

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.

(Company no: 206341 H)
(Incorporated in Malaysia)

1. HISTORICAL FINANCIAL STATEMENTS

1.1 General information

Salutica Allied Solutions Sdn. Bhd. ("Salutica Allied") is a private limited liability company, incorporated and domiciled in Malaysia. Its principal activities comprises vertical integration processes covering product design and development, and manufacturing of mobile communication products, wireless electronics and lifestyle devices. There have been no significant changes in the nature of these activities during the financial period.

The address of the registered office of Salutica Allied is as follows:

41 Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh
Perak Darul Ridzuan

The address of the principal place of business of Salutica Allied is as follows:

3 Jalan Zarib 6
Kawasan Perindustrian Zarib
31500 Lahat, Ipoh
Perak Darul Ridzuan

The historical financial statements of Salutica Allied presented in this Accountants' Report comprise financial statements for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and 7 months financial period ended 31 January 2016. Salutica Berhad acquired Salutica Allied on 4 September 2013 and hence the financial position of Salutica Allied as at 30 June 2013 and the financial performance and cash flows for the financial year ended 30 June 2013 were prior to the acquisition date.

The financial information of Salutica Allied for the financial period ended 31 January 2015 shown in the historical financial statements is unaudited and is presented purely for comparative purposes.

No audited financial statements of Salutica Allied have been prepared in respect of any period subsequent to 31 January 2016.

Salutica Allied has previously prepared its statutory financial statements for the financial years ended 30 June 2013 and 30 June 2014 in accordance with PERS on which the predecessor auditor has issued a separate auditors' report dated 5 August 2013 to the member of Salutica Allied on the financial statements for the financial year ended 30 June 2013 and PricewaterhouseCoopers (AF:1146) has issued a separate auditors' report dated 5 September 2014 to the member of the Salutica Allied on the financial statements for the financial year ended 30 June 2014 respectively.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

1. HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

1.2 Statements of Comprehensive Income

	Note	Financial years ended			7 months financial period ended	
		30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
		Audited	Audited	Audited	Unaudited	Audited
		RM	RM	RM	RM	RM
Revenue	2.4	78,559,167	234,212,437	192,517,682	124,266,467	145,654,109
Raw materials and consumables used		(50,480,543)	(177,412,288)	(135,745,466)	(87,056,605)	(106,374,853)
Changes in inventories of work in progress and finished goods		1,322,391	671,434	175,485	(2,585,268)	11,201,660
Employee benefit costs		(16,650,742)	(19,116,642)	(19,506,206)	(10,993,250)	(12,346,069)
Contract workers		(6,288,486)	(10,603,703)	(10,116,200)	(6,056,218)	(7,109,554)
Depreciation of property, plant and equipment		(6,208,312)	(6,153,653)	(5,644,215)	(3,285,910)	(3,670,196)
(Losses)/Gains on disposal of property, plant and equipment		(46,448)	7,450,466	111,868	65,201	7,914
Impairment loss of property, plant and equipment		0	(1,431,900)	0	0	0
Utilities		(3,198,573)	(3,282,087)	(3,086,021)	(1,901,307)	(1,685,582)
Maintenance and upkeep		(2,020,696)	(2,716,916)	(2,302,279)	(1,230,068)	(1,528,920)
Corporate support fee		(2,995,819)	0	0	0	0
(Allowance)/Write back of allowance for doubtful debts		(5,040,002)	3,088,521	0	0	0
Interest income		774,978	702,868	1,058,483	555,117	647,344
Other operating income		1,556,855	151,709	6,903,619	1,145,487	446,189
Other operating expenses		(3,955,715)	(2,573,235)	(3,929,477)	(1,972,172)	(1,866,981)
(Loss)/Profit from operations	2.5	(14,671,945)	22,987,011	20,437,273	10,951,474	23,375,061
Finance cost	2.6	(36,231)	(104,035)	(87,963)	(54,899)	(373,766)
(Loss)/Profit before taxation		(14,708,176)	22,882,976	20,349,310	10,896,575	23,001,295
Taxation	2.7	(320,650)	866,575	7,128,101	(123,080)	(5,463,607)
Net (loss)/profit for the financial year/period		(15,028,826)	23,749,551	27,477,411	10,773,495	17,537,688
Other comprehensive income:						
Item that may be subsequently reclassified to profit or loss:						
- change in fair value of available-for-sale financial assets		0	0	16,000	16,000	0
Total comprehensive (loss)/income for the financial year/period		(15,028,826)	23,749,551	27,493,411	10,789,495	17,537,688

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

1. HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

1.3 Statements of Financial Position

	Note	30.6.2013 Audited RM	30.6.2014 Audited RM	As at 30.6.2015 Audited RM	As at 31.1.2016 Audited RM
ASSETS					
Non current assets					
Property, plant and equipment	2.8	38,713,944	41,676,240	38,944,241	41,954,317
Available-for-sale financial asset	2.9	39,000	39,000	55,000	55,000
Deferred tax assets	2.10	0	1,073,540	8,484,291	3,157,942
		<u>38,752,944</u>	<u>42,788,780</u>	<u>47,483,532</u>	<u>45,167,259</u>
Current assets					
Inventories	2.11	10,930,973	18,389,465	15,593,481	31,119,484
Receivables, deposits and prepayments	2.12	6,655,472	29,001,079	18,381,809	23,995,263
Derivative financial instruments	2.13	8,754	28,997	0	0
Tax recoverable		0	11,318	0	23,433
Short term investment	2.14	0	0	0	1,300,710
Cash and bank balances	2.15	25,362,572	31,970,423	40,920,577	35,590,496
		<u>42,957,771</u>	<u>79,401,282</u>	<u>74,895,867</u>	<u>92,029,386</u>
Total Assets		<u>81,710,715</u>	<u>122,190,062</u>	<u>122,379,399</u>	<u>137,196,645</u>
EQUITY					
Equity attributable to owner of Salutica Allied					
Share capital	2.16	18,000,000	18,000,000	18,000,000	18,000,000
Fair value reserve	2.17	13,000	13,000	29,000	29,000
Retained earnings	2.18	18,522,500	40,072,051	27,119,724	39,457,412
Total equity		<u>36,535,500</u>	<u>58,085,051</u>	<u>45,148,724</u>	<u>57,486,412</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**1 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****1.3 Statements of Financial Position (continued)**

	Note	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
		Audited	Audited	Audited	Audited
		RM	RM	RM	RM
LIABILITIES					
Non current liabilities					
Finance lease liability	2.19	0	15,345,611	9,365,706	0
Hire-purchase creditors	2.20	0	0	0	1,314,388
Term loans	2.21	0	0	0	12,375,459
		0	15,345,611	9,365,706	13,689,847
Current liabilities					
Payables and accruals	2.22	17,596,192	42,616,927	30,367,288	29,660,732
Amount due to holding company	2.23	0	0	30,809,738	32,682,640
Derivative financial instruments	2.13	247,988	3,402	147,352	0
Finance lease liability	2.19	0	6,139,037	6,483,155	0
Hire-purchase creditors	2.20	198,989	0	0	738,248
Term loans	2.21	0	0	0	2,852,329
Provision for warranties	2.24	55,967	34	54,796	86,437
Tax payable		61,079	0	2,640	0
Dividend payable		27,015,000	0	0	0
		45,175,215	48,759,400	67,864,969	66,020,386
Total liabilities		45,175,215	64,105,011	77,230,675	79,710,233
Total equity and liabilities		81,710,715	122,190,062	122,379,399	137,196,645

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.

(Company no: 206341 H)

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1 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**1.4 Statements of Changes in Equity**

	Issued and fully paid share capital RM	Asset revaluation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM
At 1 July 2012					
- as previously reported under PERS	18,000,000	1,793,547	0	59,063,926	78,857,473
- effects of transitioning to MFRS	0	(1,793,547)	13,000	5,484,000	3,703,453
- as restated	18,000,000	0	13,000	64,547,926	82,560,926
<u>Total comprehensive loss</u>					
Net loss for the financial year					
- as previously reported under PERS	0	0	0	(11,248,935)	(11,248,935)
- effects of transitioning to MFRS	0	0	0	(3,779,891)	(3,779,891)
- as restated	0	0	0	(15,028,826)	(15,028,826)
<u>Total transactions with owner, recognised directly in equity</u>					
Special dividend (Note 2.25)	0	0	0	(3,981,600)	(3,981,600)
Dividend-in-specie (Note 2.25)	0	0	0	(27,015,000)	(27,015,000)
	0	0	0	(30,996,600)	(30,996,600)
At 30 June 2013	18,000,000	0	13,000	18,522,500	36,535,500
At 1 July 2013	18,000,000	0	13,000	18,522,500	36,535,500
<u>Total comprehensive income</u>					
Net profit for the financial year	0	0	0	23,749,551	23,749,551
<u>Total transactions with owner, recognised directly in equity</u>					
Interim dividends (Note 2.25)	0	0	0	(2,200,000)	(2,200,000)
At 30 June 2014	18,000,000	0	13,000	40,072,051	58,085,051
At 1 July 2014	18,000,000	0	13,000	40,072,051	58,085,051
<u>Total comprehensive income</u>					
Net profit for the financial year	0	0	0	27,477,411	27,477,411
Other comprehensive income for the financial year					
- fair value gain of available-for-sale financial asset	0	0	16,000	0	16,000
Total comprehensive income for the financial year	0	0	16,000	27,477,411	27,493,411
<u>Total transactions with owner, recognised directly in equity</u>					
Interim dividends (Note 2.25)	0	0	0	(40,429,738)	(40,429,738)
At 30 June 2015	18,000,000	0	29,000	27,119,724	45,148,724

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
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1 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

1.4 Statements of Changes in Equity (continued)

	<u>Issued and fully paid share capital</u> RM	<u>Asset revaluation reserve</u> RM	<u>Fair value reserve</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
At 1 July 2014	18,000,000	0	13,000	40,072,051	58,085,051
Total comprehensive income					
Net profit for the financial period	0	0	0	10,773,495	10,773,495
Other comprehensive income for the financial period - fair value gain of available-for- sale financial asset	0	0	16,000	0	16,000
Total comprehensive income for the financial period	0	0	16,000	10,773,495	10,789,495
Total transactions with owner, <u>recognised directly in equity</u>					
Interim dividend (Note 2.25)	0	0	0	(1,150,000)	(1,150,000)
At 31 January 2015	<u>18,000,000</u>	<u>0</u>	<u>29,000</u>	<u>49,695,546</u>	<u>67,724,546</u>
At 1 July 2015	18,000,000	0	29,000	27,119,724	45,148,724
Total comprehensive income					
Net profit for the financial period	0	0	0	17,537,688	17,537,688
Total transactions with owner, <u>recognised directly in equity</u>					
Interim dividends (Note 2.25)	0	0	0	(5,200,000)	(5,200,000)
At 31 January 2016	<u>18,000,000</u>	<u>0</u>	<u>29,000</u>	<u>39,457,412</u>	<u>57,486,412</u>

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
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1 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

1.5 Statements of Cash Flows

	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
	Audited	Audited	Audited	Unaudited	Audited
	RM	RM	RM	RM	RM
<u>Operating activities</u>					
Net (loss)/profit for the financial year/period	(15,028,826)	23,749,551	27,477,411	10,773,495	17,537,688
Adjustments for:					
Allowance for doubtful debts	5,040,002	0	0	0	0
Bad debts written off	44,968	0	0	0	0
Property, plant and equipment					
- depreciation	6,208,312	6,153,653	5,644,215	3,285,910	3,670,196
- losses/(gains) on disposal	46,448	(7,450,466)	(111,868)	(65,201)	(7,914)
- write off	0	10	125	19	17,214
- impairment loss	0	1,431,900	0	0	0
Short term investment					
- gains on disposal	0	0	0	0	(3,727)
- fair value gain	0	0	0	0	(710)
Gain from early settlement of finance lease liability	0	0	0	0	(1,148,861)
Interest expense	36,231	104,035	87,963	54,899	373,766
Interest income	(774,978)	(702,868)	(1,058,483)	(555,117)	(647,344)
Inventories					
- write off	1,903,028	0	0	0	0
- allowance/(reversal) for slow moving	0	252,361	615,808	724	(29,663)
Provision/(Write back of provision) for warranties	24,572	(55,933)	54,762	18,040	31,641
Unrealised losses/(gains) on foreign exchange	179,296	3,336	(43,368)	(434,258)	160,984
Fair value (gains)/losses on derivative financial instruments	(22,766)	(264,829)	172,947	513,161	(147,352)
Taxation	320,650	(866,575)	(7,128,101)	123,080	5,463,607
	(2,023,063)	22,354,175	25,711,411	13,714,752	25,269,525
<u>Changes in working capital:</u>					
Inventories	1,161,992	(7,710,853)	2,180,176	6,657,365	(15,496,340)
Receivables	7,034,439	(22,524,793)	11,243,381	11,393,955	(5,539,072)
Payables	(3,305,894)	25,196,585	(12,830,382)	(23,667,166)	(348,255)
Cash from operations	2,867,474	17,315,114	26,304,586	8,098,906	3,885,858
Tax paid	(219,298)	(279,362)	(280,000)	(127,589)	(163,331)
Tax refunded	0	0	11,308	0	0
Net operating cash flow	2,648,176	17,035,752	26,035,894	7,971,317	3,722,527

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**1 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****1.5 Statements of Cash Flows (continued)**

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
Investing activities					
Purchase of property, plant and equipment	(888,869)	(3,097,858)	(2,912,409)	(1,309,203)	(3,773,792)
Proceeds from disposal of property, plant and equipment	20,516	465	111,936	66,749	9,438
Interest income received	774,978	702,868	1,058,483	555,117	647,344
Uplift/(Placements) of deposits with a licensed bank (with maturity period of more than three months)	1,500,000	0	(3,800,000)	(5,500,000)	8,800,000
Purchase of short term investment	0	0	0	0	(3,200,000)
Proceeds from sales of short term investment	0	0	0	0	1,903,727
Net investing cash flow	1,406,625	(2,394,525)	(5,541,990)	(6,187,337)	4,386,717
Financing activities					
Uplift of deposits placed with bank as security	3,500,000	0	0	0	1,500,000
Dividends paid	(3,981,600)	(2,200,000)	(9,620,000)	(1,150,000)	(2,200,000)
Repayments of finance lease liability	0	(5,530,352)	(5,635,787)	(3,646,851)	0
Repayments of term loans	(549,179)	0	0	0	(672,461)
Repayments of hire-purchase creditors	(408,616)	(198,989)	0	0	(266,000)
Interest paid	(36,231)	(104,035)	(87,963)	(54,899)	(373,766)
Repayment to holding company	0	0	0	0	(1,127,098)
Net financing cash flow	(1,475,626)	(8,033,376)	(15,343,750)	(4,851,750)	(3,139,325)
Net change in cash and cash equivalents during the financial year/period	2,579,175	6,607,851	5,150,154	(3,067,770)	4,969,919
Cash and cash equivalents at beginning of the financial year/period	11,283,397	13,862,572	20,470,423	20,470,423	25,620,577
Cash and cash equivalents at end of the financial year/period (Note 2.15)	13,862,572	20,470,423	25,620,577	17,402,653	30,590,496

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS**2.1 Basis of preparation**

The financial statements of Salutica Allied for the financial year ended 30 June 2013, 30 June 2014 and 30 June 2015 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and the interim financial statements of Salutica Allied for the seven months ended 31 January 2016 have been prepared in accordance with MFRS 134 "Interim Financial Reporting" and International Accounting Standard 34 "Interim Financial Reporting".

The financial statements of Salutica Allied have been prepared under the historical cost convention unless stated otherwise in the individual policy statements set out in Note 2.2 to the financial statements and are presented in Ringgit Malaysia.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying Salutica Allied's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3 to the financial statements.

- (a) New standards, amendments to published standards and Issue Committee ("IC") interpretations to existing standards that are applicable to Salutica Allied and are effective

There are no new standards, amendments to published standards and IC interpretations to existing standards that are applicable to Salutica Allied for the current financial period.

- (b) New standards early adopted by Salutica Allied

There are no standards early adopted by Salutica Allied.

- (c) New standards, amendments to published standards and IC interpretations to existing standards that are applicable to Salutica Allied but not yet effective

Salutica Allied will apply the new standards, amendments to published standards and IC interpretations in the following financial period:

- (i) Effective for the financial year beginning on/after 1 July 2016
- Amendments to MFRS 116 and MFRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective from 1 January 2016)
 - Amendments to MFRS 127 "Separate Financial Statements - Equity Accounting in Separate Financial Statements" (effective from 1 January 2016)
 - Amendments to MFRS 101 "Presentation of Financial Statements - Disclosure Initiative" (effective from 1 January 2016)
 - Annual Improvements to MFRSs 2012 - 2014 Cycle (Amendments to MFRS 5 "Non-current Assets Held for sale and Discontinued Operations", MFRS 7 "Financial Instruments: Disclosures" and MFRS 134 "Interim Financial Reporting") (effective from 1 January 2016)
- (ii) Effective for the financial year beginning on/after 1 July 2018
- MFRS 9 "Financial Instruments"
 - MFRS 15 "Revenue from Contracts with Customers"

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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.1 Basis of preparation (continued)**

- (c) New standards, amendments to published standards and IC interpretations to existing standards that are applicable to Salutica Allied but not yet effective (continued)

None of the standards listed above are expected to have a significant effect on the financial statements of Salutica Allied upon initial application, except for the following:

- MFRS 9 "Financial Instruments" (effective 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with a irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the profit or loss, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit losses model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 "Revenue from contracts with customers" (effective 1 January 2018) replaces MFRS 118 "Revenue" and MFRS 111 "Construction Contracts" and related interpretations. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Salutica Allied is currently still in the process of assessing the impact of the new standards upon initial application of these standards.

