each into 20,308,360 new ordinary shares of RM0.10 each in ACSB. Subsequent to the RCPS conversion, of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in Aemulus at par. Aemulus acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares. The purchase consideration was arrived at based on the audited net assets of ACSB as at 30 September 2014 and adjusted for the conversion of the RCPS.

The above acquisition was completed on 24 July 2015.

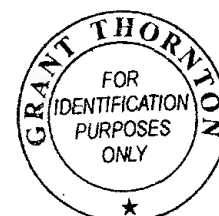
**ii. IPO and Listing**

Upon completion of the acquisition of ACSB, the Company will undertake the following:

- (a) A public issue of 87,790,000 new ordinary shares of RM0.10 each in Aemulus ("Public Issue") and an offer for sale of 43,885,000 existing ordinary shares of RM0.10 each in Aemulus by the Offerors ("Offer for Sale"), at an issue/offer price of RM0.28 per Share.
- (b) Listing of and quotation for its entire enlarged paid-up share capital, comprising 438,850,000 ordinary shares of RM0.10 each on the ACE Market of Bursa Securities.

The proforma consolidated financial information has been prepared to illustrate:

- (a) The consolidated statement of financial position of the Group as at 30 April 2015 would have been, if the Group structure had been in place on that date, adjusted for the effects of the Listing Scheme above;
- (b) The consolidated statement of comprehensive income of the Group for the FYE 30 September 2014 and for the FPE 30 April 2015 would have been if the Group structure had been in place on that date; and
- (c) The consolidated statement of cash flows of the Group for the FYE 30 September 2014 and FPE 30 April 2015 would have been if the Group structure had been in place on that date.



**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**APPENDIX I  
(CONT'D)**AEMULUS HOLDINGS BERHAD (1114009-H)****NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION  
(CONT'D)****1. Basis of preparation (cont'd)**

The proforma consolidated financial information has been prepared for illustrative purpose based on the audited consolidated financial statements of ACSB for the FYE 30 September 2014 and for the FPE 30 April 2015 and audited financial statements of Aemulus for the FPE 30 April 2015.

The audited consolidated financial statements of ACSB and the audited financial statements of Aemulus for all the financial year/period under review have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards and in a manner consistent with the format of the financial statements and accounting policies adopted by the Group. The audited consolidated financial statements of ACSB and the audited financial statements of Aemulus under review have been reported without any audit qualification or modification.

The proforma consolidated financial information is presented in RM and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

**Proforma I – Acquisition of ACSB**

Proforma I reflects the acquisition of ACSB as highlighted above. The acquisition of the entire issued and paid-up capital of ACSB by Aemulus is a reorganisation and does not result in any change in economic substance. Accordingly, the proforma consolidated statement of financial position of Aemulus is accounted for as follows:

- i. The results of Aemulus are presented as if the acquisition of ACSB had been effected throughout the financial year/period under review; and
- ii. Aemulus incorporates the assets and liabilities of ACSB at their pre-combination carrying amounts. No adjustments are made to reflect their fair values, or recognise any new assets or liabilities at the date of the combination that would otherwise have been done under the acquisition method.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**APPENDIX I  
(CONT'D)**AEMULUS HOLDINGS BERHAD (1114009-H)****NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION  
(CONT'D)****Proforma II - IPO and Listing and utilisation of proceeds**

Proforma II is prepared after incorporating the effects as described in Proforma I and the effect of the IPO and Listing as described above and the utilisation of the proceeds from the Public Issue as follows:-

Description of utilisation	Timeframe for utilisation of proceeds	<sup>(i)</sup> Amount (RM'000)
Working capital	Within 24 months	12,881
Research and development	Within 24 months	6,000
Purchase of property, plant and equipment	Within 24 months	2,000
Marketing, branding and promotion	Within 24 months	1,200
Estimated listing expenses <sup>(ii)</sup>	Immediate	2,500
<b>Total cash proceeds</b>		<b>24,581</b>

Notes:-

- (i) For the purpose of this proforma consolidated financial information, the proceeds from the IPO save for the estimated listing expenses will be placed in interest bearing deposits with licensed financial institutions pending utilisation.
- (ii) The listing expenses are estimated at RM2.5 million of which RM1.17 million is estimated to be incurred for the Public Issue and RM1.33 million for the listing exercise of Aemulus. The listing expenses in relation to the Public Issue are set-off against the share premium account whereas the listing expenses in relation to the listing exercise will be expensed to profit and loss.

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## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

APPENDIX I  
(CONT'D)

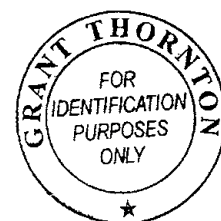
## AEMULUS HOLDINGS BERHAD (1114009-H)

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION  
(CONT'D)

## 2. Proforma consolidated statement of financial position

	Company As at 30 April 2015 RM'000	Adjustments RM'000	Proforma I RM'000	Adjustments RM'000	Proforma II RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	-	3,543	3,543		3,543
Intangible assets	-	13,686	13,686		13,686
	-		17,229		17,229
<b>Current assets</b>					
Inventories	-	12,686	12,686		12,686
Trade receivables	-	9,925	9,925		9,925
Other receivables, deposits and prepayments	-	2,317	2,317		2,317
Other investment	-	637	637		637
Fixed deposits with licensed banks	-	1,408	1,408		1,408
Cash and bank balances	*	3,472	3,472	22,081	25,553
	-		30,445		52,526
<b>TOTAL ASSETS</b>	-		47,674		69,755
<b>EQUITY</b>					
Share capital	*	35,106	35,106	8,779	43,885
Share premium	-	1,304	1,304	14,628	15,932
Merger deficit	-	(14,258)	(14,258)		(14,258)
(Loss)/Retained profits	(68)	17,780	17,712	(1,326)	16,386
<b>Total equity</b>	(68)		39,864		61,945
<b>Non-current liability</b>					
Borrowings	-	124	124		124
<b>Current liabilities</b>					
Trade payables	-	6,123	6,123		6,123
Other payables and accruals	68	1,233	1,301		1,301
Provision for warranty	-	250	250		250
Borrowings	-	12	12		12
	68		7,686		7,686
<b>Total liabilities</b>	68		7,810		7,810
<b>TOTAL EQUITY AND LIABILITIES</b>	-		47,674		69,755
No. of shares in issue ('000)	*		351,060		438,850
Net assets/(liabilities) per share attributable to the equity holders of the Company (RM)	(3,400)		0.11		0.14

\* RM2 - represents 20 ordinary shares of RM0.10 each

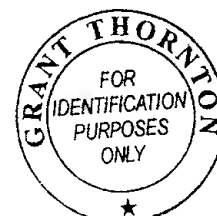


**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**APPENDIX I  
(CONT'D)**AEMULUS HOLDINGS BERHAD (1114009-H)****NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION  
(CONT'D)****3. Proforma consolidated statement of comprehensive income**

	<b>FYE 30 September 2014 RM'000</b>	<b>FPE 30 April 2015 RM'000</b>
Revenue	23,307	16,377
Cost of sales	<u>(8,619)</u>	<u>(6,904)</u>
<b>Gross profit</b>	14,688	9,473
Other income	1,236	1,356
Administrative expenses	<u>(7,790)</u>	<u>(6,055)</u>
<b>Profit from operations</b>	8,134	4,774
Finance costs	<u>(108)</u>	<u>(71)</u>
<b>Profit before taxation</b>	8,026	4,703
Taxation	<u>8</u>	<u>8</u>
<b>Profit for the year/period, representing total comprehensive income for the year/period</b>	<u>8,034</u>	<u>4,711</u>
<b>Earnings per share ("EPS") attributable to owners of the Company (Sen):</b>		
- Basic <sup>(a)</sup>	2.29	1.34
- Diluted <sup>(b)</sup>	<u>1.83</u>	<u>1.07</u>

Notes :-

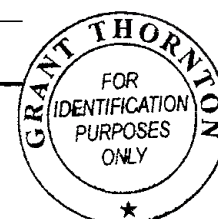
- (a) Basic EPS is computed based on the proforma consolidated profit after tax attributable to owners of the Company divided by its issued and paid-up share capital of 351,060,000 ordinary shares of RM0.10 each, after the acquisition of ACSB.
- (b) Diluted EPS is computed based on proforma consolidated profit after tax attributable to owners of the nCompany divided by its issued and paid-up share capital of 438,850,000 ordinary shares of RM0.10 each, after the acquisition of ACSB and IPO.





**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**APPENDIX I  
(CONT'D)**AEMULUS HOLDINGS BERHAD (1114009-H)****NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION  
(CONT'D)****4. Proforma consolidated statement of cash flows**

	<b>FYE 30 September 2014 RM'000</b>	<b>FPE 30 April 2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,026	4,703
Adjustments for:		
Dividend income	(26)	(12)
Depreciation	368	253
Government grant	(940)	(855)
Gain on disposal of investment in a subsidiary	(11)	-
Impairment loss on other investment	1	-
Interest expense	108	71
Interest income	(35)	(45)
Property, plant and equipment written off	5	73
Provision for warranty	121	66
Unrealised (gain)/loss on foreign exchange	(223)	53
Operating profit before working capital changes	7,394	4,307
Increase in inventories	(2,611)	(5,335)
(Increase)/Decrease in receivables	(4,771)	134
Increase in payables	2,639	2,175
Cash generated from operations	2,651	1,281
Income tax paid	(16)	(6)
Interest paid	(13)	(7)
Net cash from operating activities	2,622	1,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash flows from disposal of a subsidiary	*	-
Interest received	35	45
Proceeds from redemption/(Purchase) of unit trusts	402	(1)
Purchase of property, plant and equipment	(1,099)	(946)
Placement of fixed deposits	(12)	(6)
Net cash used in investing activities	(674)	(908)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from government grant	39	-
Payment of finance lease	(22)	(4)
Repayment of term loan	(6)	(3)
Net cash from/(used in) financing activities	11	(7)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,959	353
Effects of changes in exchange rates	131	216
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	1,841	3,931
<b>CASH AND CASH EQUIVALENTS AT END</b>	3,931	4,500



**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**APPENDIX I  
(CONT'D)**AEMULUS HOLDINGS BERHAD (1114009-H)****NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION  
(CONT'D)****4. Proforma consolidated statement of cash flows**

	<b>FYE 30 September 2014 RM'000</b>	<b>FPE 30 April 2015 RM'000</b>
Represented by:		
Fixed deposits with licensed banks <sup>(#)</sup>	1,009	1,028
Cash and bank balances	<u>2,922</u>	<u>3,472</u>
	<u>3,931</u>	<u>4,500</u>

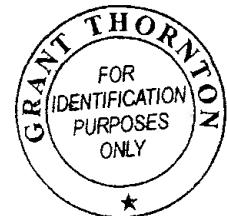
*Notes:*

*The proforma consolidated statement of cash flows for the FYE 30 September 2014 and FPE 30 April 2015 have been compiled on the assumption that the Group structure had been in place on that date.*

\* *Less than RM1,000.*

# *Excludes encumbered fixed deposits of RM374,000 and RM380,000 for the FYE 30 September 2014 and FPE 30 April 2015 respectively.*

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**11. HISTORICAL FINANCIAL INFORMATION** (cont'd)**11.3 CAPITALISATION AND INDEBTEDNESS**

The following table summarises our proforma cash and cash equivalents, capitalisation and indebtedness as at 30 April 2015 based on our proforma consolidated statement of financial position and as adjusted to show the effects of the Listing Scheme, the cash proceeds arising from the IPO and the utilisation of proceeds as set out in Section 2.5 of this Prospectus:-

	<b>Proforma I After Acquisition of ACSB (RM'000)</b>	<b>Proforma II After Proforma I, IPO and Utilisation of Proceeds (RM'000)</b>
<b>Cash and cash equivalents</b>	<b>4,880</b>	<b>26,961</b>
<b><u>Short-term indebtedness</u></b> <sup>(a)</sup>		
• Finance lease liabilities	1	1
• Term loan	11	11
<b><u>Long-term indebtedness</u></b> <sup>(a)</sup>		
• Finance lease liabilities	(b)	(b)
• Term loan	124	124
<b>Total indebtedness</b>	<b>136</b>	<b>136</b>
<b>Capitalisation</b>		
Total shareholder's equity	39,864	61,945
<b>Total capitalisation</b>	<b>39,864</b>	<b>61,945</b>
<b>Total capitalisation and indebtedness</b>	<b>40,000</b>	<b>62,081</b>

Notes:-

- (a) *Our finance lease liabilities are secured over our leased assets mainly consisting of our computers while the term loan is secured over our freehold commercial property.*
- (b) *Negligible.*

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## 11. HISTORICAL FINANCIAL INFORMATION *(cont'd)*

### 11.4 MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The discussion of our business, financial condition and results of operations for the past three (3) FYE 2012 to FYE 2014 refers to the historical financial information of ACSB whilst the unaudited financial information for FPE 2014 have been prepared for the purpose of comparison only. The proforma financial information for FPE 2015 has been prepared based on the assumption that the current structure of our Group has been in existence throughout FPE 2015.

The discussion of our business, financial condition and results of operations for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 should be read in conjunction with the Accountants' Report set out in Section 12 of this Prospectus.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below or elsewhere in this Prospectus, particularly in the section entitled Risk Factors set out in Section 4 of this Prospectus.

#### 11.4.1 Overview of Our Operations

We are involved in the design, engineering and development of ATE, where our products are used by semiconductor manufacturers and OSAT companies to test semiconductor wafer and packaged devices, before they are shipped for final assembly into various electronic devices and gadgets. We offer an array of test solutions and services for a range of semiconductor devices such as RF front-end devices, automotive LEDs, discrete devices and general analog devices with digital capabilities.

Please refer to Sections 6.1 and 6.3 of this Prospectus for further details of our Group's business activities and products.

In line with our future plans as set out in Section 6.16 of this Prospectus, we will focus on the upgrading of our existing products and in introducing new ATE into our product line, amongst others. Please refer to Section 11.4.11 of this Prospectus for significant factors affecting our financial position and results of operations and Section 4 of this Prospectus for the risk factors that may affect our revenue and financial performances.

#### 11.4.2 Revenue

The detailed breakdown of our Group's revenue for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are set out below:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
ATE	10,728	97.25	9,525	95.21	22,555	96.77	9,203	92.45	15,865	96.87
Related Services	303	2.75	479	4.79	752	3.23	752	7.55	512	3.13
<b>Total</b>	<b>11,031</b>	<b>100.00</b>	<b>10,004</b>	<b>100.00</b>	<b>23,307</b>	<b>100.00</b>	<b>9,955</b>	<b>100.00</b>	<b>16,377</b>	<b>100.00</b>

Our Group's revenue streams are derived solely from our subsidiary, ACSB, which is principally involved in the design, engineering and development of ATE and its related services. Our Group's revenue is recognised based on the sales of our ATE and its related services which consist of provision of maintenance services for the Group's ATE, consultancy services for PCB design and others.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

For the past three (3) FYE 2012 to FYE 2014, our Group's revenue has increased by 111.29% or RM12.28 million from RM11.03 million in the FYE 2012 to RM23.31 million in the FYE 2014. The overall growth was mainly contributed by the increased sales of our new products, Amoeba 4200 and Amoeba 7600. Our combined revenue from the sales of Amoeba 4200 and Amoeba 7600 was recorded at approximately 71.18% or RM16.59 million of our Group's revenue in the FYE 2014 as compared to approximately 6.72% or RM0.74 million in the FYE 2012. Our Group's revenue also increased by 64.51% or RM6.42 million from FPE 2014 to RM16.38 million in FPE 2015 mainly due to the increase sales of Amoeba 4200, Amoeba 4600 and Amoeba 7600. The combined revenue contribution from the sales of Amoeba 4200, Amoeba 4600 and Amoeba 7600 was recorded at approximately 79.80% or RM13.07 million of our Group's revenue in FPE 2015.

We have, over the past two (2) FYE 2012 and FYE 2013, put in significant resources in our R&D of the Amoeba 4200 and Amoeba 7600. During this period, we focused on deploying our resources into R&D which has consequently improved the sales of our products.

In FYE 2012, we launched the platform with basic modules for each of our new products. Following this, Amoeba 4200 and Amoeba 7600 were introduced to the market and subsequently, evaluations and customisations by customers of these products were being carried out in the FYE 2012 and the FYE 2013 and the purchase orders for these products were secured in the FYE 2013. In addition, we attended numerous trade shows and exhibitions globally to showcase the capabilities and features of our testers as well as to facilitate queries from our existing and prospective customers.

The market acceptance of our new products was positive and was reflected by the increase in our sales of Amoeba 4200 and Amoeba 7600 from the FYE 2012 to the FYE 2014. In addition, our sales further increased from the FPE 2014 to the FPE 2015 with the addition of Amoeba 4600. Amoeba 4200, Amoeba 4600 and Amoeba 7600 have since emerged as our flagship products in FPE 2015 and we foresee that it will continue to do so in the near future.

In addition to our involvement in the local market, we have sold our testers in the overseas market to customers located in Singapore, China, USA, South Korea, Philippines, Thailand, Germany and Hong Kong over the past three (3) FYE 2012 to FYE 2014. This is in line with our Group's long term strategy to diversify into both local and overseas markets in order for us to achieve our globalisation plan and to capture diversified market exposure.

Our Group's revenue by our principal markets in the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	8,209	74.42	5,960	59.57	8,579	36.81	4,634	46.55	6,873	41.97
<b>Overseas</b>										
Singapore	1,567	14.20	2,275	22.74	5,722	24.55	1,869	18.78	3,807	23.25
China	806	7.31	1,249	12.49	5,310	22.78	2,015	20.24	3,315	20.24
USA	223	2.02	486	4.86	2,287	9.81	710	7.13	1,808	11.04
Others	<sup>(a)</sup> 226	2.05	<sup>(a)</sup> 34	0.34	<sup>(a)</sup> 1,409	6.05	<sup>(a)</sup> 727	7.30	<sup>(b)</sup> 574	3.50
	<b>2,822</b>	<b>25.58</b>	<b>4,044</b>	<b>40.43</b>	<b>14,728</b>	<b>63.19</b>	<b>5,321</b>	<b>53.45</b>	<b>9,504</b>	<b>58.03</b>
<b>Total Revenue</b>	<b>11,031</b>	<b>100.00</b>	<b>10,004</b>	<b>100.00</b>	<b>23,307</b>	<b>100.00</b>	<b>9,955</b>	<b>100.00</b>	<b>16,377</b>	<b>100.00</b>

Notes:-

(a) Other overseas market includes South Korea, Philippines, Thailand, Germany and Hong Kong.

(b) Other overseas market includes South Korea, Philippines, Thailand and Germany.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

Our Group's revenue from the local market has increased from the FYE 2012 to FYE 2014 by 4.51% or RM0.37 million and by 48.32% or RM2.24 million from FPE 2014 to FPE 2015. Our revenue from the overseas markets has also increased over the past three (3) FYE 2012 to FYE 2014 by 421.90% or RM11.91 million from RM2.82 million in the FYE 2012, to RM14.73 million in the FYE 2014. This was mainly due to the higher sales of Amoeba 4200 and Amoeba 7600. The increase in our Group's revenue was also contributed by the increase in the sales to our principal markets, i.e.: Singapore, China and USA which recorded increases of 265.16%, 558.81% and 925.56% respectively from the FYE 2012 to the FYE 2014 and 103.69%, 64.52% and 154.65%, respectively from FPE 2014 to FPE 2015. The increase was also contributed by our involvement in globally renowned trade shows and exhibitions, as well as better market outlook in the Semiconductor Industry in foreign markets such as China and the USA which provided us with opportunities for growth in the overseas markets.

Moreover, the growing trend of acceptance of our testers in the market and the success of early design-wins for several projects such as the sales of our ATE for the wireless front-end device and electronic sensor markets during the financial years under review also contributed to the increase in our revenue from the overseas markets.

**Commentaries on Revenue****(a) FYE 2012 vs FYE 2011**

Our Group's revenue decreased by 17.32% or RM2.31 million to RM11.03 million in the FYE 2012 from RM13.34 million in the FYE 2011. The decrease was mainly due to lower sales and the impact of the slowdown in the overall Semiconductor Industry in 2012. In addition, the market demanded for higher performance testers, which our then existing testers were not able to address. As such, we invested heavily in the R&D of two (2) new products, namely Amoeba 4200 and Amoeba 7600. In doing so, significant internal resources were channelled towards developing Amoeba 4200 and Amoeba 7600. We also obtained feedback from customers on their current and future requirements. We were also involved in analysing the requirements of customers, development of new design and features, and to experiment on different approaches as solutions for our emerging technologies.

**(b) FYE 2013 vs FYE 2012**

Our Group's revenue decreased by 9.31% or RM1.03 million to RM10.00 million in the FYE 2013 from RM11.03 million in the FYE 2012. The lower sales for the FYE 2013 was mainly due to our continuous focus on the development of new products as we focused our resources in evaluating and analysing the prototypes for the Amoeba 4200 and Amoeba 7600 with our customers instead of promoting and marketing of our existing products. In view of our capabilities and early engagement with our customers, we managed to secure several design-wins and secured sales of our new products, Amoeba 4200 and Amoeba 7600 in the final quarter of the FYE 2013.

**(c) FYE 2014 vs FYE 2013**

Our Group's revenue increased by 132.98% or RM13.30 million to approximately RM23.31 million in the FYE 2014 from approximately RM10.00 million in the FYE 2013. The significant increase in revenue in the FYE 2014 was mainly contributed by the increase in sales of our new products, namely Amoeba 4200 and Amoeba 7600, which commanded higher selling prices as compared to other ATE products of our Group as well as the overall positive market sentiment. The combined revenue from the sales of Amoeba 4200 and Amoeba 7600 increased by 449.16% or RM13.57 million in the FYE 2014 from approximately RM3.02 million in the FYE 2013. The sales from Amoeba 4200 and Amoeba 7600 contributed to 71.18% of our total revenue in the FYE 2014 as compared to 30.20% in the FYE 2013. It reflects the significant growth and success of these two new products in meeting the needs of our customers.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(d) FPE 2015 vs FPE 2014**

Our Group's revenue increased by 64.51% or RM6.42 million to RM16.38 million in the FPE 2015 from RM9.96 million in the FPE 2014 mainly due to the significant increase in our sales of the Amoeba 4200, Amoeba 4600 and Amoeba 7600. The increase in revenue is also in line with the growth of the semiconductor industry and wider market acceptance towards our products, i.e. Amoeba 4200, Amoeba 4600 and Amoeba 7600. Amoeba 4200 and Amoeba 7600 have contributed approximately 24.40% and 34.47% of our total revenue for the FPE 2015 respectively. In addition, our new product Amoeba 4600 which represent our first involvement in "hard-docking" testing mechanism has contributed approximately 20.92% of our total revenue for FPE 2015.

**11.4.3 Cost of Sales, GP and GP Margin**

Our Group's cost of sales mainly comprises material cost and assembly cost. Material cost includes materials used in our business operation that consist of, amongst others, PCBs, electronic components such as connectors, ICs, resistors, capacitors, switches and wires which are sourced from both local and overseas suppliers. Assembly costs are costs incurred for PCB fabrication and labour cost incurred for the assembly of PCB.

Our cost of sales is mainly affected by the materials costs and assembly costs as well as our sourcing capabilities and negotiation with our suppliers. As some of our suppliers are foreign based, a portion of our purchases are denominated in the respective foreign currencies of our suppliers, such as USD. Therefore, our cost of purchases is also affected by the fluctuations in exchange rate of foreign currency.

Please refer to Section 6.8.2 of this Prospectus for further information on our Group's major suppliers.

**Cost of Sales**

Our Group's cost of sales for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
ATE	3,251	99.97	3,438	99.94	8,609	99.88	3,065	99.67	6,903	99.99
Related Services	1	0.03	2	0.06	10	0.12	10	0.33	1	0.01
<b>Total</b>	<b>3,252</b>	<b>100.00</b>	<b>3,440</b>	<b>100.00</b>	<b>8,619</b>	<b>100.00</b>	<b>3,075</b>	<b>100.00</b>	<b>6,904</b>	<b>100.00</b>
% of revenue		29.48		34.39		36.98		30.89		42.16

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****GP and GP Margin**

Our Group's GP and GP Margin for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
<b>GP</b>										
ATE	7,477	96.12	6,087	92.73	13,946	94.95	6,138	89.22	8,962	94.61
Related Services	302	3.88	477	7.27	742	5.05	742	10.78	511	5.39
<b>Total GP</b>	<b>7,779</b>	<b>100.00</b>	<b>6,564</b>	<b>100.00</b>	<b>14,688</b>	<b>100.00</b>	<b>6,880</b>	<b>100.00</b>	<b>9,473</b>	<b>100.00</b>
Total GP Margin		70.52		65.61		63.02		69.11		57.84

Our Group does not maintain GP and GP Margin by geographical location. Accordingly, such information is not provided.

**Commentaries on Cost of Sale, GP and GP Margin****(a) FYE 2012 vs FYE 2011**

Our total cost of sales decreased by 11.44% or RM0.42 million to RM3.25 million in the FYE 2012 from RM3.67 million in the FYE 2011 in tandem with the decrease in our revenue.

In line with the decrease in revenue, our Group's GP decreased by 19.51% or RM1.89 million to RM7.78 million in the FYE 2012 from RM9.66 million in the FYE 2011. Our Group also recorded a lower GP Margin mainly due to the higher cost of supplies and raw materials at the onset of the lower sales revenue in the FYE 2012.

**(b) FYE 2013 vs FYE 2012**

Our total cost of sales increased by 5.78% or RM0.19 million to RM3.44 million in the FYE 2013 from RM3.25 million in the FYE 2012. The increase is mainly attributable to the increase in the cost of supplies and raw materials and the introduction of new products which require different material mix.

Our Group's GP decreased by 15.62% or RM1.22 million to RM6.56 million in the FYE 2013 from RM7.78 million in the FYE 2012 in line with the decrease in our revenue. Our Group's GP Margin also decreased by 4.91% to 65.61% in the FYE 2013 from 70.52% in the FYE 2012 mainly due to our marketing strategy to price our new products, Amoeba 4200 and Amoeba 7600 competitively in order for us to penetrate into new markets as well as to secure new customers.

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## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

### (c) FYE 2014 vs FYE 2013

Our total cost of sales increased by 150.55% or RM5.18 million to RM8.62 million in the FYE 2014 from RM3.44 million in the FYE 2013 in tandem with the increase in our revenue contributed from the sales of Amoeba 4200 and Amoeba 7600. The increase is also due to the increase in the purchase of supplies and raw materials and higher value components for the assembly of our ATE as well as cost incurred for the provision of design consultancy services relating to our ATE.

Our Group's GP increased by 123.77% or RM8.12 million to RM14.69 million in the FYE 2014 from RM6.56 million in the FYE 2013 in line with the increase in our revenue which was contributed by the higher sales from our new products, Amoeba 4200 and Amoeba 7600. Sales from the said new products, Amoeba 4200 and Amoeba 7600 contributed approximately 71.18% of our Group's revenue and 66.33% of our Group's GP in the FYE 2014.

Our Group's GP Margin decreased marginally by 2.59% to 63.02% in the FYE 2014 from 65.61% in the FYE 2013. The lower margin was mainly due to our focus on the sales of Amoeba 4200 and Amoeba 7600 whereby these products were sold at lower margins as part of our marketing strategy to penetrate into new markets for our new products.

### (d) FPE 2015 vs FPE 2014

Our total cost of sales increased by 124.52% or RM3.82 million to RM6.90 million in the FPE 2015 from RM3.08 million in the FPE 2014 in line with the increase in our revenue contributed by Amoeba 4200, Amoeba 4600 and Amoeba 7600. The increase is also due to the increase in the purchase of supplies and raw materials and higher value components for the assembly of our ATE.

Our Group's GP increased by 37.69% or RM2.59 million to RM9.47 million in the FPE 2015 from RM6.88 million in the FPE 2014 in tandem with the increase in our revenue. The sales of Amoeba 4200, Amoeba 4600 and Amoeba 7600 have contributed collectively 79.80% of our total revenue which resulted in higher GP during the FPE 2015 as compared to FPE 2014.

Our Group's GP Margin decreased by 11.27% to 57.84% in the FPE 2015 from 69.11% in the FPE 2014 mainly due to the lower margin recorded from the sales of our Amoeba 4200, Amoeba 4600 and Amoeba 7600 in order to penetrate new markets and to secure new customers.

#### 11.4.4 Other Income

Other income of our Group comprises mainly the following:-

- (a) Dividend income, which refer to the dividend income from our deposits placed in a unit trust fund ("**Unit Trust Fund**").
- (b) Interest income, which refer to the interest income from our deposits placed with licensed banks.
- (c) Market Development Grant, refers to the reimbursable grant from MATRADE on the eligible export promotional activities undertaken by us ("**MATRADE Grant**"). Reimbursement relating to the MATRADE Grant is a non-recurring income to our Group.

