

PROSPECTUS

THIS PROSPECTUS IS DATED
23 OCTOBER 2009



SINARIA CORPORATION BERHAD

(Company No.: 838172-P)
(Incorporated in Malaysia under the Companies Act, 1965)

SINARIA CORPORATION BERHAD

PROSPECTUS

Prospectus 2009

PUBLIC ISSUE OF 24,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN SINARIA CORPORATION BERHAD AT AN ISSUE PRICE OF RM0.56 PER SHARE PAYABLE IN FULL UPON APPLICATION COMPRISING:-

- I. 6,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - II. 16,000,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS; AND
 - III. 2,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES/PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- AND

OFFER FOR SALE OF 17,001,000 ORDINARY SHARES OF RM0.50 EACH IN SINARIA CORPORATION BERHAD AT AN OFFER PRICE OF RM0.56 PER SHARE PAYABLE IN FULL UPON APPLICATION COMPRISING:-

- I. 11,250,000 OFFER SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- II. 5,751,000 OFFER SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS.

IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF SINARIA CORPORATION BERHAD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Adviser, Sole Underwriter and Placement Agent

OSK

OSK Investment Bank Berhad (14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO PAGE 27 FOR "RISK FACTORS"

SINARIA CORPORATION BERHAD
(Company No.: 838172-P)

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RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS AND THE OFFERORS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM THAT, HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS, WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THE PROSPECTUS FALSE OR MISLEADING.

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

STATEMENT OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE IPO AND THE OFFER FOR SALE. A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SHARES (AS DEFINED HEREIN) BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

THE VALUATION UTILISED FOR THE PURPOSE OF THE CORPORATE EXERCISE SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS.

BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS ISSUED BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SHARES. YOU SHOULD NOT TAKE THE AGREEMENT BY OUR SOLE UNDERWRITER TO UNDERWRITE THE IPO AS AN INDICATION OF THE MERITS OF OUR SHARES.

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

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKET AND SERVICES ACT 2007.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CAPITAL MARKETS & SERVICES ACT 2007, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS ARE AS PER THE CONTENTS OF THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS SO REGISTERED IS AVAILABLE ON THE WEBSITES OF AFFIN BANK BERHAD AT www.affinOnline.com, RHB BANK BERHAD AT www.rhbbank.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my, CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com AND CIMB BANK BERHAD AT www.cimbclicks.com.my VIA HYPERLINKS TO BURSA SECURITIES' WEBSITE.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM, AND THAT YOUR INTERNET SHARE APPLICATION IS SUBJECT TO THE RISKS OF PROBLEMS OCCURING DURING THE DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES AND HACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, WHICH RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR FINANCIAL ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS.

IN THE EVENT OF ANY DISCREPANCIES ARISING BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL. THE ELECTRONIC PROSPECTUS SUBMITTED TO THE SC AND BURSA SECURITIES IS THE SAME AS THE REGISTERED PAPER/PRINTED COPY.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:-

- (I) WE AND OUR ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY WITH THE THIRD PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENTS OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE AND OUR ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, FOR FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COSTS THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE AND OUR FINANCIAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, YOU ARE ADVISED THAT:-

- (i) THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS SITUATED ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND THEREAFTER COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (ii) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED AS THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT OR FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT OR FAULTS ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, AND/OR PROBLEMS OCCURING DURING DATA TRANSMISSION, WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON AN APPLICANT'S PERSONAL COMPUTER.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE IPO, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH.

IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE IPO WOULD BE IN COMPLIANCE WITH THE TERMS OF THE IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE IPO IN MALAYSIA AND WILL BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCES AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

NO ACTION HAS BEEN OR WILL BE TAKEN TO ENSURE THAT THIS PROSPECTUS COMPLIES WITH THE LAWS OF ANY COUNTRIES OR JURISDICTIONS OTHER THAN THE LAWS OF MALAYSIA. IT SHALL BE YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISER ON THE LAWS TO WHICH THE IPO OR YOU ARE OR MIGHT BE SUBJECTED TO. NEITHER US NOR THE ADVISER NOR ANY OTHER ADVISERS IN RELATION TO THE IPO SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU SHALL BECOME ILLEGAL, UNENFORCEABLE, AVOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