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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (if applicable) that are directly attributable to the acquisition, construction or production of a qualifying asset

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Salutica Allied and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Leasehold land is amortised in equal instalments over the lease period of 78 years which expires in the year 2092.

Other property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets, to their residual values over their expected useful lives. The annual depreciation rates are as follows:

	%
Buildings on long term leasehold land	2 - 5
Factory extension	23
Plant and machinery, moulds and motor vehicles	10 - 20
Furniture, fittings, equipment and electrical installation	10 - 33.33

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period.

Assets under construction are carried as capital work in progress and depreciation only commences when the assets are ready for their intended use.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in profit or loss.

At the end of the reporting period, Salutica Allied assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(b) Research and development**

Research expenditure incurred for Salutica Allied's own products, is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs capitalised as part of the intangible asset include employee costs involved in development and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight line basis over its useful life of two years.

(c) Impairment of non-financial assets

Non current and non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and other non current and non-financial assets that are subject to amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non current and non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

The impairment loss is charged to profit or loss. Impairment losses on goodwill are not reversed. In respect of other non current and non-financial assets that are subject to amortisation, any subsequent increase in recoverable amount is recognised in profit or loss. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(d) Accounting by lessee****(i) Finance leases**

Leases of property, plant and equipment where Salutica Allied assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in the statement of financial position as current and non current liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each financial period. The property, plant and equipment acquired under finance leases are depreciated over the expected useful life of the asset if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term. Otherwise, the leased assets are depreciated over the shorter of their expected useful lives and the lease period.

Initial direct costs incurred by Salutica Allied in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease period on the same basis as the lease expense.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

Initial direct costs incurred in negotiating and arranging operating leases are capitalised as prepayments and recognised in profit or loss on a straight line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial period in which termination takes place.

(e) Financial instruments**Financial instruments recognised on the statement of financial position**

The particular recognition method adopted for financial instruments recognised on the statement of financial position is disclosed in the individual accounting policy statements associated with each item.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(f) Financial assets****(i) Classification**

Salutica Allied classifies its financial assets where applicable, in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non current assets.

In addition, certain financial assets are designated at initial recognition at fair value through profit or loss when one of the designation criteria is met:

- Designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- Its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The item is a hybrid contract that contains one or more embedded derivatives.

Salutica Allied's financial asset at fair value through profit or loss comprises "short term investment" in the statement of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non current assets. Salutica Allied's loans and receivables comprise "receivables and deposits" (excluding prepayments) and "cash and bank balances" in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless the investment matures or management intends to dispose of it within 12 months from the end of the reporting period.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(f) Financial assets (continued)****(ii) Recognition and initial measurement**

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which Salutica Allied commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets for all financial assets not carried at fair value through profit or loss (e.g. loans and receivables). Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement - gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of foreign currency translation, interest and dividend income are recognised in profit or loss in the financial period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses and foreign currency exchange gains and losses on monetary assets. The foreign currency exchange differences on monetary assets are recognised in profit or loss.

Interest and dividend income on available-for-sale financial assets are recognised in profit or loss, except for impairment losses. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in profit or loss. Dividends income on available-for-sale equity instruments are recognised in profit or loss when Salutica Allied's right to receive payments is established.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(f) Financial assets (continued)****(iv) Subsequent measurement - impairment of financial assets*****Assets carried at amortised cost***

Salutica Allied assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that Salutica Allied uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer, debtor or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Salutica Allied, for economic or legal reasons relating to the borrower's financial difficulty of the issuer, debtor or obligor; granting to the issuer, debtor or obligor a concession that the lender would not otherwise consider;
- It becomes probable that the issuer, debtor or obligor will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of the issuer, debtor or obligor in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The financial asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(f) Financial assets (continued)****(iv) Subsequent measurement - impairment of financial assets (continued)*****Assets carried at amortised cost (continued)***

If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, Salutica Allied may measure impairment on the basis of an instrument's fair value using an observable market price.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's financial position), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(v) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and Salutica Allied has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(g) Financial liabilities**(i) Classification**

Salutica Allied classifies the financial liabilities where applicable, in the following categories: at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition, and (ii) those classified as held-for-trading; and financial liabilities measured at amortised cost as other financial liabilities. Management determines the classification of its financial liabilities as initial recognition.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(g) Financial liabilities (continued)****(i) Classification (continued)*****Financial liabilities at fair value through profit or loss***

Salutica Allied has not designated any financial liabilities as financial liabilities at fair value through profit or loss. Financial liabilities held-for-trading are derivatives entered into by Salutica Allied that do not meet the hedge accounting criteria. Liabilities in this category are classified within current liabilities if they are either held-for-trading or are expected to be settled within 12 months after the reporting date. Otherwise, they are classified as non current liabilities.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Other financial liabilities are recognised as current liabilities unless Salutica Allied has unconditional right to defer repayment of the liabilities for at least 12 months after the reporting date. Other financial liabilities of Salutica Allied comprise "payables and accruals", "amount due to holding company", "term loans", "hire-purchase creditors" and "finance lease liability" in the statement of financial position.

(ii) Recognition and initial measurement

Financial liabilities within the scope of MFRS 139 are recognised in the statements of financial position when, and only when, Salutica Allied becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are initially recognised at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

(iii) Subsequent measurement***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss are subsequently carried at fair value. Changes in the fair value of financial liabilities at fair value through profit or loss, including the effect of foreign currency translation are recognised in profit or loss in the financial period in which the changes arise.

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(h) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(i) Inventories

Inventories comprising raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow moving inventories. Cost is determined on the first in, first out basis. Cost of raw materials includes purchase price and any cost that is directly attributable to bringing the inventories to their present condition and location. Costs of purchased inventory are determined after deducting rebates, discounts and the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of purchased inventory.

Cost of work in progress and finished goods includes cost of direct materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity). It excludes borrowing costs.

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

(j) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of Salutica Allied. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non current assets.

Trade and other receivables are recognised initially at fair value, with the amount of GST included. The net amount of GST recoverable from the government is included in "other receivables" in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(k) Cash and cash equivalents**

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with banks and short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(l) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities.

Trade payables are recognised initially at fair value, with the amount of GST included. The net amount of GST payable to the government, wherever applicable, is presented as "other payables" in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows which are recoverable from, or payable to, the government are classified as operating cash flows.

Trade payables are subsequently measured at amortised cost using the effective interest method.

(m) Provision

Provision for warranty and claims are recognised when, Salutica Allied has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where Salutica Allied expects a provision to be reimbursed by another party (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision for warranties covers estimated liability to repair or replace products resulting from customers' complaints and returns. Provision for warranties is recognised when the underlying products are sold. This provision is measured at a percentage rate of historical replacements and a review of possible outcomes against the associated probabilities of returns.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(n) Borrowings and borrowing costs**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless Salutica Allied has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Share capital**(i) Classifications**

Ordinary shares are recorded at nominal value as share capital and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of Salutica Allied, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(p) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of Salutica Allied's activities. Revenue is shown net of GST, returns, rebates and discounts.

Salutica Allied recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of its activities as described below. Salutica Allied bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (i) Sales of goods are recognised upon delivery of goods to customers, when significant risks and rewards of ownership of the goods are transferred to the buyer.
- (ii) Service charges on contract works are recognised upon rendering of services.
- (iii) Revenue on fabrication of tools is recognised upon acceptance by customers.
- (iv) Rental income is recognised on accrual basis unless collection is in doubt.
- (v) Interest income is recognised using the effective interest method.
- (vi) Other income is recognised on an accrued basis unless collectability is uncertain.

(q) Employee benefits**(i) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial period in which the associated services are rendered by its employees. Salutica Allied recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to its shareholder after certain adjustments. Salutica Allied recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Post-employment benefits

Salutica Allied contributes to the Employees Provident Fund (EPF), the national defined contribution plan. The contributions are charged to the profit or loss in the financial period to which they relate. Once the contributions have been paid, Salutica Allied has no further payment obligations.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(r) Current and deferred taxes**

The tax expense for the period comprises current and deferred tax. The income tax expense or credit for the financial period is the tax payable on the current financial period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where Salutica Allied operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes (i.e. tax bases) and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses or unused tax credits can be utilised.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.2 Summary of significant accounting policies (continued)****(s) Foreign currencies****(i) Functional and presentation currency**

Items included in the financial statements of Salutica Allied are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is Salutica Allied's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Ringgit Malaysia using the foreign currency exchange rates approximately those prevailing at the dates of transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period using the foreign currency exchange rates approximately those prevailing at the reporting date, are recognised in profit or loss.

(t) Government grant

Government grant comprises compensation receivable from the government for applicable past expenses relating to qualifying training, research related activities and modernisation of production processes incurred, which comply with conditions imposed on qualifying activities under the Domestic Investment Strategic Fund Grant obtained by Salutica Allied for period from June 2013 to June 2016. The grant is recognised as income in profit or loss in the period the claim is approved by the relevant authorities and becomes receivable when there is no further unfulfilled condition that needs to be met subsequent to the approval by the relevant authorities.

(u) Contingent liabilities

Salutica Allied does not recognise contingent liabilities but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Salutica Allied, or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.3 Significant accounting estimates and judgements**

Estimates and judgements are continually evaluated by the directors based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Salutica Allied makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined as follows:

(a) Current and deferred taxes

Income tax is estimated based on the rules governed under the Income Tax Act, 1967. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and other deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimate of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and the other capital management transactions. Judgement is also required about applicable income tax incentives. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

(b) Inventory write down

Allowance for inventory write down for slow moving items is made based on an analysis of the ageing profile and taking into account the expected product life cycle and sales patterns of individual item held in inventory. Changes in the inventory ageing, the expected product life cycle and sales profiles can have an impact on the allowance recorded.

(c) Allowance for impairment of receivables

The allowance is established when there is objective evidence that Salutica Allied will not be able to collect all amounts due according to the original terms of receivables. This is determined based on the ageing profile and expected collection patterns of individual receivable balance. Management carefully monitors the collection of receivable balances and makes estimates about the amount of credit losses that have been incurred at each reporting date. Any changes to the ageing profile and collection patterns, can have an impact on the allowance recorded.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.4 Revenue

	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
	Audited	Audited	Audited	Unaudited	Audited
	RM	RM	RM	RM	RM
Sales of goods at invoiced value less returns	68,545,291	232,566,755	191,244,631	123,368,726	143,334,750
Service charges on contract works	10,013,876	1,645,682	1,273,051	897,741	216,364
Services rendered in respect of product development	0	0	0	0	2,102,995
	<u>78,559,167</u>	<u>234,212,437</u>	<u>192,517,682</u>	<u>124,266,467</u>	<u>145,654,109</u>

2.5 (Loss)/Profit from operations

	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
	Audited	Audited	Audited	Unaudited	Audited
	RM	RM	RM	RM	RM
(Loss)/Profit from operations is stated after charging/ (crediting):					
Auditors' remuneration paid/payable:					
- statutory audit	68,000	73,000	73,000	42,585	42,585
- special audit	0	0	0	0	60,000
- other services	6,600	42,200	71,700	47,429	92,836
Employee benefit costs	16,650,742	19,116,642	19,506,206	10,993,250	12,346,069
Research expenses	857,849	201,831	1,343,372	514,069	71,132
Inventories					
- write off	1,903,028	0	0	0	0
- allowance/(reversal) for slow moving	0	252,361	615,808	724	(29,663)
Property, plant and equipment					
- depreciation	6,208,312	6,153,653	5,644,215	3,285,910	3,670,196
- (gains)/loss on disposal					
- land and buildings	0	(7,450,062)	0	0	0
- others	46,448	(404)	(111,868)	(65,201)	(7,914)
- write off	0	10	125	19	17,214
- impairment loss (Note 2.8)	0	1,431,900	0	0	0
Provision/(Write back of provision) for warranties	24,572	(55,933)	54,762	18,040	31,641
Allowance/(Write back of allowances) for doubtful debts	5,040,002	(3,088,521)	0	0	0
Bad debt written off	44,968	0	0	0	0
Rental expenses					
- hostel	28,176	29,216	17,664	11,159	6,998
- machinery	5,310	5,040	4,919	3,750	26,710
Interest income	(774,978)	(702,868)	(1,058,483)	(555,117)	(647,344)

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.5 (Loss)/Profit from operations (continued)

	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
	Audited	Audited	Audited	Unaudited	Audited
	RM	RM	RM	RM	RM
Included in other operating income are:					
Net foreign exchange (gains)/losses					
- realised	(393,590)	102,712	(1,776,892)	(1,181,200)	1,134,666
- unrealised	179,296	3,336	(43,368)	(434,258)	160,984
Government grants income	0	0	(3,900,236)	0	0
Rental income	(59,997)	(58,395)	(61,379)	(34,315)	(43,471)
Fair value (gains)/ losses on derivative financial instruments	(22,766)	(264,829)	172,947	513,161	(147,352)
Gain from early settlement of finance lease liability (Note 2.19)	0	0	0	0	(1,148,861)
Short term investment					
- gains on disposal	0	0	0	0	(3,727)
- fair value gain	0	0	0	0	(710)
Employee benefit costs (including directors' remuneration)					
Executive directors:					
- fee	0	0	0	0	40,000
- allowances	100,645	120,000	120,000	70,000	50,750
- salaries and bonus	874,220	1,297,331	1,520,413	912,850	1,021,765
- defined contribution plan	116,999	337,358	311,684	186,745	202,640
	<u>1,091,864</u>	<u>1,754,689</u>	<u>1,952,097</u>	<u>1,169,595</u>	<u>1,315,155</u>
Other staff costs:					
- salaries, wages and bonus	13,186,872	14,549,709	14,491,986	8,157,505	8,803,934
- defined contribution plan	1,632,376	1,769,636	1,797,123	1,013,778	1,105,801
- other short term employee benefits	739,630	1,042,608	1,265,000	652,372	1,121,179
Total other staff costs	<u>15,558,878</u>	<u>17,361,953</u>	<u>17,554,109</u>	<u>9,823,655</u>	<u>11,030,914</u>
Total employee benefit costs	<u>16,650,742</u>	<u>19,116,642</u>	<u>19,506,206</u>	<u>10,993,250</u>	<u>12,346,069</u>
Monetary value of benefits-in-kind other than cash given to a director	<u>21,750</u>	<u>46,288</u>	<u>39,093</u>	<u>12,580</u>	<u>48,805</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.6 Finance cost**

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
Interests on:					
Term loans	5,189	0	0	0	291,953
Hire-purchase	31,042	5,887	0	0	58,934
Finance lease liability	0	98,148	87,963	54,899	22,879
	<u>36,231</u>	<u>104,035</u>	<u>87,963</u>	<u>54,899</u>	<u>373,766</u>

2.7 Taxation

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
Current financial year/period:					
Income tax charge	320,650	207,410	282,640	123,080	155,277
Deferred tax (assets)/charge - origination and reversal of temporary differences	0	(1,073,540)	(7,410,751)	0	5,326,349
	<u>320,650</u>	<u>(866,130)</u>	<u>(7,128,111)</u>	<u>123,080</u>	<u>5,481,626</u>
Previous financial year/period:					
(Over)/Under provision of income tax	0	(445)	10	0	(18,019)
Tax expense/(credit)	<u>320,650</u>	<u>(866,575)</u>	<u>(7,128,101)</u>	<u>123,080</u>	<u>5,463,607</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.7 Taxation (continued)**

The explanation of the relationship between taxation and (loss)/profit before taxation is as follows:

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
(Loss)/Profit before taxation	<u>(14,708,176)</u>	<u>22,882,976</u>	<u>20,349,310</u>	<u>10,896,575</u>	<u>23,001,295</u>
Tax calculated at the Malaysian income tax rate of 24% (2013: 25%; 2014: 25%; 2015: 25%)	(3,677,044)	5,720,744	5,087,327	2,724,144	5,520,311
Tax effects of:					
- expenses not deductible for tax purposes	194,558	314,511	630,224	99,590	215,605
- income not subject to tax	(5,691)	(1,928,723)	0	0	0
- previously unrecognised deductible temporary differences now recognised	(208,152)	(4,202,742)	(10,502,279)	(2,700,654)	0
- utilisation of deductible temporary differences previously not recognised	0	(769,920)	(2,343,383)	0	0
- current financial year deductible temporary differences not recognised	4,016,979	0	0	0	0
- under provision of deferred tax assets in respect of previous financial period	0	0	0	0	(254,290)
- under/(over) provision of income tax in respect of previous financial years	0	(445)	10	0	(18,019)
Tax expense/(credit)	<u>320,650</u>	<u>(866,575)</u>	<u>(7,128,101)</u>	<u>123,080</u>	<u>5,463,607</u>

Salutica Allied had been granted the Pioneer Status under Section 127 of the Income Tax Act, 1967 for the period of 10 years from 1 June 2005 to 31 May 2015.