**11. HISTORICAL FINANCIAL INFORMATION** (cont'd)

- (d) Domestic Investment Strategic Grant refers to the reimbursable one on one (1:1) matching grant from MIDA for our R&D expenses incurred for the development of RF testers and related training expenses for training Malaysian in the use of the technology in relation to RF testing ("**MIDA Grant**"). Reimbursement relating to the MIDA Grant is a non-recurring income to our Group. Salient terms of the MIDA Grant is set out below:-

<b>Grantor</b>	: MIDA
<b>Grantee</b>	: ACSB
<b>Salient terms</b>	<p>Reimbursable one on one (1:1) matching grant up to a maximum of RM4,387,276 ("<b>Grant Approved for R&amp;D</b>") for the defrayment of related R&amp;D expenses for the production of RF semiconductor tester within two (2) years beginning from 2013, subject to the policy, procedures, compliance and guidelines at the point of time of reimbursement.</p> <p>In any event, total defrayment of R&amp;D expenses relating to payment for R&amp;D staffs' salaries should not exceed 50% of the total Grant Approved for R&amp;D.</p> <p>Reimbursable one on one (1:1) matching grant up to a maximum of RM120,300 ("<b>Grant Approved for Training</b>") for the defrayment of expenses relating to the training of local citizens for the technology of testing relating to RF semiconductor tester for two (2) years beginning from 2013, subject to the policy, procedures, compliance and guidelines at the point of time of reimbursement.</p>
<b>Restrictions</b>	<p>The Government of Malaysia has the absolute right to withdraw the total amount of Grant Approved for R&amp;D and Grant Approved for Training in the event if ACSB failed to utilise the grants in accordance with its intended purposes as set out in the salient terms above.</p> <p>At least 60% of the ACSB Shares must be held by Malaysian within five (5) years from the date of approval of the MIDA Grant (i.e. 6 Jun 2018).</p>

The MIDA Grant has expired on 13 February 2015 and an application for an extension of the reimbursement period for an additional six (6) months from the said expiry date was submitted to MIDA on 28 November 2014. As at the LPD, the said application is currently under consideration by MIDA. As at the expiry of the MIDA Grant on 13 February 2015, approximately RM1.57 million of the MIDA Grant remains unutilised by our Group.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

Our Group's other income accounted for approximately 0.95%, 9.20%, 5.30% and 8.28% of our Group's revenue for the FYE 2012, FYE 2013, FYE 2014 and FPE 2015 respectively. The detailed breakdown of our other income for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Dividend	2	1.90	30	3.26	26	2.11	17	22.67	12	0.88
Interest income	85	80.95	82	8.91	36	2.91	19	25.33	45	3.32
MATRADE Grant *	18	17.15	-	-	36	2.91	36	48.00	-	-
MIDA Grant *	-	-	740	80.43	904	73.14	-	-	855	63.05
Unrealised gain on foreign exchange	-	-	64	6.96	223	18.04	-	-	-	-
Miscellaneous	-	-	4	0.44	11	0.89	3	4.00	1	0.07
Rental	-	-	-	-	-	-	-	-	2	0.15
Compensation	-	-	-	-	-	-	-	-	14	1.04
Realised gain on foreign exchange	-	-	-	-	-	-	-	-	427	31.49
<b>Total</b>	<b>105</b>	<b>100.00</b>	<b>920</b>	<b>100.00</b>	<b>1,236</b>	<b>100.00</b>	<b>75</b>	<b>100.00</b>	<b>1,356</b>	<b>100.00</b>

Note:-

\* MATRADE Grant and MIDA Grant are non-recurring grants and represent financing resources and classified as "other income" in the statement of comprehensive income of our Group during the financial years under review in compliance with the MFRS 120. Our Board is of the view that there will be no material adverse impact on our operations and business in the event that our Group does not continue to receive these grants as our Group may opt to finance our related R&D expenses (which have been absorbed by the MIDA Grant) as well as the related export promotional expenses (which have been absorbed by the MATRADE Grant) via alternative financing strategies.

### Commentaries on Other Income

#### (a) FYE 2012 vs FYE 2011

Our Group's other income reduced by approximately RM0.04 million or 26.67% from RM0.15 million in the FYE 2011 to RM0.11 million in the FYE 2012 mainly due to the unrealised gain on foreign exchange amounting to approximately RM0.10 million recognised in the FYE 2011.

#### (b) FYE 2013 vs FYE 2012

Our Group's other income increased by approximately RM0.82 million or 776.19% from RM0.11 million in the FYE 2012 to RM0.92 million in the FYE 2013 mainly due to the reimbursement of claims recognised pursuant to the MIDA Grants. The increase in our other income is also contributed by the favourable movement of the USD against the RM which resulted in the recognition of unrealised gain on foreign exchange of approximately RM0.06 million.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(c) FYE 2014 vs FYE 2013**

Our Group's other income increased by approximately RM0.32 million or 34.35% from RM0.92 million in the FYE 2013 to RM1.24 million in the FYE 2014. The increase was mainly contributed by reimbursement of claims recognised pursuant to the MIDA Grants and the favourable movement of the USD against the RM which resulted in the recognition of unrealised gain on foreign exchange of approximately RM0.22 million.

**(d) FPE 2015 vs FPE 2014**

Our Group's other income increased by 1.71% or RM1.28 million from RM0.08 million in the FPE 2014 to RM1.36 million in the FPE 2015. The increase was mainly contributed by the reimbursement of claims recognised pursuant to the MIDA Grants and the favourable movement of the USD against the RM.

**11.4.5 Operating Expenses**

The operating expenses of our Group consist mainly of the following:-

- administrative expenses, mainly consisting of salaries and other staff related expenses, utilities, professional fees, insurance, printing and stationery, upkeep of equipment;
- R&D expenses, mainly consisting of salaries and other R&D staff related expenses that were incurred in R&D activities;
- marketing expenses, mainly consisting of salaries and other marketing staff related expenses, entertainment expenses, travelling expenses and expenses incurred during trade fairs and exhibitions; and
- other operating expenses, mainly consisting of write-offs on plant and equipment and realised/unrealised losses on foreign exchange.

Our Group's operating expenses accounted for approximately 58.20%, 62.02%, 33.42% and 36.97% of our Group's revenue for the FYE 2012, FYE 2013, FYE 2014 and FPE 2015 respectively. The detailed breakdown of our operating expenses for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Administrative expenses	3,094	48.19	3,150	50.77	3,965	50.90	2,217	55.45	3,201	52.87
Marketing expenses	1,169	18.21	1,345	21.68	1,679	21.55	582	14.56	1,044	17.24
R&D expenses	1,054	16.42	1,273	20.52	1,599	20.53	837	20.94	1,430	23.61
Depreciation	256	3.99	287	4.63	368	4.72	296	7.40	253	4.18
Others	847	13.19	149	2.40	179	2.30	66	1.65	127	2.10
<b>Total</b>	<b>6,420</b>	<b>100.00</b>	<b>6,204</b>	<b>100.00</b>	<b>7,790</b>	<b>100.00</b>	<b>3,998</b>	<b>100.00</b>	<b>6,055</b>	<b>100.00</b>

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**11. HISTORICAL FINANCIAL INFORMATION** (cont'd)**Commentaries on Operating Expenses****(a) FYE 2012 vs FYE 2011**

Our Group's operating expenses decreased by approximately RM0.22 million or 3.31% from RM6.64 million in the FYE 2011 to RM6.42 million in the FYE 2012 mainly due to lower performance incentives being paid in FYE 2012 in-line with the lower revenue and profits recorded by our Group in the FYE 2012 as compared to the FYE 2011. In addition, other operating expenses for the FYE 2012 was the highest in comparison with FYE 2013 and 2014 mainly due to professional fees in relation to our previous corporate exercise, expensed off in FYE 2012.

**(b) FYE 2013 vs FYE 2012**

Our Group's operating expenses decreased by approximately RM0.22 million or 3.36% from RM6.42 million in the FYE 2012 to RM6.20 million in the FYE 2013 mainly due to the decrease in our Group's other expenses as a result of the professional fees incurred in relation to our previous corporate exercise expensed off in FYE 2012.

Our marketing expenses increased in the FYE 2013 as compared to the FYE 2012 mainly due to the higher number of marketing activities carried out in promoting our new products (i.e. Amoeba 7600 and Amoeba 4200) and to provide the related sales support. Upon the launch of these new products, higher expenses were incurred on marketing and promotional activities such as participation in several trade exhibitions and travelling expenses for the promotion of the portfolio of our products to both international and domestic customers.

**(c) FYE 2014 vs FYE 2013**

For the FYE 2014, our operating expenses increased by approximately RM1.59 million as compared to the FYE 2013. The increase was mainly due to higher administrative and R&D expenses.

Administrative expenses increased by approximately RM0.82 million or 25.87%, from RM3.15 million in FYE 2013 to RM3.97 million in FYE 2014. The increase was mainly due to the increase in staff costs in-line with the increase in our headcount from 50 staffs in FYE 2013 to 69 staffs in FYE 2014 in order to put in place the sufficient workforce to support our current business operations.

Besides administrative expenses, R&D expenses also increased by RM0.33 million or 25.61% compared to the preceding FYE as we increased our investment in R&D activities to support the on-going development of our new testers in accordance to our future plans as set out in Section 6.16 of this Prospectus.

Marketing expenses increased by approximately RM0.33 million or 24.83% as compared to the FYE 2013. The increase was mainly due to increased marketing activities undertaken to promote our flagship products, namely Amoeba 4200 and Amoeba 7600, to a wider range of customers, which led to increased sales of these products.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(d) FPE 2015 vs FPE 2014**

Our Group's operating expenses increased by 51.45% or RM2.06 million from RM4.0 million in the FPE 2014 to RM6.06 million in the FPE 2015. The increase was mainly due to the increase in our administrative, marketing and R&D expenses.

Administrative expenses increased by 44.38% or RM0.98 million from RM2.22 million in the FPE 2014 to RM3.20 million in the FPE 2015. The increase was mainly due to the increase in our staff costs in tandem with the increase in our headcount from 59 staff in FPE 2014 to 83 staff in FPE 2015 in view of our business expansion.

Marketing expenses in FPE 2015 increased by RM0.46 million or 79.38% mainly due to the increased marketing activities to promote Amoeba 4200, Amoeba 4600 and Amoeba 7600.

R&D expenses in FPE 2015 increased by RM0.59 million or 70.85% in tandem with our increased investment in R&D activities in support of our on-going development of our testers, i.e. Amoeba 4600 and Amoeba 7600, in accordance to our future plans as set out in Section 6.16 of this Prospectus.

**11.4.6 Finance Costs**

Our Group's finance costs mainly represents interest charges on banking facilities obtained to finance our Group's operations. The interest on these banking facilities is insignificant thus it has no material impact on the financial performance of our Group. Moving forward, premised on our intention to finance our growth and expansion via internally-generated funds, finance costs is not expected to have a material impact on our Group's financial performance.

**11.4.7 PBT and PBT Margin**

The analysis of our Group's PBT and PBT Margin for the past three (3) FYE 2012 to the FYE 2014 and FPE 2015 is as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
<b><i>PBT</i></b>										
ATE	944	88.31	713	70.87	7,519	93.68	2,438	82.78	4,192	89.13
Related Services	125	11.69	293	29.13	507	6.32	507	17.22	511	10.87
<b>Total</b>	<b>1,069</b>	<b>100.00</b>	<b>1,006</b>	<b>100.00</b>	<b>8,026</b>	<b>100.00</b>	<b>2,945</b>	<b>100.0</b>	<b>4,703</b>	<b>100.00</b>
PBT Margin		9.69		10.06		34.44		29.58		28.72

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****Commentaries on PBT and PBT Margin****(a) FYE 2012 vs FYE 2011**

Our Group's PBT decreased by RM1.77 million or 63.21% from RM2.84 million in the FYE 2011 to RM1.07 million in the FYE 2012 in line with the decrease in our revenue. Our PBT margin also decreased to 9.69% in the FYE 2012 in line with the lower GP Margin.

**(b) FYE 2013 vs FYE 2012**

Our Group's PBT decreased by RM0.06 million or 5.89% from RM1.07 million in the FYE 2012 to RM1.01 million in the FYE 2013 in line with the decrease in our revenue.

**(c) FYE 2014 vs FYE 2013**

Our Group's PBT increased by RM7.02 million or 697.81% from RM1.01 million in the FYE 2013 to RM8.03 million in the FYE 2014 in tandem with the increase in our revenue. The increase in our Group's PBT was also contributed by the increase in other income in the FYE 2014. Our Group's PBT Margin also increased to 34.44% in the FYE 2014 from 10.06% in the FYE 2013 in tandem with higher increase in sales revenue in FYE 2014 relative to the increase in our Group's operating expenses.

**(d) FPE 2015 vs FPE 2014**

Our Group's PBT increased by RM1.75 million or 59.69% from RM2.95 million in the FPE 2014 to RM4.70 million in the FPE 2015 in line with the increase in our revenue and other income. Our Group's PBT Margin decreased slightly to 28.72% in the FPE 2015 from 29.58% in the FPE 2014 in tandem with increase in our GP Margin and operating expenses during the FPE 2015.

**11.4.8 Taxation**

As a MSC-Malaysia status company, our Group is entitled to pioneer status incentives under the Promotion of Investments Act, 1986 whereby we enjoy tax exemption on our entire statutory income derived from the design and assembly of ATE, test and measurement instruments, and the provision of its related design consultancy services.

The comparison between our effective and statutory tax rates for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are set out below:-

	Historical			Proforma
	Audited			
	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Effective tax rate (%)	-	0.5	-	-
Statutory tax rate (%)	25.0	25.0	25.0	25.0

Income tax expenses comprise the current financial year's provision for taxation, under or overprovision of taxation in the previous financial year and deferred taxation.

Pursuant to the tax incentive, our Group will be exempted from income tax for a period of five (5) years from 8 September 2008 to 7 September 2013. We had, on 3 September 2014 received approval from MDeC for an extension of our pioneer status from 7 September 2013 for an additional five (5) years up to and including 6 September 2018.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****11.4.9 PAT Margin**

The analysis of our Group's PAT and PAT Margins for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical								Proforma	
	Audited						Unaudited		Audited	
	FYE 2012		FYE 2013		FYE 2014		FPE 2014		FPE 2015	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
<b>PAT</b>										
ATE	946	88.33	708	70.73	7,527	93.69	2,452	82.87	4,200	89.15
Related Services	125	11.67	293	29.27	507	6.31	507	17.13	511	10.85
<b>Total</b>	<b>1,071</b>	<b>100.00</b>	<b>1,001</b>	<b>100.00</b>	<b>8,034</b>	<b>100.00</b>	<b>2,959</b>	<b>100.00</b>	<b>4,711</b>	<b>100.00</b>
PAT Margin		9.71		10.01		34.47		29.72		28.77

As a MSC-Malaysia status company and as disclosed in Section 11.4.8 of this Prospectus, we were given tax exemption from income tax charges on our entire statutory income derived from the design and assembly of ATE, test and measurement instruments, and the provision of its related design consultancy services. In this regard, our PBT Margin and PAT Margin for each of the past three (3) FYE 2012 to the FYE 2014 and FPE 2015 have been approximately the same.

Please refer to Section 11.4.7 of this Prospectus for further details and analysis on our PBT and PBT Margin.

**11.4.10 R&D Expenditures**

In accordance to our Group's accounting policy, all R&D expenditures such as R&D staff cost and material purchased for R&D purposes are expensed off in the year in which they are incurred. For illustration purpose only, in the event that the R&D expenditures incurred in the past three (3) FYE 2012 to FYE 2014 and FPE 2015 were capitalised as development costs, the impact of the said capitalisation on our PAT for the respective financial years would be as follows:-

	Historical				Proforma
	Audited			Unaudited	Audited
	FYE 2012	FYE 2013	FYE 2014	FPE 2014	FPE 2015
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
PAT	1,071	1,001	8,034	2,959	4,711
R&D expenditures expensed off *	1,314	780	1,463	1,357	1,049
<b>Total PAT if R&amp;D expenditures were capitalised</b>	<b>2,385</b>	<b>1,781</b>	<b>9,497</b>	<b>4,316</b>	<b>5,760</b>

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

Note:-

\* Derived based on R&D salaries and material cost expensed to profit and loss less reimbursement claims from MIDA Grant as set out below:-

	Historical				Proforma
	Audited			Unaudited	Audited
	FYE 2012 (RM'000)	FYE 2013 (RM'000)	FYE 2014 (RM'000)	FPE 2014 (RM'000)	FPE 2015 (RM'000)
R&D Salaries	1,054	1,273	1,599	718	1,430
R&D Material costs	260	247	768	639	474
Reimbursement claims from MIDA Grant	-	(740)	(904)	-	(855)
<b>R&amp;D expenditures expensed off</b>	<b>1,314</b>	<b>780</b>	<b>1,463</b>	<b>1,357</b>	<b>1,049</b>

Based on the above, in the event that our R&D expenditures were capitalised as development costs instead of being expensed off in the financial years they were incurred, our PAT would have been RM2.39 million, RM1.78 million, RM9.50 million, RM4.32 million and RM5.76 million for the FYE 2012, FYE 2013, FYE 2014, FPE 2014 and FPE 2015 respectively.

**11.4.11 MATRADE Grant and MIDA Grant**

MATRADE Grant and MIDA Grant are non-recurring in nature. The reimbursements received via MATRADE Grant and MIDA Grant represent financing resources to our Group instead of income resources. For illustration purpose, the proforma effects of our Group's financial results based on the assumption that none of the MATRADE Grant and MIDA Grant were granted to our Group during the FYE 2012 to FYE 2014 and FPE 2015 are as follows:-

	Historical				Proforma
	Audited			Unaudited	Audited
	FYE 2012 (RM'000)	FYE 2013 (RM'000)	FYE 2014 (RM'000)	FPE 2014 (RM'000)	FPE 2015 (RM'000)
PAT	1,071	1,001	8,034	2,959	4,711
Reversal of MATRADE Grant	(18)	-	(36)	(36)	-
Reversal of MIDA Grant	-	(740)	(904)	-	(855)
<b>Total PAT assuming the reimbursement from MATRADE Grant and MIDA Grant were excluded</b>	<b>1,053</b>	<b>261</b>	<b>7,094</b>	<b>2,923</b>	<b>3,856</b>

Based on the above, our Group's PAT stood at RM1.05 million, RM0.26 million, RM7.09 million, RM2.92 million and RM3.86 million for the FYE 2012, FYE 2013, FYE 2014, FPE 2014 and FPE 2015 respectively assuming the reimbursement from MATRADE Grant and MIDA Grant were excluded from our Group's PAT.

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## 11. HISTORICAL FINANCIAL INFORMATION *(cont'd)*

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### 11.4.12 Significant Factors Affecting our Financial Position and Results of Operations

Our Group's financial position and results of operations have been and will continue to be affected by, amongst others, the following factors which may not be within our control:-

**(a) Rapid Technological Changes**

Our Group operates in a dynamic market where our products and services are prone to evolving industry standards and frequent new product introductions and enhancements. Our Group's future growth and success would significantly depend on continuing market acceptance of the portfolio of our products and services and our ability to develop new products and services to meet the needs of our customers.

Our Directors and key management personnel have the expertise in the R&D on new products and the capabilities required to enhance our existing products. Nonetheless, during any periods of product development and/or enhancement, we may experience design, marketing and other operational difficulties that could delay the development of our new products and services and the introduction and marketing of our products and services. Additionally, there can be no assurance that our investment in R&D will result in the successful development of new testers in accordance with our intended specifications and other pertinent criteria.

**(b) Demand and Supply Conditions**

Our Group's revenue and profits are dependent on the demand and supply conditions as set out in Section 7 of this Prospectus.

**(c) Inability to Design and Develop Test Solutions at Reasonable Costs**

Our operations and expansion plans are dependent upon our ability to design and develop test solutions at reasonable costs. If we are unable to design and develop test solutions at reasonable costs, we may be unable to fulfil our customers' orders. This may result in the loss of customers and could have an adverse effect on our business, financial results and/or prospects.

**(d) Credit Risks**

We have a concentrated customer base and any defaults in payment or delay in our collection of outstanding payments from these customers may adversely impact our cash flows and profitability. Throughout our working relationships with our major customers (as detailed in Section 6.9.3 of this Prospectus) in the past three (3) financial years, our financial results had not been adversely affected by the amount of bad debts written off in the past three (3) FYE 2012 to FYE 2014 and FPE 2015.

**(e) Talent Retention**

We have not experienced any shortage of skilled personnel to undertake our core principal activities. Notwithstanding that we currently have sufficient skilled personnel to support our current business and operations, we intend to continuously attract and retain talent to grow our business and operations.

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## 11. HISTORICAL FINANCIAL INFORMATION *(cont'd)*

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### (f) Competition

Our Group operates in a competitive industry and we face competitors who are larger in size and who may have better access to capital, technology and talent as compared to our Group. Please refer to Section 7 of this Prospectus for further discussion on the impact of competition on our Group.

Nevertheless, we will continue to collaborate closely with our existing and new customers to co-develop testers in order to develop and provide test-cost effective test solutions to our customers. With continued support from our customers and our on-going emphasis on R&D, our Directors are of the opinion that we are competent and well positioned to withstand future competition and to secure potential customers while maintaining existing ones.

### 11.4.13 Material Changes in Sales or Revenue

A discussion on the reasons for material changes in our revenue for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 is as set out in Section 11.4.2 of this Prospectus.

### 11.4.14 Impact of Foreign Exchange Rates, Interest Rates and/or Commodity Prices on Our Group's Operations

#### (a) Impact of Foreign Currency Exchange Rates

We may be exposed to foreign currency exchange risks as our major customers are primarily located overseas (i.e. Singapore, China and USA). Any significant change in foreign exchange rates may affect our Group's financial results.

For the FPE 2015, approximately 65% of our revenue and 66% of our total purchases were denominated in USD. This provides our Group, to a certain extent, a natural hedge against adverse foreign exchange fluctuations. Moreover, we maintain foreign currency bank accounts in USD with our financial institutions to facilitate and support our business operations.

Notwithstanding the above, we may also enter into derivative contracts available in the financial markets to hedge against foreign exchange risks should we deem fit to execute so. Further, our management closely monitors the movement of the USD in managing our foreign currency exchange risks.

#### (b) Impact from Interest Rates

In view of the low gearing ratio of our capital structure during the past three (3) FYE 2012 to FYE 2014, the finance costs incurred on our interest bearing borrowings with licensed financial institutions were minimal vis-à-vis our financial position. Our Group's financial results for the financial years under review were not materially affected by fluctuations in interest rates.

#### (c) Impact from Commodity Prices

As at the LPD, our Group is not directly affected by fluctuations in commodity prices.

### 11.4.15 Impact of Inflation on Our Group's Operations

There was no material impact of inflation on our historical profits for the past three (3) FYE 2012 to FYE 2014 and FPE 2015.

## 11. HISTORICAL FINANCIAL INFORMATION *(cont'd)*

### 11.4.16 Impact from Government, Economic, Fiscal or Monetary Policies or Factors on Our Group's Operations

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations, are set out in Section 4 of this Prospectus.

There were no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for the past three (3) FYE 2012 to FYE 2014 and FPE 2015.

### 11.4.17 Liquidity and Capital Resources

#### (a) Working Capital

Our primary sources of funds are mainly derived from the net cash generated internally from our operations and to a certain extent, external source of funds which comprises credit terms granted by our suppliers as well as short term and long term bank borrowings facilities available to us. The average credit terms granted to us ranges between 30 days to 90 days. We may raise additional capital or funds through debt or equity offerings in the future to part finance our expansion plans or to meet our financing requirements should the need arise.

Our Board is of the opinion that, after taking into consideration the funds to be generated from our business operations, the banking facilities available to our Group as well as the proceeds to be raised from our Public Issue, our Group will have sufficient working capital for a period of twelve (12) months from the date of this Prospectus.

#### (b) Cash Flows

The summary of our proforma consolidated statement of cash flows for the FPE 2015 is set out below:-

Cash Flow	As at 30.04.2015 (RM'000)
Cash flow from operating activities	1,268
Cash flow used in investing activities	(908)
Cash flow from financing activities	(7)
Net increase in cash	353
Effects of changes in exchange rates	216
Cash at the beginning of the year	3,931
<b>Cash at the end of the year</b>	<b>4,500</b>

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

There are no legal or economic restrictions on the ability of our subsidiary to transfer funds to our Company in the form of cash dividends, loan or advances. Therefore, we are confident that we can meet our cash obligations.

**(i) Net cash generated from operating activities**

For the FPE 2015, we generated operating cash flow before working capital changes amounting to RM4.31 million. After adjusting for the net outflow of RM3.03 million from working capital changes, income tax paid of approximately RM0.01 million and interest paid of RM0.01 million, we generated net cash from operating activities of RM1.27 million. Our working capital changes arose mainly from the increase in inventories of RM5.34 million, decrease in receivables of RM0.13 million and increase in payables of RM2.18 million.

**(ii) Net cash used in investing activities**

For the FPE 2015, net cash utilised towards the investing activities were mainly due to the purchase of fixed assets such as testing equipment for R&D purposes and renovation costs incurred on our newly rented warehouse manufacturing plant as disclosed in Section 6.12.2(5) of this Prospectus amounting to RM0.95 million. This was offset by interest received from fixed deposits amounting to RM0.01 million.

**(iii) Net cash generated from financing activities**

For the FPE 2015, net cash from financing activities were mainly due to the payment of finance lease and term loan of RM3,666 and RM3,355 respectively.

**(c) Borrowings**

As at 30 April 2015, our total outstanding borrowings, all of which are interest bearing, are set out as follows:-

	<b>Amount (RM'000)</b>
<b><u>Payable within twelve (12) months</u></b>	
Finance lease liabilities	(a)1
Term loan	11
<b>Total short term borrowings</b>	<b>12</b>
<b><u>Payable after twelve (12) months</u></b>	
Finance lease liabilities	(a)
Term loan	124
<b>Total long term borrowings</b>	<b>124</b>
<b>Total interest-bearing borrowings</b>	<b>136</b>
Gearing ratio as at LPD (times) <sup>(b)</sup>	0.004
Gearing ratio (times) <sup>(c)</sup>	(a)

Notes:-

(a) Negligible.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

- (b) Based on total interest-bearing borrowings divided by shareholders' equity as at 30 September 2014.
- (c) Based on total interest-bearing borrowings divided by shareholders' equity after our IPO.

The types of financial instruments utilised by our Group and the outstanding amounts as at the LPD are set out below:-

Types	Tenure	Effective Interest Rate %	Balance as at the LPD (RM'000)
Finance lease liabilities <sup>(1)</sup>	< 2 years	1.23 to 4.00	1
Term loan <sup>(2)</sup>	> 5 years	6.35	133
<b>Total</b>			<b>134</b>

Notes:-

- (1) Secured over our leased assets mainly consisting of our computers.
- (2) Secured over our freehold commercial property.

Save as disclosed above, our Group does not provide guarantee on debt(s) issued to third parties.

There has been no default or any known events that could give rise to a default situation, in respect of payments of either interest and/or principal sum in relation to any borrowings of our Group throughout the past three (3) FYE 2012 to FYE 2014, FPE 2015 and up to the LPD .

We are not in breach of any of the terms and conditions or covenants associated with any credit arrangements or bank loans which could materially affect our financial position and results or business operations, or the investments of holders of our securities.

**11.4.18 Financial Instruments**

As at the LPD, we do not have any financial instruments for hedging purposes.

**11.4.19 Funding and Treasury Policies and Objectives**

We have been funding our business operations through net cash generated internally from our operations as well as credit terms extended by our suppliers. Our total interest-bearing borrowings as at the LPD stood at RM0.14 million.

The decision to utilise either internally generated funds or banking facilities for our business operations depends on, amongst others, our cash reserve, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rates of banking facilities.

**11. HISTORICAL FINANCIAL INFORMATION** (cont'd)**11.4.20 Material Capital Commitments**

As at the LPD, we do not have any material capital commitments, which upon becoming enforceable may have a material and adverse impact on our financial position.

**11.4.21 Material Litigation**

As at the LPD, neither we nor our subsidiary are engaged in any material litigation, claim or arbitration either as plaintiff or defendant and the Directors of our Company are not aware of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

**11.4.22 Contingent Liabilities**

As at the LPD, we do not have any material contingent liability which has become enforceable or is likely to become enforceable, which in the opinion of our Directors, will or may substantially affect the ability of our Group to meet our obligations as and when they fall due.

**11.4.23 Government Grants**

Our Group is entitled for reimbursement pursuant to the MATRADE Grants and our expenses that were partially subsidised under the MATRADE Grants are of those related to travelling and accommodation expenses. As at the LPD, we have obtained reimbursement under the MATRADE Grant of approximately RM0.018 million and RM0.036 million for the FYE 2012 and FYE 2014 respectively in line with our participation in exhibitions in the USA.

In addition to the MATRADE Grants, our subsidiary, ACSB has obtained MIDA Grants as disclosed in Section 11.4.4(d) of this Prospectus. As at the LPD, we have received reimbursement pursuant to the MIDA Grants amounting to approximately RM0.74 million and approximately RM0.90 million in the FYE 2013 and FYE 2014 respectively in line with the progress of our projects.

**11.4.24 Key Financial Ratios**

Set out below is a summary of our trade receivables turnover period, trade payables turnover period, inventories turnover period (excluding our products held as demonstration units) and gearing ratio of our Group for the past three (3) FYE 2012 to FYE 2014 and FPE 2015:-

	Historical			Proforma
	Audited			
	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Trade receivables turnover period (Days)	76	182	163	129
Trade payables turnover period (Days)	82	124	166	189
Inventories turnover period (Days) (excluding units held for demonstration)	369	371	274	344
Gearing ratio (times)	0.008	0.007	0.004	0.004

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(a) Trade Receivables**

The credit period generally granted to our customers is in the range of 30 days to 90 days. Our credit term to customers are assessed and approved on a case-by-case basis by taking into consideration various factors such as our business relationship with the customers, our marketing strategies, the customers' payment history and the customers' credit worthiness while new customers are subject to our credit verification process such as reputation and creditworthiness analysis as well as the existence of potential working relationship in future.

For the FYE 2012, our trade receivables turnover period was 76 days, which was within the credit period range granted to the customers of our Group.

For the FYE 2013, FYE 2014 and FPE 2015, our trade receivables turnover period was 182 days, 163 days and 129 days respectively, which were higher than our Group's credit period. As part of our continuous effort in expanding the customer base and penetrating new markets, we allow longer credit term to our new customers and customers of our newly launched products as part of our Group's strategy to gain more market share.

As at 30 April 2015, the net trade receivables of our Group amounted to RM9.93 million and can be analysed as follows:-

	Within Credit Period			Exceeding Credit Period		Total (RM'000)
	1-30 days	31-60 days	61-90 days	91-120 days	> 121 days	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Trade receivables	5,768	2,281	908	307	661	9,925
Less: Allowances for doubtful debts	-	-	-	-	-	-
Net trade receivables	5,768	2,281	908	307	661	9,925
% of total net trade receivables	58.12	22.98	9.15	3.09	6.66	100.00
Subsequent collections as at the LPD	(3,981)	(2,223)	(522)	(307)	(404)	(7,437)
Trade receivables net of subsequent collections	1,787	58	386	-	257	2,488
% of total trade receivables net of subsequent collections	71.82	2.33	15.51	-	10.34	100.00

As at the LPD, we have collected RM7.44 million of our total net trade receivables of RM9.93 million which remains outstanding as at 30 April 2015. Our Board is of the opinion that the remaining outstanding trade receivables are recoverable considering that our customers are of reputable standing and have insofar established long term relationships with our Group. In addition, our customers have not defaulted on payment as at the LPD.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(b) Trade Payables**

The credit period generally granted to our Group by our suppliers ranges between 30 days to 90 days.

For the FYE 2012, we recorded trade payables turnover period of 82 days, which was within the credit period granted by our suppliers. On average, our Group takes approximately 30 days from the date of receipt of invoices from our suppliers to process the payments to suppliers.

For the FYE 2013, we recorded trade payables turnover period of 124 days. The increase in the turnover period was mainly due to the higher purchases of supplies and raw materials in the last quarter to cater for the higher forecasted demand for our testers in the FYE 2014.