OTHER STATEMENT

AN APPLICATION FOR THE LISTING SHALL BE MADE TO BURSA SECURITIES WITHIN THREE (3) MARKET DAYS FROM THE DATE OF THIS PROSPECTUS FOR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES AND FOR THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL ON THE MAIN MARKET OF BURSA SECURITIES FAILING WHICH ANY ALLOTMENT OF OUR SHARES MADE PURSUANT TO THE ACCEPTANCE OF APPLICATIONS FOR THE IPO SHARES SHALL BE VOID AND SHALL BE REPAID WITHOUT INTEREST ALL MONIES RECEIVED FROM SUCH APPLICATION. IF ANY SUCH MONIES ARE NOT REPAID WITHIN FOURTEEN (14) DAYS AFTER WE BECOME LIABLE, THE PROVISION OF SUB-SECTION 243(2) OF THE CMSA SHALL APPLY ACCORDINGLY.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:-

EVENTS	TENTATIVE DATES
Issuance of this Prospectus / Opening of the application	23 October 2009
Closing of the application	30 October 2009
Balloting of the applications	3 November 2009
Allotment to successful applicants	9 November 2009
Listing date	12 November 2009

NOTE:-

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD FOR THE IPO WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS OUR DIRECTORS AND OSK INVESTMENT BANK BERHAD IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.

IN THE EVENT THE CLOSING DATE OF THE APPLICATION IS EXTENDED, WE WILL ADVERTISE THE NOTICE OF THE EXTENSION IN A WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPER PRIOR TO THE ORIGINAL CLOSING DATE OF THE APPLICATION. FOLLOWING THIS, WE WILL EXTEND THE DATES FOR THE BALLOTING OF THE APPLICATIONS FOR THE ISSUE SHARES, ALLOTMENT OF THE ISSUE SHARES AND LISTING ACCORDINGLY.

FURTHER INFORMATION ON THE INDICATIVE TIMETABLE IS SET OUT IN SECTION 3.2 OF THIS PROSPECTUS.

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DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:-

"Acquisition of Companies"	:	Collectively the Acquisition of SCSSB, the Acquisition of PSSB and the Acquisition of Nutriveg
"Acquisition of Land and Building"	:	The acquisition by PSSB of a lease of 99 years leasehold land known as Lot PT No. 30508, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah held under HSD 52055 granted by Perbadanan Kemajuan Negeri Kedah to Wide Symbol Sdn Bhd under presentation no. 14482/1996, Jil 12 Fol. 63 for a period of sixty years from 30 October 1996 until 29 October 2056 together with a factory building erected thereon bearing assessment address of Plot 331, Jalan PKNK 3/7, Kawasan Perusahaan Sungai Petani, Fasa 3, 08000 Sungai Petani, Kedah for a purchase consideration of RM12,000,000 which was satisfied partly in cash and partly via the settlement of the amount owed to PSSB by WSSB
"Acquisition of Nutriveg"	:	The acquisition of the entire issued and paid-up share capital of Nutriveg comprising two (2) ordinary shares of RM1.00 each for a total purchase consideration of RM2.00, which was satisfied by the issuance of four (4) SCB Shares to TKK and LAC
"Acquisition of PSSB"	:	The acquisition of 4.76% equity interest in PSSB comprising 100,002 ordinary shares of RM1.00 each for a total purchase consideration of RM1,172,685, which was satisfied by the issuance of 2,345,370 SCB Shares to TKK and LAC and by way of cash of RM1.00 each to Ng Wai Mei and Tinagaran A/L Kuppusamy
"Acquisition of SCSSB"	:	The acquisition of the entire equity interest in SCSSB comprising 2,400,000 ordinary shares of RM1.00 each for a total purchase consideration of RM31,936,446 which was satisfied by the issuance of 63,654,622 SCB Shares to WSSB and TKK
"Act"	:	The Companies Act, 1965, as amended from time to time and any re-enactment thereof
"ADA"	:	Authorised Depository Agent
"ATM"	:	Automated Teller Machine
"Board"	:	The Board of Directors of SCB
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
"CDS"	:	Central Depository System
"CDS Account"	:	An account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
"CMSA"	:	Capital Markets & Services Act 2007
"Depositor"	:	A holder of a CDS Account
"Director(s)"	:	Shall have the meaning of Section 4 of the Act
"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks
"Electronic Application(s)"	Share :	Application(s) for the Issue Shares through a Participating Financial Institutions' ATM
"EPS"	:	Earnings per Share

DEFINITIONS (CONT'D)