The salient terms of the Pioneer Status were as follows:

- (i) 100% tax exemption on statutory income for 10 years;
- (ii) unabsorbed capital allowances during the pioneer period can be carried forward and deducted against the post pioneer statutory income relating to the approved pioneer products of Salutica Allied; and
- (iii) unused accumulated tax losses during the pioneer period can be carried forward and deducted from the post pioneer statutory income relating to the approved pioneer products of Salutica Allied.

The Board of Directors had assessed the Pioneer Status conditions in the financial year ended 30 June 2015 and concluded all the conditions have been met at the end of the Pioneer Status period.

As at 31 January 2016, Salutica Allied has unused tax losses and unabsorbed capital allowances amounting to approximately RM19,363,000 (As at 30 June 2013 and 30 June 2014: RM51,596,000; As at 30 June 2015: RM42,508,000) and RMNil (As at 30 June 2013: RM34,485,000; As at 30 June 2014: RM19,468,000; As at 30 June 2015: RMNil) respectively which can be carried forward and utilised to set off against future taxable profits.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.8 Property, plant and equipment

	Long term leasehold land RM	Buildings on long term leasehold land RM	Factory extension RM	Plant and machinery, moulds and motor vehicles RM	Furniture, fittings, equipment and electrical installation RM	Total RM
Cost						
At 1 July 2012	5,641,058	19,547,232	2,906,255	89,316,616	27,895,522	145,306,683
Additions	0	0	0	710,862	241,763	952,625
Disposals	0	0	(10,930)	(203,319)	(554,393)	(768,642)
At 30 June 2013	5,641,058	19,547,232	2,895,325	89,824,159	27,582,892	145,490,666
Accumulated depreciation						
At 1 July 2012	790,101	4,611,466	1,829,298	62,356,056	23,157,680	92,744,601
Charge for the financial year	60,482	821,157	231,568	3,822,521	1,272,584	6,208,312
Disposals	0	0	(10,929)	(203,314)	(487,435)	(701,678)
At 30 June 2013	850,583	5,432,623	2,049,937	65,975,263	23,942,829	98,251,235
Accumulated impairment losses						
At 1 July 2012/ 30 June 2013	0	0	0	8,476,575	48,912	8,525,487
Carrying amount						
At 30 June 2013	4,790,475	14,114,609	845,388	15,372,321	3,591,151	38,713,944

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.8 Property, plant and equipment (continued)**

	Long term leasehold land RM	Buildings on long term leasehold land RM	Factory extension RM	Plant and machinery, moulds and motor vehicles RM	Furniture, fittings, equipment and electrical installation RM	Total RM
Cost						
At 1 July 2013	5,641,058	19,547,232	2,895,325	89,824,159	27,582,892	145,490,666
Additions	4,905,000	21,559,238	550,762	2,219,114	878,744	30,112,858
Disposals	(5,641,058)	(19,547,232)	(2,895,325)	0	(367,919)	(28,451,534)
Write off	0	0	0	0	(116,751)	(116,751)
At 30 June 2014	4,905,000	21,559,238	550,762	92,043,273	27,976,966	147,035,239
Accumulated depreciation						
At 1 July 2013	850,583	5,432,623	2,049,937	65,975,263	23,942,829	98,251,235
Charge for the financial year	61,786	979,871	142,354	3,793,360	1,176,282	6,153,653
Disposals	(860,663)	(5,569,483)	(2,088,531)	0	(367,858)	(8,886,535)
Write off	0	0	0	0	(116,741)	(116,741)
At 30 June 2014	51,706	843,011	103,760	69,768,623	24,634,512	95,401,612
Accumulated impairment losses						
At 1 July 2013	0	0	0	8,476,575	48,912	8,525,487
Impairment loss for the financial year	0	0	0	832,224	599,676	1,431,900
At 30 June 2014	0	0	0	9,308,799	648,588	9,957,387
Carrying amount						
At 30 June 2014	4,853,294	20,716,227	447,002	12,965,851	2,693,866	41,676,240

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.8 Property, plant and equipment (continued)

	Long term leasehold land RM	Buildings on long term leasehold land RM	Factory extension RM	Plant and machinery, moulds and motor vehicles RM	Furniture, fittings, equipment and electrical installation RM	Total RM
Cost						
At 1 July 2014	4,905,000	21,559,238	550,762	92,043,273	27,976,966	147,035,239
Additions	0	0	0	2,032,299	880,110	2,912,409
Disposals	0	0	0	(5,309,879)	(203,489)	(5,513,368)
Write off	0	0	0	(182,016)	(347,965)	(529,981)
At 30 June 2015	4,905,000	21,559,238	550,762	88,583,677	28,305,622	143,904,299
Accumulated Depreciation						
At 1 July 2014	51,706	843,011	103,760	69,768,623	24,634,512	95,401,612
Charge for the financial year	62,047	1,011,613	124,512	3,408,493	1,037,550	5,644,215
Disposals	0	0	0	(5,309,859)	(201,625)	(5,511,484)
Write off	0	0	0	(182,008)	(347,848)	(529,856)
At 30 June 2015	113,753	1,854,624	228,272	67,685,249	25,122,589	95,004,487
Accumulated impairment losses						
At 1 July 2014	0	0	0	9,308,799	648,588	9,957,387
Disposal	0	0	0	0	(1,816)	(1,816)
At 30 June 2015	0	0	0	9,308,799	646,772	9,955,571
Carrying amount						
At 30 June 2015	4,791,247	19,704,614	322,490	11,589,629	2,536,261	38,944,241

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.8 Property, plant and equipment (continued)**

	Long term leasehold land RM	Buildings on long term leasehold land RM	Factory extension RM	Plant and machinery, moulds and motor vehicles RM	Furniture, fittings, equipment and electrical installation RM	Total RM
Cost						
At 1 July 2015	4,905,000	21,559,238	550,762	88,583,677	28,305,622	143,904,299
Additions	775,569	0	0	5,194,573	728,868	6,699,010
Disposals	0	0	0	(2,529,352)	(299,268)	(2,828,620)
Write off	0	0	0	(231,875)	(185,286)	(417,161)
At 31 January 2016	5,680,569	21,559,238	550,762	91,017,023	28,549,936	147,357,528
Accumulated depreciation						
At 1 July 2015	113,753	1,854,624	228,272	67,685,249	25,122,589	95,004,487
Charge for the financial period	38,887	590,108	72,632	2,295,916	672,653	3,670,196
Disposals	0	0	0	(2,529,323)	(297,773)	(2,827,096)
Write off	0	0	0	(231,874)	(168,073)	(399,947)
At 31 January 2016	152,640	2,444,732	300,904	67,219,968	25,329,396	95,447,640
Accumulated impairment losses						
At 1 July 2015/31 January 2016	0	0	0	9,308,799	646,772	9,955,571
Carrying amount						
At 31 January 2016	5,527,929	19,114,506	249,858	14,488,256	2,573,768	41,954,317

The carrying amount of land and buildings pledged as securities for the borrowings of Salutica Allied as disclosed in Note 2.21 to the financial statements is RM24,892,293 (As at 30 June 2013, 30 June 2014 and 30 June 2015: N/A).

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.8 Property, plant and equipment (continued)

(a) Assets under finance lease or hire-purchase

Included in property, plant and equipment of Salutica Allied are assets acquired under finance lease or hire-purchase as follows:

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
<u>Finance lease</u>				
- additions during the financial year	0	27,015,000	0	0
- carrying amount at financial year/period end	<u>0</u>	<u>26,016,523</u>	<u>24,818,351</u>	<u>0</u>
<u>Hire-purchase</u>				
Plant and machinery				
- additions during the financial period	0	0	0	2,957,201
- carrying amount at financial year/period end	<u>1,079,161</u>	<u>0</u>	<u>0</u>	<u>2,819,549</u>

(b) Assets under finance lease

During the financial year ended 30 June 2014, Salutica Allied had settled the dividend-in-specie declared in the previous financial year ended 30 June 2013 with the disposal of its leasehold land and buildings valued at RM27,015,000 to its former shareholder, Balda Investments Malaysia Pte. Ltd. ("BIM").

Salutica Allied has subsequently entered into a new lease with another party with a purchase option exercisable by 28 February 2017. Salutica Allied has accounted for this lease as finance lease and has capitalised the leasehold land and buildings as property, plant and equipment and corresponding liability as finance lease liability accordingly. Under the term of the lease, Salutica Allied has the option to acquire the leased assets based on valuation of RM27,015,000 (as stated in the valuation report issued by KGV International Property Consultants (M) Sdn. Bhd. dated 18 March 2013) plus acquisition cost less accumulated lease payments made to the lessor at the point when the option is exercised.

On 19 June 2015, Salutica Allied signed a Sale and Purchase Agreement with the lessor to exercise its purchase option to acquire the land and buildings under finance lease arrangement earlier than the agreed option exercise date due on 28 February 2017 at a revised purchase consideration of RM26,052,250. The transaction was completed on 12 October 2015. Stamp duty relating to the acquisition of the land and buildings amounting to RM775,569 had been capitalised as property, plant and equipment accordingly. Other transaction costs totalling RM105,110 are taken to profit or loss as expenses accordingly.

- (c) Salutica Allied reviewed the carrying amount of assets to determine if there was any indication that those assets may be impaired. In June 2014, Salutica Allied impaired certain of its machinery and equipment made idle due to changes in demand and orders from customers. The impairment loss of RM1,431,900 was charged to the profit or loss in the financial year ended 30 June 2014.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.9 Available-for-sale financial asset**

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Available-for-sale financial asset	<u>39,000</u>	<u>39,000</u>	<u>55,000</u>	<u>55,000</u>

The available-for-sale financial asset comprises a transferable golf club membership stated at fair value that is held for long term purposes as Salutica Allied has no intention to dispose it.

2.10 Deferred tax assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Deferred tax assets - subject to income tax	<u>0</u>	<u>1,073,540</u>	<u>8,484,291</u>	<u>3,157,942</u>

The movements in deferred tax assets during the financial year/period comprise the following:

	2013	2014	2015	2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
At 1 July	0	0	1,073,540	8,484,291
Credited/(Charged) to profit or loss				
- property, plant and equipment	638,425	1,161,761	(3,027,661)	155,552
- provisions and allowances	(638,425)	(88,221)	236,342	72,842
- unused tax losses	0	0	10,202,070	(5,554,743)
	<u>0</u>	<u>1,073,540</u>	<u>7,410,751</u>	<u>(5,326,349)</u>
At 30 June 2013/30 June 2014/30 June 2015/ 31 January 2016	<u>0</u>	<u>1,073,540</u>	<u>8,484,291</u>	<u>3,157,942</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.10 Deferred tax assets (continued)**

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
<u>Subject to income tax</u>				
Deferred tax assets				
- property, plant and equipment	3,648,690	4,867,031	0	0
- provisions and allowances	248,116	159,895	396,237	469,079
- unused tax losses	0	0	10,202,070	4,647,327
Deferred tax assets (before offsetting)	3,896,806	5,026,926	10,598,307	5,116,406
Offsetting	(3,896,806)	(3,953,386)	(2,114,016)	(1,958,464)
Deferred tax assets (after offsetting)	0	1,073,540	8,484,291	3,157,942
Deferred tax liabilities				
- property, plant and equipment	(3,896,806)	(3,953,386)	(2,114,016)	(1,958,464)
Offsetting	3,896,806	3,953,386	2,114,016	1,958,464
Deferred tax liabilities (after offsetting)	0	0	0	0
Deferred tax assets				
- to be realised within 12 months	0	1,073,540	5,674,000	3,157,942
- to be realised after 12 months	0	0	2,810,291	0
	0	1,073,540	8,484,291	3,157,942

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

The unused tax losses and unabsorbed capital allowances determined after appropriate offsetting, for which no deferred tax assets are recognised in the financial statements are:

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Unused tax losses	51,596,000	51,596,000	0	0
Unabsorbed capital allowances	19,890,000	0	0	0

The unused tax losses and/or unabsorbed capital allowances were not recognised as at 30 June 2013 and 30 June 2014 respectively as it was not then probable that Salutica Allied could generate sufficient future taxable profits for the realisation of the unused tax losses and/or unabsorbed capital allowances based on assessments done by management at the respective reporting date.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.11 Inventories**

			As at	As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Raw materials	4,162,837	10,949,895	7,978,426	12,302,769
Work in progress	2,328,762	5,901,881	4,099,010	4,572,872
Finished goods	4,439,374	1,537,689	3,516,045	14,243,843
	<u>10,930,973</u>	<u>18,389,465</u>	<u>15,593,481</u>	<u>31,119,484</u>

2.12 Receivables, deposits and prepayments

			As at	As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Amount net of allowances for doubtful debts				
- trade receivables	4,416,296	28,302,267	16,051,173	21,175,864
- other receivables	657,445	264,940	1,268,969	830,072
	<u>5,073,741</u>	<u>28,567,207</u>	<u>17,320,142</u>	<u>22,005,936</u>
Amounts recoverable from customers for product development	857,817	14,958	9,323	0
Deposits	34,600	35,325	34,325	38,825
Prepayments	689,314	383,589	1,018,019	1,950,502
	<u>6,655,472</u>	<u>29,001,079</u>	<u>18,381,809</u>	<u>23,995,263</u>
			As at	As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	Days	Days	Days	Days
Credit terms of trade receivables	<u>15 to 60</u>	<u>15 to 75</u>	<u>15 to 90</u>	<u>10 to 90</u>

Included in other receivables are input tax receivable of RM 568,022 (As at 30 June 2013 and 30 June 2014: N/A; As at 30 June 2015: RM488,793) in respect of goods and services tax paid for the purchases, partially set off against the sales of goods and services.

Included in prepayments are downpayments of RMNil (As at 30 June 2013: RM118,375; As at 30 June 2014: RMNil; As at 30 June 2015: RM606,582) for the purpose of acquisition of property, plant and equipment.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.12 Receivables, deposits and prepayments (continued)**

Movements in allowance for doubtful debts are as follows:

	2013	2014	2015	2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
At 1 July	0	5,040,002	0	0
Charge/(Write back) for the financial year	5,040,002	(3,088,521)	0	0
Write off against allowance during the financial year	0	(1,951,481)	0	0
At 30 June 2013/30 June 2014/30 June 2015/ 31 January 2016	<u>5,040,002</u>	<u>0</u>	<u>0</u>	<u>0</u>

The currency profile of receivables and deposits is as follows:

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
US Dollar	4,040,268	27,778,317	16,148,381	21,014,028
Ringgit Malaysia	1,066,164	824,215	1,205,344	1,030,733
Euro	1,909	0	742	0
	<u>5,108,341</u>	<u>28,602,532</u>	<u>17,354,467</u>	<u>22,044,761</u>

2.13 Derivative financial instruments

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
<u>Derivative financial instruments</u>				
Assets	<u>8,754</u>	<u>28,997</u>	<u>0</u>	<u>0</u>
Liabilities	<u>247,988</u>	<u>3,402</u>	<u>147,352</u>	<u>0</u>

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.13 Derivative financial instruments (continued)**

Salutica Allied has entered into foreign currency forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

The notional principal amounts of the outstanding derivative financial instruments are as follows:

	Currency bought	Currency sold	As at		As at	
			30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2016 Audited RM
Foreign currency forward exchange contracts	RM	USD	<u>8,993,300</u>	<u>5,832,450</u>	<u>6,307,800</u>	<u>0</u>

2.14 Short term investment

The short term investment of RM1,300,710 is in respect of an investment in an Islamic money market fund. The quoted market price for this fund as at 31 January 2016 is RM1 per unit (As at 30 June 2013, 30 June 2014 and 30 June 2015: N/A).