For the FYE 2014, we recorded trade payables turnover period of 166 days. The increase in the turnover period was also due to the higher purchases of supplies and raw materials in the last quarter to cater for our sales in the FYE 2015.

For the FPE 2015, we recorded trade payables turnover period of 189 days. The increase in the turnover period was mainly due to the higher purchases of supplies and raw materials in anticipation of the increase in our sales in the FPE 2015.

As at 30 April 2015, the breakdown of our net trade payables are as follows:-

	Within Credit Period			Exceeding Credit Period		Total (RM'000)
	1-30 days	31-60 days	61-90 days	91-120 days	> 121 days	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Trade payables	1,789	1,348	775	263	1,948	6,123
% of total trade payables	29.22	22.02	12.66	4.30	31.82	100.0
Subsequent payment as at the LPD	(1,232)	(1,167)	(261)	-	(462)	(3,223)
Trade payables net of subsequent payment	557	181	514	263	1,486	3,001
% of total trade payables net of subsequent payments	18.56	6.03	17.13	8.76	49.52	100.00

As at the LPD, approximately RM3.00 million of our total trade payables of approximately RM6.12 million as at 30 April 2015 remain outstanding.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(c) Inventories**

Our inventories mainly comprise electronic components, finished goods and finished goods as demonstration units.

The breakdown of our inventories for the past three (3) FYE 2012 to FYE 2014 and FPE 2015 are set out below:-

	Historical			Proforma
	Audited			
	FYE 2012 (RM'000)	FYE 2013 (RM'000)	FYE 2014 (RM'000)	FPE 2015 (RM'000)
Supplies and raw materials	1,940	1,876	4,279	6,480
Finished goods	1,348	1,622	2,183	4,661
Finished goods as demonstration units	1,173	1,231	882	1,545
<b>Total</b>	<b>4,461</b>	<b>4,729</b>	<b>7,344</b>	<b>12,686</b>
<b>Total inventories (including demonstration units)</b>				
Inventories turnover period (Months)	16.46	16.49	10.22	12.86
<b>Total inventories (excluding demonstration units)</b>				
Inventories turnover period (Months)	12.12	12.19	9.00	11.30

As part of our strategy to deliver ATE to our customers on time, we have to stock up on long lead time electronic components and other critical materials to enable prompt delivery to our customers. In addition, our demonstration units which are placed at our potential or new customers' factories or project base for demonstration, testing and verification purposes, also forms part of our inventory. Within normal circumstances, the demonstration period will consume six (6) months to fifteen (15) months, dependent on the testing specifications of our customers' products.

For the FYE 2012 and FYE 2013, our inventory turnover period remained at approximately 16.46 months and 16.49 months respectively as we recorded lower sales for the FYE 2012 and FYE 2013.

For the FYE 2014, our inventory turnover period decreased by approximately 6.27 months and 3.19 months, for inventories including demonstration units and inventories excluding demonstration units respectively, due to increase in our sales in the FYE 2014.

For the FPE 2015, our inventory turnover period increased by approximately 2.64 months and 2.30 months, for inventories including demonstration units and inventories excluding demonstration units respectively mainly due to stocking up of long lead time electronic components and critical materials. In addition, more demonstration units are placed at our potential customers' factories during the period under review.

Our Group reviews for slow moving/obsolete inventories by adopting a specific identification approach which requires our management to consider the shelf life as well as the frequency of demand of our inventories. As our management judgement and estimates are required, possible changes in these estimates could result in impairment/revision to the valuation of inventories.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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We are of the opinion that there is no material slow moving or obsolete inventories as at the LPD, premised on the following:-

- (i) the supplies and raw materials consist of basic components used for the assembly of the ATE. These basic components have a shelf life of approximately one (1) to four (4) years;
- (ii) the finished goods comprise test modules which are re-workable and readily available for assembly purpose; and
- (iii) the demonstration units are non-obsolete as they will be/are currently being placed at the client's premise for calibration and verification purposes.

**(d) Gearing Ratio**

The gearing ratio of our Group has improved from 0.008 times in the FYE 2012 to 0.007 times in the FYE 2013. The gearing ratio has further improved from 0.007 times in the FYE 2013 to 0.004 times in the FYE 2014. As at FPE 2015, the gearing ratio remains unchanged at 0.004 times. The overall improvement of our gearing ratio was mainly due to the increase in shareholders' equity of our Group and there was no major increase on our Group's level of borrowings.

**11.4.25 Order Book**

Generally, we do not have any long term contracts with our customers as our sales are made based on confirmed orders. Our sales process entails planning and discussions with prospective customers, analysing their existing system and identifying how these prospective customers can leverage our products within their existing system. Customers may choose to deploy our products either on a standalone basis or to integrate with their existing platforms.

As such, our order book may change at any particular point in time as a result of additions, deferrals or rescheduling of our products and/or services. As at the LPD, our order book stood at approximately RM2.27 million. In the past, we have experienced instances of additions and deferrals or rescheduling at the request of our customers. However, as at the LPD, our customer's additions and deferrals or rescheduling of order to our products and services have not materially distorted our normal business operations. Therefore, our order book as at any particular date may not confirm our revenue for any succeeding period.

We actively and continuously market our products in order to secure new customers as part of our expansion plan as further elaborated in Section 6.16 of this Prospectus. Riding on our competitive strengths as set out in Section 6.15 of this Prospectus as well as our Group's commitment towards the growth of our Group's business, barring unforeseen circumstances, we are optimistic of the business and prospects of our Group in the foreseeable future.

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## 11. HISTORICAL FINANCIAL INFORMATION *(cont'd)*

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### 11.4.26 Trend Information

As at the LPD, save as disclosed in Sections 4, 6, 7 and 11 of this Prospectus, to the best of their knowledge and belief, our Directors are not aware of any of the following:-

- (a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations and capital resources;
- (b) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations of our Group;
- (c) known events, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources; and
- (d) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of our future performance and position.

Our Board is positive about our future prospects, based on the outlook of the Electronics and Semiconductor Industry and ATE Industry as set out in the Executive Summary of the Independent Market Research Report in Section 7 of this Prospectus, in consideration of our competitive strengths as set out in Section 6.15 of this Prospectus and our commitment towards the future plans and strategies of our Group as set out in Section 6.16 of this Prospectus.

### 11.4.27 Significant Changes

Save as disclosed in this Prospectus, there is no significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to the FPE 2015 up to 17 August 2015.

### 11.5 Dividend Policy

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to our shareholders' approval. We have not formulated a dividend policy or payout ratio, however, we recognise that it is important to reward our investors with dividends. It is our intention to pay dividends to shareholders in the future depending upon a number of factors, including our financial performance, capital expenditure requirements, general financial conditions and any other factors considered relevant by our Board. Actual dividend proposed and declared may vary depending on our financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow and operations.

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**12. ACCOUNTANTS' REPORT**

*(Prepared for inclusion in the Prospectus)*



**Grant Thornton**

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**The Board of Directors  
Aemulus Holdings Berhad  
51-13-A, Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang**

**Grant Thornton (AF:0042)  
51-8-A, Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang, Malaysia**

Dear Sirs,

**T +6 (04) 228 7828  
F +6 (04) 227 9828  
www.gt.com.my**

**AEMULUS HOLDINGS BERHAD**

**ACCOUNTANTS' REPORT**

We set out below our Report on the historical financial information of Aemulus Corporation Sdn. Bhd. ("ACSB"), the sole subsidiary of Aemulus Holdings Berhad ("Aemulus" or "Company"), for inclusion in the Prospectus to be dated **26 AUG 2015** in connection with the initial public offering ("IPO") by Aemulus which entails a public issue of 87,790,000 new ordinary shares of RM0.10 each ("Public Issue") and the offer for sale by the Offerors of their existing 43,885,000 ordinary shares of RM0.10 each in Aemulus ("Offer for Sale") at an issue/offer price of RM0.28 per share and the listing of and quotation for its entire enlarged issued and paid-up share capital of 438,850,000 ordinary shares of RM0.10 each on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The historical financial information ("Financial Information") as set out in Section 6 of this Report comprises the statements of financial position of ACSB as at 30 September 2012, 2013 and 2014 and as at 30 April 2015 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial years ended 30 September 2012, 2013 and 2014 and for the financial period ended 30 April 2015, and a summary of the significant accounting policies and other explanatory notes.

The Financial Information has been prepared based on the Malaysian Financial Reporting Standards ("MFRS") as indicated in Section 6 of this Report on the basis set out thereto.

**Directors' Responsibility**

The directors of the Company are responsible for the preparation of the true and fair presentation of the Financial Information of ACSB in accordance with MFRS. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the Financial Information that are free from material misstatements whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

12. ACCOUNTANTS' REPORT (cont'd)



**REPORT BY THE REPORTING ACCOUNTANTS (cont'd)**

**Reporting Accountants' Responsibility**

For the Financial Information for each of the financial years ended 30 September 2012, 2013 and 2014 and for the financial period ended 30 April 2015, our responsibility is to express an opinion on the Financial Information based on our examination and report our opinion to you. We have carried out independent audit procedures on the Financial Information for each of the financial years ended 30 September 2012, 2013 and 2014 and for the financial period ended 30 April 2015 in accordance with Malaysian Approved Standards on Auditing.


**Opinion on Financial Information**


In our opinion, the Financial Information of ACSB for each of the financial years ended 30 September 2012, 2013 and 2014 and for the financial period ended 30 April 2015 gives a true and fair view of the state and affairs of ACSB as at 30 September 2012, 2013 and 2014 and as at 30 April 2015 and of its results and cash flows for the years and period then ended in accordance with MFRS.

**Other Matters**

This Report is issued for the sole purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia in connection with the Company's IPO and listing of and quotation for its enlarged share capital on Bursa Securities ("Listing") and should not be relied upon for any other purposes. Therefore, this Report is not appropriate in other jurisdiction and should not be use or relied upon for any other purpose other than the IPO and Listing described in the foregoing. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance on, this Report in connection with any type of transaction, including the sale of securities other than the IPO and Listing.

Yours faithfully,

  
Grant Thornton  
No. AF: 0042  
Chartered Accountants

  
John Lau Tiang Hua, DJN  
No. 1107/03/16 (J)  
Chartered Accountant

Date: 17 AUG 2015

Penang

**12. ACCOUNTANTS' REPORT** *(cont'd)***Grant Thornton**

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**2. CONTENTS OF THIS REPORT**

This Report includes the following sections:

<b>No.</b>	<b>Description</b>	<b>Section of this Report</b>
i.	Abbreviations	3.0
ii.	General information	4.0
iii.	Dividends	5.0
iv.	Audited historical financial information	6.0
v.	Events after the reporting period	7.0
vi.	Financial statements	8.0

**3. ABBREVIATIONS**

Unless the context otherwise requires or the term is defined otherwise, the following abbreviation and terms shall bear the same meaning as set out below:

<b>Aemulus or Company</b>	:	Aemulus Holdings Berhad (1114009-H)
<b>Aemulus Group or Group</b>	:	Aemulus and its subsidiary, collectively
<b>Aemulus Share(s) or Share(s)</b>	:	Ordinary shares of RM0.10 each in Aemulus
<b>ACSB</b>	:	Aemulus Corporation Sdn. Bhd. (798015-M)
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad
<b>GT</b>	:	Grant Thornton (AF:0042)
<b>FPE</b>	:	Financial period ended/ending
<b>FRS</b>	:	Financial Reporting Standards in Malaysia
<b>FYE</b>	:	Financial year(s) ended/ending
<b>IFRS</b>	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
<b>IPO</b>	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively

**12. ACCOUNTANTS' REPORT (cont'd)**

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**3. ABBREVIATIONS (cont'd)**

<b>IPO Price</b>	:	The issue/offer price of RM0.28 per Share pursuant to the IPO
<b>MFRS</b>	:	Malaysian Financial Reporting Standards
<b>Report</b>	:	Accountants' Report
<b>RCPS</b>	:	Series 'A' redeemable convertible preference shares of RM0.10 each in ACSB
<b>RM and Sen</b>	:	Ringgit Malaysia and Sen
<b>USD</b>	:	US Dollar
<b>SGD</b>	:	Singapore Dollar

**4. GENERAL INFORMATION****4.1 Background Information****4.1.1 Aemulus Holdings Berhad**

Aemulus was incorporated in Malaysia on 17 October 2014 as a public company limited by shares under the Companies Act, 1965 of Malaysia. The Company was incorporated to facilitate the IPO and listing of and quotation for its enlarged share capital on Bursa Securities.

The principal activity of the Company is that of an investment holding company.

The registered office of Aemulus is located at 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

As at the date of this Report, the issued and paid-up share capital of Aemulus since its incorporation is as follows:

Date of Allotment	Consideration	No. of Ordinary Shares of RM0.10 Each Allotted	Total Issued and Paid-up Share Capital RM	----- Cumulative Total -----	
				No. of Ordinary Shares of RM0.10 Each Allotted	Total Issued and Paid-up Share Capital RM
17.10.14	Cash; Subscribers' shares	20	2	20	2
24.7.15	Acquisition of ACSB	351,059,980	35,105,998	351,060,000	35,106,000



**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**4. GENERAL INFORMATION (cont'd)****4.1 Background Information (cont'd)****4.1.2 Aemulus Corporation Sdn Bhd**

ACSB was incorporated in Malaysia on 3 December 2007 as a private limited liability company under the Companies Act, 1965 of Malaysia. The principal activities of ACSB are the designing and assembling of automated test equipment and test and measurement instruments and the provision of their related services and design consultancy services. Further information of ACSB is detailed under Section 6 of this Report. Under the relevant financial years under review, ACSB had two wholly-owned subsidiaries namely, Aemulus Photovoltaik Pte. Ltd. ("APPL") and Aemulus Marketing Sdn. Bhd. ("AMSB")

APPL was incorporated and domiciled in the Republic of Singapore and remained dormant throughout the relevant financial years under review. APPL was struck off on 30 April 2013.

AMSB was incorporated and domiciled in Malaysia and remained dormant throughout the relevant financial years under review. AMSB was disposed of on 11 September 2014 for a cash consideration of RM2.

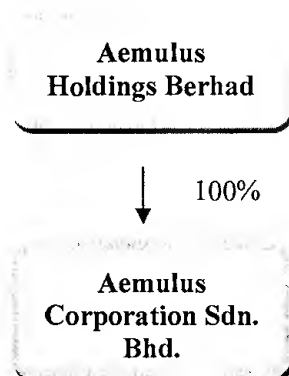
**4.2 Listing Scheme**

The IPO entails the following listing scheme.

**4.2.1 Acquisition of ACSB**

As part of the listing scheme, the RCPS holders in ACSB converted their RCPS comprising 20,308,360 series 'A' RCPS of RM0.10 each into 20,308,360 new ordinary shares of RM0.10 each in ACSB. Subsequent to the RCPS conversion, Aemulus acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in Aemulus at par. The purchase consideration was arrived based on the audited net assets of ACSB as at 30 September 2014 and adjusted for the conversion of the RCPS.

The above acquisition was completed on 24 July 2015.

**4.2.2 Group Structure after the Pre-IPO Reorganisation**

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**4. GENERAL INFORMATION (cont'd)**

**4.2.3 IPO and Listing**

Upon completion of the acquisition of ACSB, the Company will undertake the following exercise:

- (a) A Public Issue of 87,790,000 new Aemulus Shares and an Offer for Sale by the Offerors of 43,885,000 existing Aemulus Shares at an issue/offer price of RM0.28 per Share, and
- (b) Listing of and quotation for its entire enlarged paid-up share capital, comprising 438,850,000 Shares, on the ACE Market of Bursa Securities.

**5. DIVIDENDS**

Aemulus and ACSB did not pay or declare any dividend during the relevant financial years/period under review.

**6. AUDITED HISTORICAL FINANCIAL INFORMATION**

This Report deals solely with the audited consolidated financial information of ACSB for the the past three (3) FYE 30 September 2012 to 2014 and for the 7 months FPE 30 April 2015.

Aemulus was incorporated on 17 October 2014. We have been appointed as the auditors of Aemulus and will be auditing the Company's first financial statements for the FPE 30 September 2015. The financial information of Aemulus is not presented in this Report as it is not meaningful since it was only incorporated to facilitate the IPO and its assets and liabilities as at 30 April 2015 are insignificant relative to those of ACSB as at that date.

**6.1 Statement of Compliance**

The financial information of ACSB as presented in Section 6.4 for the past three (3) FYE 30 September 2012 to 2014 and for the 7 months FPE 30 April 2015 are prepared in accordance with MFRS.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

**6.2 Basis of Preparation of Historical Financial Information**

**6.2.1 Basis of Measurement**

The financial statements of ACSB are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in section 6.3 of this Report.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by ACSB.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

ACSB uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

**6.2.2 Standards Issued But Not Yet Effective**

The following are new MFRS, Amendments to MFRS and IC Interpretations which have been issued but not yet effective and have not been applied by ACSB.

12. ACCOUNTANTS' REPORT (cont'd)



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6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)

6.2 Basis of Preparation of Historical Financial Information (cont'd)

6.2.2 Standards Issued But Not Yet Effective (cont'd)

**Effective for financial periods beginning on or after 1 January 2016**

MFRS 14 *Regulatory Deferral Accounts*

MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Annual Improvements to MFRS 2012 - 2014 Cycle

**Effective for financial periods beginning on or after 1 January 2017**

MFRS 15 *Revenue from Contracts with Customers*

**Effective for financial periods beginning on or after 1 January 2018**

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

Amendments to MFRS 7 *Mandatory Date of MFRS 9 and Transition Disclosures*

The existing MFRS 111, MFRS 118, IC Int 13, IC Int 15, IC Int 18 and IC Int 131 will be withdrawn upon the adoption of MFRS 15 on 1 January 2017.

The initial application of the above standards is not expected to have any material impact to the financial statements of ACSB upon adoption, except as mentioned below:

**MFRS 15 *Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Int 13 *Customer Loyalty Programmes*, IC Int 15 *Agreements for Construction of Real Estate*, IC Int 18 *Transfers of Assets from Customers* and IC Int 131 *Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. ACSB is currently assessing the financial impact of adopting MFRS 15.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.2 Basis of Preparation of Historical Financial Information (cont'd)****6.2.3 Significant Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**6.2.3.1 Judgements Made in Applying Accounting Policies**

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

**6.2.3.2 Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(i) Useful Lives of Depreciable Assets**

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 5 to 10 years. Changes in the expected technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore future depreciation charges could be revised.

**(ii) Impairment of Intangible Assets**

ACSB determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

**(iii) Inventories**

The management reviews for slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.2 Basis of Preparation of Historical Financial Information (cont'd)****6.2.3.2 Key Sources of Estimation Uncertainty (cont'd)****(iv) Impairment of Loans and Receivables**

ACSB assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, ACSB considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

**(v) Provision for Warranty**

ACSB provides warranty for manufacturing defects of its products sold. ACSB's normal product warranty period is one year. The provision for product warranty is calculated at approximately 2.5% of the annual cost of products sold.

ACSB's products are constantly upgraded for technology developments, the level of manufacturing defects for the upgraded and/or new products may not necessarily reflect past trends and in such circumstances, the original basis used to calculate the amounts for product warranty claim may need to be revised when it is appropriate.

**6.3 Significant Accounting Policies**

The accounting policies set out below have been applied consistently to the periods presented in this Report.

**6.3.1 Basis of Consolidation****(i) Subsidiaries**

Subsidiaries are entities, including unincorporated entities, controlled by the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

- Control exists when the company is exposed, or has rights, to variable returns through its power over the entity.
- Potential voting rights are considered when assessing control only when such rights are substantive.
- The company considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

**12. ACCOUNTANTS' REPORT (cont'd)**



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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

**6.3 Significant Accounting Policies (cont'd)**

**6.3.1 Basis of Consolidation (cont'd)**

Investment in subsidiaries is measured in the company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of investment in subsidiaries, the difference between the net disposal proceeds and their carrying amount is recognised in profit or loss.

**(ii) Business Combination**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the company.

For new acquisitions, the company measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gain or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

For each business combination, the company elects whether to recognise non-controlling interests in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the company incurs in connection with a business combination are expensed as incurred.

**(iii) Acquisitions of Non-controlling Interests**

The company treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the company and the non-controlling interest holders of its subsidiary. Any difference between the company's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the company's reserve.

**12. ACCOUNTANTS' REPORT** (cont'd)**Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)**6.3 Significant Accounting Policies** (cont'd)**6.3.1 Basis of Consolidation** (cont'd)**(iv) Loss of Control**

Upon the loss of control of a subsidiary, the company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for sale financial asset depending on the level of influence retained.

**(v) Non-controlling Interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the company.

Non-controlling interests in the results of the company is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

**(vi) Transactions Eliminated on Consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

**(vii) Business combination under common control**

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. In applying merger accounting, financial statement items of the combining entities or business for the reporting year in which the common control combination occurs, are included in the consolidated financial statements of the combined entity as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties.



**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.3 Significant Accounting Policies (cont'd)****6.3.1 Basis of Consolidation (cont'd)**

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the consolidated financial statements of the controlling party or parties prior to the common control combination.

The carrying amounts are included as if such consolidated financial statements had been prepared by the controlling party, including adjustments required for conforming the combined entity's accounting policies and applying those policies to all years presented.

There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or business, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the combined entity.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

**6.3.2 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Freehold commercial lot	2%
Office and testing equipment	10% - 20%
Furniture and fittings	10%
Renovation	10%
Motor vehicles	10%

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

**6.3 Significant Accounting Policies (cont'd)**

**6.3.2 Property, Plant and Equipment (cont'd)**

Depreciation on capital expenditure in progress commences when the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceed and its carrying amount is recognised in profit or loss.

**6.3.3 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

**Finance Lease**

Leases in terms of which ACSB assumes substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that ACSB will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.3 Significant Accounting Policies (cont'd)****6.3.3 Leases (cont'd)****Operating Lease**

Leases, where ACSB does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

**6.3.4 Goodwill**

Goodwill acquired through business combination is initially measured at cost being the excess of the cost of business acquired over ACSB's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

**6.3.5 Impairment of Non-Financial Assets**

ACSB assesses at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

**12. ACCOUNTANTS' REPORT** *(cont'd)***Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)**6.3 Significant Accounting Policies** (cont'd)**6.3.5 Impairment of Non-Financial Assets** (cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

**6.3.6 Financial Instruments****6.3.6.1 Initial Recognition and Measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, ACSB becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

**6.3.6.2 Financial Instrument Categories and Subsequent Measurement****Financial Assets****(a) Loans and Receivables**

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

**6.3 Significant Accounting Policies (cont'd)**

**6.3.6 Financial Instruments (cont'd)**

**6.3.6.2 Financial Instrument Categories and Subsequent Measurement (cont'd)**

**(b) Available-for-sale Financial Assets**

Available-for-sale category comprises investment in equity and debt securities instruments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when ACSB's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

All financial assets are subject to review for impairment.

**Financial Liabilities**

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

**6.3.6.3 Derecognition**

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control of substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**12. ACCOUNTANTS' REPORT** (cont'd)**Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.3 Significant Accounting Policies (cont'd)****6.3.7 Impairment of Financial Assets**

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

**6.3.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials is determined on the weighted average basis. Cost of finished goods includes direct materials and direct labour and is determined on weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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**12. ACCOUNTANTS' REPORT** (cont'd)

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)

**6.3 Significant Accounting Policies** (cont'd)

**6.3.9 Cash and Cash Equivalents**

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

**6.3.10 Provisions**

Provisions are recognised when ACSB has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

**6.3.11 Borrowings Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that ACSB incurred in connection with the borrowing of funds.

**6.3.12 Research and Development Expenditure**

All general research and development expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

**6.3.13 Government Grants**

Government grants are recognised initially as deferred income at their fair values when there is reasonable assurance that the conditions attaching to them will be complied with and the grants will be received.

Grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.

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**12. ACCOUNTANTS' REPORT** (cont'd)

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)

**6.3 Significant Accounting Policies** (cont'd)

**6.3.14 Revenue Recognition**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

**6.3.15 Employee Benefits**

**Short Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of ACSB. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**Defined Contribution Plans**

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit and loss as incurred.

**6.3.16 Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.



**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.3 Significant Accounting Policies (cont'd)****6.3.16 Income Tax (cont'd)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**6.3.17 Foreign Currency Translations**

The individual financial statements of subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the company's functional currency.

In preparing the financial statements of the individual entity, transactions in currencies other than the entity's functional currency (foreign currency) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, foreign currency monetary items are translated into the functional currency on the exchange rates ruling at that date. All exchange gains or losses are recognised in profit or loss.

The financial statements of the foreign subsidiary are translated into RM at the approximate rate of exchange ruling at the end of the reporting period for assets and liabilities and at the approximate average rate of exchange ruling on transaction dates for income and expenses. Exchange differences due to such currency translations are taken directly to exchange translation reserve.

**6.3.18 Segment Reporting**

An operating segment is a component of ACSB that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of ACSB's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who in this case are the executive directors of ACSB, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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**12. ACCOUNTANTS' REPORT** (cont'd)

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)

**6.3 Significant Accounting Policies** (cont'd)

**6.3.19 Share Capital and Share Premium**

An equity instrument is any contract that evidences a residual interest in the assets of ACSB after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Share premium includes any premium received upon issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

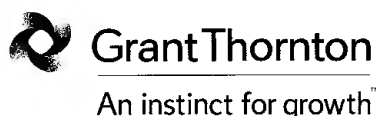
**6.3.20 RCPS**

The RCPS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. Upon issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the accounting policy for financial liabilities at amortised cost.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholders' equity, net of transaction costs.

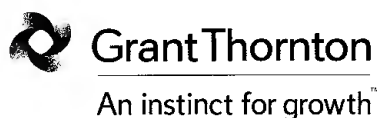
Transaction costs are apportioned between the liability and equity components of the RCPS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

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**12. ACCOUNTANTS' REPORT (cont'd)****6. AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)****6.4 ACSB****(a) Consolidated statement of financial position**

	NOTE	30.9.2012 RM	30.9.2013 RM	30.9.2014 RM	30.4.2015 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6.4.1	1,449,025	2,208,218	2,930,316	3,543,482
Intangible assets	6.4.2	13,686,335	13,686,335	13,686,335	13,686,335
		<u>15,135,360</u>	<u>15,894,553</u>	<u>16,616,651</u>	<u>17,229,817</u>
<b>Current assets</b>					
Inventories	6.4.3	4,461,201	4,729,551	7,344,103	12,685,633
Trade receivables	6.4.4	2,302,730	5,001,500	10,378,585	9,924,885
Other receivables, deposits and prepayments	6.4.5	160,222	931,110	1,354,062	2,373,225
Other investment	6.4.6	622,156	1,001,250	624,267	637,150
Tax recoverable		-	52	1,300	-
Fixed deposits with licensed banks	6.4.7	3,409,471	1,200,772	1,382,724	1,407,827
Cash and bank balances	6.4.8	941,937	1,002,060	2,922,028	3,472,234
		<u>11,897,717</u>	<u>13,866,295</u>	<u>24,007,069</u>	<u>30,500,954</u>
<b>TOTAL ASSETS</b>		<u>27,033,077</u>	<u>29,760,848</u>	<u>40,623,720</u>	<u>47,730,771</u>
<b>EQUITY AND LIABILITIES</b>					
Share capital	6.4.9	18,817,042	18,817,042	18,817,042	18,817,042
Share premium		312,036	312,036	312,036	312,036
Reserves	6.4.10	(634)	-	-	-
RCPS	6.4.11	199,827	250,782	250,782	250,782
Retained profits	6.4.12	3,966,845	4,967,503	13,001,533	17,780,526
		<u>23,295,116</u>	<u>24,347,363</u>	<u>32,381,393</u>	<u>37,160,386</u>
<b>Non-current liabilities</b>					
RCPS	6.4.11	1,810,896	2,601,394	-	-
Borrowings	6.4.13	147,275	137,634	128,236	124,169
Deferred tax liabilities	6.4.14	47,276	51,206	27,306	11,377
		<u>2,005,447</u>	<u>2,790,234</u>	<u>155,542</u>	<u>135,546</u>
<b>Current liabilities</b>					
RCPS	6.4.11	-	-	2,696,993	2,760,708
Trade payables	6.4.15	730,037	1,166,111	3,922,188	6,122,662
Other payables and accruals	6.4.16	895,688	1,360,788	1,268,345	1,288,965
Provision for warranty	6.4.17	59,111	63,384	184,366	250,328
Borrowings	6.4.13	46,459	32,968	14,893	11,939
Provision for taxation		1,219	-	-	237
		<u>1,732,514</u>	<u>2,623,251</u>	<u>8,086,785</u>	<u>10,434,839</u>
<b>Total liabilities</b>		<u>3,737,961</u>	<u>5,413,485</u>	<u>8,242,327</u>	<u>10,570,385</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>27,033,077</u>	<u>29,760,848</u>	<u>40,623,720</u>	<u>47,730,771</u>

## 12. ACCOUNTANTS' REPORT (cont'd)



## 6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)

## 6.4 ACSB (cont'd)

## (b) Consolidated statement of comprehensive income

		----- FYE 30 September -----			FPE 30 April
	NOTE	2012 RM	2013 RM	2014 RM	2015 RM
Revenue	6.4.18	11,031,462	10,003,817	23,306,895	16,376,798
Cost of sales		(3,252,205)	(3,439,836)	(8,619,608)	(6,904,031)
<b>Gross profit</b>		7,779,257	6,563,981	14,687,287	9,472,767
Other income		105,072	920,099	1,236,147	1,356,124
Administrative expenses		(6,419,869)	(6,204,565)	(7,789,735)	(5,987,434)
<b>Profit from operations</b>		1,464,460	1,279,515	8,133,699	4,841,457
Finance costs		(394,925)	(274,160)	(108,161)	(70,689)
<b>Profit before taxation</b>	6.4.19	1,069,535	1,005,355	8,025,538	4,770,768
Taxation	6.4.20	1,866	(4,697)	8,492	8,225
<b>Profit for the year/period</b>		1,071,401	1,000,658	8,034,030	4,778,993
<b>Other comprehensive (loss)/income, net of tax:</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Fair value adjustment on available-for-sale financial asset		246	(246)	-	-
Foreign currency translation differences for foreign operation		(880)	880	-	-
<b>Other comprehensive (loss)/income for the year/period</b>		(634)	634	-	-
<b>Total comprehensive income for the year/period</b>		1,070,767	1,001,292	8,034,030	4,778,993