"FIC"	:	Foreign Investment Committee
"FIC Guidelines"	:	Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended / ending, as the case may be
"GHP"	:	Good Hygiene Practice
"GMP"	:	Good Manufacturing Practice
"HACCP"	:	Hazard Analysis and Critical Control Point
"Hala"	:	An Arabic word which means permitted or lawful under Islamic law
"IMR"	:	Dun & Bradstreet (D&B) Malaysia Sdn Bhd (Company No. 527570-M)
"IMRR"	:	Independent Market Research Report prepared by the IMR
"Internet Participating Financial Institution(s)"	:	Participating financial organisation(s) in the Internet Share Application(s)
"Internet Share Application(s)"	:	Application(s) for the Issue Shares through an online shares application service provided by Internet Participating Financial Institutions
"IPO"	:	Initial public offering of the Issue Shares and Offer Shares in conjunction with our listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities
"Issue Price"	:	The issue price of RM0.56 per Issue Share
"Issue Share(s)"	:	24,000,000 SCB Shares to be issued pursuant to the Public Issue
"Issuing House" or "MIH"	:	Malaysian Issuing House Sdn Bhd (Company No. 258345-X)
"LAC"	:	Low Ai Choo
"Listing"	:	The admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of SCB of RM45,000,000 comprising 90,000,000 SCB Shares on the Main Market of Bursa Securities
"Listing Requirements"	:	Listing Requirements of Bursa Securities, and all amendments thereto
"Listing Scheme"	:	Collectively the Acquisition of Land and Building, Acquisition of Companies, Offer for Sale, Public Issue and Listing
"LPD"	:	28 September 2009, being the latest practicable date prior to the issuance of this Prospectus
"Malaysian Public"	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated and organised under the laws of Malaysia
"MI"	:	Minority interest
"MITI"	:	Ministry of International Trade and Industry, Malaysia
"NA"	:	Net assets
"NTA"	:	Net tangible assets
"Nutriveg"	:	Nutriveg Sdn Bhd (Company No. 808893-D)
"Offer for Sale"	:	The offer for sale of the Offer Shares at the Offer Price by the Offerors to identified Bumiputera investors approved by MITI and identified investors
"Offer Price"	:	The offer price of RM0.56 per Offer Share

DEFINITIONS (CONT'D)

"Offer Share(s)" : 17,001,000 SCB Shares, representing approximately 18.89% of the enlarged issued and paid-up share capital of SCB which are to be offered for sale to Bumiputera investors approved by MITI and identified investors pursuant to the Offer for Sale and subject to the terms and conditions of this Prospectus

"Offerors" : The following shareholders of SCB, who are proposing an offer for sale as follows:-

Name	No. of Offer Shares	% of the enlarged share capital after the Public Issue
WSSB	8,500,500	9.445
TKK	8,500,500	9.445
Total	17,001,000	18.89

"Official List" : The official list of the Main Market of Bursa Securities

"OSK" : OSK Investment Bank Berhad (Company No. 14152-V)

"Participating Institution(s)" Financial : Participating financial institutions for Electronic Share Application as listed in **Section 18** of this Prospectus

"PAT" : Profit after taxation

"PBT" : Profit before taxation

"PE Multiple" : Price earnings multiple

"Promoters" : TKK and WSSB

"PSSB" : Perusahaan Saudee Sdn Bhd (Company No. 419958-U)

"Public Issue" : The public issue of 24,000,000 SCB Shares at the Issue Price, comprising:-

(a) 6,000,000 SCB Shares, representing approximately 6.67% of the enlarged issued and paid-up share capital of SCB made available for application by the Malaysian public, companies, societies, co-operatives and institutions;

(b) 16,000,000 SCB Shares, representing approximately 17.78% of the enlarged issued and paid-up share capital of SCB, by way of private placement to identified investors; and

(c) 2,000,000 SCB Shares, representing approximately 2.22% of the enlarged issued and paid-up share capital of SCB made available for application by the eligible directors, employees and business associates/persons who have contributed to the success of our SCB Group

"QAP" : Quality Assurance Programme

"QMS" : Quality Management System

"R&D" : Research and development

"RM" and "sen" : Ringgit Malaysia and sen respectively

"ROC" : Registrar of Companies

"Rules" : Rules of Bursa Depository

"SC" : Securities Commission

"SC Guidelines" : Guidelines on the Offering of Equity and Equity-Linked Securities issued by the SC as amended or expanded from time to time

DEFINITIONS (CONT'D)