2.15 Cash and cash equivalents

Cash and cash equivalents included in statements of cash flows comprise the following:

	As at			As at
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2016 Audited RM
Deposits with licensed banks	23,500,000	21,500,000	36,350,000	31,000,000
Cash and bank balances	<u>1,862,572</u>	<u>10,470,423</u>	<u>4,570,577</u>	<u>4,590,496</u>
	<u>25,362,572</u>	<u>31,970,423</u>	<u>40,920,577</u>	<u>35,590,496</u>
Deposits with licensed banks	23,500,000	21,500,000	36,350,000	31,000,000
Deposits pledged with a licensed bank	(6,500,000)	(6,500,000)	(6,500,000)	(5,000,000)
Deposits with maturity period more than three months (unencumbered)	(5,000,000)	(5,000,000)	(8,800,000)	0
	<u>(11,500,000)</u>	<u>(11,500,000)</u>	<u>(15,300,000)</u>	<u>(5,000,000)</u>
Deposits with maturity period of three months or less (unencumbered)	12,000,000	10,000,000	21,050,000	26,000,000
Cash and bank balances	<u>1,862,572</u>	<u>10,470,423</u>	<u>4,570,577</u>	<u>4,590,496</u>
Cash and cash equivalents	<u>13,862,572</u>	<u>20,470,423</u>	<u>25,620,577</u>	<u>30,590,496</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.15 Cash and cash equivalents (continued)**

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

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Ringgit Malaysia	24,239,104	22,061,723	37,791,198	31,695,666
US Dollar	1,115,518	9,901,978	3,126,684	3,873,503
Euro	6,811	6,246	1,651	20,523
Others	1,139	476	1,044	804
	<u>25,362,572</u>	<u>31,970,423</u>	<u>40,920,577</u>	<u>35,590,496</u>

Cash and cash equivalents included in statements of cash flows comprise the following:

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	%	%	%	%
Weighted average effective interest rate at the reporting date is as follows:				
Deposits with licensed banks	<u>3.18</u>	<u>3.21</u>	<u>3.64</u>	<u>3.74</u>

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	Days	Days	Days	Days
The range of maturity periods of the deposits with licensed banks are as follows:				
- encumbered	183	183	183	183
- unencumbered	<u>9 - 183</u>	<u>7 - 183</u>	<u>8 - 365</u>	<u>31 - 92</u>

The cash and bank balances of Salutica Allied are deposits placed in current accounts of various licensed banks in Malaysia and cash in hand which do not earn any interest.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.16 Share capital**

	2013	2014	2015	2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Authorised				
25,000,000 ordinary shares of RM1.00 each				
At 1 July 2013/30 June 2014/30 June 2015/ 31 January 2016	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Issued and fully paid				
18,000,000 ordinary shares of RM1.00 each				
At 1 July 2013/30 June 2014/30 June 2015/ 31 January 2016	<u>18,000,000</u>	<u>18,000,000</u>	<u>18,000,000</u>	<u>18,000,000</u>

2.17 Fair value reserve

	2013	2014	2015	2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
At 1 July	13,000	13,000	13,000	29,000
Fair value gain	<u>0</u>	<u>0</u>	<u>16,000</u>	<u>0</u>
At 30 June 2013/30 June 2014/30 June 2015/ 31 January 2016	<u>13,000</u>	<u>13,000</u>	<u>29,000</u>	<u>29,000</u>

Fair value reserve is in respect of accumulated fair value gains on available-for-sale financial asset.

2.18 Retained earnings

Dividends paid out of retained earnings of Salutica Allied are single-tier dividends which are tax exempt in the hands of shareholders.

2.19 Finance lease liability

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Present value of minimum lease payments:				
<u>Current</u>				
- payable within one year	0	6,139,037	6,483,155	0
<u>Non current</u>				
- payable later than one year but not later than five years	<u>0</u>	<u>15,345,611</u>	<u>9,365,706</u>	<u>0</u>
	<u>0</u>	<u>21,484,648</u>	<u>15,848,861</u>	<u>0</u>
Fair value of finance lease liability	<u>0</u>	<u>21,484,648</u>	<u>15,848,861</u>	<u>0</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.19 Finance lease liability (continued)**

Salutica Allied, leased the land and buildings under a finance lease arrangement with lease term expiring in 2018 and a purchase option exercisable by 28 February 2017.

On 19 June 2015, Salutica Allied signed a Sale and Purchase Agreement with the lessor to exercise its purchase option to acquire the land and buildings under finance lease arrangement earlier than the agreed option exercise date due on 28 February 2017 at a revised purchase consideration of RM26,052,250. The final settlement amount of RM14,700,000 was derived based on revised purchase consideration plus transaction costs relating to acquisition less accumulated lease payments. The transaction was completed on 12 October 2015 with the drawdown a term loan of RM14,700,000 to re-finance the finance lease liability. The early settlement of the finance lease liability resulted in a gain of RM1,148,861, being the difference between final settlement amount of RM14,700,000 and outstanding finance lease liability of RM15,848,861, recognised in the profit or loss of Salutica Allied.

Finance lease liability was effectively secured as the rights to the leased assets revert to the lessor in the event of default.

2.20 Hire-purchase creditors

			As at	As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Future minimum hire-purchase payments:				
- payable within one year	205,411	0	0	857,942
- payable later than one year but not later than five years	0	0	0	1,390,949
	<u>205,411</u>	<u>0</u>	<u>0</u>	<u>2,248,891</u>
Less: finance charges	(6,422)	0	0	(196,255)
	<u>198,989</u>	<u>0</u>	<u>0</u>	<u>2,052,636</u>
Present value of hire-purchase liabilities:				
<u>Current</u>				
- payable within one year	198,989	0	0	738,248
<u>Non current</u>				
- payable later than one year but not later than five years	0	0	0	1,314,388
	<u>198,989</u>	<u>0</u>	<u>0</u>	<u>2,052,636</u>
			As at	As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
<u>Effective interest rates per annum:</u>	%	%	%	%
Hire-purchase creditors	<u>6.97</u>	<u>0</u>	<u>0</u>	6.60 to <u>7.42</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.20 Hire-purchase creditors (continued)**

Hire-purchase creditors are denominated in Ringgit Malaysia. The carrying amounts of hire-purchase creditors of Salutica Allied approximates their fair values as at the respective reporting date.

Hire-purchases creditors are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Hire-purchase creditors as at 31 January 2016 are guaranteed by a director.

2.21 Term loans

	30.6.2013		30.6.2014		As at 30.6.2015		As at 31.1.2016	
	Audited		Audited		Audited		Audited	
	RM	RM	RM	RM	RM	RM	RM	RM
<u>Secured</u>								
Term loan 1	0	0	0	0	0	0	14,112,596	
<u>Unsecured</u>								
Term loan 2	0	0	0	0	0	0	1,115,192	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,227,788</u>	
<u>Current</u>								
- Repayable within one year	0	0	0	0	0	0	2,852,329	
<u>Non current</u>								
- Repayable later than one year but not later than five years	0	0	0	0	0	0	12,375,459	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,227,788</u>	

Term loans 1 and 2 are repayable by 60 instalments commencing November 2015 and September 2015 respectively.

Term loan 1 is secured by way of first legal charge on the land and buildings of Salutica Allied and certain fixed deposits pledged.

Term loan 1 and 2 are guaranteed by a director.

These term loans have effective interest rates per annum as follows:

	30.6.2013		30.6.2014		As at 30.6.2015		As at 31.1.2016	
	Audited		Audited		Audited		Audited	
	%	%	%	%	%	%	%	%
Term loan 1	0	0	0	0	0	0	5.92	
Term loan 2	0	0	0	0	0	0	5.67	

The interest expenses on these term loans are calculated based on floating interest rates which may be varied from time to time at the bank's discretion. All of the term loans are denominated in Ringgit Malaysia.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.22 Payables and accruals**

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Trade payables	10,679,201	33,678,278	18,735,684	19,452,232
Other payables and accruals	2,504,403	3,472,191	4,024,412	3,394,455
	<u>13,183,604</u>	<u>37,150,469</u>	<u>22,760,096</u>	<u>22,846,687</u>
Advances from customers for product development	868,141	2,152,276	1,835,782	3,390,444
Advances from customers for sales of goods	3,544,447	3,314,182	5,771,410	3,423,601
	<u>17,596,192</u>	<u>42,616,927</u>	<u>30,367,288</u>	<u>29,660,732</u>

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	Days	Days	Days	Days
Credit terms of trade payables	<u>30 to 90</u>	<u>14 to 90</u>	<u>14 to 90</u>	<u>14 to 90</u>

The currency profile of payables and accruals is as follows:

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
US Dollar	8,795,289	29,333,610	16,417,901	18,194,008
Ringgit Malaysia	4,249,040	7,717,157	6,049,658	4,591,040
Euro	83,667	89,953	290,837	40,248
Others	55,608	9,749	1,700	21,391
	<u>13,183,604</u>	<u>37,150,469</u>	<u>22,760,096</u>	<u>22,846,687</u>

2.23 Related party disclosures**(a) Related parties and relationship**

Salutica Allied was formerly a wholly-owned subsidiary of Balda Investments Malaysia Pte. Ltd. ("BIM"), a company incorporated in Singapore. Its former ultimate holding company was Balda AG, a company incorporated in Germany. There was a change in shareholder during the financial year ended 30 June 2014 and Salutica Allied regarded Salutica Berhad (formerly known as Blue Ocean Genius Sdn. Bhd.) as its holding and ultimate holding company following the change.

On 29 June 2015, with the issuance of additional shares to new shareholders of its holding company, Salutica Berhad (formerly known as Blue Ocean Genius Sdn. Bhd.), the directors now regard Blue Ocean Enlightenment Sdn. Bhd. as its ultimate holding company.

All directors of Salutica Allied and the senior management team are regarded as key management personnel.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.23 Related party disclosures (continued)

(b) Related party balance

Amount due to holding company is denominated in Ringgit Malaysia, interest free and repayable on demand.

(c) Significant related party transactions

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
Transactions with Balda AG					
Paid/payable					
- management fee	2,995,819	0	0	0	0
- purchase of property, plant and equipment	600,512	0	0	0	0
Consultancy fee paid/payable					
- with persons/ a person connected with a director of Salutica Allied	124,430	167,236	114,577	64,577	11,229
- with a firm in which a director of Salutica Allied is member of the firm	0	0	0	0	30,000

The above transactions have established based on terms and prices agreed between the related parties.

(d) Key management compensation

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
Salaries and other short term employee benefits	1,488,831	1,799,556	2,117,148	1,256,530	1,460,916
Post employment benefits	176,183	390,135	404,836	236,354	258,821
	<u>1,665,014</u>	<u>2,189,691</u>	<u>2,521,984</u>	<u>1,492,884</u>	<u>1,719,737</u>

Key management compensation includes directors' remuneration as disclosed in Note 2.5 to the financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.24 Provision for warranties**

	2013	2014	2015	2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
At 1 July	31,395	55,967	34	54,796
Charge/(Write back) during the financial year	24,572	(55,933)	54,762	31,641
At 30 June 2013/30 June 2014/30 June 2015/ 31 January 2016	<u>55,967</u>	<u>34</u>	<u>54,796</u>	<u>86,437</u>

Provision for warranties is in respect of finished products manufactured and sold by Salutica Allied directly to the end users. The provision is measured at a percentage rate of historical replacement and a review of possible outcomes against the associated probabilities of returns.

2.25 Dividends

	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
	Audited	Audited	Audited	Unaudited	Audited
	RM	RM	RM	RM	RM
<u>Paid/Payable</u>					
Special tax exempt dividend	3,981,600	0	0	0	0
Single-tier dividend-in-specie	27,015,000	0	0	0	0
First interim tax exempt dividend	0	900,000	1,150,000	1,150,000	2,200,000
Second interim tax exempt dividend	0	1,300,000	2,050,000	0	3,000,000
Third interim tax exempt dividend	0	0	6,420,000	0	0
Fourth interim tax exempt dividend	0	0	30,809,738	0	0
	<u>30,996,600</u>	<u>2,200,000</u>	<u>40,429,738</u>	<u>1,150,000</u>	<u>5,200,000</u>
Dividends per share (sen)					
- gross	<u>172.20</u>	<u>12.22</u>	<u>224.62</u>	<u>6.39</u>	<u>28.89</u>

Financial year ended 30 June 2013:

- (a) Special tax exempt dividend of 22.12 sen per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 30 April 2013.
- (b) Single-tier dividend-in-specie of 150.08 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, credited to dividend payable.

In the financial year ended 30 June 2013, Salutica Allied declared a dividend-in-specie of RM27,015,000 in favour of BIM on 26 April 2013. In the financial year ended 30 June 2014, the dividend-in-specie was considered settled upon the transfer of land titles with buildings constructed thereon on 26 August 2013.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.25 Dividends (continued)**Financial year ended 30 June 2013: (continued)

- (b) In lieu of cash, the dividend was satisfied by the transfer of the properties of Salutica Allied (and the factories, offices and buildings constructed thereon), title particulars of which are as follows:
- (i) Lot 202124, PN94442, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak, measuring in area 4,551 square meters.
 - (ii) Lot 202125, PN94443, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak, measuring in area 4,314 square meters.
 - (iii) Lot 381631, PN314266, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak, measuring in area 30,130 square meters.

Financial year ended 30 June 2014:

- (a) First interim tax exempt dividend of 5 sen per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 2 December 2013.
- (b) Second interim tax exempt dividend of 7.22 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 30 May 2014.

Financial year ended 30 June 2015:

- (a) First interim tax exempt dividend of 6.39 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 20 November 2014.
- (b) Second interim tax exempt dividend of 11.39 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 13 March 2015.
- (c) Third interim tax exempt dividend of 35.67 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 12 June 2015.
- (d) Fourth interim tax exempt dividend of 171.17 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, credited to amount due to holding company.

Financial period ended 31 January 2015:

- (a) Interim tax exempt dividend of 6.39 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 20 November 2014.

Financial period ended 31 January 2016:

- (a) First interim tax exempt dividend of 12.22 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, paid on 19 October 2015.
- (b) Second interim tax exempt dividend of 16.67 sen (rounded to nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, credited to amount due to holding company on 18 January 2016.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.26 Non cash transactions**

The principal non cash transactions of Salutica Allied during the financial year/period are as follows:

	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
- Dividend-in-specie settled in the form of land and buildings	0	(27,015,000)	0	0	0
- Acquisition of land and buildings by means of a finance lease	0	27,015,000	0	0	0
- Interim tax exempt dividend credited to amount due to holding company	0	0	30,809,738	0	3,000,000
- Purchase of plant and machinery by means of hire-purchase arrangement	0	0	0	0	2,318,636
- Payment of insurance premium of key management by means of a term loan disbursed directly to the insurer	0	0	0	0	1,200,249
- Early settlement of finance lease liability by means of a term loan disbursed directly to the lessor	0	0	0	0	14,700,000

2.27 Capital commitments

Capital commitments in respect of property, plant and equipment not provided for in the financial statements are as follows:

	30.6.2013		30.6.2014		30.6.2015		31.1.2016	
	Audited RM	Audited RM	Audited RM	Audited RM	Audited RM	Audited RM	Audited RM	Audited RM
Contracted	864,154	546,504	4,094,854	449,923				
Authorised but not contracted	0	36,580	496,564	11,702,512				

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.28 Financial instruments

(a) Classification of financial instruments

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Financial assets				
Financial asset measured at fair value through profit or loss:				
- Short term investment	0	0	0	1,300,710
- Derivative financial instrument	8,754	28,997	0	0
Available-for-sale financial asset	39,000	39,000	55,000	55,000
Loans and receivables at amortised cost:				
- Trade and other receivables	5,108,341	28,602,532	16,865,674	21,476,739
- Deposits with licensed banks	23,500,000	21,500,000	36,350,000	31,000,000
- Cash and bank balances	1,862,572	10,470,423	4,570,577	4,590,496
Total	30,518,667	60,640,952	57,841,251	58,422,945
Financial liabilities				
Financial liability measured at fair value through profit or loss:				
- Derivative financial instrument	247,988	3,402	147,352	0
Other financial liabilities at amortised cost:				
- Payables and accruals	13,183,604	37,150,469	22,760,096	22,846,687
- Finance lease liability	0	21,484,648	15,848,861	0
- Amount due to holding company	0	0	30,809,738	32,682,640
- Hire-purchase creditors	198,989	0	0	2,052,636
- Term loans	0	0	0	15,227,788
Total	13,630,581	58,638,519	69,566,047	72,809,751

Salutica Allied has no financial assets classified as "held-to-maturity".

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.28 Financial instruments (continued)****(b) Financial risk management**

Salutica Allied's overall financial risk management objectives and policies are to ensure that it creates value and maximises returns for its shareholder. Financial risk management is carried out through risk review, internal control systems, benchmarking to the industry's best practices and adherence to Salutica Allied's financial risk management policies. The main risks arising from the financial instruments of Salutica Allied are market risk, price risk, credit risk and liquidity risk. Management monitors the financial position closely with the objective to minimise potential adverse effects on its financial performance. The nature of these risks and Salutica Allied's approaches in managing these risks are listed below:

(i) Market risk**(a) Foreign currency exchange risk**

Foreign currency exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the changes in foreign currency exchange rates.

Salutica Allied's sales are mostly denominated in US Dollar and Ringgit Malaysia whilst purchases of goods are denominated in US Dollar, Ringgit Malaysia and Euro.

Salutica Allied mitigates its foreign currency exchange risk through the natural hedge of operating foreign currency accounts using the deposits from its export proceeds to pay imported purchases where both are denominated in the same foreign currency. Salutica Allied also enters into foreign currency forward exchange contracts to hedge its receivables for export proceeds, whenever considered necessary.

Sensitivity analysis for foreign currency exchange risk

Based on the currency profile of receivables, cash and bank balances and payables as disclosed in the respective Note 2.12, Note 2.15 and Note 2.22 to the financial statements respectively, the sensitivity analysis of foreign currency exchange risk is calculated based on fluctuations in exchange rates for the major currencies transacted by Salutica Allied against Ringgit Malaysia at the end of each financial period/year. This analysis assumes that all other variables are held constant.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.28 Financial instruments (continued)****(b) Financial risk management (continued)****(i) Market risk (continued)****(a) Foreign currency exchange risk (continued)**Sensitivity analysis for foreign currency exchange risk (continued)

	Estimated % increase				
	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
Audited	Audited	Audited	Unaudited	Audited	
	%	%	%	%	%
Foreign currency strengthens against RM					
- US Dollar	1	1	17	12	10
- Euro	4	6	4	7	7
	Impact on profit or loss				
	Financial years ended			7 months financial period ended	
	30.6.2013	30.6.2014	30.6.2015	31.1.2015	31.1.2016
Audited	Audited	Audited	Unaudited	Audited	
	RM	RM	RM	RM	RM
Foreign currency strengthens against RM					
- US Dollar	-18,000	+105,000	+494,000	+1,447,000	+1,028,000
- Euro	-3,000	-4,800	+10,000	-3,000	-1,000

Conversely, weakening of major currencies against Ringgit Malaysia by the above percentages would have had equal but opposite effects on the results of Salutica Allied shown above on the basis that all other variables remain constant.