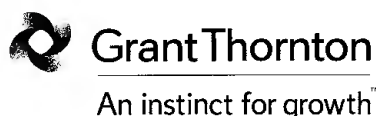
## 12. ACCOUNTANTS' REPORT (cont'd)

### 6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)

#### 6.4 ACSB (cont'd)

##### (c) Consolidated statement of changes in equity

	NOTE	Share Capital RM	Share Premium RM	Non-distributable Reserves RM	RCPS RM	Distributable Retained Profits RM	Total Equity RM
As at 1 October 2011		18,817,042	312,036	-	199,827	2,895,444	22,224,349
Total comprehensive income for the year		-	-	(634)	-	1,071,401	1,070,767
As at 30 September 2012/ 1 October 2012		18,817,042	312,036	(634)	199,827	3,966,845	23,295,116
<i>Transaction with owners:</i> Equity component of RCPS	6.4.11	-	-	-	50,955	-	50,955
Total comprehensive income for the year		-	-	634	-	1,000,658	1,001,292
As at 30 September 2013/ 1 October 2013		18,817,042	312,036	-	250,782	4,967,503	24,347,363
Total comprehensive income for the year		-	-	-	-	8,034,030	8,034,030
As at 30 September 2014/ 1 October 2014		18,817,042	312,036	-	250,782	13,001,533	32,381,393
Total comprehensive income for the period		-	-	-	-	4,778,993	4,778,993
As at 30 April 2015		18,817,042	312,036	-	250,782	17,780,526	37,160,386

**12. ACCOUNTANTS' REPORT (cont'd)****6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(d) Consolidated statement of cash flows**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	1,069,535	1,005,355	8,025,538	4,770,768
Adjustments for:				
Bad debts	280,880	51,600	-	-
Dividend income	(1,910)	(30,054)	(26,002)	(11,625)
Depreciation	256,111	286,785	368,161	253,057
Government grant	(17,760)	(740,000)	(940,331)	(855,387)
Gain on disposal of investment in a subsidiary	-	-	(11,343)	-
Impairment loss on other investment	-	714	1,466	-
Interest expense	394,925	274,160	108,161	70,689
Interest income	(84,927)	(81,600)	(34,815)	(44,888)
Loss on deconsolidation of a subsidiary	-	3,831	-	-
Property, plant and equipment written off	-	14,411	5,174	73,080
Provision for warranty	(127,352)	4,273	120,982	65,962
Unrealised loss/(gain) on foreign exchange	47,065	(64,504)	(222,753)	53,677
Operating profit before working capital changes	1,816,567	724,971	7,394,238	4,375,333
Increase in inventories <sup>(1)</sup>	(992,018)	(268,350)	(2,611,003)	(5,335,053)
Decrease/(Increase) in receivables	1,468,811	(2,747,323)	(4,771,246)	77,749
(Decrease)/Increase in payables	(892,320)	1,669,664	2,639,289	2,163,181
Cash generated from/(used in) operations	1,401,040	(621,038)	2,651,278	1,281,210
Income tax paid	(19,254)	(19,677)	(16,656)	(6,168)
Income tax refund	281	654	-	-
Interest paid	(17,593)	(221,941)	(12,562)	(6,974)
Net cash from/(used in) operating activities	1,364,474	(862,002)	2,622,060	1,268,068
<b>CASH FLOWS INVESTING ACTIVITIES</b>				
Cash flows from disposal of a subsidiary <sup>(2)</sup>	-	-	2	-
Interest received	84,927	81,600	34,815	44,888
(Purchase)/Proceeds from redemption of unit trusts	(620,000)	(350,000)	401,519	(1,258)
Purchase of property, plant and equipment <sup>(3)</sup>	(99,442)	(1,026,270)	(1,098,982)	(945,779)
Placement of fixed deposits	(161,221)	(10,449)	(12,008)	(6,233)
Net cash used in investing activities	(795,736)	(1,305,119)	(674,654)	(908,382)
Net cash carried forward	568,738	(2,167,121)	1,947,406	359,686

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(d) Consolidated statement of cash flows (cont'd)**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Net cash brought forward	568,738	(2,167,121)	1,947,406	359,686
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from government grant	17,760	-	39,331	-
Payment of finance lease	(114,707)	(51,720)	(21,845)	(3,666)
Repayment of term loan	(4,988)	(5,531)	(5,628)	(3,355)
Net cash (used in)/from financing activities	(101,935)	(57,251)	11,858	(7,021)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	466,803	(2,224,372)	1,959,264	352,665
Effects of changes in exchange rates	(7,355)	65,347	130,648	216,411
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>				
	3,540,507	3,999,955	1,840,930	3,930,842
<b>CASH AND CASH EQUIVALENTS AT END</b>				
	3,999,955	1,840,930	3,930,842	4,499,918
<b>Represented by:</b>				
Fixed deposits with licensed banks	3,058,018	838,870	1,008,814	1,027,684
Cash and bank balances	941,937	1,002,060	2,922,028	3,472,234
	3,999,955	1,840,930	3,930,842	4,499,918
<b>(1) Increase in inventories</b>				
Changes in inventories	(992,018)	(268,350)	(2,614,552)	(5,341,530)
Transfer from property, plant and equipment	-	-	3,549	6,477
Working capital changes	(992,018)	(268,350)	(2,611,003)	(5,335,053)
<b>(2) Cash flows from disposal of a subsidiary</b>				
Other payables	-	-	(11,341)	-
Gain on disposal	-	-	11,343	-
Cash inflow from disposal of investment in a subsidiary	-	-	2	-
<b>(3) Purchase of property, plant and equipment</b>				
Total acquisition cost	127,368	1,060,389	1,098,982	945,779
Acquired under finance lease	(27,926)	(34,119)	-	-
Total cash acquisition	99,442	1,026,270	1,098,982	945,779

**12. ACCOUNTANTS' REPORT (cont'd)****6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements****6.4.1 Property, Plant and Equipment**

<b>At cost</b>	<b>Freehold commercial lot RM</b>	<b>Office and testing equipment RM</b>	<b>Furniture and fittings RM</b>	<b>Renovation RM</b>	<b>Motor vehicles RM</b>	<b>Capital work-in-progress RM</b>	<b>Total RM</b>
<b>At 1 October 2011</b>	210,000	1,520,718	119,071	158,120	114,375	-	2,122,284
<b>Additions</b>	-	81,198	7,020	5,150	34,000	-	127,368
<b>At 30 September 2012/ 1 October 2012</b>	210,000	1,601,916	126,091	163,270	148,375	-	2,249,652
<b>Additions</b>	-	1,060,029	360	-	-	-	1,060,389
<b>Written off</b>	-	(24,225)	(7,424)	-	-	-	(31,649)
<b>At 30 September 2013/ 1 October 2013</b>	210,000	2,637,720	119,027	163,270	148,375	-	3,278,392
<b>Additions</b>	-	841,666	10,312	21,695	-	225,309	1,098,982
<b>Transfer to inventories</b>	-	(4,345)	-	-	-	-	(4,345)
<b>Written off</b>	-	(17,252)	-	-	-	-	(17,252)
<b>At 30 September 2014/ 1 October 2014</b>	210,000	3,457,789	129,339	184,965	148,375	225,309	4,355,777
<b>Additions</b>	-	1,062,693	93,830	109,756	-	-	1,266,279
<b>Reclassification</b>	-	-	-	225,309	-	(225,309)	-
<b>Set-off against government grant received</b>	-	(320,500)	-	-	-	-	(320,500)
<b>Transfer to inventories</b>	-	(6,700)	-	-	-	-	(6,700)
<b>Written off</b>	-	(1,749)	-	(163,544)	-	-	(165,293)
<b>At 30 April 2015</b>	210,000	4,191,533	223,169	356,486	148,375	-	5,129,563



**12. ACCOUNTANTS' REPORT (cont'd)****6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.1 Property, Plant and Equipment (cont'd)****Accumulated depreciation**

	Freehold commercial lot RM	Office and testing equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At 1 October 2011	9,100	437,152	25,224	37,774	35,266	-	544,516
Current charge	4,200	208,708	12,297	16,069	14,837	-	256,111
At 30 September 2012/ 1 October 2012	13,300	645,860	37,521	53,843	50,103	-	800,627
Current charge	4,200	239,351	12,070	16,327	14,837	-	286,785
Written off	-	(14,332)	(2,906)	-	-	-	(17,238)
At 30 September 2013/ 1 October 2013	17,500	870,879	46,685	70,170	64,940	-	1,070,174
Current charge	4,200	319,392	12,370	17,362	14,837	-	368,161
Transfer to inventories	-	(796)	-	-	-	-	(796)
Written off	-	(12,078)	-	-	-	-	(12,078)
At 30 September 2014/ 1 October 2014	21,700	1,177,397	59,055	87,532	79,777	-	1,425,461
Current charge	2,450	203,772	11,897	26,282	8,656	-	253,057
Transfer to inventories	-	(223)	-	-	-	-	(223)
Written off	-	(1,151)	-	(91,063)	-	-	(92,214)
At 30 April 2015	24,150	1,379,795	70,952	22,751	88,433	-	1,586,081


**12. ACCOUNTANTS' REPORT (cont'd)**
**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**
**6.4 ACSB (cont'd)**
**(e) Notes to Financial Statements (cont'd)**
**6.4.1 Property, Plant and Equipment (cont'd)**

Carrying amount	Freehold commercial lot RM	Office and testing equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At 30 September 2012	196,700	956,056	88,570	109,427	98,272	-	1,449,025
At 30 September 2013	192,500	1,766,841	72,342	93,100	83,435	-	2,208,218
At 30 September 2014	188,300	2,280,392	70,284	97,433	68,598	225,309	2,930,316
At 30 April 2015	185,850	2,811,738	152,217	333,735	59,942	-	3,543,482

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.1 Property, Plant and Equipment (cont'd)**

The disclosures relevant to property, plant and equipment are as follows:-

- (i) The freehold commercial lot is pledged to a licensed bank as security for banking facility granted to ACSB.
- (ii) The carrying amount of property, plant and equipment being acquired under finance lease are as follows:

	----- As at 30 September -----			As at 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
Office and testing equipment	174,917	75,716	11,315	26,271
Motor vehicle	67,672	-	-	-
	<u>242,589</u>	<u>75,716</u>	<u>11,315</u>	<u>26,271</u>

**6.4.2 Intangible Assets**

	----- As at 30 September -----			As at 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
<b>At cost</b>	<u>13,686,335</u>	<u>13,686,335</u>	<u>13,686,335</u>	<u>13,686,335</u>
Analysed as:				
Goodwill	13,663,357	13,663,357	13,663,357	13,663,357
Trademark, patent and industry design	22,978	22,978	22,978	22,978
	<u>13,686,335</u>	<u>13,686,335</u>	<u>13,686,335</u>	<u>13,686,335</u>

The goodwill arising from the business acquisition and other intangible assets have been allocated to their respective business segment as the cash-generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on financial budget and projections approved by the management.

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.2 Intangible Assets (cont'd)****Key Assumptions Used in Value-In-Use Calculations**

The calculation of value-in-use for the electronic tester segment is most sensitive to the following assumptions:

**(i) Cash flow projections and growth rate**

The five-year cash flow projections are based on the most recent budget and extrapolated using a revenue growth rate which reflects the demand of the CGU's products over their respective product life cycle. The average revenue growth rate used is 10%, which does not exceed the compounded annual revenue growth rate registered by ACSB over the last three financial years.

**(ii) Discount rate**

A pre-tax discount rate of 6.31% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the available borrowing rate to ACSB adjusted for risk premium based on the yield on a ten-year government bond at the beginning of the budgeted year.

The management believes that any reasonable change in the key assumptions would not cause the carrying amount of the intangible assets to exceed the recoverable amount of the CGU. Based on the above review, there is no evidence of impairment on the ACSB's intangible assets.

**6.4.3 Inventories**

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Raw materials	1,939,851	1,876,176	4,278,776	6,480,226
Finished goods	2,521,350	2,853,375	3,065,327	6,205,407
	<u>4,461,201</u>	<u>4,729,551</u>	<u>7,344,103</u>	<u>12,685,633</u>

The cost of inventories recognised in profit or loss as cost of sales for the financial period/year amounted to RM6,904,031 (30.9.2014: RM8,619,608; 30.9.2013: RM3,439,836; 30.9.2012: RM3,252,205).

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.4 Trade Receivables**

The currency profile of trade receivables is as follows:

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
RM	946,347	2,227,853	2,577,872	2,110,201
USD	972,048	2,091,455	6,816,099	7,712,776
SGD	384,335	682,192	984,614	101,908
	<u>2,302,730</u>	<u>5,001,500</u>	<u>10,378,585</u>	<u>9,924,885</u>

The trade receivables are non-interest bearing and are generally extended 30 to 90 days (30.9.2014: 30 to 90 days; 30.9.2013: 30 to 60 days; 30.9.2012: 30 to 60 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

**6.4.5 Other Receivables, Deposits and Prepayments**

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Other receivables	71,583	830,921	952,139	1,244,346
Refundable deposits	42,725	44,995	181,634	178,114
Prepayments	45,914	55,194	220,289	950,765
	<u>160,222</u>	<u>931,110</u>	<u>1,354,062</u>	<u>2,373,225</u>

Included in other receivables are the following:

- (i) An amount of RM Nil (30.9.2014: RM45,235; 30.9.2013: RM24,019; 30.9.2012: RM20,771) due from companies in which certain directors of ACSB have interests. It is unsecured, non-interest bearing and is repayable on demand;
- (ii) An amount of RM56,190 (30.9.2014: RM Nil; 30.9.2013: RM Nil; 30.9.2014: RM Nil) due from a company with common directors. It is unsecured, non-interest bearing and is repayable on demand, and
- (iii) Government grant receivable of RM1,175,000 (30.9.2014: RM901,000; 30.9.2013: RM 740,000; 30.9.2012: RM Nil).

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.6 Other Investment**

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
<b>Available-for-sale financial assets</b>				
Unit trusts, at fair value	622,156	1,001,250	624,267	637,150
Market value	622,156	1,001,250	624,267	637,150

**6.4.7 Fixed Deposits with Licensed Banks**

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Pledged to licensed banks as securities for banking and credit card facilities	351,453	361,902	373,910	380,143
Unencumbered	3,058,018	838,870	1,008,814	1,027,684
	3,409,471	1,200,772	1,382,724	1,407,827

The effective interest rates and maturities of fixed deposits at the end of the reporting period range from 3.05% to 3.20% (30.9.2014: 3.05% to 3.15%; 30.9.2013: 2.90% to 3.15%; 30.9.2012: 3.20%) per annum and 1 to 12 months (30.9.2014: 1 to 12 months; 30.9.2013: 1 to 12 months; 30.9.2012: 1 to 12 months) respectively.

**6.4.8 Cash and Bank Balances**

The currency profile of cash and bank balances is as follows:

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
RM	755,054	976,473	769,423	1,123,984
USD	186,858	25,587	2,152,494	2,348,134
SGD	-	-	111	116
Chinese Renmimbi	25	-	-	-
	941,937	1,002,060	2,922,028	3,472,234



## 12. ACCOUNTANTS' REPORT (cont'd)

### 6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)

6.4 ACSB (cont'd)	(e) Notes to Financial Statements (cont'd)	6.4.9 Share Capital	Number of shares		Amount					
			As at 30 September 2012	As at 30 September 2013	As at 30 September 2014	As at 30 September 2015	As at 30 April 2015	As at 30 April 2015		
			2012	2013	2014	2015	2012	2013	2014	2015
							RM	RM	RM	RM
	<b>Authorised:</b>									
	<b>Ordinary shares of RM0.10 each</b>									
	Balance at beginning		485,525,352	485,525,352	479,691,640	479,691,640	48,552,535	48,552,535	47,969,164	47,969,164
	Classified to RCPS		-	(5,833,712)	-	-	-	(583,371)	-	-
	Balance at end		485,525,352	479,691,640	479,691,640	479,691,640	48,552,535	47,969,164	47,969,164	47,969,164
	<b>RCPS of RM0.10 each</b>									
	Balance at beginning		14,474,648	14,474,648	20,308,360	20,308,360	1,447,465	1,447,465	2,030,836	2,030,836
	Classified from ordinary shares		-	5,833,712	-	-	-	583,371	-	-
	Balance at end		14,474,648	20,308,360	20,308,360	20,308,360	1,447,465	2,030,836	2,030,836	2,030,836
	<b>Issued and fully paid:</b>									
	<b>Ordinary shares of RM0.10 each</b>		188,170,415	188,170,415	188,170,415	188,170,415	18,817,042	18,817,042	18,817,042	18,817,042

ACSB had undertaken the following in the FYE 30 September 2013:-

- (i) altered its authorised share capital of RM50,000,000 consisting of 485,525,352 ordinary shares of RM0.10 each and 14,471,648 series 'A' RCPS of RM0.10 each to 479,691,640 ordinary shares of RM0.10 each and 20,308,360 series 'A' RCPS of RM0.10 each; and
- (ii) issued 5,833,712 new series 'A' RCPS of par value of RM0.10 each, fully paid-up in the capital of the ACSB, at an issue price of RM0.1382 per preference share, comprising RM0.10 nominal value and RM0.0382 premium as satisfaction of RM806,219 being interest owing to the RCPS holder.


**12. ACCOUNTANTS' REPORT (cont'd)**
**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**
**6.4 ACSB (cont'd)**
**(e) Notes to Financial Statements (cont'd)**
**6.4.10 Reserves**

	As at 30 September	As at 30 April
	2013	2015
	RM	RM
<b>Non-distributable</b>		
<b>(i) Exchange fluctuation reserve</b>		
Balance at beginning	-	-
Current year fluctuation	(880)	-
Deconsolidation of a subsidiary	-	-
	(880)	-
<b>(ii) Fair value adjustment reserve</b>		
Balance at beginning	-	-
Current year fluctuation	246	(246)
Balance at end	246	-
	(634)	-

(i) This is in respect of foreign exchange differences on translation of the financial statements of a foreign subsidiary.

(ii) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.





## 12. ACCOUNTANTS' REPORT (cont'd)

### 6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)

#### 6.4 ACSB (cont'd)

#### (e) Notes to Financial Statements (cont'd)

#### 6.4.11 RCPS

#### Number of Series 'A' RCPS of RM0.10 each

	As at 30 September		As at 30 April		Amount			
	2012	2013	2014	2015	2012	2013	2014	2015
					RM	RM	RM	RM
<b>Issued and fully paid:</b>								
Balance at beginning	14,474,648	14,474,648	20,308,360	20,308,360	1,447,465	1,447,465	2,030,836	2,030,836
Classified from ordinary shares	-	5,833,712	-	-	-	583,371	-	-
Balance at end	14,474,648	20,308,360	20,308,360	20,308,360	1,447,465	2,030,836	2,030,836	2,030,386
<b>Share premium:</b>								
Balance at beginning	-	-	-	-	552,535	552,535	775,383	775,383
Issued during the year	-	-	-	-	-	222,848	-	-
Balance at end	-	-	-	-	552,535	775,383	775,383	775,383
<b>Total</b>	<b>14,474,648</b>	<b>20,308,360</b>	<b>20,308,360</b>	<b>20,308,360</b>	<b>2,000,000</b>	<b>2,806,219</b>	<b>2,806,219</b>	<b>2,806,219</b>



**12. ACCOUNTANTS' REPORT (cont'd)**



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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

**6.4 ACSB (cont'd)**

**(e) Notes to Financial Statements (cont'd)**

**6.4.11 RCPS (cont'd)**

The salient terms of the RCPS are as follows:

- (a) The tenure is for 5 years,
- (b) The redemption amount payable by ACSB upon the redemption of the Series 'A' RCPS shall be the amount of the subscription price plus a rate of return of 15% per annum compounded on the aggregate subscription price of the A RCPS to be redeemed, taking into account any dividends paid, bonus shares issued or other distributions by ACSB,
- (c) In the event of any liquidation or winding up of ACSB, the Series 'A' RCPS holder shall rank in priority over the ordinary shareholders of ACSB,
- (d) ACSB may at any time give not less than ninety (90 days) prior notice in writing to the RCPS holder of its intention to redeem all or part of the Series 'A' RCPS which have been issued and are fully paid-up,
- (e) The RCPS holder may at any time after the expiry of five (5) years from the date of issue of the A RCPS held by it, require ACSB to redeem all but not part of those Series 'A' RCPS which have been issued and fully paid-up,
- (f) If ACSB fails to redeem the RCPS, the holder may (but shall not be obliged) to convert the RCPS into new ordinary shares based on a conversion ratio,
- (g) The holder of the RCPS shall have the same voting rights as the holder of the ordinary shares and shall carry the same number of votes equal to the number of ordinary shares on an as-converted basis, and

During the FYE 30 September 2013, ACSB entered into a supplemental agreement with the RCPS holder. No amendments were made to the salient terms of the RCPS as stipulated in the principal agreement, other than the following:

- (i) The entire paragraph (b) on redemption amount shall be replaced with the paragraph on dividends that shall read as "Holders of the Series 'A' RCPS shall rank for all dividends declared and paid on an as-converted basis"; and
- (ii) The words "after the expiry of five (5) years from the date of issue of the Series 'A' RCPS held by it" in paragraph (e) shall be amended to "31 December 2014".

During the FPE 30 April 2015, ACSB entered into a Second Supplemental Agreement with the RCPS holder and the following amendments were made: -

- (i) The period in (ii) above shall be amended from "31 December 2014" to "31 December 2015".
- (ii) The paragraphs on "Share Swap" and "Unsuccessful Listing" shall be included after the paragraph (b) in the Principal Agreement as follows:

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.11 RCPS (cont'd)****Share Swap**

In the event ACSB intends to go for Listing via a listing vehicle which shall be the holding company of ACSB, the Promoters shall procure that the newly issued ordinary shares in ACSB which are issued to the investor on exercise of its conversion rights based on the conversion ratio (whether or not exercised or deemed exercised) after the receipt of all relevant approvals required for the Listing but immediately prior to Listing shall be swapped for newly issued shares in the holding company ("Swapped Shares") on the same basis and on the same valuation as the ordinary shares in ACSB held by the Promoters ("Share Swap").

**Unsuccessful Listing**

In the event the Listing fails or is not proceeded with for any reason whatsoever after the conversion by the investor of its "A" RCPS into ordinary shares of ACSB based on the conversion ratio ("Investor Ordinary Shares") or after Share Swap has occurred, the investor would have the option to require ACSB to undertake a selective capital reduction of the Investor Ordinary Shares or require the Promoters to procure the holding company to undertake a selective capital reduction of the Swapped Shares and pay the investor in cash the value of the Investor Ordinary Shares or Swapped Shares cancelled which shall not, in any event, be lower than the Issue Amount, which shall be completed within three months or such other period which the investors agree, from the time the investor exercises its option or from 31 December 2015, whichever is later. The Promoters and ACSB shall do all that is necessary to facilitate the completion of the aforementioned selective capital reduction.

- (iv) The paragraph "Trade Sale" shall be amended to "The Promoters shall procure the sale of the entire shareholdings of the investor in ACSB or the entire issued and paid-up share capital of ACSB on or before 31 December 2015"
- (v) The word "Company" appearing in the paragraphs on "Registration Rights" and "Moratorium" in Schedule 1 shall be substituted for "Listed Company".

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.12 Retained Profits**

ACSB falls under the single tier system effective from 1 January 2014, and accordingly there are no restrictions on ACSB to frank the payment of dividends out of its entire retained profits and all of the dividends paid onwards are tax exempted in the hands of shareholders.

**6.4.13 Borrowings**

	----- As at 30 September -----			As at 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
<b>Non-current liabilities</b>				
<u>Finance lease liabilities</u>				
Minimum payments:				
Within 1 year	38,189	24,064	4,421	693
Later than 1 year but not later than 2 years	6,632	2,926	100	-
Later than 2 years but not later than 5 years	400	100	-	-
	45,221	27,090	4,521	693
Future finance charges	(1,459)	(929)	(205)	(43)
Carrying amount at end	43,762	26,161	4,316	650
Amount due within 1 year included under current liabilities	(37,080)	(23,314)	(4,215)	(650)
	6,682	2,847	101	-
<u>Term loan</u>				
Total amount payable	149,972	144,441	138,813	135,458
Amount due within 1 year included under current liabilities	(9,379)	(9,654)	(10,678)	(11,289)
	140,593	134,787	128,135	124,169
	147,275	137,634	128,236	124,169
<b>Current liabilities</b>				
Finance lease liabilities	37,080	23,314	4,215	650
Term loan	9,379	9,654	10,678	11,289
	46,459	32,968	14,893	11,939
Total borrowings	193,734	170,602	143,129	136,108

The disclosures relevant to borrowings are as follows:

- (i) The finance lease liabilities are secured over the leased assets.
- (ii) The term loan is secured over ACSB's freehold commercial lot.

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.13 Borrowings (cont'd)**

(iii) A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
<b>30.4.2015</b>						
Finance lease liabilities	1.23 to 4.00	650	650	-	-	-
Term loan	6.35	135,458	11,289	11,288	33,864	79,017
<b>30.9.2014</b>						
Finance lease liabilities	1.23 to 4.00	4,316	4,215	101	-	-
Term loan	6.35	138,813	10,678	10,678	32,034	85,423
<b>30.9.2013</b>						
Finance lease liabilities	1.23 to 4.00	26,161	23,314	2,747	100	-
Term loan	6.10	144,441	9,654	9,654	28,962	96,171
<b>30.9.2012</b>						
Finance lease liabilities	1.23 to 4.00	43,762	37,080	6,316	366	-
Term loan	6.10	149,972	9,379	9,379	28,138	103,076

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.14 Deferred Tax Liabilities**

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Arising from liability component of RCPS:				
Balance at beginning	66,609	47,276	51,206	27,306
Additions	-	16,985	-	-
Transfer to profit or loss	(19,333)	(13,055)	(23,900)	(15,929)
Balance at end	47,276	51,206	27,306	11,377

**6.4.15 Trade Payables**

The currency profile of trade payables is as follows:

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
RM	310,747	836,444	1,331,705	1,668,126
USD	410,784	284,691	2,565,110	4,450,216
SGD	8,506	2,373	9,279	4,320
Sterling Pound	-	595	16,094	-
Euro	-	42,008	-	-
	730,037	1,166,111	3,922,188	6,122,662

The trade payables are non-interest bearing and are normally settled within 30 to 90 days (30.9.2014: 30 to 90 days; 30.9.2013: 30 to 90 days; 30.9.2012: 30 to 60 days) credit terms.

**6.4.16 Other Payables and Accruals**

The currency profile of other payables and accruals is as follows:

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
RM	892,886	376,470	682,909	1,288,965
USD	-	984,318	585,436	-
SGD	2,802	-	-	-
	895,688	1,360,788	1,268,345	1,288,965

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.17 Provision for Warranty**

	----- As at 30 September -----			As at 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
Balance at beginning	186,463	59,111	63,384	184,366
Additions	59,111	63,384	184,366	135,649
Reversal	(186,463)	(59,111)	(63,384)	(69,687)
Balance at end	59,111	63,384	184,366	250,328

The provision for warranty is in respect of warranty granted on products sold. The provision is calculated based on approximately 2.5% of annual cost of products sold and management's estimation of the amount of warranty obligation at the time of sale.

**6.4.18 Revenue**

	----- FYE 30 September -----			FPE 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
Sale of goods	10,728,626	9,524,492	22,555,156	15,864,985
Services rendered	302,836	479,325	751,739	511,813
	11,031,462	10,003,817	23,306,895	16,376,798

**6.4.19 Profit Before Taxation**

	----- FYE 30 September -----			FPE 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
This is arrived at:				
<b>After charging:</b>				
Audit fee				
- current year/period	10,800	10,800	15,000	12,000
- under provision in prior year	-	-	2,000	-
Bad debts	280,880	51,600	-	-
Depreciation	256,111	286,785	368,161	253,057
Directors' fee	-	12,000	12,000	7,000
Interest expenses on:				
-Bank overdraft	4,066	4,649	3,144	1,742
-Finance lease	4,244	1,786	723	197
-RCPS	377,332	258,438	95,599	63,715
-Term loan	9,283	9,287	8,695	5,035



**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.19 Profit Before Taxation (cont'd)**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
<b>After charging (cont'd):</b>				
Impairment loss on other investment	-	714	1,466	-
Loss on deconsolidation of a subsidiary	-	3,831	-	-
Property, plant and equipment written off	-	14,411	5,174	73,080
Provision for warranty	(127,352)	4,273	120,982	65,962
Realised loss on foreign exchange	20,878	68,302	177,285	-
* Research and development expenditure	1,054,380	1,272,667	1,598,881	1,430,048
Rental of equipment	1,814	-	-	-
Rental of premises	164,750	163,500	199,861	259,353
# Staff costs	2,952,520	2,848,682	3,484,922	2,300,969
Unrealised loss on foreign exchange	47,065	-	-	53,677
<b>And crediting:</b>				
Gain on disposal of investment in a subsidiary	-	-	11,343	-
Dividend income from investment in unit trusts	1,910	30,054	26,002	11,625
Interest income	84,972	81,600	34,815	44,888
Realised gain on on foreign exchange	-	-	-	427,023
Unrealised gain on foreign exchange	-	64,504	222,753	-
<b>*Research and development expenditure</b>				
-Staff costs	1,018,490	1,272,667	1,598,881	1,430,048
-Others	35,890	-	-	-
	<u>1,054,380</u>	<u>1,272,667</u>	<u>1,598,881</u>	<u>1,430,048</u>

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.19 Profit Before Taxation (cont'd)**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
#Staff costs				
-Salaries, allowance and bonus	3,518,858	3,642,318	4,527,669	3,280,576
-EPF	424,874	451,889	524,586	425,183
-SOCSO	27,278	27,142	31,548	25,258
	<u>3,971,010</u>	<u>4,121,349</u>	<u>5,083,803</u>	<u>3,731,017</u>
Less: Charge to research and development expenditure	(1,018,490)	(1,272,667)	(1,598,881)	(1,430,048)
	<u>2,952,520</u>	<u>2,848,682</u>	<u>3,484,922</u>	<u>2,300,969</u>

Included in the staff costs are directors' emoluments as shown below:

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Directors' emoluments				
-Salaries, allowance and bonus	681,696	774,756	833,742	513,977
-EPF	82,044	93,216	100,206	66,524
	<u>763,740</u>	<u>867,972</u>	<u>933,948</u>	<u>580,501</u>
Less: Charged to research and development expenditure	(2,054)	-	-	-
	<u>761,686</u>	<u>867,972</u>	<u>933,948</u>	<u>580,501</u>

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**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.20 Taxation**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Malaysia income tax:				
Based on results for the year				
-Current tax	(17,748)	(16,992)	(12,000)	(11,000)
-Deferred tax relating to the origination and reversal of temporary differences	19,333	13,055	23,900	15,929
	1,585	(3,937)	11,900	4,929
Over/(Under) provision of current tax in prior year	281	(760)	(3,408)	3,296
	1,866	(4,697)	8,492	8,225

The current tax is in respect of interest income.

The reconciliation of tax expense of ACSB is as follows:

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Profit before taxation	1,069,535	1,005,355	8,025,538	4,770,768
Income tax at Malaysian statutory tax rate of 25%	(267,384)	(251,339)	(2,006,385)	(1,192,692)
Expenses not deductible for tax purposes	(171,457)	(94,559)	(62,080)	(70,171)
Income not subject to tax	478	208,640	300,107	216,753
Pioneer income not subject to tax	448,465	99,307	1,739,000	985,439
Net deferred tax movement not recognised *	(8,517)	34,014	41,258	65,600
	1,585	(3,937)	11,900	4,929
Over/(Under) provision in prior year	281	(760)	(3,408)	3,296
	1,866	(4,697)	8,492	8,225

\* The deferred tax movement not recognised is in respect of temporary difference arising from property, plant and equipment.

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**12. ACCOUNTANTS' REPORT** *(cont'd)*

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

**6.4 ACSB (cont'd)**

**(e) Notes to Financial Statements (cont'd)**

**6.4.20 Taxation (cont'd)**

ACSB obtained the Multimedia Super Corridor status with pioneer status tax incentive. Under this tax incentive, 100% of the statutory income derived from the design and assembly of automated test equipment and test and measurement instruments and the provision of related design consultancy services, will be exempted from income tax for a period of five years from 8 September 2008 to 7 September 2013 and was extended for another five years to 7 September 2018.

**6.4.21 Segmental Reporting**

**Business Segments**

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

ACSB has only one reportable business segment, i.e. electronic tester segment which is involved in the designing and assembling of automated test equipment and test and measurement instruments. As such, no operating segment information is prepared.

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## 12. ACCOUNTANTS' REPORT (cont'd)

### 6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)

#### 6.4 ACSB (cont'd)

#### (e) Notes to Financial Statements (cont'd)

#### 6.4.21 Segmental Reporting (cont'd)

#### Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue				Non-current assets			
	FYE 30 September		FPE 30 April		As at 30 September		As at 30 April	
	2012	2013	2014	2015	2012	2013	2014	2015
	RM	RM	RM	RM	RM	RM	RM	RM
Malaysia	8,209,950	5,960,176	8,579,092	6,872,826	15,153,360	15,894,553	16,616,651	17,229,817
Singapore	1,567,119	2,274,250	5,722,207	3,806,739	-	-	-	-
China	805,707	1,249,336	5,309,960	3,314,660	-	-	-	-
United States of America	222,562	485,757	2,286,903	1,808,357	-	-	-	-
Other countries	226,124	34,298	1,408,733	574,216	-	-	-	-
	11,031,462	10,003,817	23,306,895	16,376,798	15,153,360	15,894,553	16,616,651	17,229,817

Non-current assets information presented above consists of the following items as presented in ACSB's consolidated statement of financial position.

	As at 30 September		As at 30 April	
	2012	2013	2014	2015
	RM	RM	RM	RM
Property, plant and equipment	1,449,025	2,208,218	2,930,316	3,543,482
Intangible assets	13,686,335	13,686,335	13,686,335	13,686,335
	15,135,360	15,894,553	16,616,651	17,229,817

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.21 Segmental Reporting (cont'd)****Information About Major Customers**

The following are major customers with revenue equal or more than 10% of ACSB's total revenue:

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
All common control companies of:				
- Customer A	8,582,446	4,918,302	11,156,203	6,175,562
- Customer B	-	1,216,500	5,304,606	3,276,638
- Customer C	-	1,939,035	-	-

**6.4.22 Related Party Disclosures****(i) Identity of related parties**

For the purpose of these financial statements, parties are considered to be related to ACSB, if ACSB has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making any financial and operating decisions, or vice versa, or where ACSB and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of ACSB either directly or indirectly.

**(ii) Related Party Transactions**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Disposal of a subsidiary to certain directors of ACSB				
- Proceeds from disposal	-	-	2	-

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.22 Related Party Disclosures (cont'd)****(iii) Compensation of Key Management Personnel**

ACSB has no other members of key management personnel apart from the Board of Directors which compensation has been shown in section 6.4.19.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of ACSB, directly or indirectly.

**6.4.23 Government Grant**

ACSB has been granted approval by the Malaysian Investment Development Authority ("MIDA"), vide MIDA's letter dated 6 June 2013 to receive the following grants under the Domestic Investment Strategic Fund pertaining to the ACSB's activity in "Radio Frequency (RF) Semiconductor Tester":

- (i) a "matching 1:1 research & development grant" up to RM4,387,276, for a period of two (2) years commencing 2013; and
- (ii) a "matching 1:1 training grant" up to RM120,300, for a period of two (2) years commencing 2013.

As at the end of the FPE 30 April 2015, RM1,645,208 has been disbursed to ACSB for research and development purposes.

**6.4.24 Operating Lease Commitments**

	----- FYE 30 September -----			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Non-cancellable operating lease commitments				
Future minimum rentals payables:				
-Not later than one year	19,200	61,200	-	-
-Later than one year and not later than five years	4,800	56,100	-	-
	<u>24,000</u>	<u>117,300</u>	-	-

Operating lease commitments represent rentals payable for use of building. Lease is negotiated for a term of two to three years.

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.25 Categories of Financial Instruments**

The table below provides an analysis of financial instruments categorised as:

- (i) Available-for-sale financial assets ("AFS");
- (ii) Loans and receivables ("L&R"); and
- (iii) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	AFS RM	FL RM
<b>30.9.2012</b>				
Financial assets				
Trade receivables	2,302,730	2,302,730	-	-
Other receivables and refundable deposits	114,308	114,308	-	-
Other investment	622,156	-	622,156	-
Fixed deposits with licensed banks	3,409,471	3,409,471	-	-
Cash and bank balances	941,937	941,937	-	-
	<u>7,390,602</u>	<u>6,768,446</u>	<u>622,156</u>	<u>-</u>
Financial liabilities				
RCPS	1,810,896	-	-	1,810,896
Borrowings	193,734	-	-	193,734
Trade payables	730,037	-	-	730,037
Other payables and accruals	895,688	-	-	895,688
	<u>3,630,355</u>	<u>-</u>	<u>-</u>	<u>3,630,355</u>
<b>30.9.2013</b>				
Financial assets				
Trade receivables	5,001,500	5,001,500	-	-
Other receivables and refundable deposits	875,916	875,916	-	-
Other investment	1,001,250	-	1,001,250	-
Fixed deposits with licensed banks	1,200,772	1,200,772	-	-
Cash and bank balances	1,002,060	1,002,060	-	-
	<u>9,081,498</u>	<u>8,080,248</u>	<u>1,001,250</u>	<u>-</u>



**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.25 Categories of Financial Instruments (cont'd)**

	Carrying amount RM	L&R RM	AFS RM	FL RM
<b>30.9.2013</b>				
Financial liabilities				
RCPS	2,601,394	-	-	2,601,394
Borrowings	170,602	-	-	170,602
Trade payables	1,166,111	-	-	1,166,111
Other payables and accruals	1,360,788	-	-	1,360,788
	5,298,895	-	-	5,298,895
<b>30.9.2014</b>				
Financial assets				
Trade receivables	10,378,585	10,378,585	-	-
Other receivables and refundable deposits	1,133,773	1,133,773	-	-
Other investment	624,267	-	624,267	-
Fixed deposits with licensed banks	1,382,724	1,382,724	-	-
Cash and bank balances	2,922,028	2,922,028	-	-
	16,441,377	15,817,110	624,267	-
Financial liabilities				
RCPS	2,696,993	-	-	2,696,993
Borrowings	143,129	-	-	143,129
Trade payables	3,922,188	-	-	3,922,188
Other payables and accruals	1,268,345	-	-	1,268,345
	8,030,655	-	-	8,030,655
<b>30.4.2015</b>				
Financial assets				
Trade receivables	9,924,885	9,924,885	-	-
Other receivables and refundable deposits	1,422,460	1,422,460	-	-
Other investment	637,150	-	637,150	-
Fixed deposits with licensed banks	1,407,827	1,407,827	-	-
Cash and bank balances	3,472,234	3,472,234	-	-
	16,864,556	16,227,406	637,150	-

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.25 Categories of Financial Instruments (cont'd)**

	Carrying amount RM	L&R RM	AFS RM	FL RM
Financial liabilities				
RCPS	2,760,708	-	-	2,760,708
Borrowings	136,108	-	-	136,108
Trade payables	6,122,662	-	-	6,122,662
Other payables and accruals	1,288,965	-	-	1,288,965
	10,308,443	-	-	10,308,443

**6.4.26 Financial Risk Management**

ACSB is exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. ACSB operate within clearly defined guidelines that are approved by the Board and ACSB's policy is not to engage in speculative activities.

**(i) Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to ACSB. ACSB's exposure to credit risk arises principally from its trade receivables.

**Trade Receivables**

ACSB extends to existing customers credit terms ranging from 30 to 90 days. In deciding whether credit shall be extended, ACSB will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. ACSB subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that ACSB's exposure to bad debts is not significant.

	----- As at 30 September -----			As at 30 April
	2012 RM	2013 RM	2014 RM	2015 RM
Not past due	1,084,913	3,354,092	6,684,405	6,169,641
1 to 30 days past due	176,480	638,819	1,346,353	2,074,981
31 to 60 days past due	782,346	29,340	1,964,149	1,398,070
Past due more than 60 days	258,991	979,249	383,678	282,193
	1,217,817	1,647,408	3,694,180	3,755,244
	2,302,730	5,001,500	10,378,585	9,924,885

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.26 Financial Risk Management (cont'd)**

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with ACSB. None of ACSB's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

ACSB has trade receivables amounting to RM3,755,244 (30.9.2014: RM3,694,180; 30.9.2013: RM1,647,408; 30.9.2012: RM1,217,817) that are past due as at the end of the reporting period but not impaired as the management is of the view that these debts will be collected in due course.

ACSB has significant concentration of credit risk in the form of outstanding balance due from 2 (30.9.2014: 3; 30.9.2013: 3; 30.9.2012: 3) customers representing 56% (30.9.2014: 68%; 30.9.2013: 64%; 30.9.2012: 69%) of the total trade receivables.

**(ii) Liquidity Risk**

Liquidity risk is the risk that ACSB will not be able to meet its financial obligations as and when they fall due. ACSB actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, ACSB maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

The table below summarises the maturity profile of ACSB's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
<b>30.9.2012</b>						
RCPS	1,810,896	2,900,000	300,000	300,000	2,300,000	-
Interest bearing borrowings	193,734	195,193	47,568	16,011	28,538	103,076
Trade payables	730,037	730,037	730,037	-	-	-
Other payables and accruals	895,688	895,688	895,688	-	-	-
	<b>3,630,355</b>	<b>4,720,918</b>	<b>1,973,293</b>	<b>316,011</b>	<b>2,328,538</b>	<b>103,076</b>

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.26 Financial Risk Management (cont'd)**

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
<b>30.9.2013</b>						
RCPS	2,601,394	2,806,219	-	2,806,219	-	-
Interest bearing borrowings	170,602	171,631	33,718	12,580	29,062	96,271
Trade payables	1,166,111	1,166,111	1,166,111	-	-	-
Other payables and accruals	1,360,788	1,360,788	1,360,788	-	-	-
	<u>5,298,895</u>	<u>5,504,749</u>	<u>2,560,617</u>	<u>2,818,799</u>	<u>29,062</u>	<u>96,271</u>
<b>30.9.2014</b>						
RCPS	2,696,993	2,806,219	2,806,219	-	-	-
Interest bearing borrowings	143,129	143,334	15,098	10,779	32,034	85,423
Trade payables	3,922,188	3,922,188	3,922,188	-	-	-
Other payables and accruals	1,268,345	1,268,345	1,268,345	-	-	-
	<u>8,030,655</u>	<u>8,140,086</u>	<u>8,011,850</u>	<u>10,779</u>	<u>32,034</u>	<u>85,423</u>
<b>30.4.2015</b>						
RCPS	2,760,708	2,806,219	2,806,219	-	-	-
Interest bearing borrowings	136,108	136,108	11,982	11,289	33,864	79,016
Trade payables	6,122,662	6,122,662	6,122,662	-	-	-
Other payables and accruals	1,288,965	1,288,965	1,288,965	-	-	-
	<u>10,308,443</u>	<u>10,353,997</u>	<u>10,229,828</u>	<u>11,289</u>	<u>33,864</u>	<u>79,016</u>

**(iii) Interest Rate Risk**

ACSB's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. ACSB's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

**12. ACCOUNTANTS' REPORT** (cont'd)

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)**6.4 ACSB** (cont'd)**(e) Notes to Financial Statements** (cont'd)**6.4.26 Financial Risk Management** (cont'd)

The interest rate profile of ACSB's interest bearing financial instruments based on their carrying amounts as at the end of the reporting period is as follows:

	----- As at 30 September -----			As at 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
Fixed rate instruments				
Financial assets	3,409,471	1,200,772	1,382,724	1,407,827
Financial liabilities	43,762	26,161	4,316	650
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Floating rate instruments				
Financial liabilities	149,972	144,441	138,813	135,458
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**Sensitivity analysis for fixed rate instruments**

ACSB does not account for any fixed rate financial liabilities at fair value through profit or loss, and ACSB does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

**Sensitivity analysis for variable rate instruments**

An increase or decrease of 25 basis point at the end of reporting period would not have a material impact on the results of ACSB for all the financial years under review.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

**(iv) Foreign Currency Risk**

The objectives of ACSB's foreign exchange policies are to allow it to manage exposures that arise from trading activities effectively within a framework of controls that does not expose ACSB to unnecessary foreign exchange risks.

**12. ACCOUNTANTS' REPORT (cont'd)**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.26 Financial Risk Management (cont'd)****(iv) Foreign Currency Risk (cont'd)**

ACSB is exposed to foreign currency risk mainly on sales and purchases that are denominated in a currency other than its functional currency. ACSB also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily USD and SGD.

ACSB's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

	----- Denominated in -----		
	USD RM	SGD RM	OTHERS RM
<b>30.9.2012</b>			
Trade receivables	972,048	384,335	-
Cash and bank balances	186,858	-	25
Trade payables	(410,784)	(8,506)	-
Other payables and accruals	-	(2,802)	-
Net exposure	748,122	373,027	25
<b>30.9.2013</b>			
Trade receivables	2,091,455	682,192	-
Cash and bank balances	25,587	-	-
Trade payables	(284,691)	(2,373)	(42,603)
Other payables and accruals	(984,318)	-	-
Net exposure	848,033	679,819	(42,603)
<b>30.9.2014</b>			
Trade receivables	6,816,099	984,614	-
Cash and bank balances	2,152,494	111	-
Trade payables	(2,565,110)	(9,279)	(16,094)
Other payable	(585,436)	-	-
Net exposure	5,818,047	975,446	(16,094)
<b>30.4.2015</b>			
Trade receivables	7,712,776	101,908	-
Cash and bank balances	2,348,134	116	-
Trade payables	(4,450,216)	(4,320)	-
Net exposure	5,610,694	97,704	-

**12. ACCOUNTANTS' REPORT** (cont'd)

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION** (cont'd)**6.4 ACSB** (cont'd)**(e) Notes to Financial Statements** (cont'd)**6.4.26 Financial Risk Management** (cont'd)**(iv) Foreign Currency Risk** (cont'd)**Sensitivity analysis for foreign currency risk**

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against RM, with all other variables held constant, of ACSB's profit before taxation. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before taxation by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	[----- FYE 30 September -----]			FPE 30 April
	2012	2013	2014	2015
	RM	RM	RM	RM
USD	(74,812)	(84,803)	(581,805)	(561,069)
SGD	(37,303)	(67,892)	(97,544)	(9,770)
Others	(3)	4,260	1,609	-
Decrease in profit before taxation	<u>(112,118)</u>	<u>(148,435)</u>	<u>(677,740)</u>	<u>(570,839)</u>

**6.4.27 Capital Management**

The primary objective of ACSB's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

ACSB manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of ACSB. ACSB may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. Certain lenders of ACSB have imposed debt covenant whereby its gearing ratio shall not exceed 1 (30.9.2014: 1; 30.9.2013: 1; 30.9.2012: 1). ACSB has not breached this covenant as it is in a net cash position. No changes were made in the objective, policy or process throughout the financial years under review.

**6.4.28 Fair Value of Financial Instruments**

The carrying amounts of the financial assets and financial liabilities of ACSB as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

**12. ACCOUNTANTS' REPORT (cont'd)****Grant Thornton**

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**6. AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)****6.4 ACSB (cont'd)****(e) Notes to Financial Statements (cont'd)****6.4.28 Fair Value of Financial Instruments (cont'd)****Fair Value Hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable as spelt out in the basis of measurements under section 6.2.1.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>30.9.2012</b>				
Available-for-sale financial assets				
- Unit trusts	622,156	-	-	622,156
<b>30.9.2013</b>				
Available-for-sale financial assets				
- Unit trusts	1,001,250	-	-	1,001,250
<b>30.9.2014</b>				
Available-for-sale financial assets				
- Unit trusts	624,267	-	-	624,267
<b>30.4.2015</b>				
Available-for-sale financial assets				
- Unit trusts	637,150	-	-	637,150

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**12. ACCOUNTANTS' REPORT** *(cont'd)*

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**7. EVENTS AFTER THE REPORTING PERIOD**

There were no significant events between the date of the last financial statements used in the preparation of this Report and the date of this Report other than the following:

**(i) Conversion of RCPS**

On 21 July 2015, the RCPS holders in ACSB converted their RCPS comprising 20,308,360 series 'A' RCPS of RM0.10 each into 20,308,360 new ordinary shares of RM0.10 each in ACSB.

**(ii) Acquisition of ACSB by Aemulus**

On 24 July 2015, Aemulus acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in Aemulus at par.

**8. FINANCIAL STATEMENTS**

No audited financial statements have been prepared in respect of any period subsequent to 30 April 2015.

### 13. DIRECTORS' REPORT

*(Prepared for inclusion in the Prospectus)*

#### **Aemulus Holdings Berhad** (1114009-H)

One Precinct, 1C-06-2  
Lengkok Mayang Pasir  
11950 Penang, Malaysia  
Office +60 4 644 6399  
Fax +60 4 646 6799  
Web [www.aemulus.com](http://www.aemulus.com)



Date: 17 AUG 2015

The Shareholders of  
**Aemulus Holdings Berhad**  
51-13-A, Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang

Dear Sir/ Madam,

On behalf of the Board of Directors of Aemulus Holdings Berhad ("**Aemulus**" or "**Company**"), I wish to report after due enquiry by the Board of Directors of Aemulus, that between the period from 30 April 2015 (being the date to which the last audited financial statements of Aemulus and its subsidiary ("**Group**") have been made up) to the date of this letter (being a date not earlier than 14 days before the issuance of this Prospectus), that:-

- (a) the business of the 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 Group, which have adversely affected the trading or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by the Group;
- (e) there have been, since the latest audited financial statements of the Group, no 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 in which the Directors are aware of; and
- (f) save as disclosed in this Prospectus, there have been, since the last audited financial statements of the Group, no material changes in the published reserves or any unusual factors affecting the profits of the Group.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**AEMULUS HOLDINGS BERHAD**

A handwritten signature in black ink, appearing to read "Ng Sang Beng", written over a white background.

**NG SANG BENG**  
Executive Director/Chief Executive Officer

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**14. BY-LAWS OF THE RSP**


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**1. NAME OF SCHEME**

This Scheme shall be called the "**Aemulus Holdings Berhad Restricted Share Plan**" and for purposes of these By-Laws, it shall be referred to as the "**Restricted Share Plan**" or the "**Scheme**".

**2. DEFINITIONS AND INTERPRETATIONS**

2.1 In these By-Laws unless the context otherwise requires the following terms and expressions shall have the following meanings:

<b>"Act"</b>	:	The Companies Act, 1965 and any subsequent amendments from time to time includes every statutory modification or re-enactment thereof for the time being force
<b>"Aemulus" or the "Company"</b>	:	Aemulus Holdings Berhad (Company No. 1114009-H), a public limited company incorporated in Malaysia under the Act
<b>"Aemulus Group" or the "Group"</b>	:	Aemulus and its subsidiaries as defined in Section 5 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 18
<b>"Articles"</b>	:	The Articles of Association of the Company, including any amendment thereto that may be made from time to time
<b>"Authorised Nominee"</b>	:	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository
<b>"Board"</b>	:	The Board of Directors of Aemulus
<b>"Bursa Depository" or "the Depository"</b>	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>"Bursa Securities" or "the Exchange"</b>	:	Bursa Malaysia Securities Berhad (635998-W)
<b>"By-Laws(s)"</b>	:	The rules, terms and conditions of the Scheme set out herein
<b>"Conditions Completion Date"</b>	:	In respect of a Restricted Share Award granted to a Participant, the date on which a Participant satisfies the pre-determined performance and/or service conditions as specified by the Scheme Committee, as referred to in By-Laws 7.5
<b>"CDS"</b>	:	Central Depository System

**14. BY-LAWS OF THE RSP (cont'd)**

<b>"CDS Account"</b>	:	Account established by Bursa Depository for a depositor for the recording of deposits of securities and dealings in such securities by the depositor
<b>"Date of Offer"</b>	:	The date on which a Restricted Share Offer is made by the Scheme Committee to an Eligible Person in the manner provided in By-Law 7.7
<b>"Director(s)"</b>	:	A director within the meaning of Section 4 of the Act
<b>"Effective Date"</b>	:	The date on which the Scheme comes into force as provided in By-Law 20.1
<b>"Eligible Person(s)"</b>	:	Employee(s) or Director(s) who meets the criteria of eligibility for participation in the Scheme in accordance with By-Law 5
<b>"Employee"</b>	:	A natural person who is employed by and on the payroll of any company in the Group
<b>"Executive Director"</b>	:	A Director of the Group who, on the Offer Date, is on the payroll of the Group and is involved in the day-to-day management in any company within the Group
<b>"Listing Requirements"</b>	:	ACE Market Listing Requirements of Bursa Securities that are applicable to companies listed on the ACE Market of Bursa Securities including any amendment thereto that may be made from time to time
<b>"Market Day"</b>	:	Day on which Bursa Securities is open for trading of securities
<b>"Maximum Allowable Allotment"</b>	:	The maximum number of Restricted Share Award that can be offered to an Eligible Person under the Scheme in the manner provided in By-Law 6
<b>"Non-Executive Director"</b>	:	A natural person who is a director and is not involved in an executive capacity within the Group
<b>"Notice of Vesting"</b>	:	The notice, in the form prescribed by the Board that is given by the Company to a Participant stipulating the Vesting Date of a Restricted Share Award
<b>"Participant(s)"</b>	:	An Eligible Person who has accepted a Restricted Share Offer within the Restricted Share Offer Period in accordance with By-Law 8.1
<b>"Performance Period"</b>	:	In respect of a Restricted Share Award granted to a Scheme Participant, the time period specified by the Committee in accordance with the provisions of By-Law 7.6 and unless otherwise determined by the Scheme Committee, the period typically commences from the Date of Offer and ends on a day specified by the Scheme Committee as the last day for a Participant to satisfy a performance condition and/or service condition

## 14. BY-LAWS OF THE RSP (cont'd)

- “Record Date”** : In relation to any of the transactions (including but not limited to any consolidation, subdivision, conversion or issue of Shares and capital distribution to shareholders) described in By-Law 16 shall mean the date as at the close of business on which persons must be registered as shareholders in order to participate in such transactions
- “Restricted Share Award(s)”** : An entitlement to receive an award of Shares under the Restricted Share Plan pursuant to a contract constituted by an acceptance by the relevant Eligible Person of the Restricted Share Offer (pursuant to By-Laws 8)
- “Restricted Share Offer Period”** : The time period stipulated in By-Law 7.8
- “Restricted Share Offer”** : An offer made in writing by the Scheme Committee to any Eligible Person in the manner provided in By-Law 7
- “Restricted Share Plan” or “Scheme”** : The plan for the grant of the Restricted Share Award(s) to Eligible Person(s) upon the terms set out herein known as the **“Aemulus Holdings Berhad Restricted Share Plan”**
- “Scheme Committee”** : A committee appointed by the Board to administer the Scheme, comprising such persons appointed from time to time by the Board
- “Share(s)”** : Ordinary share(s) in the Company having a par value of RM0.10 each or any other par value in the event of alteration in the capital of the Company, if applicable
- “Vesting Date”** : The date as stated in a Restricted Share Offer as the date on which the Shares granted under Restricted Share Award are to be allotted and/or delivered to a Participant and when the Shares are finally allotted and/or delivered, means the actual date on which the Shares are allotted and/or delivered to a Participant, subject always to By-Laws 13.8 and 13.9, as applicable, and provided that no Vesting Date shall fall on a date after the expiry date of the Scheme
- “Vesting Period”** : In respect of a Restricted Share Award granted to a Participant, the time period specified by the Scheme Committee in accordance with the provisions of By-Law 7.6 and unless otherwise determined by the Scheme Committee, the period typically commences from the Conditions Completion Date and ends on the relevant Vesting Date provided that no Vesting Period shall extend beyond the expiry date of the Scheme

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**14. BY-LAWS OF THE RSP (cont'd)**

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- 2.2 For the purposes of these By-Laws, all references made to "Bursa Securities" and "Listing Requirements" shall where the context so permits and requires, include or refer to such other relevant authority(ies) and such acts, enactments, rules, regulations and guidelines currently or from time to time hereafter in force affecting the valid implementation and continuation of the Scheme in accordance with the provisions of the By-Laws.
- 2.3 References to the provisions of statutes include such provisions as amended or re-enacted from time to time and references to statutes include any consolidation, replacement or revision of the same.
- 2.4 Words importing the singular meaning where the context so admits include the plural and vice-versa.
- 2.5 Words of the masculine gender include the feminine and neuter gender and all such words shall be construed interchangeably in that manner.
- 2.6 Any liberty or power which may be exercised or any determination which may be made hereunder by the Scheme Committee shall be exercised in the Scheme Committee's absolute and unfettered discretion and the Scheme Committee shall not be under any obligation to give any reason therefore except as may be required by the relevant authorities.
- 2.7 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 2.8 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

**3. RATIONALE AND OBJECTIVES OF THE SCHEME**

- 3.1 The Restricted Share Plan is a share plan under which performance-based awards may be granted. The Restricted Share Plan aims to foster an ownership culture within the Group which aligns the interests of the Group's Employees with the interests of the shareholders of the Company. The Restricted Share Plan will increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate staff and Directors who have made and who continue to make significant contributions to the Group.
- 3.2 The Restricted Share Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following main objectives:-
- (a) To serve as an additional motivational tool to recruit and retain key management employees and executives;
  - (b) To increase the Company's flexibility and effectiveness in its continuous efforts to reward, retain and motivate Eligible Persons who have made and who continue to make significant contributions to the Group;
  - (c) To:-
    - (i) Incentivise Participants to excel in their performance;
    - (ii) Encourage greater dedication and continued service of the Participants to the long term development and growth of the Group; and

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**14. BY-LAWS OF THE RSP (cont'd)**

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- (iii) Instil loyalty and a stronger sense of identity in the Participants;
- (d) To foster an ownership culture within the Group by aligning the interests of the Participants with the interests of the shareholders of the Company; and
- (e) To instil in Non-Executive Directors a greater sense of involvement and belonging in the Group, thereby enhancing the work relationship between the Non-Executive Directors and the Group.

**4. TOTAL NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

- 4.1 Subject to By-Law 4.2, the maximum number of Shares which may be made available under the Scheme and any other schemes involving issuance of new Shares to be implemented by the Company shall not at any point in time in aggregate exceed ten percent (10%) of the issued and paid-up share capital of the Company or such other percentage of the issued and paid-up share capital of the Company (excluding treasury shares) that may be permitted by the Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme as provided in By-Law 20.
- 4.2 By-Law 4.1 shall not apply where the total number of new Shares which may be issued and existing Shares delivered under the Scheme and any other schemes involving issuance of new Shares to be implemented by the Company at any one time exceeds ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) or such other percentage that may be permitted by the Bursa Securities or any other relevant authorities from time to time during the existence of the Scheme including resulting from the cancellation of the Company's own Shares purchased by the Company in accordance with the provisions of Section 67A of the Act. In such event, the provisions as set out in By-Law 16.2(g) shall apply.
- 4.3 The Company will keep available sufficient unissued Shares in its authorised share capital throughout the duration of the Scheme to satisfy its obligation to issue and allot new Shares to a Participant on a Vesting Date, subject to the provisions of the By-Laws.

**5. ELIGIBILITY**

- 5.1 Only Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme:-
  - (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Date of Offer:-
    - (i) he must be at least eighteen (18) years of age;
    - (ii) is employed full time by and on the payroll of any company in the Group and his employment has been confirmed in writing by the Company or any company in the Group; or
    - (iii) such Employee falls within any other eligibility criteria that may be determined by the Scheme Committee from time to time at its discretion, whose decision shall be final and binding.

**14. BY-LAWS OF THE RSP** *(cont'd)*

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- (b) in respect of a Non-Executive Director, Executive Director or Chief Executive Officer, the Non-Executive Director, Executive Director or Chief Executive Officer must fulfil the following criteria as at the Date of Offer:-
    - (i) he must be at least eighteen (18) years of age;
    - (ii) he must have been appointed as a Non-Executive Director, Executive Director or Chief Executive Officer of the Company or any company in the Group; and
    - (iii) specific allocation of Shares and Restricted Share Awards to the Non-Executive Director, Executive Director or Chief Executive Officer under the Scheme must have been approved by the shareholders of Company in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the Scheme.
  - (c) in respect of an Eligible Person who is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following criteria as at the Date of Offer:-
    - (i) he must be at least eighteen (18) years of age;
    - (ii) employed full time by and on the payroll of the newly acquired company and has been confirmed in service in writing by the acquiree company; and
    - (iii) be an employee of the acquiree company for a continuous period of at least twelve (12) months.
- 5.2 Directors or Employees who represent the Government or Government institutions/ agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are not eligible to participate in the Scheme.
- 5.3 Employees of dormant companies within the Group are not eligible to participate in the Scheme.
- 5.4 An Employee who during the duration of the Scheme becomes an Eligible Person may be eligible to a grant of a Restricted Share Award under the Scheme if decided by the Scheme Committee.
- 5.5 Eligibility, however, does not confer upon the Eligible Person a claim or right to participate in the Scheme unless a Restricted Share Offer has been extended to the Eligible Person and the Eligible Person has accepted the Restricted Share Offer in accordance with the terms and conditions of the Scheme.