(b) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of Salutica Allied's financial instruments will fluctuate because of changes in market interest rates.

Salutica Allied's exposure to changes in interest rates relates mainly to term loans and deposits placed with licensed banks in Malaysia. Majority of the borrowings are contracted on variable terms.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.28 Financial instruments (continued)

(b) Financial risk management (continued)

(i) Market risk (continued)

(b) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

Assuming all variables remain constant, an increase in interest rate by 0.5% (Financial years ended 30 June 2013, 30 June 2014, 30 June 2015 and 7 months financial period ended 31.1.2015: 0.5%) on financial assets and liabilities of Salutica Allied which have variable interest rates would have an impact on its profit or loss as shown below:

	Impact on profit or loss				
	Financial years ended			7 months financial period ended	
	30.6.2013 Audited RM	30.6.2014 Audited RM	30.6.2015 Audited RM	31.1.2015 Unaudited RM	31.1.2016 Audited RM
Increase in interest rate:					
- term loans	0	0	0	0	-25,000
- deposits with licensed banks	+112,500	+113,000	+145,000	+77,000	+98,000

Conversely, a decrease in interest rate by 0.5% on financial assets and liabilities of Salutica Allied would have had equal but opposite effect on the amounts shown above on the basis that all other variables remain constant.

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of Salutica Allied's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

Salutica Allied is exposed to price risk arising from its short term investment in money market fund. The short term investment is classified as fair value through profit or loss.

At the end of the reporting period, if the money market fund had been 2% (As at 30 June 2013, 30 June 2014 and 30 June 2015: N/A) higher/lower, with all other variables held constant, Salutica Allied's net profit would have been RM26,014 (Financial years ended 30 June 2013, 30 June 2014, 30 June 2015 and 7 months financial period ended 31 January 2015: N/A) higher/lower, as a result of an increase/decrease in the fair value of the quoted money market fund.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.28 Financial instruments (continued)****(b) Financial risk management (continued)****(iii) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. Salutica Allied's exposure to credit risk arises primarily from derivative financial instruments, trade and other receivables, deposits with licensed banks and bank balances.

Trade receivables are monitored on an ongoing basis via Salutica Allied's management reporting procedures. Salutica Allied has significant concentration of credit risk in the form of outstanding balance due from 3 customers representing 86% of the total trade receivables as at 31 January 2016 (As at 30 June 2013: 4 customers, 73%; As at 30 June 2014: 3 customers, 88%; As at 30 June 2015: 3 customers, 86%).

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with Salutica Allied. Management will continuously monitor closely the trade receivables which are past due.

Credit risk also arises from deposits with licensed banks. The deposits are placed with creditworthy licensed banks in Malaysia. Salutica Allied considers the risk of material loss in the event of non performance by a financial counterparty to be low.

Exposure to credit risk

At the end of the reporting period, Salutica Allied's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.28 Financial instruments (continued)

(b) Financial risk management (continued)

(iii) Credit risk (continued)

Ageing analysis

The ageing analysis of Salutica Allied's financial assets is as follows:

	As at			As at
	30.6.2013	30.6.2014	30.6.2015	31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Neither past due nor impaired				
Derivative financial assets	8,754	28,997	0	0
Trade receivables	3,443,133	27,643,749	12,342,601	16,767,453
Other receivables and deposits	692,045	300,265	814,501	300,875
Deposits with licensed banks	23,500,000	21,500,000	36,350,000	31,000,000
Cash and bank balances	1,862,572	10,470,423	4,570,577	4,590,496
	29,506,504	59,943,434	54,077,679	52,658,824
Trade receivables:				
Past due but not impaired				
1 to 30 days past due	972,816	648,617	3,629,512	3,175,543
31 to 60 days past due	347	9,901	79,060	1,232,868
	973,163	658,518	3,708,572	4,408,411
Trade and other receivable: Impaired	5,040,002	0	0	0
Total	35,519,669	60,601,952	57,786,251	57,067,235

Receivables that are neither past due nor impaired

Deposits and bank balances are mainly deposits placed with reputable licensed banks in Malaysia. Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors with good historical payment records with Salutica Allied. Majority of Salutica Allied's trade receivables arise from its regular customers and with insignificant losses noted.

None of Salutica Allied's trade receivables that are neither past due nor impaired have been renegotiated during the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and financial period ended 31 January 2016.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.28 Financial instruments (continued)

(b) Financial risk management (continued)

(iii) Credit risk (continued)

Receivables that are past due but not impaired

As at 31 January 2016, trade receivables of Salutica Allied of RM4,408,411 (As at 30 June 2013: RM973,163; As at 30 June 2014: RM658,518; As at 30 June 2015: RM3,708,572) were past due but not impaired. These debts relate to a number of independent customers for whom there is no recent history of default. All of these debts have been repaid subsequent to the respective financial years ended 30 June 2013, 30 June 2014 and 30 June 2015. Certain of the debts outstanding as at 31 January 2016 have been settled subsequent to 31 January 2016.

Trade receivables that are impaired

The trade receivables that are impaired at the reporting date and the movements of the allowance accounts used to record the impairment are as follows:

	30.6.2013	30.6.2014	As at 30.6.2015	As at 31.1.2016
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
<u>Trade receivables</u>				
Nominal amount of individually impaired debt	5,040,002	0	0	0
Allowance for doubtful debts	(5,040,002)	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
<u>Allowance for doubtful debts</u>				
At 1 July	0	5,040,002	0	0
Charge for the financial year/period	5,040,002	0	0	0
Write off	0	(1,951,481)	0	0
Write back	0	(3,088,521)	0	0
At 30 June 2013/30 June 2014/ 30 June 2015/31 January 2016	<u>5,040,002</u>	<u>0</u>	<u>0</u>	<u>0</u>

Trade receivables of Salutica Allied that are individually impaired at the end of the reporting period relate mainly to specific doubtful debtors in financial difficulties and have defaulted on payments.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.28 Financial instruments (continued)**

(b) Financial risk management (continued)

(iv) Liquidity risk

Liquidity risk is the risk that Salutica Allied will encounter difficulty in meeting financial obligations due to shortage of funds. Salutica Allied's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Salutica Allied maintains sufficient cash and ensures availability of funding through an adequate but flexible amount of credit facilities obtained from financial institutions in Malaysia. Certain facilities are maintained with varying maturities to ensure sufficient cash inflow from operations is available to meet all repayment requirements, if required.

The table below summarises the maturity profile of Salutica Allied's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	As at 30.6.2013		
	Within one year RM	Two to five years RM	Total RM
Financial liabilities:			
Trade and other payables	13,183,604	0	13,183,604
Hire-purchase creditor	205,411	0	205,411
Total undiscounted financial obligations	<u>13,389,015</u>	<u>0</u>	<u>13,389,015</u>
Derivative financial liabilities:			
Gross settled currency forward			
- receipts	6,115,150	0	6,115,150
- payments	<u>(6,363,138)</u>	<u>0</u>	<u>(6,363,138)</u>
	<u>(247,988)</u>	<u>0</u>	<u>(247,988)</u>

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.28 Financial instruments (continued)**

(b) Financial risk management (continued)

(iv) Liquidity risk (continued)

	As at 30.6.2014		
	Within one year RM	Two to five years RM	Total RM
Financial liabilities:			
Trade and other payables	37,150,469	0	37,150,469
Finance lease liability	6,227,000	15,257,648	21,484,648
Total undiscounted financial obligations	43,377,469	15,257,648	58,635,117
Derivative financial liabilities:			
Gross settled currency forward			
- receipts	966,300	0	966,300
- payments	(969,702)	0	(969,702)
	(3,402)	0	(3,402)
As at 30.6.2015			
	On demand*/ Within one year RM	Two to five years RM	Total RM
Financial liabilities:			
Trade and other payables	22,760,096	0	22,760,096
Finance lease liability	6,542,250	9,306,611	15,848,861
Amount due to holding company *	30,809,738	0	30,809,738
Total undiscounted financial obligations	60,112,084	9,306,611	69,418,695
Derivative financial liabilities:			
Gross settled currency forward			
- receipts	6,307,800	0	6,307,800
- payments	(6,455,152)	0	(6,455,152)
	(147,352)	0	(147,352)

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**2.28 Financial instruments (continued)**

(b) Financial risk management (continued)

(iv) Liquidity risk (continued)

	As at 31.1.2016		
	On demand*/ Within one year RM	Two to five years RM	Total RM
Financial liabilities:			
Trade and other payables	22,846,687	0	22,846,687
Term loans	3,673,800	13,822,645	17,496,445
Hire-purchase creditors	857,942	1,390,949	2,248,891
Amount due to holding company *	32,682,640	0	32,682,640
Total undiscounted financial obligations	60,061,069	15,213,594	75,274,663

There are no outstanding finance lease liability and derivative financial liability as at 31 January 2016.

(v) Capital management

Salutica Allied's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value.

Management monitors capital based on shareholder's equity attributable to the owner of Salutica Allied.

(c) Fair value of financial instruments

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables.

The fair value of the floating interest rate borrowings approximates the carrying value as at the reporting date.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)****2.28 Financial instruments (continued)****(c) Fair value of financial instruments (continued)**

The disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the relevant Salutica Allied's assets that are measured at fair value at the respective reporting date:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<u>At 30 June 2013</u>				
<u>Assets</u>				
Available-for-sale financial asset	0	39,000	0	39,000
Derivative financial instruments	0	8,754	0	8,754
<u>Liabilities</u>				
Derivative financial instruments	0	247,988	0	247,988
<u>At 30 June 2014</u>				
<u>Assets</u>				
Available-for-sale financial asset	0	39,000	0	39,000
Derivative financial instruments	0	28,997	0	28,997
<u>Liabilities</u>				
Derivative financial instruments	0	3,402	0	3,402
<u>At 30 June 2015</u>				
<u>Assets</u>				
Available-for-sale financial asset	0	55,000	0	55,000
<u>Liabilities</u>				
Derivative financial instruments	0	147,352	0	147,352

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.28 Financial instruments (continued)

(c) Fair value of financial instruments (continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<u>At 31 January 2016</u>				
<u>Assets</u>				
Available-for-sale financial asset	0	55,000	0	55,000
Short term investment	<u>1,300,710</u>	<u>0</u>	<u>0</u>	<u>1,300,710</u>

The fair value of the short term investment is based on quoted market price in active market and is therefore classified in Level 1.

The fair values of the derivative financial instruments and available-for-sale financial asset are based on certain inputs which are not directly obtainable from quoted prices and are therefore classified in Level 2.

There were no transfers between Levels 1, 2 and 3 during the respective financial years/period.

2.29 Explanation of transition to MFRS

A summary of the impact of the transition adjustments to MFRS is set out below:

Exemption for property, plant and equipment: Previous revaluation as deemed cost

Salutica Allied has availed itself the transitional provision of International Accounting Standard No. 16 (Revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board upon first application of this standard. By virtue of this transitional provision, Salutica Allied which had not adopted a policy of revaluation, but had recorded certain of its leasehold land at the previous revalued amounts with continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Salutica Allied has adopted MFRS with the date of transition on 1 July 2012. Upon transition to MFRS, Salutica Allied has elected to measure all its property, plant and equipment using cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, Salutica Allied elected to regard the 1996 revalued amounts of the leasehold land as deemed cost at the date of revaluation. Accordingly, the carrying amount of the land has not been restated. The revaluation reserve of Salutica Allied of RM1,793,547 at 1 July 2012 was transferred to its retained earnings.

12. ACCOUNTANTS' REPORT (Cont'd)**Salutica Allied Solutions Sdn. Bhd.**

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.29 Explanation of transition to MFRS (continued)

MFRS estimates

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with PERS.

Effects of adjustments relating to prior years

Salutica Allied had recognised deferred tax asset to the extent of the deferred tax liability recognised in the its financial statements prepared under the PERS accounting framework during the financial year ended 30 June 2013 in accordance with the alternative treatment allowed under MASB 3 "Net profit or loss for the period, fundamental errors and changes in accounting policies". Upon the transition to MFRS, Salutica Allied had retrospectively adjusted the recognition of deferred tax asset to its opening retained earnings as at 1 July 2012.

MFRS 139 "Financial Instruments: Recognition and Measurement"

MFRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Salutica Allied has adopted MFRS 139 prospectively on the date of transition in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening retained earnings.

The details of the changes in accounting policies and the effects arising from the adoption of MFRS 139 are discussed below:

Designation of previously recognised financial instruments

The investment in a transferable golf club membership currently held by Salutica Allied is designated as available-for-sale financial assets at date of acquisition and 30 June 2014 which is in accordance with MFRS.

Derivative financial instruments

Prior to the adoption of MFRS 139, derivative contracts were recognised in the financial statements of Salutica Allied on settlement date. With the adoption of MFRS 139, derivative contracts are now categorised as fair value through profit or loss and initially measured at their fair values with the subsequent gain or loss recognised in profit or loss.

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)**2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)**

2.29 Explanation of transition to MFRS (continued)

Year end translation of foreign currency denominated trade receivables balances

Prior to the adoption of MFRS 121, foreign currency trade receivables of Salutica Allied are translated to Ringgit Malaysia at exchange rates ruling at year end, unless hedged by foreign currency forward contracts, in which case the rates specified in such forward contracts are used. Upon the adoption of MFRS 121, all foreign currency denominated monetary assets are translated at year end rates.

In preparing the opening MFRS Statement of Financial Position as at 1 July 2012, Salutica Allied has adjusted the amounts previously reported in the financial statements prepared in accordance with PERS. An explanation on the extent of transition from PERS to MFRS that has affected Salutica Allied's financial position is set out as follows:

(a) Reconciliation of equity

	As at 1.7.2012 RM	As at 30.6.2013 RM	As at 30.6.2014 RM
Equity as reported under PERS	78,857,473	36,611,938	58,204,454
Add/(Less): Transitioning adjustments			
Designation of financial assets			
- as available-for-sale	13,000	13,000	13,000
- as fair value through profit or loss	(262,000)	(239,234)	25,595
Translation of foreign currency denominated receivables at year end rate	272,453	149,796	(59,850)
Recognition of deferred tax asset	3,680,000	0	0
Finance cost	0	0	(98,148)
Equity on transition to MFRS	<u>82,560,926</u>	<u>36,535,500</u>	<u>58,085,051</u>

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
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2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.29 Explanation of transition to MFRS (continued)

(b) Reconciliation of total comprehensive income

	As previously reported under PERS RM	Effect of transition to MFRS RM	As restated under MFRS RM
<u>Financial year ended 30 June 2013</u>			
Revenue	78,559,167	0	78,559,167
Raw materials and consumables used	(50,480,543)	0	(50,480,543)
Changes in inventories of work in progress and finished goods	1,322,391	0	1,322,391
Employee benefit expense	(16,650,742)	0	(16,650,742)
Contract workers	(6,288,486)	0	(6,288,486)
Depreciation of property, plant and equipment	(6,208,312)	0	(6,208,312)
Losses on disposal of property, plant and equipment	(46,448)	0	(46,448)
Utilities	(3,198,573)	0	(3,198,573)
Maintenance and upkeep	(2,020,696)	0	(2,020,696)
Corporate support fee	(2,995,819)	0	(2,995,819)
Allowance for doubtful debts	(5,040,002)	0	(5,040,002)
Interest income	774,978	0	774,978
Other operating income	1,656,746	(99,891)	1,556,855
Other operating expenses	(3,901,126)	(54,589)	(3,955,715)
Loss from operations	(14,517,465)	(154,480)	(14,671,945)
Finance cost	(90,820)	54,589	(36,231)
Loss before taxation	(14,608,285)	(99,891)	(14,708,176)
Taxation	3,359,350	(3,680,000)	(320,650)
Net loss/Total comprehensive loss for the financial year	<u>(11,248,935)</u>	<u>(3,779,891)</u>	<u>(15,028,826)</u>

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.29 Explanation of transition to MFRS (continued)

(b) Reconciliation of total comprehensive income (continued)

	As previously reported under PERS RM	Effect of transition to MFRS RM	As restated under MFRS RM
Financial year ended 30 June 2014			
Revenue	234,212,437	0	234,212,437
Raw materials and consumables used	(177,412,288)	0	(177,412,288)
Changes in inventories of work in progress and finished goods	671,434	0	671,434
Employee benefit expense	(19,116,642)	0	(19,116,642)
Contract workers	(10,603,703)	0	(10,603,703)
Depreciation of property, plant and equipment	(6,153,653)	0	(6,153,653)
Gains on disposal of property, plant and equipment	7,450,466	0	7,450,466
Impairment loss of property, plant and equipment	(1,431,900)	0	(1,431,900)
Utilities	(3,282,087)	0	(3,282,087)
Maintenance and upkeep	(2,716,916)	0	(2,716,916)
Write back of allowance for doubtful debts	3,088,521	0	3,088,521
Interest income	702,868	0	702,868
Other operating income	96,526	55,183	151,709
Other operating expenses	(2,518,268)	(54,967)	(2,573,235)
Profit from operations	22,986,795	216	22,987,011
Finance cost	(60,854)	(43,181)	(104,035)
Profit before taxation	22,925,941	(42,965)	22,882,976
Taxation	866,575	0	866,575
Net profit/Total comprehensive income for the financial year	23,792,516	(42,965)	23,749,551