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**14. BY-LAWS OF THE RSP (cont'd)**

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**6. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOCATION**

- 6.1 Subject to By-Law 4.1 hereof, the basis of allocation of the number of Shares which may be comprised in a Restricted Share Award and the Maximum Allowable Allotment shall be entirely at the discretion of the Scheme Committee. A Participant who is a member of the Scheme Committee shall abstain from deliberations in respect of any Restricted Share Awards granted or to be granted to that Participant or held or to be held by him.

To the extent possible and subject always to By-Laws 6.3 and 7.10, the Scheme Committee will ensure that there should be equitable allocation to the various grades of Eligible Persons, such that not more than ten percent (10%) (or such percentage as allowable by the relevant authorities) of the Shares available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person (as defined in the Listing Requirements), holds twenty percent (20%) or more of the issued and paid-up share capital of the Company.

For the purposes of these By-Laws, unless the context otherwise requires, "persons connected with an Employee" or "persons connected with a Director" shall have the meaning given in relation to persons connected with a Director or major shareholder as defined in paragraph 1.01 of the Listing Requirements.

- 6.2 Subject to By-Law 6.1 hereof and any adjustment which may be made under By-Law 16 hereof, the maximum number of Shares that may be offered to an Eligible Person shall be determined at the discretion of the Scheme Committee, subject always to the provision of the Listing Requirements on Share Issuance Scheme relating to allocation to Directors and Employees.

In the circumstance where the Listing Requirements on Share Issuance Scheme is amended by the Bursa Securities from time to time, the Scheme Committee shall have the absolute discretion to make the necessary adjustments so that the number of new Shares that may be offered and/or allotted and/or delivered to any Eligible Person shall be in accordance with the provisions of the Listing Requirements prevailing at any time during the duration of the Scheme.

In determining the number of Restricted Share Award to be offered to an Eligible Person under the Scheme, the Scheme Committee may but is not obligated to take into consideration, inter-alia, the achievement of the pre-determined performance conditions and/or service conditions of the Eligible Person as at the Date of Offer or otherwise as provided in the By-Laws, subject to a minimum of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the Scheme Committee. The Restricted Share Award shall only be accepted in multiples of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the Scheme Committee.

- 6.3 Notwithstanding anything to the contrary herein contained, the Scheme Committee shall not in any way be obliged to allocate or to grant a Restricted Share Award to any Eligible Person.

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**14. BY-LAWS OF THE RSP (cont'd)**

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- 6.4 (a) In the event that an Eligible Person is redesignated or promoted to a higher category, his Maximum Allowable Allotment shall be increased at the discretion of the Scheme Committee.
- (b) In the event that an Eligible Person is redesignated or demoted to a lower category, the following provisions shall apply:-
- (i) His Maximum Allowable Allotment shall be reduced in accordance with the category corresponding to his new grade;
- (ii) In the event that the total number of Shares which has been granted to, and accepted by, him pursuant to a Restricted Share Award up to the date he is redesignated or demoted to a lower category is greater than his Maximum Allowable Allotment under such lower category, he shall be entitled to be issued and allotted or delivered the number of Shares granted to, and accepted by, him on a Vesting Date but he shall not be entitled to accept any outstanding Restricted Share Offer or to be offered any further Restricted Share Award unless and until he is subsequently moved to a higher category so that his Maximum Allowable Allotment is increased to an amount greater than the total number of Shares which has been offered to, and accepted by, him pursuant to a Restricted Share Award; and
- In the event that the total number of Shares which has been offered to, and accepted by, him pursuant to a Restricted Share Award up to the date he is redesignated or demoted to the lower category is less than his Maximum Allowable Allotment under such lower category, he shall be entitled to continue to vest all the Shares pursuant to the Restricted Share Award held by him on a Vesting Date and, subject to By-Law 6.2, to be offered or granted further Restricted Share Award up to his Maximum Allowable Allotment under such lower category.
- 6.5 The Scheme Committee may make an offer to a Director in respect of his holdings as a Director in only one (1) company within the Group, notwithstanding that he is a Director of more than one (1) company within the Group.
- 6.6 If required by the Listing Requirements, the Scheme Committee shall ensure that the grant of a Restricted Share Award shall be verified by the audit committee of the Company, as being in compliance with the criteria as set out in By-Laws 6.1 and 6.2, at the end of each financial year of the Company. In this respect, the Scheme Committee shall ensure that a statement is made by the audit committee, verifying such allocation, is included in the Company's annual report.

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**14. BY-LAWS OF THE RSP (cont'd)**

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**7. OFFER OF RESTRICTED SHARE AWARD**

- 7.1 The Restricted Share Award represents the right of a Participant to receive fully paid Shares on a Vesting Date, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon the Participant achieving pre-determined performance conditions and/or service conditions and/or otherwise having performed well and/or made a significant contribution to the Group.
- 7.2 Subject to By-Laws 12 and 16, the Restricted Share Award will be granted and the Shares, or their equivalent cash value or combinations thereof comprised in the Restricted Share Award, as shall be determined by the Scheme Committee in its absolute discretion in accordance with By-Laws 13.4, will be vested in the Participant on a Vesting Date at the end of a Performance Period once the Scheme Committee, at its sole discretion, is satisfied that the pre-determined performance conditions and/or service conditions have been achieved. The Scheme Committee may also grant a Restricted Share Award where in its opinion a Participant's performance in and/or contribution to the Group warrants it.
- 7.3 (a) The Restricted Share Award granted under the Restricted Share Plan will entitle Participants to be allotted or delivered fully paid Shares or their equivalent cash value or combinations thereof comprised in the Restricted Share Award, as shall be determined by the Scheme Committee in its absolute discretion in accordance with By-Laws 13.4, upon satisfactory achievement of pre-determined performance conditions and/or service conditions.
- (b) A performance-based Restricted Share Award under the Restricted Share Plan may be granted, for example, with a performance and/or service condition to be satisfied within the Performance Period, and thereafter with a further Vesting Period to encourage the Participant to continue serving the Group for a further period of time.
- (c) In addition to the achievement of any pre-determined performance conditions and/or service conditions, the Restricted Share Award may also be granted upon the Scheme Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Group.
- 7.4 The Scheme Committee has the flexibility to grant the Restricted Share Award under the Restricted Share Plan to the same Participant simultaneously with any other schemes involving issuance of new Shares to be implemented by the Company at any one time. Participants may also be granted Restricted Share Award under the Restricted Share Plan with different performance conditions and/or service conditions, or on other different bases.

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**14. BY-LAWS OF THE RSP** (cont'd)

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- 7.5 The length of the Vesting Period in respect of each Restricted Share Award will be determined by the Scheme Committee. The Scheme Committee may also make a Restricted Share Award at any time when, in its opinion, a Participant's performance and/or contribution justifies such Restricted Share Award. The Restricted Share Award granted under the Restricted Share Plan will typically vest (that is, a Participant will be absolutely entitled to all or some of the Shares comprised in a Restricted Share Award) on the Vesting Date, which is a date falling after the pre-determined performance and/or service conditions completion date (the "**Conditions Completion Date**") and after the expiry of the relevant Vesting Period. Therefore, under the Restricted Share Plan, Participants are encouraged to continue serving the Group beyond the Conditions Completion Date and for the entire duration of the relevant Vesting Period in order that the Shares may vest in the Participant on the relevant Vesting Date. For the avoidance of doubt, a Participant does not have any interest in Shares during the Vesting Period as the Shares will only vest in a Participant on the relevant Vesting Date.
- 7.6 The Scheme Committee shall decide, in relation to each Restricted Share Award to be granted to a Participant under the Restricted Share Plan:-
- (a) the date on which the Restricted Share Offer is to be made and the Restricted Share Award letter is to be granted;
  - (b) the number of Shares which are the subject of the Restricted Share Award;
  - (c) the pre-determined performance conditions and/or service conditions (including the performance periods and/or service periods during which the performance conditions and/or service conditions are to be satisfied) and/or any other basis on which the Restricted Share Award is to be granted;
  - (d) the prescribed Vesting Periods in respect of that Restricted Share Award and the corresponding Vesting Date;
  - (e) the extent to which Shares which are the subject of that Restricted Share Award shall be vested at the end of a Vesting Period or on the pre-determined performance conditions and/or service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be;
  - (f) the vesting schedule (if any) to the intent that Shares may vest over a specified number of years and in several instalments after the Conditions Completion Date; and
  - (g) any other condition which the Scheme Committee may determine in relation to that Restricted Share Award.
- 7.7 The Scheme Committee will, on a Date of Offer, issue a Restricted Share Award letter pursuant to which the Restricted Share Offer will be granted to an Eligible Person and specifying, *inter alia*, the matters in By-Laws 7.6 above.
- 7.8 A Restricted Share Offer shall be valid for acceptance by an Eligible Person for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the Scheme Committee on a case-by-case basis at its discretion.

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**14. BY-LAWS OF THE RSP (cont'd)**

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- 7.9 No Restricted Share Offer shall be made to any Director and/or major shareholder of the Company or persons connected with any Director and/or major shareholder who are Eligible Persons unless such Restricted Share Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in a general meeting. For the purpose of this By-Law, "persons connected with a Director and/or major shareholder" shall have the meaning given in relation to persons connected with a Director or major shareholder as defined in paragraph 1.01 of Listing Requirements.
- 7.10 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the Scheme Committee to consider making, or to make, any Restricted Share Offer to any or all of the Eligible Persons.
- 7.11 Nothing herein shall prevent the Scheme Committee from making more than one (1) Restricted Share Offer to an Eligible Person PROVIDED ALWAYS THAT the total aggregate number of Restricted Share Award offered to such Eligible Person (inclusive of any other schemes involving new issuance of Shares to be implemented by the Company at any one time) during the duration of the Scheme shall not exceed the Maximum Allowable Allotment as set out in By-Laws 6.1.

**8. ACCEPTANCE OF RESTRICTED SHARE AWARD**

- 8.1 A Restricted Share Offer shall be accepted by an Eligible Person within the Restricted Share Offer Period by written notice to the Scheme Committee accompanied by a payment to the Company of Ringgit Malaysia One (RM1.00) only for the grant of the Restricted Share Award and the Eligible Person shall state his CDS account number in the said notice.
- 8.2 If a Restricted Share Offer is not accepted in the manner aforesaid, the Restricted Share Offer shall automatically lapse upon the expiry of the Restricted Share Offer Period and be null and void and be of no further force and effect.
- 8.3 On or after the relevant Vesting Date, the Restricted Share Award granted to a Participant shall vest in the Participant without the Participant being required to make cash consideration to the Company for the grant or vesting of the Restricted Share Award.

**9. NON-TRANSFERABILITY OF RESTRICTED SHARE AWARD**

The Restricted Share Award are personal to the Participant to whom they are given and shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, unless By-Laws 11(e) and 17 (where applicable) apply or the prior approval of the Scheme Committee is obtained.

**10. RETENTION PERIOD**

A Participant who is a Non-Executive Director must not sell, transfer or assign any Shares obtained through the Restricted Share Award offered to him pursuant to the Scheme within one (1) year from the Date of Offer.

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**14. BY-LAWS OF THE RSP (cont'd)**

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**11. EVENTS PRIOR TO VESTING**

Special provisions for the vesting and lapsing of Restricted Share Award apply in certain circumstances, including the following:-

- (a) in the event of misconduct on the part of a Participant as determined by the Scheme Committee in its discretion;
- (b) the Participant ceasing to be in the employment of the Group on his own accord or by such company, for any reason whatsoever (other than specified in paragraph (d) below);
- (c) the bankruptcy of a Participant, his entering into any composition with his creditors prior to the vesting of his Restricted Share Award or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Restricted Share Award;
- (d) the Participant ceasing to be in the employment of the Group by reason of:-
  - (i) ill health, injury, accident or disability (in each case, evidenced to the satisfaction of the Scheme Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Scheme Committee;
  - (v) the company by which he is employed or to which he is seconded, ceasing to be a company with the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
  - (vi) transfer to any corporation at the discretion of the Company;
  - (vii) transfer of employment from the Group; or
  - (viii) any other event approved by the Scheme Committee;
- (e) the death of the Participant;
- (f) an order for the compulsory winding-up of the Company is made or a resolution for a voluntary winding up of the Company being made;
- (g) any other event approved by the Scheme Committee; and
- (h) termination of the Scheme pursuant to By-Law 20.5.

Upon the occurrence of any of the events in paragraph (a) above, a Restricted Share Award then held by a Participant shall, save as otherwise provided in the By-Laws and to the extent not yet vested, immediately lapse without any claim whatsoever against the Company.

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**14. BY-LAWS OF THE RSP (cont'd)**

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Upon the occurrence of any of the events specified in paragraphs (b), (c) and (d) above, the Scheme Committee may consider, in its absolute discretion and on such terms and conditions as it deems fit, whether or not to preserve all or any part of any Restricted Share Award and decide as soon as reasonably practicable following such event to vest some or all of the Shares which are the subject of the Restricted Share Award or to preserve all or part of any Restricted Share Award until the end of the relevant Vesting Period, if any, or decide that a Restricted Share Award has lapsed without any claim whatsoever against the Company. In exercising its discretion, the Scheme Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant and the extent to which the applicable performance conditions and/or service conditions, if any, have been satisfied. For the purpose of paragraph (b) above, a Participant shall be deemed to have ceased to be in the employment of the Group on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Participant has (with the consent of the Group) withdrawn such notice.

Upon the occurrence of the event specified in paragraph (e) above, the Scheme Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to vest some or all the Shares which are the subject of a Restricted Share Award in the personal representatives of the Participant. In exercising its discretion, the Scheme Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the applicable performance conditions and/or service conditions, if any, have been satisfied.

Upon the occurrence of any of the events specified in paragraph (f) above, the Scheme Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to vest some or all the Shares which are the subject of a Restricted Share Award, and will take into account the proportion of the relevant Vesting Period which may have elapsed, including (but not limited to) the contributions made by that Participant and the extent to which the applicable performance conditions and/or service conditions, if any, have been satisfied.

**12. RIGHTS ATTACHING TO SHARES**

The new Shares to be allotted pursuant the Restricted Share Plan shall upon allotment and issue, rank *pari passu* in all respects with the existing issued Shares of the Company except that the new Shares so issued shall **NOT** be entitled for any dividends, rights, allotment and/or other distribution declared, made or paid to the shareholders unless the new Shares so allotted have been credited to the relevant securities accounts of the shareholders maintained by the Bursa Depository before the date of allotment and will be subjected to all provisions of the Articles relating to the transfer, transmission and otherwise.

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**14. BY-LAWS OF THE RSP (cont'd)**

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**13. OPERATION OF THE RESTRICTED SHARE PLAN**

- 13.1 As soon as reasonably practicable after the end of a Performance Period, the Scheme Committee shall review the performance conditions and/or service conditions specified in respect of a Restricted Share Award and determine whether they have been satisfied and, if so, the extent to which they have satisfied (whether fully or partially) and subject to By-Law 11, shall vest in that Participant the Shares to which that award relates.
- 13.2 The Scheme Committee has the discretion to determine whether performance conditions and/or service conditions have been satisfied (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Company justifies the vesting of a Restricted Share Award. In making any such determination, the Scheme Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case maybe, taking into account such factors as the Scheme Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events and further, the right to amend the performance conditions and/or service conditions, if any, if the Scheme Committee decides that it would be more equitable to do so.
- 13.3 Subject to the prevailing legislation and the Listing Requirements, the Company will have the flexibility and discretion in determining the mode of settlement of the Restricted Share Award by way of:-
- (a) an issue of new Shares;
  - (b) the delivery of existing Shares;
  - (c) payment of the equivalent cash value of such new Shares and/or existing Shares; or
  - (d) a combination of the above.
- 13.4 In determining whether to issue new Shares or to deliver existing Shares or to pay the equivalent cash value to Participants or a combination of Shares and cash value upon vesting of their Restricted Share Award, the Scheme Committee will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.
- 13.5 The Company shall have the flexibility, and if circumstances require, to approve the vesting of a Restricted Share Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive the aggregate value of the relevant number of Shares in cash, based on the fair value of the Shares on or prior to the Vesting Date.
- 13.6 In determining whether to vest a Restricted Share Award, wholly or partly, in the form of cash rather than Shares, the Company will take into account factors such as (but not limited to) the cost to the Company of vesting a Restricted Share Award, wholly or partly, in the form of cash rather than Shares. In considering the cost factor, the Company will take into account relevant factors such as taxation issues arising from the issue of new Shares and/or the delivery of existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if necessary.



**14. BY-LAWS OF THE RSP (cont'd)**

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13.7 The Scheme Committee will procure, upon receiving the Board's approval, the allotment of new Shares and/or delivery of existing Shares to each Participant in respect of the number of Shares which are to be vested in a Participant pursuant to a Restricted Share Award.

13.8 Where new Shares are to be issued and allotted as the mode of settlement of the Restricted Share Award, the Company will, by issuing a Notice of Vesting to a Participant, stipulate the Vesting Date for the Restricted Share Award. Within eight (8) Market Days from the Vesting Date stipulated in the Notice of Vesting, the Company shall:-

- (a) allot and issue such number of new Shares to the Participant (subject to and in accordance with the provisions of the Articles and all applicable laws); and
- (b) despatch notices of allotment to the Participant accordingly.

In any case, the Company will apply to Bursa Securities for the listing of and quotation for all the new Shares to be allotted pursuant to this Scheme and will use its best endeavours to obtain permission for such listing and quotation.

13.9 Where existing Shares are to be issued and allotted as the mode of settlement of the Restricted Share Award, the Company will, by issuing a Notice of Vesting to a Participant, stipulate the Vesting Date for the Restricted Share Award. Within eight (8) Market Days from the Vesting Date stipulated in the Notice of Vesting, the Company shall:-

- (a) deliver such number of existing Shares to the Participant; and
- (b) despatch notices of delivery to the Participant accordingly.

13.10 To facilitate the implementation of the Restricted Share Plan, the Company will establish trusts ("**Trust**") to be administered by the trustee(s) ("**Trustee(s)**"). The Trustee(s) shall, at such time as the Scheme Committee shall direct, subscribe for and/or purchase the necessary number of Shares to accommodate any transfer of Shares to the Participant. To enable the Trustee(s) to subscribe for new shares for the purpose of the Restricted Share Plan and to pay expenses in relation to the administration of the Trust. The Trustee(s) will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company or its subsidiary and/or third parties.

The Trustee(s) shall administer the Trust in accordance with the trust deeds ("**Trust Deeds**"). For the purpose of administering the Trust, the Trustee(s) shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the Scheme Committee may in its discretion direct for the implementation and administration of the Trust. The Company shall have power to appoint or rescind the appointment of any Trustee(s) as it deems fit in accordance with the provisions of the Trust Deeds.

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**14. BY-LAWS OF THE RSP (cont'd)**

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- 13.11 The new Shares to be issued or the existing Shares to be delivered pursuant to the vesting of a Restricted Share Award under this Scheme shall be credited directly into the CDS account of the Participant or his Authorised Nominee (as the case may be) and no physical share certificates will be issued or delivered. Each Participant must provide the Company with his CDS account number or the CDS account number of his Authorised Nominee (as the case may be) when accepting any Restricted Share Offer in accordance with By-Law 8.1. Any change to his CDS account number or the CDS account number of his Authorised Nominee will need to be made in writing to the Scheme Committee.
- 13.12 New Shares allotted and issued shall upon the vesting of a Restricted Share Award shall be subjected to all the provisions of the Memorandum and Articles and By-Law 12.
- 13.13 Subject to By-Law 10 hereof, Shares which are allotted or delivered on a Vesting Date will not (save as otherwise provided by the provisions of the Listing Requirement or applicable laws) be subjected to any restriction against disposal, or sale or otherwise by a Participant.
- 13.14 Every Restricted Share Award shall be subjected to the condition that no cash shall be paid nor Shares allotted or delivered on a Vesting Date if such payment or allotment or delivery would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Malaysia or any other relevant country having jurisdiction in relation to the payment of cash or allotment or delivery of Shares hereto.
- 13.15 Notwithstanding anything stated to the contrary in the provisions of this By-Laws, all Shares under the Restricted Share Award that are granted pursuant to this Scheme shall vest only if the Board determines that Shares under a Restricted Share Award are, or are able, to vest (and if so, determines the extent to which such Shares will vest) in accordance with such criteria, such limits in terms of the number of Shares and dates of vesting, as the Board may determine at any time and from time to time in its sole discretion provided further that the Board may impose such conditions as it deems fit in its sole discretion.

**14. REFERENCE PRICE**

- 14.1 In the event the Restricted Share Award are satisfied by way of issuance of new shares, the reference price shall be determined at the discretion of the Scheme Committee based on the following:-
- (a) at a discount of not more than ten percentum (10%) or such higher limit as may be permitted from time to time by Bursa Securities or any other relevant authorities to the volume-weighted average market price ("**VWAMP**") of the Shares transacted on the Bursa Securities for the five (5) Market Days immediately preceding the Offer Date; and
  - (b) the price so determined shall be the higher of the 5-Day VWAMP or the par value of the Shares at the material time.
- 14.2 In the event the Restricted Share Award are satisfied by way of delivery of existing Shares, the price shall be the market price of the Shares transacted on the Bursa Securities.

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**14. BY-LAWS OF THE RSP (cont'd)**

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**15. DISCIPLINARY PROCEEDINGS**

Notwithstanding anything to the contrary herein contained in these By-Laws, the Scheme Committee shall have the right at its discretion by notice in writing to that effect, to suspend the right of any Participant who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such a Participant) to vest his Shares pursuant to the Restricted Share Award pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Scheme Committee may impose such terms and conditions as the Scheme Committee shall deem appropriate in its discretion, on the right to vest his Shares pursuant to a Restricted Share Award having regard to the nature of the charges made or brought against such a Participant, PROVIDED ALWAYS that:-

- (a) In the event such Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the Scheme Committee shall reinstate the right of such Participant to vest his Shares pursuant to a Restricted Share Award;
- (b) In the event such Participant is found guilty resulting in the dismissal or termination of service of such Participant, any Restricted Share Award previously granted which has not vested shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Participant; and
- (c) In the event such Participant is found guilty but not dismissed or is found guilty and termination of service is recommended, the Scheme Committee shall have the right to determine at its absolute discretion whether or not the Participant may continue to vest the Shares or any part thereof granted to him pursuant to a Restricted Share Award and if so, to impose such terms and conditions as it deems appropriate for such vesting.

**16. ALTERATION OF CAPITAL**

16.1 In the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Shares or capital reduction or any other variation of capital or if the Company shall make a declaration of a special dividend (whether in cash or in specie), then the Company shall cause the following adjustments to be made to the Restricted Share Plan:-

- (a) the number of Shares which are the subject of a Restricted Share Award to the extent not yet vested;
- (b) the number of Shares over which future Restricted Share Award may be granted;
- (c) the maximum number of existing Shares which may be delivered in settlement pursuant to Restricted Share Awards; and/or
- (d) the method and/or manner of the vesting of the Shares which are the subject of a Restricted Share Award;

as shall be necessary to ensure that any adjustment made in such manner as the Scheme Committee may determine to be appropriate and except in relation to a capitalisation issue, upon the auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

**14. BY-LAWS OF THE RSP** *(cont'd)*

Provided always that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a shareholder of the Company does not receive and provided further that no adjustment shall be made unless the Scheme Committee, after considering all relevant circumstances, considers it equitable to do so.

16.2 By-Law 16.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-

- (a) An issue of new Shares pursuant to the vesting of Shares under a Restricted Share Award; or
- (b) An issue of new Shares arising from the conversion of securities with a right of conversion into new Shares; or
- (c) An issue of securities as consideration for an acquisition; or
- (d) An issue of securities pursuant to a private placement; or
- (e) An issue of securities pursuant to a special issue approved by the relevant governmental authorities; or
- (f) A restricted issue of securities;
- (g) A purchase by the Company of its own Shares and cancellation of all or a portion of such Shares purchased pursuant to Section 67A of the Act. In this event, the following provisions shall apply:-
  - (i) If the number of Shares offered by the Company pursuant to the Restricted Share Offers (including issuance of new Shares involving any other schemes implemented by the Company at any one time) made as at the date of cancellation of Shares so purchased is greater than ten percent (10%) of the issued and paid-up capital of the Company or such other percentage of the issued and paid-up share capital of the Company (excluding treasury shares) that may be permitted by the Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme after such cancellation, the Scheme Committee shall not make any further Restricted Share Offers; and
  - (ii) If the number of Shares offered by the Company pursuant to Restricted Share Offers (including issuance of new Shares involving any other schemes implemented by the Company at any one time) made as at the date of cancellation of Shares so purchased is less than ten percent (10%) of the issued and paid-up capital of the Company or such other percentage of the issued and paid-up share capital of the Company (excluding treasury shares) that may be permitted by the Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme after such cancellation, the Scheme Committee may make further Restricted Share Offers only until the number of Shares offered by the Company pursuant to Restricted Share Offers (including issuance of new Shares involving any other schemes implemented by the Company at any one time) made is equivalent to ten percent (10%) of the issued and paid-up share capital of the Company or such other percentage that may be permitted by the Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme after such cancellation; or

**14. BY-LAWS OF THE RSP (cont'd)**

- (h) If as a result, the Participant receives a benefit that a shareholder of the Company does not receive.
- 16.3 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Act, By-Law 16.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 16.1 is applicable, but By-Law 16.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 16.1 is not applicable as described in By-Law 16.5.
- 16.4 An adjustment pursuant to By-Law 16.1 shall be made at the following times:-
- (a) In the case of a capitalisation issue, rights issue or bonus issue, on the Market Day immediately following the Record Date for such issue; or
- (b) In the case of a consolidation or subdivision of Shares or capital reduction, on the Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective (being the date when the Shares are traded on the Bursa Securities at the new par value), or such period as may be prescribed by the Bursa Securities.

Upon any adjustment being made, the Scheme Committee shall give notice in writing within thirty (30) days from the date of adjustment to a Participant, or the Participant's personal representative where the Participant is deceased, to inform him of the adjustment and the event giving rise thereto.

- 16.5 All adjustments (other than on a bonus issue) must be confirmed in writing by an external auditor of the Company, acting as an expert and not as an arbitrator to be in his opinion fair and reasonable. In addition, the Company shall, at the request of any Participant, furnish such Participant with a certificate from an external auditor confirming the adjustments (other than on a bonus issue) to be made either generally or as regards to such Participant, such certification shall be final and binding on all parties.

**17. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS AND RECONSTRUCTIONS**

In the event of an offer being made for the Shares under the Securities Commission Act, 1993, Malaysian Code on Take-Overs and Mergers, 2010 and such offer being declared unconditional, the following provisions shall apply:-

- (a) the Scheme Committee may, in its discretion, permit the vesting of unvested Shares (or any part thereof) in a Participant or the Participant's personal representative, as the case may be, at any time subject to such terms and conditions as may be prescribed, notwithstanding that the Vesting Date is not due or has not occurred and/or other terms and conditions of the Restricted Share Award or as set out in the Restricted Share Award letter has not been fulfilled or satisfied; or

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**14. BY-LAWS OF THE RSP (cont'd)**

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- (b) the court sanctioning a compromise or arrangement in connection with a scheme of arrangement and reconstruction of the Company resulting in its amalgamation or merger with any company or companies pursuant to Part VII of the Act and notwithstanding the provision of By-Laws 7 and 15 and subject to the discretion of the Scheme Committee, the Scheme Committee may permit the vesting of unvested Shares (or any part thereof) in a Participant or the Participant's personal representative, as the case may be, at any time subject to such terms and conditions as may be prescribed, notwithstanding that the relevant Vesting Date is not due or has not occurred and/or other terms and conditions of the Restricted Share Award or as set out in the Restricted Share Award letter has not been fulfilled or satisfied.

**18. DIVESTMENT FROM GROUP**

- 18.1 In the event that a company within the Group shall be divested from the Group, the Scheme Committee may permit the vesting of unvested Shares (or any part thereof) in a Participant or the Participant's personal representative, as the case may be, at any time subject to such terms and conditions as may be prescribed, notwithstanding that a relevant Vesting Date is not due or has not occurred and/or other terms and conditions of the Restricted Share Award or as set out in the Restricted Share Award letter has not been fulfilled or satisfied.
- 18.2 For the purposes of By-Law 18.1, a company shall be deemed to be divested from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 5 of the Act.

**19. WINDING UP**

Any Restricted Share Award then held by a Participant shall, save as otherwise provided in the By-Laws and to the extent no yet vested, immediately lapse, without any claim whatsoever against the Company, in the event that a resolution is passed or a Court order is made for the winding up of the Company.

**20. DURATION OF THE SCHEME**

- 20.1 The Scheme shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with:-
- (a) the approval-in-principle of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme at any point in time during the duration of the Scheme;
  - (b) the approval by the shareholders of the Company;
  - (c) the submission to Bursa Securities of the final copy of the By-Laws;
  - (d) any other relevant regulatory authorities' approval, where applicable; and
  - (e) fulfilment of all conditions attached to the abovementioned approvals (if any).

All unvested Shares under the Restricted Share Award which are not vested shall forthwith lapse upon the expiry of the Scheme.

**14. BY-LAWS OF THE RSP (cont'd)**

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- 20.2 The Restricted Share Plan shall continue to be in force for a period of five (5) years from the Effective Date. However, the Restricted Share Plan may at the discretion of the Scheme Committee be extended provided always that the initial Scheme period stipulated above and such extension made pursuant to this By-Law shall not in aggregate exceed a duration of ten (10) years. For the avoidance of doubt, save as required by the relevant authorities, no further sanction, approval or authorisation of the shareholders of the Company in a general meeting is required for any such extension or renewal (as the case may be) PROVIDED THAT the Company shall inform the Participants and/or make the necessary announcement(s) within thirty (30) days prior to the expiry of the Scheme.
- 20.3 Within five (5) market days from the Effective Date, the Company shall, through the Adviser, submit a confirmation to the Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 20.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.
- 20.4 Restricted Share Award Offer can only be made during and not after the duration of the Scheme.
- 20.5 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Securities' and any other regulatory authorities' guidelines or directives, the Company may, by notice in writing to all the Participants whose Shares have not been vested in them, terminate the Scheme at any time before the expiry of the Scheme provided that the Company must immediately announce to the Bursa Securities:-
- (a) the effective date of termination ("**Termination Date**");
  - (b) the number of Shares vested; and
  - (c) the reasons for termination.
- Whereupon any unvested Shares shall be deemed to have been cancelled and be null and void on the date specified in the notice which shall be the aforementioned Termination Date provided that the Scheme Committee may in its discretion, permit the vesting of unvested Shares (or any part thereof) in the Participant at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:-
- (a) the Vesting Date is not due or has not occurred; and/or
  - (b) other terms and conditions set out in the Restricted Share Offer has not been fulfilled/ satisfied.
- 20.6 In the event of liquidation of the Company, all Restricted Share Awards which have yet to be vested in a Participant shall lapse.

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**14. BY-LAWS OF THE RSP (cont'd)**

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**21. ADMINISTRATION**

- 21.1 The Scheme shall be administered by the Scheme Committee. The Scheme Committee shall, subject to these By-Laws, administer the Scheme and regulate the Scheme Committee's own proceedings in such manner as it shall think fit.
- 21.2 Without limiting the generality of By-Law 21.1, the Scheme Committee may, for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:-
- (a) Subject to the provisions of the Scheme, construe and interpret the Scheme and the Restricted Share Award granted under it, to define therein and to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The Scheme Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for a Restricted Share Award in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
  - (b) Determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.
- 21.3 The Scheme Committee shall comprise persons appointed by the Board. If the Scheme Committee comprise members of the Board and/or senior management of the Company, the Scheme Committee must ensure that the Directors and/or senior management of the Company do not participate in the deliberation or discussion of their own allocation.
- 21.4 The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the Scheme Committee as it shall deem fit.

**22. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME**

- 22.1 Subject to the By-Law 22.2 and compliance with the Listing Requirements and the approvals of any other authorities (if required), the Scheme Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation.
- 22.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except if such addition, amendment modifications and/or deletion would:-
- (a) increase the number of Scheme Shares beyond the maximum Shares available as stipulated in By-Law 4.1; or
  - (b) provide an advantage to any Participant or group of Participants or all the Participants.



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**14. BY-LAWS OF THE RSP (cont'd)**

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**23. INSPECTION OF ACCOUNTS**

All Participants are entitled to inspect the latest audited financial statements of the Company at the Registered Office of the Company during normal business hours on any working day of the Registered Office.

**24. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Eligible Person.

**25. COMPENSATION**

25.1 No Eligible Persons or Participant who ceases/ fails to commence to hold office in or employment with the Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.

25.2 The Company, the Board and/or the Scheme Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person or Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of rights to the vesting of Shares pursuant to the provisions of these By-Laws.

**26. DISPUTES**

In the event of any dispute between the Scheme Committee with an Eligible Person or Participant, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.

**27. TAXES, COSTS AND EXPENSES**

27.1 Unless otherwise stipulated by the Company in the Restricted Share Offers, all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares and delivering of Shares including the purchase by the Company of its own Shares pursuant to Section 67A of the Act to satisfy the Restricted Share Award, to the extent permitted by law, shall be borne by the Group.

27.2 All taxes (including income tax and employees' provident fund and/or other statutory contributions, if any) arising from the grant and/or payment of cash and/or delivery of Shares granted to any Participant under the Scheme shall be borne by that Participant. The Group shall be responsible for all brokerage, stamp duty and clearing fees (if applicable) incurred in the purchase and/or delivery of existing Shares comprised in a Restricted Share Award.

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**14. BY-LAWS OF THE RSP (cont'd)**

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- 27.3 The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the granting or vesting of Shares comprised in the relevant Restricted Share Award and the payment of cash or delivery of Shares to the Participant pursuant thereto. All taxes (including income tax, if applicable) arising from the grant or vesting of Shares comprised in any Restricted Share Award and the payment of cash or delivery of Shares to the Participant under the Restricted Share Plan shall be borne by the Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Restricted Share Plan.

**28. ERRORS AND OMISSIONS**

If in consequence of an error or omission, the Scheme Committee discovers/ determines that:-

- (a) an Eligible Person who was selected by the Scheme Committee as a Participant, has not been given the opportunity to participate in the Scheme on any occasion; or
- (b) the number of Shares allotted and issued and/or transferred to any Participant on any occasion is found to be incorrect;

and such error or omission cannot be corrected, the Scheme Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person, as the case may be, is given the opportunity to participate in the Scheme and/or the aggregate number of Shares to which the Participant is correctly entitled to is credited into his CDS account.

**29. NOTICE**

- 29.1 Any notice under the Scheme required to be given to or served upon the Scheme Committee by an Eligible Person or a Participant or any correspondence to be made between an Eligible Person or Participant to the Scheme Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the Scheme Committee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter.
- 29.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person or a Participant or any correspondence to be made with an Eligible Person or a Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile or post addressed to the Eligible Person or the Participant at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address, respectively. Any notice served by hand, facsimile or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged, if by facsimile is transmitted with a confirmed log printout for the transmission indicating the date, time and transmission of all pages and if by post would in the ordinary course of post be delivered.

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**14. BY-LAWS OF THE RSP** *(cont'd)*

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29.3 Notwithstanding By-Law 28.2, where any notice is required to be given by the Company or the Scheme Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or Participants, as the case may be, the Company or Scheme Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the Scheme Committee. Upon the making of such an announcement, the notice to be made under By-Law 28.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Participants, as the case may be.

**30. ARTICLES**

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Articles, the provisions of the Articles shall prevail at all times.

**31. SEVERABILITY**

If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

**32. DECISION OF THE SCHEME COMMITTEE**

Any decision and/or determination made by the Scheme Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

**33. GOVERNING LAW AND JURISDICTION**

The Scheme shall be governed by and construed in accordance with the laws of Malaysia. A Participant, by accepting a Restricted Share Offer in accordance with the By-Laws and terms of the Scheme and the Articles, irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

**34. DISCLAIMER OF LIABILITY**

The Company, the Board (including Directors that had resigned but were on the Board during the Restricted Share Offer Period) and the Scheme Committee shall not under any circumstances be held liable to an Eligible Person, a Participant or any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring the Bursa Securities to list the new Shares allotted to a Participant or for any delay in crediting the said new Shares into a Participant's CDS account or delivering the Shares or the continued listing of the Shares on Bursa Securities or any other matter or dealing which is outside the control of the Company in accordance with the Restricted Share Plan.

**35. DELAY OF PERFORMANCE**

The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond the reasonable control of the Company or the Scheme Committee.

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**15. STATUTORY AND OTHER INFORMATION**

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**15.1 SHARE CAPITAL**

- (a) Save for the new Shares to be issued pursuant to the RSP, no securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (b) As at the LPD, we only have one (1) class of shares, namely, ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.
- (c) Save as disclosed in this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiary have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past two (2) years immediately preceding the date of this Prospectus.
- (d) Save for the Pink Form Allocation and the RSP, there is no other scheme involving our Directors and employees in the capital of our Group.
- (e) Other than the IPO Shares as disclosed in Section 5.4 of this Prospectus and new Shares which may be issued pursuant to the RSP, there is no intention on the part of the Directors of our Company to issue any part of the authorised but unissued share capital of our Company.
- (f) As at the date of this Prospectus, neither our Company nor our subsidiary has any outstanding convertible debt securities.
- (g) There is no limitation on the right to own our Shares, including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by law or by the constituent documents of our Company.

**15.2 ARTICLES OF ASSOCIATION**

The following provisions are extracted from our Company's Articles of Association. Terms defined in our Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

**(a) Transfer of Securities****Article 23 - Transfer of Shares**

- (i) The transfer of any listed security or class of any listed security of the Company, shall be by way of book entry by the Bursa Depository in accordance with the Rules of the Bursa Depository and, notwithstanding sections 103 and 104 of the Act, but subject to section 107C(2) of the Act and any exemption that may be made from compliance with section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.
- (ii) Subject to any written law, the instrument of transfer of any security that is not deposited with Bursa Depository shall be in writing and in any usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members thereof.

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**15. STATUTORY AND OTHER INFORMATION (cont'd)**

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***Article 24 - Deposited Security***

In the case of a Deposited Security, the Bursa Depository may refuse to register any transfer of the Deposited Security that does not comply with the Central Depositories Act and the Rules of the Bursa Depository.

***Article 25 - Shares not deposited with the Bursa Depository***

In the case of shares not deposited with the Bursa Depository:-

- (a) The Directors may decline to register any transfer of shares not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the Company has a lien.
- (b) The instrument of transfer must be left for registration at the Office together with such fee not exceeding RM1.00 as the Directors from time to time may require accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the Directors by these Articles register the transferee as a shareholder and retain the instrument of transfer.
- (c) If the Directors refuse to register a transfer they shall within one month after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal in accordance with Section 105 of the Act.
- (d) All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline or refuse to register shall on demand be returned to the person depositing the same.
- (e) The Company shall be entitled to charge a fee, being a sum of money to be paid in advance, as the Directors may from time to time determine and which the Company may be permitted to charge by law, for the registration of every transfer, plus the amount of the proper duty or taxes with which each certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force.

***Article 26 - No liability for fraudulent transfer***

Neither the Company nor its Directors nor any of its officers shall incur any liability for any transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside and notwithstanding that the Company may have notice of such transfer. And in every such case, the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall so far as the Company is concerned, be deemed to have transferred his whole title hereto.

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**15. STATUTORY AND OTHER INFORMATION** *(cont'd)*

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***Article 27 - No transfer to infant, bankrupt or person of unsound mind***

No shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

***Article 28 - Renunciation***

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any shares by the allottee thereof in favour of some other persons.

***Article 29 - Suspension of registration***

The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any year. At least Ten (10) market days' notice of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to Bursa Securities. The said notice shall state the reason for which the Register is being closed. At least three (3) market days before the notice shall be given to Bursa Depository to prepare the appropriate Record of Depositors.

***Article 30 - Death of Member***

In the case of the death of a Member, the legal representatives of the deceased shall be the only person recognised by the Company as having any title to his interest in the shares but nothing herein contained shall release the estate of the deceased Member from any liability in respect of the shares which had been held by the deceased Member.

***Article 31 - Share of deceased or bankrupt Member***

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have a person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy.

***Article 32 - Notice of election***

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

***Article 33 - Person entitled or may receive dividend, etc.***

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall upon the production of such evidence as may from time to time be properly required by the Directors on that behalf be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

**15. STATUTORY AND OTHER INFORMATION** *(cont'd)*

**Article 34 – Transmission of Securities between Registers**

Where:-

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Bursa Depository in respect of such securities,

the Company shall upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

**(b) Remuneration of Directors**

**Article 96 - Directors' remuneration**

The fees payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree Provided Always that:-

- (a) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;
- (b) fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover;
- (c) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (d) fees payable to Directors shall not be increased except pursuant to an Ordinary Resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

**Article 97 - Reimbursement of expenses**

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings of the Company.
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing a special remuneration in addition to his Director's fees and such special remuneration may be by way fixed sum or otherwise as may be arranged.

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**15. STATUTORY AND OTHER INFORMATION (cont'd)**

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***Article 122 - Remuneration of Managing Director***

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

**(c) Voting and Borrowing Powers of Directors, Including Voting Powers on Proposals, Arrangements or Contracts in Which They Are Interested**

***Article 100 - Directors' borrowing powers***

- (a) The Directors may exercise all the powers of the Company to borrow money from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its subsidiaries, or any related or associated corporation.
- (b) The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company, or its subsidiaries, or any related or associate corporation.
- (c) The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or its subsidiaries including any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or its subsidiaries or otherwise.

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 or other securities, whether outright or as security for any debt, liability or obligation of an unrelated third party.

***Article 105 - Limitation of Powers***

Subject to the Act and the Listing Requirements, the Directors shall not without the prior approval of the Company in general meeting:-

- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company, as defined in the Act; or
- (b) exercise any power of the Company to issue securities unless otherwise permitted under the Act; or
- (c) enter into any arrangement or transaction with a Director or a director of the holding company of the Company, or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of a requisite value as defined in the Act.



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**15. STATUTORY AND OTHER INFORMATION** (cont'd)

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**Article 109 - Directors may hold other office**

Subject always to Sections 131 and 132E of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

**Article 117 - Disclosure of Interest & Restriction on Discussion and Voting**

Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to Section 131A of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

**Article 118 - Power to vote**

Subject to Article 117, a Director may vote in respect of :-

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or
- (b) 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 for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security.

**Article 119 - Directors may Become directors of other corporation**

A Director of the Company may be or become a Director or other officer of or otherwise be interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all aspects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed, a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

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**15. STATUTORY AND OTHER INFORMATION (cont'd)**

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**(d) Changes in Capital and Variation of Class Rights*****Article 3 - Share capital***

The authorised share capital of the Company shall be specified in the Memorandum of Association of the Company.

Subject to the Act and these Articles, any unissued share of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, issue, allot (with or without conferring a right of renunciation), grant options over, grant any right or rights to subscribe for such shares or any right or rights to convert any security into such shares, or otherwise deal with or dispose of them to such persons at such times and on such terms and conditions as the Directors, subject to any ordinary resolution of the Company may determine.

***Article 4 - Allotment of shares***

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles, the Central Depositories Act, any other requirements of the Commission, the Act and to the provisions of any resolution of the Company, shares in the Company for the time being unissued (whether forming part of the original capital or of any increase in capital) are under the control of the Directors who may issue, allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:-

- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (c) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
- (d) every issue of shares or options to employees and/or Directors of the Company and its subsidiaries under Share Issuance Scheme or Share Grant Scheme shall be approved by the members in general meeting; and
- (e) no Director shall participate in a share or option for employees and any participation in Share Issuance Scheme or Share Grant Scheme unless the members in a general meeting have approved the specific allotment to be made to such Director.

***Article 5 - Rights of preference shareholders***

- (1) Subject to the Act and these Articles, any preference shares may with the sanction of an Ordinary Resolution be issued on terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as may be provided for by these Articles.

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**15. STATUTORY AND OTHER INFORMATION** *(cont'd)*

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- (2) If the Company at any time issues preference capital, it shall indicate at the same time whether it reserves the right to issue further preference capital ranking equally with or in priority to preference shares already issued.
- (3) A holder of preference shares must have a right to vote in each of the following circumstances:-
  - (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
  - (b) on a proposal to reduce the Company's share capital;
  - (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (d) on a proposal that affects the rights attached to the shares;
  - (e) on a proposal to wind up the Company; and
  - (f) during the winding up of the Company.
- (4) A holder of preference shares must be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements and attending meetings.
- (5) The preference shareholders shall have the right to a return of capital in preference to holders of ordinary shares when the Company is wound up.

***Article 6 - Repayment of preference capital***

Notwithstanding Article 5, the repayment of preference capital other than redeemable preference capital or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of three fourths (3/4) of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

***Article 7 - Modification 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, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three fourths (3/4) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall apply with such adaptations as are necessary.

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**15. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 8 - Alteration of rights by issuance of new shares**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

**Article 50 - Power to increase capital**

Without prejudice to the rights attached to any existing shares or class of shares, the Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase may direct.

**Article 51 - Offer of new shares**

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities of whatever kind for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created shall, before issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

**Article 52 - Ranking of new shares**

Except so far as otherwise provided by the conditions of issue in these Articles, any share capital raised by the creation of new shares shall be considered as part of the original share capital of the Company and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

**Article 53 - Power to alter capital**

The Company may by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) (subject to Section 62(1) of the Act) subdivide its existing share or any part thereof into shares of smaller amount;

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**15. STATUTORY AND OTHER INFORMATION** *(cont'd)*

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- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of these Articles and the Act, convert and/or re-classify any class of shares into any other class of shares.

**Article 54 - Power to reduce capital**

The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by law.

**Article 55 – 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 56 - Purchase of Own Shares**

- (1) The Company may, subject to its obtaining such approval from the relevant authorities (if required) and to its compliance with the provisions of the Act and any regulations made thereunder, the Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the provisions of the Act and any regulations made thereunder, the Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force.
- (2) The provisions of Articles 53 and 54 shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under paragraph (1) of this Article.

**15.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (a) The names, addresses and occupations of the Directors of our Company are set out in the Corporate Directory of this Prospectus.
- (b) A Director is not required to hold any qualification share in our Company unless otherwise so fixed by the Company in general meeting.
- (c) No commission, discounts, brokerages or other special terms have been paid, granted or are payable by our Company or our subsidiary within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of our Company or our subsidiary or in connection with the issue or sale of any capital of our Company or any of our subsidiary and no Promoters, Directors or experts is or are entitled to receive any such payment.

**15. STATUTORY AND OTHER INFORMATION** (cont'd)

- (d) Save and except for salaries, employment related benefits, dividends payable to the Promoters and/or substantial shareholders and/or Directors of our Company, related party transactions and remuneration and benefits for services rendered in all capacities to our Group as disclosed in Sections 8.2.3 of this Prospectus, there are no other amounts or benefits paid or intended to be paid or given to any of the Promoters, substantial shareholders or Directors within two (2) years preceding the date of this Prospectus.
- (e) Save as disclosed in Section 10.6 of this Prospectus, none of the other Directors and/or substantial shareholders of our Company has interest in any contract or arrangement subsisting at the date of this Prospectus, which is significant in relation to the business of our Company or our Group taken as a whole.
- (f) Save as disclosed in Section 8.1.5 of this Prospectus, the Directors and/or substantial shareholders of our Company are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over our Company.

**15.4 MATERIAL CONTRACTS**

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiary companies within the past two (2) years immediately preceding the date of this Prospectus:-

- (a) Tenancy Agreement dated 16 June 2014 between the ACSB as tenant and Capital Assets Sdn Bhd as landlord in respect of a tenancy of an office lot at One Precinct, 1C-6-02, Lengkok Mayang Pasir, 11900 Penang for a monthly rental of RM33,386.10;
- (b) Deed of Assignment dated 31 October 2014 between ACSB and ASB to assign all the benefits, rights, title and interest together with the goodwill of the business attaching to Trademark Registration No. 08050110, Trademark Registration No. 08050111 and Trademark Registration No. 08050114 registered to ASB at an assignment consideration of RM1.00 as disclosed in Section 6.11.1 of this Prospectus;
- (c) Second Supplemental Agreement dated 5 December 2014 entered into between Ng Sang Beng, Yeoh Chee Keong, Wong Shee Kian, Beach Capital, ASB (collectively, the "**Parties**"), ACSB and Teak Ventures subsequent to the Supplemental Agreement dated 1 July 2013 to further vary certain terms and conditions of the Shareholders Agreement dated 21 October 2009 entered into between the Parties, ACSB and Teak Ventures for the issuance of 20,308,360 RCPS by ACSB to Teak Ventures at a subscription price of RM0.1382 per RCPS and the Supplemental Agreement dated 1 July 2013;
- (d) SSA dated 5 December 2014 entered into between Aemulus and the Vendors pursuant to the Acquisition of ACSB;
- (e) Tenancy Agreement dated 1 June 2015 entered into between ACSB (as tenant) and Elsoft Systems Sdn Bhd (as landlord) in respect of a tenancy of a factory building at Plant 2 Unit 4, Plot 85(c), Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase 4, 11900 Penang for a monthly rental of RM22,000; and
- (f) Underwriting Agreement dated 10 August 2015 between Aemulus and the Joint Underwriters for the underwriting of 21,943,000 IPO Shares for an underwriting commission of 2.0% of the IPO Price.

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**15. STATUTORY AND OTHER INFORMATION** *(cont'd)*

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**15.5 MATERIAL LITIGATION AND CONTINGENT LIABILITY**

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and the Directors of our Company do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

As at the date of the Directors' Report and save as disclosed below, there is no contingent liability which, upon becoming enforceable, may have material impact on our financial position or business.

**15.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFITS**

To the best knowledge of our Directors, there are no governmental laws, decrees, regulations or other legislations in other countries that may affect the repatriation of capital and the remittance of profit by or to our Group.

**15.7 PUBLIC TAKE-OVER OFFERS**

None of the following has occurred since our incorporation on 17 October 2014 up to the LPD:-

- (a) public take-over offers by third parties in respect of our Company's Shares; and
- (b) public take-over offers by our Company in respect of other companies' shares.

**15.8 CONSENTS**

- (a) The written consent of our Principal Adviser, Sponsor, Managing Underwriter, Joint Underwriters and Joint Placement Agents, Company Secretary, Solicitors, Principal Banker, Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of our Reporting Accountants and Auditors to the inclusion in this Prospectus of their names, Accountants' Report and letter relating to the Proforma Consolidated Financial Information and audit reports in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.
- (c) The written consent of our Independent Market Researcher to the inclusion in this Prospectus of their names and the executive summary of the Independent Market Research Report in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

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**15. STATUTORY AND OTHER INFORMATION** *(cont'd)*

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**15.9 DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of our Company during normal business hours for a period of twelve (12) months from the date of this Prospectus:-

- (a) The M&A of our Company;
- (b) The audited financial statements of Aemulus for the FPE 2015;
- (c) The audited financial statements of our subsidiary for the past three (3) FYE 2012 to FYE 2014 and the unaudited financial statements for FPE 2014;
- (d) The Independent Market Research Report by Smith Zander of which the executive summary is set out in Section 7 of this Prospectus;
- (e) The Directors' service agreements as set out in Section 8.8 of this Prospectus;
- (f) The Reporting Accountants' letters relating to the Proforma Consolidated Financial Information as set out in Section 11.2 of this Prospectus;
- (g) The Accountants' Report as included in Section 12 of this Prospectus;
- (h) The Directors' Report referred to in Section 13 of this Prospectus;
- (i) The material contracts referred to in Section 15.5 of this Prospectus; and
- (j) The letters of consent referred to in Section 15.8 of this Prospectus.

**15.10 RESPONSIBILITY STATEMENTS**

Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

TA Securities 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 IPO.

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## 16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### 16.1 OPENING AND CLOSING OF APPLICATION

The Application will open at 10.00 a.m. on 26 August 2015 and will remain open until 5.00 p.m. on 3 September 2015 or for such further periods as our Directors, Promoters and Offerors together with the Joint Underwriters in their absolute discretion may mutually decide. If the closing date of the application is extended, the dates for the balloting, allotment and listing of our entire issued and paid-up share capital on the ACE Market of Bursa Securities would be extended accordingly and we will notify the public via an advertisement in widely circulated daily English and Bahasa Malaysia newspapers within Malaysia. Late applications will not be accepted.

### 16.2 METHODS OF APPLICATION

Your applications for the IPO Shares may be made using any of the following:-

- (a) Application Form; or
- (b) Electronic Share Application; or
- (c) Internet Share Application.

### 16.3 GENERAL CONDITIONS FOR APPLICATIONS

This application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

#### (a) Application by the Malaysian Public

Applications for our IPO Shares made available for application by the Malaysian Public must be made only on the **WHITE** Application Forms provided or by way of Electronic Share Application through a Participating Financial Institutions' ATM or Internet Share Application through the Internet Participating Financial Institutions, of which 50% is to be set aside strictly for Bumiputera investors. A corporation or institution cannot apply for shares by way of Electronic Share Application through a Participating Financial Institutions' ATM or Internet Share Application through the Internet Participating Financial Institutions.

#### (b) Application by the eligible Directors, employees and business associates (including other persons who have contributed our success)

Applications for our IPO Shares reserved for the eligible Directors, employees and other persons who have contributed to the success of our Group must be made only on the **PINK** Application Forms provided and **NOT** on any other Application Forms or by way of Electronic Share Application through a Participating Financial Institutions' ATM or Internet Share Application through the Internet Participating Financial Institutions.

We will only consider one Application Form from you and applications must be for 100 ordinary shares or multiples thereof. **Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to ten (10) years under Section 182 of the CMSA.**

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

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The amount payable in full on application is RM0.28 per Share.

If you submit applications by way of Application Form, you **may not** submit applications by way of Electronic Share Application or Internet Share Application and vice versa.

Persons submitting applications by way of Application Form or by way of Electronic Share Application or Internet Share Application **must have a CDS Account**.

Corporation or institution cannot apply for the Shares by way of Electronic Share Application or Internet Share Application.

Your applications shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

IF YOU ARE AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND YOUR NATIONAL REGISTRATION IDENTITY CARD NUMBER MUST BE EXACTLY THE SAME AS STATED IN:-

- (i) (a) YOUR NATIONAL REGISTRATION IDENTITY CARD;
  - (b) YOUR RESIT PENGENALAN SEMENTARA (**KPPK 09**) ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; OR
  - (c) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF ARMED FORCES OR POLICE, YOUR NAME AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR AUTHORITY CARD.

IN THE CASE OF A CORPORATE/INSTITUTIONAL APPLICANT, YOUR NAME AND YOUR CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR CERTIFICATE OF INCORPORATION.

We and/or the Issuing House shall make no acknowledgement of the receipt of applications or application monies.

#### **16.4 APPLICATIONS USING APPLICATION FORMS**

**(i) Types of Application Forms**

The following Application Forms issued with the notes and instructions printed therein are accompanied by this Prospectus.

- (a) **WHITE** Application Forms for application by Malaysian Public;
- (b) **PINK** Application Forms for application by the eligible Directors and employees and business associates (including any other persons who have contributed to the our success); and

**WHITE** Application Forms together with copies of this Prospectus may be obtained, subject to availability from TA Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and the Issuing House.

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** (cont'd)**(ii) Terms and Conditions of Applications Using Application Forms**

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:

- (a) Applicant who is an individual must be a Malaysian Citizen residing in Malaysia with Malaysian address. Applicants must have a CDS account.
- (b) Applicant which is a corporation/institution incorporated in Malaysia, with a CDS account and are subject to the following:-
  - (i) If the corporation/institution has a share capital, more than half of your issued share capital (excluding preference share capital) is held by Malaysian citizens; and
  - (ii) There is a majority of Malaysian citizens on the board of Directors/trustee.
- (c) Applicant which is a superannuation, provident and pension fund established or operating in Malaysia and with a CDS account.
- (d) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnership or other incorporated bodies or associations, other than corporations/institutions referred to in Sections 16.4 (ii)(b) and 16.4 (ii)(c) above or the trustees thereof.
- (e) You can apply for the Shares using relevant Application Forms issued together with this Prospectus and you must complete the Application Form in accordance with the Notes and Instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232(2) of the CMSA, the Application Form together with the Notes and Instructions printed thereon are accompanied by this Prospectus. We will not accept your applications if they do not strictly conform to the terms of this Prospectus or Application Form or Notes and Instructions printed thereon or which are illegible.
- (f) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCES IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE EITHER BY:
  - BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera Applicants); OR
  - MONEY ORDER OR POSTAL ORDER (for Applicants from Sabah and Sarawak only); OR
  - GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera Applicants); OR

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

- ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:-

- Alliance Bank Malaysia Berhad;
- Hong Leong Bank Berhad;
- Malayan Banking Berhad; or
- RHB Bank Berhad.

MADE OUT IN FAVOUR OF:

**"TIIH SHARE ISSUE ACCOUNT NUMBER 660"**

AND CROSSED "**A/C PAYEE ONLY**" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS.

WE WILL NOT ACCEPT YOUR APPLICATION WHICH IS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE OR INAPPROPRIATE BANKER'S DRAFT/ CASHIER'S ORDER/ MONEY ORDERS OR POSTAL ORDER/ GGO/ ATM STATEMENT. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (g) YOU **MUST** STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM.
- (h) YOUR NAME AND ADDRESS, MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, POSTAL ORDER OR GGO FROM BANK SIMPANAN NASIONAL BERHAD.
- (i) Our Directors reserve the right to require you, if you are successful in your application, to appear in person at the registered office of the Issuing House at anytime within fourteen (14) days of the date of notice issued to you prior to the listing of and quotation for the ordinary shares on the ACE Market to ascertain the regularity or propriety of your application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (j) The Issuing House acting on the authority of our Directors reserves the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (k) The Issuing House acting on the authority of our Directors reserves the right not to accept your application or to accept your application in part only without assigning any reason thereof. Due consideration will be given to the desirability of allocating our IPO Shares to a reasonable number of Applicants with a view of establishing an adequate market for the shares.

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** (cont'd)

- (l) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official 'A' envelope you provided by ordinary post (for fully unsuccessful applications) **or by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary post (for partially successful application) within ten (10) Market Days from the date of the final ballot if you have not provided such bank account information to Bursa Depository.**

If your application was rejected because you did not provide a CDS Account number, your application monies will be sent to the address stated in the NRIC or 'Resit Pengenalan Sementara (KPPK 09)' or any valid temporary identity document issued by the National Registration Department from time to time or authority card in the case of Armed Forces/Police personnel where applicable, at your own risk.

Our Issuing House reserves the right to bank in all application monies from unsuccessful applicants. **These monies will be refunded by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary post to your address last maintained with Bursa Depository at your own risk if you have not provided such bank account information to Bursa Depository.**

- (m) You shall ensure that your personal particulars as stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (n) The Issuing House acting on the authority of our Directors reserves the right to bank in all application monies from unsuccessful Bumiputera Applicants and partially successful Applicants, which would subsequently be refunded without interest by ordinary post or registered post at your own risk.
- (o) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)  
(formerly known as Equiniti Services Sdn Bhd)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur

**OR DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the ground floor of The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur

**OR DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at Level 17, Tricor Investor & Issuing House Services Sdn Bhd, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 3 September 2015 or such further period or periods as our Directors together with the Joint Underwriters in their absolute discretion may mutually decide.

**We will not accept late applications.**

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

- (p) Directors and employees of the Issuing House and their immediate families are strictly prohibited from applying for our Shares.
- (q) YOU MAY DIRECT **ALL ENQUIRIES** IN RESPECT OF THE **WHITE APPLICATION FORM** TO THE ISSUING HOUSE.

**16.5 APPLICATIONS USING ELECTRONIC SHARE APPLICATION**

**(i) Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) You **must** have a CDS account; and
- (c) You can apply for our Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.5 (ii) in respect of the terms and conditions for Electronic Share Applications. You have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:-
  - Personal Identification Number ("**PIN**");
  - **TIH Share Issue Account Number 660**;
  - CDS account number;
  - Number of the shares applied for and/or the RM amount to be debited from the account; and
  - Confirmation of several mandatory statements.
- (d) Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-

- Affin Bank Berhad;
- AmBank (M) Berhad;
- CIMB Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- Public Bank Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

**(ii) Terms and Conditions for Electronic Share Application**

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 16.5(i) of this Prospectus. The Steps set out the actions that the Applicant must take at the ATM to complete an Electronic Share Application.

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** (cont'd)

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Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "you" in the terms and conditions for Electronic Share Applications and the Steps shall mean the Applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

Only an Applicant who is an individual with a CDS account is eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of the Participating Financial Institutions. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of the offer for the application for our Shares on **at 5.00 p.m.** ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for our Shares to the Issuing House as soon as practicable but not later than **12.00 p.m.** of the 2<sup>nd</sup> business day after the Closing Date and Time.