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.29 Explanation of transition to MFRS (continued)

(c) Reconciliation of statements of financial position

	As previously reported under PERS RM	Effect of transition to MFRS RM	As restated under MFRS RM
<u>At 30 June 2013</u>			
ASSETS			
Property, plant and equipment	38,713,944	0	38,713,944
Available-for-sale financial asset	26,000	13,000	39,000
Inventories	10,930,973	0	10,930,973
Receivables, deposits and prepayments	6,505,676	149,796	6,655,472
Derivative financial instruments	0	8,754	8,754
Cash and bank balances	25,362,572	0	25,362,572
Total Assets	81,539,165	171,550	81,710,715
EQUITY			
Share capital	18,000,000	0	18,000,000
Asset revaluation reserve	1,793,547	(1,793,547)	0
Fair value reserve	0	13,000	13,000
Retained earnings	16,818,391	1,704,109	18,522,500
Total equity	36,611,938	(76,438)	36,535,500
LIABILITIES			
Payables and accruals	17,596,192	0	17,596,192
Derivative financial instruments	0	247,988	247,988
Hire-purchase creditor	198,989	0	198,989
Provision for warranties	55,967	0	55,967
Tax payable	61,079	0	61,079
Dividend payable	27,015,000	0	27,015,000
Total liabilities	44,927,227	247,988	45,175,215
Total equity and liabilities	81,539,165	171,550	81,710,715

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.29 Explanation of transition to MFRS (continued)

(c) Reconciliation of statements of financial position (continued)

	As previously reported under PERS RM	Effect of transition to MFRS RM	As restated under MFRS RM
<u>At 30 June 2014</u>			
ASSETS			
Property, plant and equipment	41,676,240	0	41,676,240
Available-for-sale financial asset	26,000	13,000	39,000
Deferred tax assets	1,073,540	0	1,073,540
Inventories	18,389,465	0	18,389,465
Receivables, deposits and prepayments	29,060,929	(59,850)	29,001,079
Derivative financial instruments	0	28,997	28,997
Tax recoverable	11,318	0	11,318
Cash and bank balances	31,970,423	0	31,970,423
Total Assets	<u>122,207,915</u>	<u>(17,853)</u>	<u>122,190,062</u>
EQUITY			
Share capital	18,000,000	0	18,000,000
Fair value reserve	0	13,000	13,000
Retained earnings	40,204,454	(132,403)	40,072,051
Total equity	<u>58,204,454</u>	<u>(119,403)</u>	<u>58,085,051</u>
LIABILITIES			
Payables and accruals	42,616,927	0	42,616,927
Derivative financial instruments	0	3,402	3,402
Finance lease liability	21,386,500	98,148	21,484,648
Provision for warranties	34	0	34
Total liabilities	<u>64,003,461</u>	<u>101,550</u>	<u>64,105,011</u>
Total equity and liabilities	<u>122,207,915</u>	<u>(17,853)</u>	<u>122,190,062</u>

12. ACCOUNTANTS' REPORT (Cont'd)

Salutica Allied Solutions Sdn. Bhd.

(Company no: 206341 H)
(Incorporated in Malaysia)

2 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

2.29 Explanation of transition to MFRS (continued)

(d) Reconciliation of statements of cash flows

The transition from PERS to MFRS has no effect on the reported cash flows generated by Salutica Allied.

(e) Other additional disclosures

In addition to the above, disclosures in the financial statements have been expanded to comply with MFRS. The expanded disclosures include the following:

- Significant accounting estimates and judgements (Note 2.3)
- Available-for-sale financial asset (Note 2.9)
- Derivative financial instruments (Note 2.13)
- Key management compensation (Note 2.23(d))
- Disclosure of financial assets and financial liabilities (Note 2.28(a))
- Financial risk management covering market risk, price risk, credit risk, liquidity risk, capital management and fair value of financial instruments (Note 2.28(b) and (c))

2.30 Significant event after the interim financial period ended 31 January 2016.

On 4 April 2016, the directors of Salutica Allied have declared a third interim tax exempt dividend of 11.11 sen (rounded to the nearest 2 decimal places) per share, on 18,000,000 ordinary shares of RM1.00 each, totalling RM2,000,000, payable on 11 April 2016.

Other than the third interim dividend mentioned above, there is no other significant subsequent event after the audited interim financial statements for the seven months financial period ended 31 January 2016 to the date of this report.

13. DIRECTORS' REPORT



Registered office:-
3 Jalan Zarib 6
Kawasan Perindustrian Zarib
31500 Lahat, Ipoh, Perak
Malaysia

21 APR 2016

To: The shareholders of **Salutica Berhad** (*formerly known as Blue Ocean Genius Sdn Bhd*)

Dear Sir/Madam,

On behalf of the Board of Directors of Salutica Berhad (*formerly known as Blue Ocean Genius Sdn Bhd*) ("**Salutica**"), I report after due inquiry that during the period from 31 January 2016 (being the date to which the last audited financial statements of Salutica and its subsidiary ("**Salutica Group**") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):-

- (a) the business of Salutica 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 Salutica Group which have adversely affected the trading or the value of the assets of Salutica or its subsidiary;
- (c) the current assets of Salutica Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantee or indemnity given by Salutica or its subsidiary;
- (e) there has been, since the last audited financial statements of Salutica Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in respect of any borrowings; and
- (f) save as disclosed in **Section 11.2 and 12** of this Prospectus, there has been, since the last audited financial statements of Salutica Group, no material change in the published reserves or any unusual factor affecting the profits of Salutica Group.

Yours faithfully,
For and on behalf of the Board of Directors of
SALUTICA BERHAD


LIM CHONG SHYH
Managing Director / Chief Executive Officer

Salutica Berhad (1024781-T)

(Formerly known as Blue Ocean Genius Sdn. Bhd.)

3 JALAN ZARIB 6, KAWASAN PERINDUSTRIAN ZARIB, 31500 LAHAT, IPOH, PERAK, MALAYSIA.

TEL: +605-3206800 FAX: +605-3222029 EMAIL: invest@salutica.com.my

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 Share capital

- (i) No securities will be allotted, issued or offered on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) There is no founder, management or deferred shares in our Company. As at the LPD, our Company has only one (1) class of shares, namely ordinary shares of par value RM0.10 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Group have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding the LPD.
- (iv) None of the share capital of our Company or our subsidiary is under option, or agreed conditionally or unconditionally to be put under option.
- (v) Save for the Issue Shares reserved for our eligible Directors and employees as well as persons who have contributed to the success of our Group as disclosed in **Section 3.3.1(ii)** of this Prospectus, there is currently no other scheme involving our Directors or employees in the capital of our Company or our subsidiary.
- (vi) None of our Company or our subsidiary has any outstanding convertible debt security as at the LPD.
- (vii) Except as disclosed in this Prospectus, and save as provided under our Articles of Association and the Act, there are no limitations on the right to own securities, including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

14.2 Articles of Association

The following is extracted from our Articles of Association and is qualified in its entirety by the remainder of the provisions of our Company's Articles of Association and by applicable law. The words and expressions appearing in the following provisions shall have the same meaning used in our Articles of Association unless they are otherwise defined herein or the context otherwise requires.

(a) Transfer of Securities

Article 27 – Transfer of Shares

- (i) Subject to the restrictions imposed by these Articles, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Deposited Securities.
- (ii) Subject to any written law, the instrument of transfer of any security that is not a Deposited Security shall be in writing and in the prescribed form 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 in respect thereof.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)*Article 28 – Depository's Discretion to Refuse*

In the case of Deposited Security, the Depository may refuse to effect any transfer of Deposited Security that does not comply with the Central Depositories Act and Rules or where the reason for the transfer does not fall within any of the approved reasons provided in the Rules.

Article 29 – Directors May Decline to Register Transfer

- (i) The Directors may in their absolute discretion decline to register any transfer of shares that is not a Deposited Security where the registration of the transfer would result in contravention of or failure to observe the provisions of any laws in Malaysia or the transfer is in respect of a partly paid shares in respect of which a call has been made and is unpaid.
- (ii) If in the exercise of its rights under this Article, the Directors refuse to register a transfer of a shares that is not a Deposited Security, they shall despatch to the lodging broker (if any) and the transferee written notice of the refusal and the precise reasons thereof within ten (10) Market Days after the date of which the transfer was lodged with the Company (or such period as may be prescribed by the Act and/or the Listing Requirements).

Article 30 – No Restriction on Fully Paid Shares

Subject to the provisions of the Act, the Central Depositories Act, Rules and Listing Requirements, there shall be no restriction on the transfer of fully paid securities except where required by law or the transfer is in respect of a partly paid share in respect of which a call has been made and is unpaid.

Article 31 – Transfer to be left at Office and Evidence of Title Given

- (i) For the purpose of registration of a transfer of shares that are not Deposited Securities, every instrument of transfer shall be left at the office of the Registrar together with the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
- (ii) All instruments of transfer in respect of shares that are not Deposited Securities which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same.
- (iii) Before registering any transfer tendered for registration in respect of shares that are not Deposited Securities, the Directors may, as they think fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the registered office of the Company within ten (10) days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)Article 32 – No Liability

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares that are not Deposited Securities or for acting upon a transfer of shares registered by the Depository 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 the transfer may, as between the transferor and transferee be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as 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.

Article 33 – Suspension of Transfer

Subject to the Rules and Listing Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be at least ten (10) clear Market Days after the date of announcement to the Exchange or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Depository to prepare the appropriate Record of Depositors.

Article 34 - Renunciation

Subject to the provisions of these Articles, the Listing Requirements, the Central Depositories Act and the Rules, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

Article 35 – Reasonable Diligence

- (i) Where by exercise of reasonable diligence the Company is unable to discover the whereabouts of a member for a period of not less than ten (10) years, the Company may cause an advertisement circulating in the place shown in the Register or Record of Depositors as the address of the member stating that the Company, after expiration of one (1) month from the date of the advertisement, intends to transfer the shares to the Minister charged with the responsibility for finance.
- (ii) If after the expiration of one (1) month from the date of the advertisement the whereabouts of the member remains unknown, the Company may transfer the shares held by the member to the Minister charged with the responsibility for finance and for that purpose may execute for and on behalf of such member a transfer of those shares to the Minister charged with the responsibility for finance.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)*Article 32 – No Liability*

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares that are not Deposited Securities or for acting upon a transfer of shares registered by the Depository 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 the transfer may, as between the transferor and transferee be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as 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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- (ii) If after the expiration of one (1) month from the date of the advertisement the whereabouts of the member remains unknown, the Company may transfer the shares held by the member to the Minister charged with the responsibility for finance and for that purpose may execute for and on behalf of such member a transfer of those shares to the Minister charged with the responsibility for finance.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)Article 41 – Transmission of Shares from Foreign Register

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) (No. 2) Act, 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon 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 the Securities.

(b) Remuneration of DirectorsArticle 105 – Directors' Remuneration

- (i) The fees payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting provided that such fees 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.
- (ii) Executive director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may from time to time determine.
- (iii) Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on, or percentage of, profits or turnover.
- (iv) Salaries and other emoluments payable to Executive Directors pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on, or percentage of turnover.
- (v) Any fee paid to an Alternate Director (as defined under Article 131) shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the Director nominating him.

Article 106 – Reimbursement of Expenses

- (i) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily incurred by them in connection with the business of the Company including attending and returning from meetings of the Directors or any committee of the Directors or general meeting of the Company.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ii) 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, he shall be entitled to receive such sum as the Directors may think fit either as a fixed sum or as percentage of profits or otherwise (other than by a sum to include commission on or percentage of turnover) as may be determined by the Board provided in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

Article 119 – Director may act in his professional capacity

Unless prohibited by the Listing Requirements, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Article 131 – Alternate Director

- (i) Each Director may with the approval of the Board, appoint any person (except an existing Director) approved by a majority of his co-Directors to act as his alternate Director and at his discretion by way of a notice to the Company, remove such alternate Director from office. PROVIDED ALWAYS that any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.

Article 133 – 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 mode but such remuneration shall not include a commission on or percentage of turnover but subject to the provisions of the Act, it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

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14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)*Article 136 – Power of Directors to appoint*

The Directors may in accordance with the regulations or requirements prescribed by the Exchange from time to time, establish any committees, local boards or agencies comprising one (1) or more persons for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be the member or members of any such committee or local board or agency and may fix their remuneration and may delegate to any such committee or local board or agency any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board or agency or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person or persons so appointed, and may annul or vary any such delegation, but no person or persons dealing in good faith and without notice of any such annulment or variation shall be affected thereby. The regulations herein contained for the proceedings of Directors shall so far as not altered by any regulations made by the Directors apply also to the meetings and proceedings of any committee.

(c) Voting and borrowing powers of directors, including voting powers on proposals, arrangements or contracts in which they are interested*Article 110 – Directors' Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company's or the subsidiaries' undertaking, property or uncalled capital as the case may be, 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 any third party subject to the Act and the Listing Requirements.

Article 116 – Discharge of Duties

A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

Article 118 – Director may hold other office

Subject always to Sections 131, 131A, 132E, and 132F of the Act, no Directors shall be disqualified by reason of his office from holding any other office or place of profit under the Company (other than the office of auditor) or under any company in which the Company shall be a shareholder or otherwise has an interest in or from contracting with the Company or any company in which the Company is a shareholder or in which the Company otherwise has an interest either with respect to his/her tenure of any such 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 or any company as aforesaid 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 but the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, if the interest then exists or in any other case at the first meeting of the Directors after the Director becomes so interested.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)Article 120 - 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 in 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.

Article 126 – Disclosure of interest by Directors

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a director of the Company.

Article 127 – General notice of interest in contracts

A general notice may be given to the Directors by any Director to the effect that he is an officer or member of any specified corporation or firm and is to be regarded as interested in any contract which may after the date of the notice, be made with that corporation or firm and such notice shall be deemed a sufficient declaration of interest in regard to any contract so made if it specifies the nature and extent of his interest in the specified corporation or firm and his interest is not different in nature or greater in extent than the nature and extent so specified in the general notice at the time any contract is made but no such notice shall be of any effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to ensure that it is brought and read at the next meeting of the Directors after it is given.

Article 128 – Restriction on voting

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he is interested, directly or indirectly, and if he does so vote, his vote shall not be counted, but the Director may be counted in the quorum present at any meeting in accordance with Article 123.

Article 129 – Inclusion in quorum

A Director notwithstanding his interest, may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting in accordance with Section 131A, including whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement in which he is in anyway interested provided always that he has complied with Section 131 of the Act.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)Article 130 - Exercise of voting powers conferred by shares of other corporation

The Directors may exercise their voting power conferred by the shares or other interest in any 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 the manner provided in Article 127, 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 the manner provided in Article 127 provided always that he has complied with Section 131 and all other relevant provisions of the Act, the Listing Requirements and of these Articles.

(d) Changes in capital and variation of class rightsArticle 4 – Power to issue shares with special rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, the Listing Requirements, the Central Depositories Act, and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors, subject to any ordinary resolution of the Company determine provided that:-

- (i) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (ii) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
- (iii) every Share Issuance Scheme shall be approved by the members in general meeting and no Director shall participate in a Share Issuance Scheme unless the members in general meeting have approved of the specific allotment to be made to such Director.
- (iv) subject to the Act, the provisions of these Articles and the requirements of the Exchange, the Company shall have power to issue preference shares on such terms and conditions and carrying such rights or restrictions.

Article 5 – Rights of preference shareholders

- (i) The holder of a preference share shall be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited accounts and attending general meetings of the Company. The holders of preference shares shall also have the right to vote in each of the following circumstances:
 - (a) upon any resolution or an alteration of articles which affects the rights and privileges attaching to the preference shares;
 - (b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months;
 - (c) upon any resolution to reduce the Company's share capital;
 - (d) upon any resolution for the disposal of the whole of the Company's property, business and undertaking;

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (e) upon any resolution for the winding up of the Company; and
 - (f) during the winding up of the Company.
- (ii) Unless provided by the terms of issue of the existing preference shares, the Company shall not, unless with the consent of existing preference shareholders at a class meeting, issue preference shares ranking in priority to the preference shares already issued but may further issue preference shares ranking equally therewith and the rights conferred upon the holders of the existing preference shares shall not 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.
- (iii) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights may 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, if obtained from the holders of three fourths of the preference capital concerned within 2 months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

Article 6 – Modification of class rights

- (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the Act, whether or not the Company is being wound up, be made, 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 the class. To every such separate general meeting, the provision of these Articles relating to general meetings shall apply *mutatis mutandis* but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued share of the class and that any holder of the 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, with such adaptations as are necessary, apply.
- (ii) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, 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.