You will be allowed to make an Electronic Share Application for our Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) application.

**YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.**

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.
- (b) You are required to confirm the following statements (by depressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:-
  - You have attained 18 years of age as at the closing date of the share application;
  - You are a Malaysian citizen residing in Malaysia;

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

- You have read the Prospectus and understood and agreed with the terms and conditions of the application; and
- You thereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 133 of the Financial Service Act, 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House or any relevant regulatory bodies.

- (c) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (e) You agree and undertake to subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that our Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of Shares applied for shall signify, and shall be treated as, your acceptance of the number of Shares that may be allotted or allocated to you and to be bound by the Memorandum and Articles of our Company.
- (f) We reserve the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of Applicants with a view to establishing an adequate market for our Shares.

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institutions will be informed of the non-successful or partially successful applications. Where your Electronic Share Application is not successful, the relevant Participating Financial Institutions will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. You may check your accounts on the fifth (5th) Market Day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institutions will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by the Issuing House by crediting into your account with the Participating Financial Institutions. The cheques will be issued to you not later than ten (10) Market Days from the final ballot of the applications.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

- (h) You request and authorise us:-
- (i) to credit the Shares allotted or allocated to you into your CDS account; or
  - (ii) to issue share certificate(s) representing such Shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (i) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control, the Issuing House or the Participating Financial Institutions, irrevocably agrees that if:-
- (i) We or the Issuing House do not receive your Electronic Share Application; and
  - (ii) Data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or the Issuing House,

you shall be deemed not to have made an Electronic Share Application and you shall have no claim whatsoever against us, the Issuing House and the Participating Financial Institutions for the Shares applied for or for any compensation, loss or damage.

- (j) All your particulars in the records of the relevant Participating Financial Institutions at the time you make your Electronic Share Application shall be deemed to be true and correct and our Company, the Issuing House and the Participating Financial Institutions shall be entitled to rely on the accuracy thereof.

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

- (k) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, you agree that:-
  - (i) in consideration of our Company agreeing to allow and accept the making of any application for the Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
  - (ii) our Company, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (iii) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of the offer made by you to subscribe for the Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said Shares;
  - (iv) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee of any instrument of transfer and/or other documents required for the issue or transfer of the shares allocated to the Applicant; and
  - (v) we agree that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that we irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (m) Our Directors reserve the right to require you, if you are successful in your application, to appear in person at the registered office of the Issuing House within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of the application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (n) Our Directors reserve the right to reject applications, which do not conform to these instructions.

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

- (o) The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:-
- Affin Bank Berhad – No fee will be charged for application by their account holders;
  - AmBank (M) Berhad – RM1.00;
  - CIMB Bank Berhad – RM2.50;
  - HSBC Bank Malaysia Berhad – RM2.50;
  - Malayan Banking Berhad – RM1.00;
  - Public Bank Berhad – RM2.00;
  - RHB Bank Berhad – RM2.50; or
  - Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.

**16.6 APPLICATIONS USING INTERNET SHARE APPLICATION****(i) Steps for Internet Share Application**

The exact steps for Internet Share Application for the Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps of an application of the Shares using Internet Share Application.

**PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW:-**

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institutions with which you have an account. You are advised not to apply for the Shares through any website other than the Internet financial services websites of the Internet Participating Financial Institutions.
- (b) Log in to the Internet financial services facility by entering your user identification and PIN/password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

- (h) By confirming such information, you have undertake that the following mandatory statements are true and correct:-
- (i) You are at least 18 years of age as at the closing date of the application for the IPO Shares.
  - (ii) You are a Malaysian citizen residing in Malaysia.
  - (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood.
  - (iv) You agree to all terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares.
  - (v) The Internet Share Application is the only application that you are submitting for the IPO Shares.
  - (vi) You authorise the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Authorised Financial Institution.
  - (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Service Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institutions, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institutions, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority.
  - (viii) You are not applying for the IPO Shares as a nominee of other person and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.
  - (ix) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (i) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application of the IPO Shares.

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** (cont'd)

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- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application of the IPO Shares is being made.
- (k) Subsequent to the above, the Internet Participating Financial Institutions shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (l) You are advised to print out the Confirmation Screen for reference and retention.

**(ii) Terms and Conditions for Internet Share Application**

Your application for the IPO shares may be made through the Internet financial services websites of the Internet Participating Financial Institutions.

Internet Share Applications may be made through the Internet financial services websites of the following Internet Participating Financial Institutions:-

- Affin Bank Berhad at [www.affinOnline.com](http://www.affinOnline.com); or
- Affin Hwang Investment Bank Berhad at [www.trade.affinhwang.com](http://www.trade.affinhwang.com); or
- CIMB Bank Berhad at [www.cimbclicks.com.my](http://www.cimbclicks.com.my); or
- CIMB Investment Bank Berhad at [www.eipocimb.com](http://www.eipocimb.com); or
- Malayan Banking Berhad at [www.maybank2u.com.my](http://www.maybank2u.com.my); or
- Public Bank Berhad at [www.pbebank.com](http://www.pbebank.com); or
- RHB Bank Berhad at [www.rhb.com.my](http://www.rhb.com.my).

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE PROCEDURES, TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS AND THE PROCEDURES SET OUT IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS BEFORE YOU MAKE AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR THE INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out below:

- (a) In order to make an Internet Share Application, you must:-
  - (i) be an individual with a CDS account;
  - (ii) have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification and PIN/password for the relevant Internet financial services facilities; and

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

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- (iii) be a Malaysian citizen and have a Malaysian address.

You are advised to note that the user identification and PIN/password by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

- (b) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (c) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screens of the Internet financial services websites of the Internet Participating Financial Institutions) and to undertake that the following information given are true and correct:-
- (i) You have attained 18 years of age as at the date of the application for the IPO Shares.
- (ii) You are Malaysian citizen residing in Malaysia.
- (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood.
- (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares.
- (v) The Internet Share Application is the only application that you are submitting for the IPO Shares.
- (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution.
- (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Service Act, 2013 and Section 45 of the SICDA to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority.
- (viii) You are not applying for the IPO Shares as a nominee of other person and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

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- (ix) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (d) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of this section of the Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for, which you can print out for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 16.6(ii)(c) above.

- (e) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not strictly conform to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made, shall be rejected.
- (f) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to you. In the event that we decide to allot any lesser amount of IPO Shares or not to allot any IPO Shares to you, you agree to accept our decision as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

- (i) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

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- (ii) your agreement to be bound by our Memorandum and Articles of Association.
  
- (g) You are aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. The Issuing House, on the authority of our Directors, reserve the right to reject or accept any Internet Share Application in whole or in part without assigning any reason. Due consideration will be given to the desirability of allotting the IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our IPO Shares.
  
- (h) If your Internet Share Application is unsuccessful or partially successful, the relevant Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date. The Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies or the balance of it (as the case may be) in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from the Issuing House.

A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to these applications which are subsequently rejected, will be refunded (without interest or any share of revenue or other benefit arising therefrom) by the Issuing House by crediting into your account with Internet Participating Financial Institutions within ten (10) Market Days from the date of the final ballot.

For applications that are held in reserve and are subsequently unsuccessful (or only partially successful), the Internet Participating Financial Institutions will arrange for a refund of the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within ten (10) Market Days from the day of the final ballot.

Except where the Issuing House is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institutions to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult with the Internet Participating Financial Institutions through which your application was made in respect of the mode or procedure of enquiring on the status of your Internet Share Application in order to determine the status or exact number of IPO Shares allotted, if any, before trading of our shares on Bursa Securities.

- (i) Internet Share Application will be closed at 5.00 p.m. on 3 September 2015 or such other date(s) as our Directors, Promoters and Offerors, together with our Joint Underwriters may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion, that is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.



**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

- (j) You irrevocably agree and acknowledge that the Internet Share Application is subject to electrical, electronic, technical, transmission and communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of the Issuing House, the Internet Participating Financial Institutions and the Authorised Financial Institution. If we, the Issuing House and/or the Internet Participating Financial Institutions and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment, or if any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, the Issuing House or the Internet Participating Financial Institutions and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage arising from it.
- (k) All of your particulars in the records of the relevant Internet Participating Financial Institutions at the time of the Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You shall ensure that your personal particular as recorded by both Bursa Depository and the Internet Participating Financial Institutions are correct and identical, otherwise your Internet Share Application is liable to be rejected. The notification letter on successful allotment will be sent to your address last registered with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institutions and Bursa Depository of any changes in your personal particulars that may occur from time to time.

- (l) By making and completing an Internet Share Application, you are deemed to have agreed that:
- (i) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institutions acting as your agents, your Internet Share Application is irrevocable;
  - (ii) you have irrevocably requested and authorised us to register the IPO Shares allotted to you for deposit into your CDS account;
  - (iii) neither us nor the Internet Participating Financial Institutions, shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to the Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 16.6(ii)(j) herein or to any cause beyond our/their control;
  - (iv) you should hold the Internet Participating Financial Institutions harmless from any damages, claims or losses as a consequence of or arising from any rejection of your Internet Share Application by us, the Issuing House, and/or the Internet Participating Financial Institutions for reasons of multiple applications suspected multiple applications, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institutions;

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

- (v) the acceptance of your offer to subscribe for and the purchase of the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by the issue of a notice by us or on our behalf for prescribed securities in respect of the IPO Shares, notwithstanding the receipt of any payment by us or on our behalf;
  - (vi) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
  - (vii) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Principal Adviser, the Joint Underwriters and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
  - (viii) our acceptance of your Internet Share Application and the contract resulting from the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (m) The processing fee per Internet Share Application will be charged by the respective financial institutions to their account holders.
- Affin Bank Berhad ([www.affinOnline.com](http://www.affinOnline.com)) – No fees will be charged for application by their account holders;
  - Affin Hwang Investment Bank Berhad ([www.trade.affinhwang.com](http://www.trade.affinhwang.com)) - No fees will be charged for application by their account holders;
  - CIMB Bank Berhad ([www.cimbclicks.com.my](http://www.cimbclicks.com.my)) – RM2.00 for applicants with CDS account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
  - CIMB Investment Bank Berhad ([www.eipocimb.com](http://www.eipocimb.com)) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
  - Malayan Banking Berhad ( [www.maybank2u.com.my](http://www.maybank2u.com.my)) – RM1.00;
  - Public Bank Berhad ([www.pbepbank.com](http://www.pbepbank.com)) – RM2.00; and
  - RHB Bank Berhad ([www.rhb.com.my](http://www.rhb.com.my)) – RM2.50.

**16.7 APPLICATIONS AND ACCEPTANCES**

The Issuing House, acting on the authority of our Directors reserves the right not to accept any application, which does not strictly comply with the instructions, or to accept any application in part only without assigning any reason thereof.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

ALL APPLICATIONS MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

In the event of an over-subscription, acceptance of applications by the Malaysian Public shall be subject to ballot to be conducted in a fair and equitable manner and as approved by our Directors. Due consideration will be given to the desirability of distributing the IPO Shares to a reasonable number of Applicants with a view of broadening the shareholding base and establishing an adequate market in our shares.

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

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Pursuant to the Listing Requirements, we need to have at least 25% of the enlarged issued and paid-up share capital in the hands of public shareholders and a minimum of 200 public shareholders holding not less than 100 Shares each at the point of Listing. However, in the event that the above requirement is not met pursuant to this IPO, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full. The Applicants will be selected in a manner to be determined by our Directors.

Any portion of the Public Issue Shares which are not subscribed by the eligible employees and other persons who have contributed to the success of our Group will be made available for subscription by the Malaysian Public. Thereafter, any Public Issue Shares not subscribed for by the Malaysia Public will be made available for subscription by selected investors. Any further Public Issue Shares not subscribed for will be made available for subscription by the Joint Underwriters in proportions specified in the Underwriting Agreement.

Directors and employees of the Issuing House and their immediate families are strictly prohibited from applying for the IPO Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR PARTIALLY ACCEPTED, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION BY ORDINARY POST, TO YOUR ADDRESS REGISTERED WITH BURSA DEPOSITORY AT YOUR OWN RISK, OR BY CREDITING INTO YOUR BANK ACCOUNT FOR PURPOSES OF CASH DIVIDEND/DISTRIBUTION IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL AND PARTIALLY SUCCESSFUL APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION BY ORDINARY POST TO YOUR ADDRESS REGISTERED WITH BURSA DEPOSITORY AT YOUR OWN RISK, OR BY CREDITING INTO YOUR BANK ACCOUNT FOR PURPOSES OF CASH DIVIDEND/DISTRIBUTION IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE HAVING BEEN PRESENTED FOR PAYMENT.

**16.8 CDS ACCOUNTS**

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our securities as Prescribed Securities. In consequence thereof, the IPO Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the aforesaid Act and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the SICDA, all dealings in our securities including the IPO Shares will be by book entries through CDS accounts. No share certificates will be issued to successful Applicants.

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**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(cont'd)*

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Only an Applicant who has a CDS account can make an application by way of Application Form. You shall furnish your CDS account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to the Issuing House or our Company. Where you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for the IPO Shares. Failure to comply with these specific instructions as the Application Form requires or inaccuracy in the CDS account number may result in the application being rejected. If a successful Applicant fails to state his/her CDS account number, the Issuing House under the instruction of our Company, will reject the application.

Only an Applicant who has a CDS account can make an Electronic Share Application. You shall furnish your CDS account number to the Participating Financial Institutions by way of keying in your CDS account number if the instruction on the ATM screen at which you enter your Electronic Share Application requires you to do so. Failure to comply with these specific instructions as the Electronic Share Application requires or inaccuracy in the CDS account number arising from use of invalid, third party or nominees account, may result in your application being rejected.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institutions can make an Internet Share Application. Arising therewith, the applicant's CDS account number would automatically appear in the e-IPO online application form.

The Issuing House, on the authority of our Directors, reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if your particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or if the records of the Internet Participating Financial Institutions at the time of making the Internet Share Application differ from those in Bursa Depository's records, such as the National Registration Identity Card number, name and nationality.

**16.9 NOTICE OF ALLOTMENT**

We will allot and credit the Shares to your CDS account if you are successful or partially successful in the application. A notice of allotment will then be despatched to you at your address last maintained with the Bursa Depository at your own risk prior to the listing of our Company. For Electronic Share Application or Internet Share Application, the notice of allotment will be despatched to the successful or partially successful Applicant at your address last maintained with the Bursa Depository at your own risk prior to the listing of our Company. This is the only acknowledgement of acceptance of the application.

If your address as stated in the Application Form or, in the case of an Electronic Share Application, in the records of the Participating Financial Institutions, or Internet Share Application, in the records of the Internet Participating Financial Institutions, as the case may be, is different from the address registered with Bursa Depository, you must inform Bursa Depository of your updated address promptly by adhering to the certain rules and regulations of the Bursa Depository, failing which the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by calling your respective ADAs at the telephone number as stated in Section 16.10 hereof or at the telephone numbers stated below between five (5) to ten (10) Market Days (during office hours only) or checking the website stated below after the date of allotment of the Shares:

Issuing House Enquiry Services : 03-2264 3883  
Issuing House Website : [www.myetricor.com](http://www.myetricor.com)

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)****16.10 LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and Broker Codes are as follows:-

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KUALA LUMPUR</u></b>		
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD)	Ground, Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD)	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BHD	17 <sup>th</sup> Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25 Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2036 2633	086-001
BIMB SECURITIES SDN BHD	32 <sup>nd</sup> Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887	024-001
CIMB INVESTMENT BANK BHD	Principal Office Level 17 Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel No.: 03-2261 8888	065-001
CITIGROUP GLOBAL MARKETS MALAYSIA SDN BHD	Level 43, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2383 3890	038-001
CLSA SECURITIES SDN BHD	Bilik 20-01, Aras 20 Menara Dion2 7 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888	033-001
CREDIT SUISSE SECURITIES (MALAYSIA) SDN BHD	Suite 7.6, Level 7 Menara IMC8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 2723 2020	036-001
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676	021-002

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>KUALA LUMPUR (cont'd)</u></b>		
HONG LEONG INVESTMENT BANK BERHAD	Level 6, 7, 17, 19, 22 & 23 Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD	18 <sup>th</sup> & 21 <sup>st</sup> Floor Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899	066-006
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Tingkat 2, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Tel No.: 03-2287 2273	068-017
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Tingkat Bawah, 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
J.P.MORGAN SECURITIES (MALAYSIA) SDN BHD	Level 18, Integra Tower The Intermark 348 Jalan Tun Razak 50250 Kuala Lumpur Tel No.: 03-2270470	035-001
JUPITER SECURITIES SDN BHD	Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11 <sup>th</sup> - 14 <sup>th</sup> Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001
KENANGA INVESTMENT BANK BHD	Tingkat 4-10, 15-16, 18 & 20 Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-020

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>KUALA LUMPUR (cont'd)</u></b>		
KENANGA INVESTMENT BANK BERHAD	Ground, Mezzanine, 1st & 2nd Floors (West & Center Wing) & 1st Floor East Wing Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-021
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133	073-029
M & A SECURITIES SDN BHD	Aras 1-3, No. 45 & 47 and No. 43-6 The Boulevard, Bandar Mid Valley Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002
M & A SECURITIES SDN BHD	22A & 22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-7983 9890	057-004
MACQUARIE CAPITAL SECURITIES(MALAYSIA) SDN BHD	Aras 10, Menara Dion 27 Jalan Sultan Ismail 50250, Kuala Lumpur Tel. No.: 03-2059 8833	032-001
MAYBANK INVESTMENT BANK BERHAD	Tingkat 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BHD	8 <sup>th</sup> , 9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> & 12 <sup>th</sup> Floor Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
NOMURA SECURITIES MALAYSIA SDN BHD	Suite 16.5, Level 16 Menara IMC, Letter Box 47 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 2027 6811	037-001
PM SECURITIES SDN BHD	Ground Floor, Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
PUBLIC INVESTMENT BANK BHD	27 <sup>th</sup> Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011	051-001

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>KUALA LUMPUR (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	Tingkat 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001
RHB INVESTMENT BANK BHD	Tingkat 12, 15 (Sebahagian), 20 (sebahagian) & 21 Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	087-018
RHB INVESTMENT BANK BHD	No. 62, 62-1, 64 & 64-1 Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BHD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BHD	Ground, First, Second and Third Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BHD	Tingkat 13-15, 23,28-30,32,34 & 35 No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UBS SECURITIES MALAYSIA SDN BHD	Level 7 Wisma Hong Leong 18, Jalan Perak 50450, Kuala Lumpur Tel No.: 03-2781 1100	031-001
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010
<b><u>SELANGOR DARUL EHSAN</u></b>		
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD)	3rd & 4th floors, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019



**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>SELANGOR DARUL EHSAN</u></b>		
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS AFFIN INVESTMENT BANK BERHAD)	Lot 229, Tingkat 2, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	068-020
AMINVESTMENT BANK BERHAD	Aras 4, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003
CIMB INVESTMENT BANK BHD	Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-009
HONG LEONG INVESTMENT BANK BERHAD	Level 10, First Avenue Persiaran Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888	066-002
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	16 <sup>th</sup> , 18 <sup>th</sup> -20 <sup>th</sup> Floor Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	East Wing & Centre Link Tingkat 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
JF APEX SECURITIES BHD	3 <sup>rd</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> and 10 <sup>th</sup> Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BHD	Level 16, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
JF APEX SECURITIES BHD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No.: 03-5879 0163	079-004
JUPITER SECURITIES SDN BHD	No. 42 – 46, 3rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5632 4838	055-004

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
KENANGA INVESTMENT BANK BHD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200	073-005
KENANGA INVESTMENT BANK BHD	55C (2 <sup>nd</sup> Floor) Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-006
KENANGA INVESTMENT BANK BHD	Lot 240, Second Floor The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016
KENANGA INVESTMENT BANK BHD	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118	073-030
KENANGA INVESTMENT BANK BHD	No. 35, Ground, 1 <sup>st</sup> and 2 <sup>nd</sup> Floor Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-035
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-002
MALACCA SECURITIES SDN BHD	No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 1300 221 223	012-003
MAYBANK INVESTMENT BANK BERHAD	Level 8 68 Jalan Batai Laut 4 Taman Bukit Camerlang 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003
MAYBANK INVESTMENT BANK BERHAD	Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
RHB INVESTMENT BANK BHD	24, 24M, 24A, 26M, 28M, 28A, 30, 30M & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BHD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	087-045
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BHD	Ground Floor and First Floor No. 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-6148 3361	087-049
RHB INVESTMENT BANK BHD	11-1 11-2, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-6148 3361	087-051
RHB INVESTMENT BANK BHD	Unit 1 B, 2 B & 3B USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8023 6518	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
SJ SECURITIES SDN BHD	101B, Jalan SS 15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7888	096-002

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
<b><u>PERAK DARUL RIDZUAN</u></b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-010
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Tingkat Bawah, Aras 1,2 & 321 Jalan Stesen, Aras 2 & 3, 43 & 45 Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Tingkat Bawah, 1 & 2 No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988	068-015
KENANGA INVESTMENT BANK BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 4 <sup>th</sup> Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
KENANGA INVESTMENT BANK BHD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6222 828	073-026
KENANGA INVESTMENT BANK BHD	Ground Floor No. 25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828	073-031

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PERAK DARUL RIDZUAN (cont'd)</u></b>		
M & A SECURITIES SDN BHD	5th, 6th, & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Aras Bawah), Aras 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BHD	No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BHD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BHD	Tingkat Bawah, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No.72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261	087-044
RHB INVESTMENT BANK BHD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-052
TA SECURITIES HOLDINGS BHD	Bahagian Kanan Tingkat Bawah Tingkat 1 & 2 Plaza Teh Teng Seng No. 227, Jalan Raja Pemaizuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6216 010	078-009

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PENANG</u></b>		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Bangunan Berkath 21 Beach Street 10300, Georgetown Penang Tel No : 04-2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
CIMB INVESTMENT BANK BHD	Ground Floor Suite 1.01 Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-003
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Level 2, 3, 4, 5 & 7 Wisma Sri Pinang 60, Green Hall; and Levels 2,3,4,5,6,7 & 8 Wisma Sri Pinang II 42, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, Mezzanine & 8th Floor Sentral Tower No. 3, Penang Street 10200 Penang Tel No.: 04-2690 888	054-002
JUPITER SECURITIES SDN BHD	20-1 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-641 2881	055-003
KENANGA INVESTMENT BANK BHD	7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Jalan Perak 11600 Georgetown Penang Tel No.: 04-2817 611	057-005
M & A SECURITIES SDN BHD	216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Penang Tel No.: 04-2617 611	057-008
MALACCA SECURITIES SDN BHD	No. 39-1, Jalan Lenggong Vantage Point 11600 Jelutong Penang Tel No.: 04-2821 533	012-004

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>PENANG (cont'd)</u></b>		
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, Tingkat 1 Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04 2196 888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2 <sup>nd</sup> Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Penang Tel No.: 04-2639 118	093-004
MERCURY SECURITIES SDN BHD	70-1-22, Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822	093-006
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2273 000	064-004
RHB INVESTMENT BANK BHD	Aras Bawah, 1 dan 2 No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu dan Tingkat Dua No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Penang Tel No.: 04-5402 888	087-015
RHB INVESTMENT BANK BHD	834, Tingkat Bawah dan Tingkat Satu 835, Tingkat Satu Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Penang Tel No.: 04-5831 888	087-032
RHB INVESTMENT BANK BHD	Tingkat Bawah – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuhr Bishop 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BHD	No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 15-2-5 dan 15-2-6 dan 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PENANG (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Penang Tel No.: 04-8352 988	087-056
SJ SECURITIES SDN BHD	12th Floor, Office Tower Hotel Royal Penang No. 3 Jalan Larut 10050 Georgetown Penang Tel No.: 04-2289 836	096-003
TA SECURITIES HOLDINGS BHD	3rd Floor, Bangunan Heng Guan 171, Jalan Bumah 10050 Penang Tel No. : 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Bumah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 <sup>st</sup> Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388	078-003
<b><u>PERLIS INDRA KAYANGAN</u></b>		
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 39, Taman Suriani Persiaran Jubli Emas 1000 Kangar Perlis Tel No.: 04-9793 888	087-060
<b><u>KEDAH DARUL AMAN</u></b>		
ALLIANCE INVESTMENT BANK BHD	2 <sup>nd</sup> Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011
RHB INVESTMENT BANK BHD	No. 112, Jalan Pengkalan Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204 888	087-017
RHB INVESTMENT BANK BHD	35, Tingkat Bawah Jalan Suria 1, Jalan Bayu 9000 Kulim Kedah Darul Aman Tel No.: 04-4964 888	087-019



**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KEDAH DARUL AMAN (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	214-A, 214-B, 215-A & 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A 1 <sup>st</sup> Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 5150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111	078-007
<b><u>NEGERI SEMBILAN DARUL KHUSUS</u></b>		
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	1 <sup>st</sup> Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288	068-007
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	No. 6, Tingkat Atas Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
KENANGA INVESTMENT BANK BHD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-033
MAYBANK INVESTMENT BANK BERHAD	Wisma HM, Ground Floor No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
PM SECURITIES SDN BHD	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
RHB INVESTMENT BANK BHD	Tingkat Satu No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421 000	087-037
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Mezanin No. 346 & 347, Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6461 234	087-046

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>MELAKA</u></b>		
CIMB INVESTMENT BANK BHD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 800	065-006
KENANGA INVESTMENT BANK BHD	71 (Ground, A&B) & 73(Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-028
KENANGA INVESTMENT BANK BHD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550	073-034
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No.: 06-3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
PM SECURITIES SDN BHD	No. 6-1, Jalan Lagenda 2 Taman 1 Legenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BHD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2833 622	087-002
RHB INVESTMENT BANK BHD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BHD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-008
<b><u>JOHOR DARUL TAKZIM</u></b>		
ALLIANCE INVESTMENT BANK BHD	No. 73, Ground & 1 <sup>st</sup> Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006
AMINVESTMENT BANK BERHAD	2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-002

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
AMINVESTMENT BANK BERHAD	18 <sup>th</sup> & 31 <sup>st</sup> Floor Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 855	086-001
CIMB INVESTMENT BANK BERHAD	No. 73 Ground Floor, No. 73A First Floor & No. 79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-011
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
JUPITER SECURITIES SDN BHD	30-1 Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3538 878	055-002
KENANGA INVESTMENT BANK BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Mezzanine No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 500	073-009
KENANGA INVESTMENT BANK BHD	No. 33 & 35, (Tingkat Bawah dan Tingkat Satu A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-010
KENANGA INVESTMENT BANK BHD	Tingkat Bawah No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-011
KENANGA INVESTMENT BANK BHD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-017

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
KENANGA INVESTMENT BANK BHD	Suite 16-02, 16-03 & 16-03A Level 16, Manara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2237 423	073-019
KENANGA INVESTMENT BANK BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-024
KENANGA INVESTMENT BANK BHD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4678 885	073-025
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
M & A SECURITIES SDN BHD	26 Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2366 288	057-006
M & A SECURITIES SDN BHD	No. 27, 27A & 27 B Jalan Molek 2/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 3551 988	057-007
MALACCA SECURITIES SDN BHD	74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No: 07-3351 533	012-005
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005
PM SECURITIES SDN BHD	Ground & 1 <sup>st</sup> Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333608	064-008
RHB INVESTMENT BANK BHD	6 <sup>th</sup> Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821	087-006

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BHD	No. 33-1 Tingkat 1 & 2 (Unit Penjuru) Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 40 Jalan Haji Mana 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-9787 180	087-038
RHB INVESTMENT BANK BHD	Tingkat Satu No 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881	087-039
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat 1 & Tingkat 2 No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
TA SECURITIES HOLDINGS BHD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-005
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633	078-008
<b><u>KELANTAN DARUL NAIM</u></b>		
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 3953-H, PT225, 1 <sup>st</sup> Floor Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388	058-004
<b><u>PAHANG DARUL MAKMUR</u></b>		
ALLIANCE INVESTMENT BANK BHD	Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
CIMB INVESTMENT BANK BHD	Ground 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-2057 800	065-007
JUPITER SECURITIES SDN BHD	2 <sup>nd</sup> Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136	055-005

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>PAHANG DARUL MAKMUR (cont'd)</u></b>		
KENANGA INVESTMENT BANK BHD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-027
RHB INVESTMENT BANK BHD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811	087-007
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 943	087-022
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913	087-041
<b><u>TERENGGANU DARUL IMAN</u></b>		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiang 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6238 128	021-001
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109	087-027
RHB INVESTMENT BANK BHD	1 <sup>st</sup> Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
<b><u>SABAH</u></b>		
CIMB INVESTMENT BANK BHD	1 <sup>st</sup> – 3 <sup>rd</sup> Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>SABAH (cont'd)</u></b>		
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Suite 1-9-E1, 9 <sup>th</sup> Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
KENANGA INVESTMENT BANK BHD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BHD	2nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
RHB INVESTMENT BANK BHD	Lot 14-0 & 14-1 Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No.: 088-258 666	087-036
RHB INVESTMENT BANK BHD	Tingkat Bawah, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-229 286	087-057
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090	078-011
<b><u>SARAWAK</u></b>		
AMINVESTMENT BANK BERHAD	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 162, 164, 166 & 168 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CIMB INVESTMENT BANK BERHAD	Aras 1 (Utara) Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No.: 084-367 700	065-008
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	Ground Floor & 1 <sup>st</sup> Floor No. 1, Jalan Pending 1 <sup>st</sup> Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005



**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

Name	Address and Telephone Number	Broker Code
<b><u>SARAWAK (cont'd)</u></b>		
AFFIN HWANG INVESTMENT BANK BHD (FORMERLY KNOWN AS HWANGDBS INVESTMENT BANK BERHAD)	No. 282, 1 <sup>st</sup> Floor Park City Commercial Centre Phase 4 Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016
KENANGA INVESTMENT BANK BHD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002
KENANGA INVESTMENT BANK BHD	Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BHD	No. 11-12, (Ground & 1 <sup>st</sup> Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-012
KENANGA INVESTMENT BANK BHD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588	073-018
KENANGA INVESTMENT BANK BERHAD	Yung Kong Abell Suite 9 & 10, 3 <sup>rd</sup> Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877	073-036
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2 <sup>nd</sup> Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	Lot 1268, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Lot 1269, 2 <sup>nd</sup> Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	087-012
RHB INVESTMENT BANK BERHAD	102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	087-013
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat Satu No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	087-050

**16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SARAWAK (cont'd)</u></b>		
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BHD	12G, Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BHD	Tingkat 2, (Bahagian Hadapan) Bangunan Binamas Lot 138, Section 54 Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006

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