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14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)*Article 7 – Commission on subscription of shares*

The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscription, whether absolute or conditional, for any shares in the Company provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed ten per centum (10%) of the price at which such shares are issued, or an amount equivalent to such percentage and that the requirements of Section 58 of the Act shall be observed. Subject to the provisions of Section 54 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly paid shares or by a combination of any of the aforesaid methods of payment. The Company may also on any issue of shares pay such brokerage as may be lawful.

Article 8 – Interest on share capital during construction

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period the Company may pay interest on so much of such share capital as is for the time being paid up for the period subject to the conditions and restrictions mentioned in Section 69 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant.

Article 9 – Trusts not to be recognised

Except as required by law no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of share (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except in an absolute right to the entirety thereof in the registered holder.

Article 11 – Share buy back

- (i) Subject to and in accordance with the Act and the regulations made pursuant thereto, the Listing Requirements and the rules, regulations, orders and guidelines issued by the Exchange and any other relevant authorities, the Company shall be entitled at any time and from time to time and on any terms it deems fit, purchase and/or acquire all or any of its own shares from any party(ies) whatsoever in accordance with the relevant laws.
- (ii) Any shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and the rules, regulations, orders and guidelines issued by the Exchange and any other relevant authority from time to time.

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14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)*Article 12 – Allotment and issuance of securities*

The Company must ensure that all new issues of Securities for which listing is sought on the Exchange are made in accordance with the Central Depositories Act and the Rules, and shall be by way of crediting the Securities Accounts of the allottees with such Securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees. Subject to the provisions of the Act, the Central Depositories Act, the Listing Requirements and the Rules, the Company must allot the Securities and despatch notices of allotment to the allottees and make application for the quotation of such Securities within the stipulated time frame as may be prescribed by the Exchange. The Company must not cause or authorise its registrars to cause the Securities Accounts of the allottees to be credited with the additional Securities until after the Company has filed with the Exchange an application for listing of such additional Securities and been notified by the Exchange that the additional Securities have been authorised for listing.

Article 57 – Power to increase capital

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 directs.

Article 58 – 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 shall before they are 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 Securities which (by reason of the ratio which the new shares or Securities bear to 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 59 – Issue of securities not to exceed 10%

Subject to the provisions of these Articles and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the nominal value of any such shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)*Article 60 – New shares to rank with original shares*

Except so far as otherwise provided by the conditions of issue, any 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 61 – Power to alter capital

The Company may from time to time by Ordinary Resolution:

- (i) increase the share capital by the creation of new shares of such amount as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;
- (iv) 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
- (v) subject to the provisions of these Articles and the Act, convert and/or reclassify any class of shares into any other class of shares.

Article 62

All new shares created as a result of any increase or change in the Company's capital shall be subject to the same provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

Article 63 – Power to reduce capital

Subject to the Act, the Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by law.

14.3 Deposited securities and rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository by means of entries in the securities account of that Depositor.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 Material contracts

Save as disclosed below, we have not entered into any material contract with parties outside of our Group which is not in the ordinary course of our business during the two (2) years preceding the LPD:-

- (i) Sale and purchase agreement dated 19 June 2015 ("**SPA**") between Salutica Allied and Widesphere Sdn Bhd in relation to the purchase of three pieces of land and buildings located at Lot 202124 PN 94442, Lot 202125 PN94443 and Lot 381631 PN314266, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak for a total purchase consideration of RM26,052,250 which was satisfied in cash. The SPA was completed on 12 October 2015;
- (ii) Placement mandates dated 17 March 2016 entered into between our Company and RHB Investment Bank to place out to institutional and identified investors up to 48,900,000 Issue Shares for a placement fee of up to 1.75% of the Issue Shares at the IPO Price upon terms and conditions contained therein. Further details of the placement mandates are set out in **Section 3.9(iii)** of this Prospectus; and
- (iii) Underwriting Agreement dated 8 April 2016 between our Company and RHB Investment Bank to underwrite (i) 19,400,000 Issue Shares available for application by the Malaysian Public through a balloting process; and (ii) 9,700,000 Issue Shares reserved for application by our eligible Directors and employees as well as persons who have contributed to the success of Salutica Group at an underwriting commission of 1.75% of the total value of the underwritten shares. The total value of the underwritten shares means the total number of underwritten shares multiplied by the IPO Price. Further details of the Underwriting Agreement are set out in **Section 3.10** of this Prospectus.

14.5 Material litigation

As at the LPD, neither our Company nor our subsidiary is involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of our Group, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group.

14.6 Repatriation of capital and remittance of profit

There are no governmental laws, decrees, regulations or other requirements in Malaysia which may affect the repatriation of capital and the remittance of profit by or to our Group.

14.7 Public take-overs

During the last financial year up to the date of this Prospectus, there were no:-

- i. public take-over offers by third parties in respect of our Shares; and
- ii. public take-over offers by us in respect of other companies' shares.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.8 Letters of consent

The written consents of our Principal Adviser, Sponsor, Underwriter, Placement Agent, Company Secretaries, Solicitors, Principal Bankers, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus 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.

The written consent of the Auditors and Reporting Accountants to the inclusion of their name, the Accountants' Report and the pro forma consolidated financial information together with the notes and the Reporting Accountants' letter thereon, in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the IMR to the inclusion of its name and the Independent Market Research Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400, Ipoh, Perak, Malaysia, during normal working hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of our Company;
- (ii) the pro forma consolidated statements of financial information together with the notes and the Reporting Accountants' letter thereon, as included in **Section 11.2** of this Prospectus;
- (iii) Accountants' Report referred to in **Section 12** of this Prospectus;
- (iv) Directors' Report referred to in **Section 13** of this Prospectus;
- (v) the letters of consent referred to in **Section 14.8** of this Prospectus;
- (vi) material contracts referred to in **Section 14.4** of this Prospectus;
- (vii) audited financial statements of our Group for FYE 30 June 2014, FYE 30 June 2015 as well as the seven (7) months FPE 31 January 2016;
- (viii) audited financial statements of Salutica Allied for FYE 30 June 2014 and FYE 30 June 2015 as well as the seven (7) months FPE 31 January 2016;
- (ix) IMR report and the executive summary as included in **Section 7** of this Prospectus; and
- (x) the collective agreement dated 1 July 2015 between Salutica Allied and the employee union of Salutica Allied.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.10 Responsibility statements

Our Directors, the Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts, the omission of which would make any statement in this Prospectus false or misleading.

RHB Investment Bank as our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE

15.1 Opening and closing of Applications

Application for our IPO Shares will be accepted from 10.00 a.m. on 28 April 2016 and will remain open until 5.00 p.m. on 6 May 2016 or for such further period or periods as our Board, Promoters and Selling Shareholders together with our Underwriter in their absolute discretion may mutually decide.

In the event the closing date for the Application is extended, you will be notified of the change in widely circulated daily English and Bahasa Malaysia newspapers in Malaysia prior to the original closing date of the Application. Following this, the dates for the balloting of the Applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly. **Late Applications will not be accepted.**

15.2 Methods of Application

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.

You must have a CDS Account before you can submit your Application by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application.

15.3 Procedures for Application

Applications shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

FULL INSTRUCTIONS FOR THE APPLICATIONS OF THE IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE RELEVANT APPLICATION FORM AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

15.3.1 Application by the Malaysian Public

Application for the 19,400,000 IPO Shares made available for subscription by the Malaysian Public, must be made on the **White Application Form** provided OR by way of Electronic Share Application OR Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full on Application is RM0.80 per IPO Share.

15.3.2 Application by eligible Directors and employees as well as persons who have contributed to the success of our Group

Application for the 9,700,000 IPO Shares made available for subscription by eligible Directors and employees as well as persons who have contributed to the success of our Group, must be made on the **Pink Application Form** provided ONLY and not by way of other Application Forms or Electronic Share Application or Internet Share Application. Applicants using the **Pink Application Form** may still further apply only once for the IPO Shares offered to the Malaysian Public using the **White Application Form** or Electronic Share Application or Internet Share Application. The amount payable in full on Application is RM0.80 per IPO Share.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.3.3 Application by places under the private placement

Selected investors being allocated the Issue Shares and/or Offer Shares pursuant to the private placement will be contacted directly by the Placement Agent. Selected investors may still apply for the Issue Shares offered to the Malaysian Public using the **White Application Form** or Electronic Share Application or Internet Share Application.

15.4 Applications using Application Forms**15.4.1 Types of Application Forms**

The following Application Forms issued with their notes, and instructions enclosed with this Prospectus are deemed to form an integral part hereof:-

- (i) **White Application Form** for Application by the Malaysian Public and selected investors pursuant to a private placement; and
- (ii) **Pink Application Form** for Applications by our eligible Directors and employees as well as persons who have contributed to the success of our Group.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from RHB Investment Bank, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and the Issuing House.

Pink Application Forms together with copies of this Prospectus will be sent out to eligible Directors and employees as well as persons who have contributed to the success of our Group.

The submission of a **White Application Form** does not necessarily mean that your Application will be successful.

You may submit only one (1) **White Application Form** and your Application must be for 100 Shares or multiples thereof. Multiple **White Application Forms** will not be accepted. We wish to caution you that if you submit multiple Applications via **White Application Forms** 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.

Your Application for the IPO Shares must be made on the respective Application Forms accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and on this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein shall constitute an integral part of this Prospectus. Our Directors may at their absolute discretion reserve the right not to accept Applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

IF YOU ARE AN INDIVIDUAL OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND NATIONAL REGISTRATION IDENTITY CARD ("NRIC") NUMBER MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) YOUR NRIC; OR
 - (b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
 - (c) YOUR RESIT PENGENALAN SEMENTARA ("KPPK 09") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF THE 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 AND IN THE RECORDS OF BURSA DEPOSITORY. YOUR ADDRESS MUST BE THE ADDRESS OF YOUR RESPECTIVE CAMP, BASE OR STATION.

IF YOU ARE A CORPORATION OR INSTITUTION, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN THE CORPORATION'S OR INSTITUTION'S CERTIFICATE OF INCORPORATION AND IN THE RECORDS OF BURSA DEPOSITORY. THE ADDRESS MUST BE THE REGISTERED ADDRESS.

We, together with the Issuing House will not issue any acknowledgement of the receipt of your Application Form or Application monies.

15.4.2 Terms and conditions for Application using Application Forms

Your Application by way of Application Form shall be made on, and subject to, the following terms and conditions:-

- (i) If you are an individual, you must be a Malaysian citizen residing in Malaysia, with a CDS Account and a Malaysian address (**White Application Forms** only).

If you are an individual, you must have a CDS Account and a correspondence address in Malaysia (**Pink Application Forms** only).

- (ii) If you are a corporation or institution incorporated in Malaysia, you must have a CDS Account and be subject to the following:-

- (a) if you have a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and

- (b) there is a majority of Malaysian citizens on the board of directors.

If you are a corporation or institution incorporated outside Malaysia, you must have a CDS Account and provide a correspondence address in Malaysia (**Pink Application Forms** only).

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) If you are a superannuation, co-operative, foundation, provident or pension fund, you must be established or operating in Malaysia and must have a CDS Account.
- (iv) Applications will not be accepted from trustees, any person under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations or institutions referred to in **Section 15.4.2(ii)** and **Section 15.4.2(iii)** above or the trustees thereof.
- (v) Directors and employees of the Issuing House and their immediate families are strictly prohibited from applying for the Issue Shares/Offer Shares in this exercise.
- (vi) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-
 - (a) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
 - (b) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - (c) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD; OR
 - (d) ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:-
 - HONG LEONG BANK BERHAD;
 - MALAYAN BANKING BERHAD; OR
 - RHB BANK BERHAD;

AND MUST BE MADE OUT IN FAVOUR OF "TIIH SHARE ISSUE ACCOUNT NO. 663" AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFTS, CASHIER'S ORDERS, MONEY ORDERS OR POSTAL ORDERS, ATM STATEMENTS OR GGOS WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (vii) YOU MUST STATE 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 YOUR CDS ACCOUNT TO THE ISSUING HOUSE AND/OR OUR COMPANY. IF YOU DO NOT PRESENTLY HAVE A CDS ACCOUNT, YOU MAY OPEN ONE BY CONTACTING ANY ONE OF THE ADAs LISTED IN **SECTION 15.12** OF THIS PROSPECTUS.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (viii) YOUR NAME AND ADDRESS MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER OR POSTAL ORDER, OR GGO FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD.
- (ix) Our Board reserves the right to require you, if your Application is successful, 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 your Application. Our Board 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.
- (x) The Issuing House, acting on the authority of our Directors reserves the right to reject your Application if it does not conform to these instructions or if it is illegible or if it is accompanied by remittances improperly drawn.
- (xi) The Issuing House, acting on the authority of our Directors reserves the right not to accept your Application or to accept it in whole or in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for the Shares.
- (xii) Where your Application is not accepted or accepted in part only, the full amount or the balance of the Application monies, as the case may be, will be returned without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application lists by ordinary post at your address last maintained with Bursa Depository or where the Application is not accepted because you have not provided a CDS Account, to the address per the NRIC number or KPPK 09 or any valid temporary identity document as issued by the National Registration Department from time to time or the Authority Card in the case of armed forces or police personnel or by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository at your own risk.
- (xiii) You shall ensure that your personal particulars 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 registered with Bursa Depository.

The Issuing House, acting on the authority of our Directors, reserves the right to bank in all Application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application lists by ordinary post at your address registered with Bursa Depository or by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository at your own risk.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xiv) Your 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)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur**

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at their Customer Service Centre, Ground Floor, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 6 May 2016 or such further period or periods as our Board, Promoters and Selling Shareholders together with our Underwriter in their absolute discretion may mutually decide.

- (xii) **PLEASE DIRECT ALL YOUR ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO THE ISSUING HOUSE.**

15.5 Applications using Electronic Share Application**15.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (ii) You must have a CDS Account.
- (iii) You are to apply for the IPO 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 15.5.3** of this Prospectus under the Terms and Conditions for Electronic Share Application. You are 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 No. 663;**
 - 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.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches with the respective processing fees:-

- 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 (as selected branches only) – RM2.50

15.5.3 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 (the “**Steps**”). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in **Section 15.5.1** of this Prospectus. The Steps set out the actions that you must take at the ATM to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

You must be an individual with a CDS Account to make an Electronic Share Application. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted.

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon 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 that you have completed a 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 us 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 the IPO Shares, on 6 May 2016 at 5.00 p.m. (“**Closing Date**”), the Participating Financial Institution shall submit a magnetic tape containing its respective customers’ Applications for the IPO Shares to Issuing House as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date.

You will be allowed to make an Electronic Share Application for the IPO 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. If you have a bank account with a Participating Financial Institution and have been issued an ATM card, you will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only one (1) Application.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

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 CONDITIONS.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions set out below:-

- (i) Your Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (ii) You are required to confirm the following statement (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
 - You have attained eighteen (18) years of age as at the Closing Date of the Share Application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of the Application;
 - This is the only Application that you are submitting, save for Pink Application Form; and
 - You 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.

Your 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 Institution. 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 Services Act, 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to Issuing House or any other relevant regulatory bodies.

- (iii) **YOU CONFIRM THAT YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS THE BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE IPO SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED **WHITE APPLICATION FORMS** OR VIA INTERNET SHARE APPLICATION.**

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution 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.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of the IPO Shares or not to allot or allocate any IPO 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 or button on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) The Issuing House acting on the authority of our Board reserves the right to reject or accept any Electronic Share Application in whole or in part only on a non-discriminatory basis without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (vii) The Issuing House shall inform the relevant Participating Financial Institution of the unsuccessful or partially successful Applications within two (2) Market Days after the final ballot of the Application lists. Where your Electronic Share Application is unsuccessful, the relevant Participating Financial Institution will credit the full amount of the Application monies, in Ringgit Malaysia (without interest or any share of revenue or benefit arising therefrom) into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. You may check your accounts on the fifth (5th) Market Day from the final ballot of the Application lists.
- (viii) If your Electronic Share Application is successful in part only, the relevant Participating Financial Institution will credit the balance of the Application monies (without interest or any share or revenue of benefit arising therefrom) into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. We will, however, hold in reserve a number of Applications to replace any successfully balloted Applications that are subsequently rejected. If your Application held in reserve, is subsequently rejected, your Application monies without interest will be refunded (without interest or any share revenue or benefit arising therefrom) to you by the Participating Financial Institution by crediting into your account with the Participating Financial Institution not later than ten (10) Market Days from the date of the final ballot of the Application lists, at your own risk. Should you encounter any problems in your Application, you may refer to the Participating Financial Institution.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ix) You request and authorise us:-
- to credit the IPO Shares allotted or allocated to you into your CDS Account; and
 - to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (x) 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 and the control of the Issuing House or the Participating Financial Institutions or Bursa Depository, and irrevocably agree that if:-
- we or the Issuing House do/does not receive your Electronic Share Application; or
 - 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 not claim whatsoever against us, the Issuing House, the Participating Financial Institutions or Bursa Depository for the IPO Shares applied for or for any compensation, loss or damage.
- (xi) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct and we, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xii) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution 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.
- (xiii) By making and completing an Electronic Share Application, you agree that:
- in consideration of us agreeing to allow and accept the making of any Application for IPO Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - we, 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 due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/their control;

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the IPO Shares;
 - you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the IPO Shares allotted or allocated to you; and
 - you 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 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 our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiv) Our Board reserves the right to require you, if your Application is successful, 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 your Application. Our Board 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.
- (xv) The Issuing House, acting on the authority of our Board reserves the right to reject your Application, if it does not conform to these instructions.

15.6 Applications using Internet Share Application

15.6.1 Steps for Internet Share Application

The exact procedure to apply for the IPO Shares via Internet Share Application is as set out on the internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps needed to be carried out at the internet financial services website of the Internet Participating Financial Institution for Internet Share Application.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Log in to the internet financial services facility by entering your user identification and PIN/password.
- (iii) Navigate to the section of the website on Applications in respect of initial public offerings.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) On the following screen, complete the online Application form.
- (vii) 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.
- (viii) By confirming such information, you undertake that the following mandatory statements are true and correct:
 - you have attained eighteen (18) years of age as at the Closing Date of the share Application;
 - you are a Malaysian citizen residing in Malaysia;
 - you have, prior to making the Internet Share Application, received and/or had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
 - 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;
 - the Internet Share Application is the only Application that you are submitting for the IPO Shares, save for **Pink Application Form**;
 - 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;
 - you give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services 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;
 - YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME AS THE BENEFICIAL OWNER AND ARE SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- you authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, 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 Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online Application form, you will be linked to the website of the Authorised Financial Institution to effect online payment of the Application monies for the IPO.
- (x) As soon as the transaction is complete, 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 is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

15.6.2 Terms and Conditions for Internet Share Application

Your Application for the IPO Shares may be made through the internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR THE IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

15.6.3 Internet Participating Financial Institutions

Internet Share Applications may be made through the respective websites of the following Participating Financial Institutions subject to payment of their respective processing fees:-

- Affin Bank Berhad (www.affinOnline.com) - No fee is charged for Applications by their account holders;
- Affin Hwang Investment Bank Berhad (trade.affinhwang.com) – No fee is charged for Applications by their account holders;
- CIMB Bank Berhad (www.cimbclicks.com.my) - RM2.00 for applicants with CDS Accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Accounts with other ADAs;
- CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malaysian Banking Berhad;

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- Public Bank Berhad (www.pbebank.com) – RM2.00; and
- RHB Bank Berhad (www.rhbgroup.com) – RM2.50.

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATION SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATION 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 as set out below:-

- (i) In order to make an Internet Share Application, you must:-
 - be an individual with a CDS account; and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the Application instead of a CDS account registered in the joint account holders' names;
 - 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
 - be a Malaysian citizen and have a Malaysian address.

Do note that a user identification and PIN/password issued by one (1) Internet Participating Financial Institution cannot be used to apply for the IPO Shares at internet financial service websites of other Internet Participating Financial Institutions.

- (ii) 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.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:
 - you have attained eighteen (18) years of age as at the date of the Application for the IPO Shares;
 - you are a Malaysian citizen residing in Malaysia;

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- 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;
 - 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;
 - the Internet Share Application is the only Application that you are submitting for the IPO Shares, save for **Pink Application Form**;
 - 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;
 - you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Services 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;
 - you are not applying for the IPO Shares as a nominee of any other person and the Application is made in your own name as the beneficial owner and subject to the risks referred to in this Prospectus; and
 - you authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, 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 Institution, 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 Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (iv) 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.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

For the purposes of this 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 can be printed out by you 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 15.6.2(iii)** of this Prospectus.

- (v) 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 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 conform strictly 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.
- (vi) 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 number of IPO Shares that may be allotted or allocated to you in respect of the Internet Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate 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:-

- 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
 - your agreement to be bound by our Memorandum and Articles of Association.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares will be rejected. The Issuing House, acting on the authority of our Board, reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (viii) If your Internet Share Application is unsuccessful or successful in part only, the Issuing House shall inform the relevant Internet Participating Financial Institution of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the final ballot of the Application lists. Where your Internet Share Application is unsuccessful, the relevant Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the Application monies, 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. You may check your account on the fifth (5th) Market Day from the date the final ballot of the Application lists.

If your Internet Share Application is successful in part only, the relevant Internet Participating Financial Institution will credit the balance of the Application monies 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. We will, however, hold in reserve a number of Applications to replace any successfully balloted Applications that are subsequently rejected. If your Application held in reserve is subsequently rejected, your Application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by the Internet Participating Financial Institution by crediting into your account with the Internet Participating Financial Institution not later than ten (10) Market Days from the date the final ballot of the Application lists, at your own risk.

For Applications that are held in reserve and which are subsequently unsuccessful (or partly successful), the Internet Participating Financial Institution will credit into your account the Application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within two (2) Market Days after the receipt confirmation from the Issuing House.

Except where the Issuing House is required to refund Application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of Application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which the Application was made in respect of the mode or procedure of enquiring on the status of the Internet Share Application in order to determine the status or exact number of IPO Shares allotted or allocated, if any, before the trading of our IPO Shares on Bursa Securities.

- (ix) Internet Share Applications will be closed at 5.00 p.m. on 6 May 2016 or such other date(s) as our Board, Promoters and Selling Shareholders together with our Underwriter may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion i.e. 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.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (x) You irrevocably agree and acknowledge that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution. If, in any such event, we, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefor, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, 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 Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (xi) All your particulars in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the relevant 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 particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.
- (xii) By making and completing an Internet Share Application, you are deemed to have agreed that:
- in consideration of us making available the Internet Share Application facility to you through the Internet Participating Financial Institutions acting as our agents, the Internet Share Application is irrevocable;
 - you have irrevocably requested and authorised us to register the IPO Shares allotted or allocated to you for deposit into your CDS Account;
 - neither us nor the Internet Participating Financial Institution 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 15.6.2(x)** of this Prospectus or to any cause beyond their control;

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- you shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by the Issuing House, us and/or the Internet Participating Financial Institution 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 Institution;
- the acceptance of your offer to subscribe for the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
- you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
- in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, our Principal Adviser and any other person involved in the IPO 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
- the acceptance of your Internet Share Application and the contract resulting therefrom under the IPO shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.

15.7 Over/under-subscription

In the event of an over-subscription, the Issuing House will conduct a ballot in a manner approved by our Directors to determine acceptance of Applications. In determining the manner of balloting, our Directors will consider the desirability of distributing our IPO Shares in a fair and equitable manner to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we are required to have at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our Listing and completion of this IPO. We expect to achieve this at the point of our Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the occurrence of such event, monies paid in respect of all Applications will be returned without interest.

In the event of an under-subscription for our IPO Shares reserved for Application by the Malaysian Public, all such IPO Shares not applied for will be made available for subscription by our eligible Directors and employees as well as persons who have contributed to the success of our Group as described in **Section 3.3.1(ii)** of this Prospectus. Any remaining IPO Shares will subsequently be made available for subscription by our institutional and selected investors as described in **Section 3.3.1(iii), (iv) and Section 3.3.2** of this Prospectus and, if our IPO Shares continue to be under-subscribed, such IPO Shares will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Our IPO Shares reserved for subscription by our eligible Directors and employees as well as persons who have contributed to the success of our Group will be underwritten based on the terms of the Underwriting Agreement.

Our IPO Shares reserved for subscription by institutional and identified investors will not be underwritten.

Where your successfully balloted Application under **White Application Form** is subsequently rejected, the full amount of your Application monies will be refunded without interest to you within ten (10) Market Days from the date the final ballot of the Application lists to your address registered with Bursa Depository.

Where your successfully balloted Application under the Electronic Share Application or Internet Share Application is subsequently rejected, the full amount of your Application monies will be refunded without interest to you by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution respectively.

15.8 Applications and acceptances

The Issuing House, acting on the authority of our Board reserves the right not to accept your Application, if it does not strictly comply with the instructions, or to accept your Application in part only without assigning any reason therefor.

The submission of an Application Form does not necessarily mean that the Application will be successful.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

IF YOUR APPLICATION IS REJECTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED BY ORDINARY POST OR BY CREDITING INTO YOUR BANK ACCOUNT WHICH HAS BEEN REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSES OF CASH DIVIDEND/DISTRIBUTION TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT YOUR ADDRESS LAST MAINTAINED WITH BURSA DEPOSITORY AT YOUR OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

15.9 CDS Accounts

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. In consequence thereof, the IPO Shares issued/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 SICDA and the Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. Thus, we will not issue any share certificates to you.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Only if you have a CDS Account can you make an Application by way of an Application Form. If you apply using an Application Form, you should state your CDS Account number in the allocated field in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to the Issuing House or us and any relevant regulatory bodies, as the case may be. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an Application for our Shares.

Only if you have a CDS Account can you make an Application by way of an Electronic Share Application. If you apply by way of an Electronic Share Application, you shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so.

Only if you have a CDS Account can you make an Application by way of an Internet Share Application. In certain cases, you can only make an Internet Share Application if you have a CDS Account opened with the Internet Participating Financial Institution. Arising therewith, your CDS Account number will automatically appear in the e-IPO online Application form.

If you fail to comply with these specific instructions or there are inaccuracies in the CDS Account number arising from use of invalid, third party or nominee accounts, your Application may be rejected. If you are successful in your Application but fail to state your CDS Account number, the Issuing House, acting on the authority of our Board, reserves the right to reject your Application. The Issuing House, acting on the authority of our Board, also reserves the right to reject any incomplete and inaccurate Applications. We may also reject your Application 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 Internet Share Application, differ from those in Bursa Depository's records, such as your NRIC number, name and nationality.

15.10 Notice of allotment

If your Application is successful or partially successful, we will credit our Shares allotted to you to your CDS accounts. We will despatch a notice of allotment to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. For Electronic Share Applications or Internet Share Applications, the notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your Application as we will not be issuing any share certificate to you.

You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulations of Bursa Depository, failing which we shall send the notification letter on your allotment to your address last maintained with Bursa Depository.

15.11 Enquiries

You may also check the status of your Application by calling your respective ADAs at the telephone numbers stated in **Section 15.12** hereof or at the telephone numbers stated below between five (5) to ten (10) market days (during office hours only) of making your Application; or by checking the website stated below after the date of allotment of the Shares:

Issuing House Enquiry Services	: 03- 2783 9299
Issuing House Website	: www.myetricor.com

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.12 List of ADAs**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR</u>		
AFFIN HWANG INVESTMENT BANK BHD	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	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BHD	17th 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	32nd 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 MALAYSIA SDN BHD	Bilik 20-01, Aras 20 Menara Dion2 7 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888	033-001

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR (CONT'D)</u>		
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
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	18th & 21st Floor Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899	066-006
HONG LEONG INVESTMENT BANK BERHAD	Level 25 & 26 Menara LGB No.1 Jalan Wan Kadir 60000 Taman Tun Dr Ismail Kuala Lumpur Tel No.: 03-7723 6300	066-007
AFFIN HWANG INVESTMENT BANK BHD	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
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
INTER-PACIFIC SECURITIES SDN BHD	No.33 (First Floor) Jalan Radin Bagus 57000 Bandar Baru Seri Petaling Tel No.: 03-9056 2922	054-007

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR (CONT'D)</u>		
J.P.MORGAN SECURITIES (MALAYSIA) SDN BHD	Level 18, Integra Tower The Intermark 348 Jalan Tun Razak 50250 Kuala Lumpur Tel No.: 03-2718 0500	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	11th - 14th Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2171 0228	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
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR (CONT'D)</u>		
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
MALACCA SECURITIES SDN BHD	55-1 Jalan Metro Perdana Barat 1 Taman Usahawan Kepong 52100, Kuala Lumpur Tel No.: 03-6241 8595	012-009
MALACCA SECURITIES SDN BHD	No 76, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak Kuala Lumpur Tel No.: 03-4144 2565	012-012
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	8th, 9th, 10th, 11th & 12th 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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR (CONT'D)</u>		
PUBLIC INVESTMENT BANK BHD	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011	051-001
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR (CONT'D)</u>		
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

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u>		
AFFIN HWANG INVESTMENT BANK BHD	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
AFFIN HWANG INVESTMENT BANK BHD	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	16th, 18th-20th 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	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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u> <u>(CONT'D)</u>		
JF APEX SECURITIES BHD	3rd, 5th, 6th and 10th 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
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 (2nd 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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u> <u>(CONT'D)</u>		
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, 1st and 2nd 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
MALACCA SECURITIES SDN BHD	No. 39-2, Jalan Temenggung 21/9 Seksyen 9 43200 Mahkota Cheras Selangor Darul Ehsan Tel No.: 03-9011 5913	012-011
MAYBANK INVESTMENT BANK BERHAD	Level 8 68 Jalan Batai Laut 4 Taman Bukit Cemerlang 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	1st Floor, 157-A Jalan Kenari 2A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u> <u>(CONT'D)</u>		
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 Satu 10 & 11, Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BHD	Tingkat Bawah & Mezanin 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	Unit 1B, 2B & 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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u> <u>(CONT'D)</u>		
SJ SECURITIES SDN BHD	No.74-2, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3322 1915	096-004
SJ SECURITIES SDN BHD	No.A-3-11 Block Alamanda 3rd Floor, 10 Boulevard Lebuhraya Sprint PJU 6A 47400, Damansara Selangor Darul Ehsan Tel No.: 03-7732 3862	096-005
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

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PERAK DARUL RIDZUAN</u>		
CIMB INVESTMENT BANK BERHAD	Ground, 1st, 2nd and 3rd 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	Tingkat Bawah, Aras 1, 2 & 3 21 Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BHD	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, 1st, 2nd & 4th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
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
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PERAK DARUL RIDZUAN (CONT'D)</u>		
MALACCA SECURITIES SDN BHD	1st Floor Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-254 1533	012-013
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PERAK DARUL RIDZUAN (CONT'D)</u>		
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 Permaisuri 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
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-013

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PENANG</u>		
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	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	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 & Level 3 No. 56 Cantonment Road 10250 Penang Tel No.: 04-2268 288	054-002
JF APEX SECURITIES BHD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-005
JUPITER SECURITIES SDN BHD	20-1 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-641 2881	055-003

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PENANG (CONT'D)</u>		
KENANGA INVESTMENT BANK BHD	7th, 8th & 16th 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
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Penang Tel No.: 04-3905 669	012-006
MALACCA SECURITIES SDN BHD	No. 17, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-007
MALACCA SECURITIES SDN BHD	No.9-1-37, Taman Kheng Tian Jalan Van Praagh 11600 Jelutong Penang Tel No.: 04-2816 822	012-014
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PENANG (CONT'D)</u>		
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor Standard Chartered Bank Chambers 2 Lebu 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	3rd, Wisma Wang 251-A Jalan Burmah 10350 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	Tingkat Bawah – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebu Bishop 10200 Penang Tel No.: 04-2634 222	087-033

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PENANG (CONT'D)</u>		
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
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 No.171 Jalan Burmah 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 Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388	078-003

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PERLIS INDRA KAYANGAN</u>		
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

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KEDAH DARUL AMAN</u>		
ALLIANCE INVESTMENT BANK BHD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
AFFIN HWANG INVESTMENT BANK BHD	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
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 1st 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

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
AFFIN HWANG INVESTMENT BANK BHD	1st 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	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	1st, 2nd & 3rd 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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>MELAKA</u>		
CIMB INVESTMENT BANK BHD	Ground, 1st & 2nd 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 Lagenda 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.: 06-2849 885	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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>MELAKA (CONT'D)</u>		
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014
<u>JOHOR DARUL TAKZIM</u>		
ALLIANCE INVESTMENT BANK BHD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd, 3rd, 4th Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st 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	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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
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
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
KENANGA INVESTMENT BANK BHD	916 Ground Floor Jalan Bakek 82000 Pontian Johor Darul Takzim Tel No.: 07-6861 121	073-037
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 3/10 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
MALACCA SECURITIES SDN BHD	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulai Jaya Johor Darul Takzim Tel No: 07-6638 877	012-010
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 & 1st 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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
RHB INVESTMENT BANK BHD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821	087-006
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>JOHOR DARUL TAKZIM (CONT'D)</u>		
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
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>KELANTAN DARUL NAIM</u>		
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 3953-H, PT225, 1st 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
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim Bandar Kota Bharu 15000 Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-015

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>PAHANG DARUL MAKMUR</u>		
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 1st & 2nd 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	2nd Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136	055-005
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
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 011-2577 7489	012-008
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>TERENGGANU DARUL IMAN</u>		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 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	1st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SABAH</u>		
CIMB INVESTMENT BANK BHD	1st – 3rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005
AFFIN HWANG INVESTMENT BANK BHD	Suite 1-9-E1, 9th 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	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
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177 & 178 Ground Floor, Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SARAWAK</u>		
AMINVESTMENT BANK BERHAD	1st, 2nd & 3rd Floor No. 162, 164, 166 & 168 1st, 2nd & 3rd 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	Ground Floor & 1st Floor No. 1, Jalan Pending 1st Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005
AFFIN HWANG INVESTMENT BANK BHD	No. 282, 1st 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 & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-012

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SARAWAK (CONT'D)</u>		
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, 3rd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877	073-036
MERCURY SECURITIES SDN BHD	1st Floor No.16 Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-007
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd 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 Sibu Sarawak Tel No.: 084-329 100	087-013
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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SARAWAK (CONT'D)</u>		
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
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-324 128	078-017

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