"SCB" or the "Company"	:	Sinaria Corporation Berhad (Company No. 838172-P)
"SCB Group" or the "Group"	:	SCB and its subsidiaries, namely SCSSB, PSSB and Nutriveg
"SCB Share(s)" or "Share(s)"	:	Ordinary shares of RM0.50 each in SCB
"SCSSB"	:	Saudi Cold Storage Sdn Bhd (Company No. 240951-U)
"SCSSB Group"	:	SCSSB and its subsidiary, PSSB
"SPA"	:	Conditional sale and purchase agreement dated 2 January 2009 between PSSB and WSSB for the Acquisition of Land and Building
"SSA(s)"	:	Share sale agreement(s)
"TKK"	:	Tan Khang Khim
"Underwriting Agreement"	:	Underwriting agreement dated 28 September 2009 entered into between us and OSK for the underwriting of up to 8,000,000 Shares under the Public Issue
"USA"	:	United States of America
"Valuer"	:	Colliers, Jordan Lee and Jaafar (PG) Sdn Bhd (Company No. 136818-D)
"WSSB"	:	Wide Symbol Sdn Bhd (Company No. 373737-X)

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Prospectus shall be reference to Malaysian time, unless otherwise stated.

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Tuan Haji Mohd Shakri Bin Abd Razak (Independent Non-Executive Chairman)	1923-R, Taman Mahkota Jalan Stadium 05450 Alor Setar Kedah Darul Aman	Director	Malaysian
Tan Khang Khim (Group Managing Director)	No. 61 Jalan Anggerik 1/2 Bandar Aman Jaya 08000 Sungai Petani Kedah Darul Aman	Director	Malaysian
Mohd Ariffin Bin Don (Executive Director / Chief Operating Officer)	No. 207, Jalan Lagenda 33 Lagenda Height 08000 Sungai Petani Kedah Darul Aman	Director	Malaysian
Low Ai Choo (Executive Director)	No. 61 Jalan Anggerik 1/2 Bandar Aman Jaya 08000 Sungai Petani Kedah Darul Aman	Director	Malaysian
Heinz Geser (Executive Director)	A 1/21-2 Bukit Utama 3 Changkat Bukit Utama 47800 Petaling Jaya Selangor Darul Ehsan	Director	Swiss
Datuk Mohd Hashim Bin Hassan (Independent Non-Executive Director)	No. 10, Jalan SS14/6 47500 Subang Jaya Selangor Darul Ehsan	Director	Malaysian
Sim Yee Fuan (Independent Non-Executive Director)	3, Lorong Gemilang Jaya 2 Taman Gemilang Jaya 14000 Bukit Mertajam Penang	Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Tuan Haji Mohd Shakri Bin Abd Razak	Chairman	Independent Non-Executive Chairman
Datuk Mohd Hashim Bin Hassan	Member	Independent Non-Executive Director
Sim Yee Fuan	Member	Independent Non-Executive Director

RENUMERATION COMMITTEE

Name	Designation	Directorship
Tuan Haji Mohd Shakri Bin Abd Razak	Chairman	Independent Non-Executive Chairman
Datuk Mohd Hashim Bin Hassan	Member	Independent Non-Executive Director
Tan Khang Khim	Member	Group Managing Director

1. CORPORATE DIRECTORY (CONT'D)**NOMINATION COMMITTEE**

Name	Designation	Directorship
Tuan Haji Mohd Shakri Bin Abd Razak	Chairman	Independent Non-Executive Chairman
Datuk Mohd Hashim Bin Hassan	Member	Independent Non-Executive Director
Sim Yee Fuan	Member	Independent Non-Executive Director

COMPANY SECRETARIES

: Angelina Cheah Gaik Suan (MAICSA 7035272)
42-1121 Tiara View
Jalan Loh Poh Heng
11200 Tanjung Bungah
Penang

Ooi Ean Hoon (MAICSA 7057078)
19 Persiaran Besi
Island Park
11600 Penang

REGISTERED OFFICE

: 57-1 Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Penang

Telephone No. : 04 - 641 1887
Facsimile No. : 04 - 645 6698

CORPORATE OFFICE AND PRINCIPAL PLACE OF BUSINESS

: Plot 331, Taman Perindustrian Sungai Petani Fasa III
08000 Sungai Petani
Kedah Darul Aman

Telephone No. : 04 - 442 6800
Facsimile No. : 04 - 442 6801
Website : www.saudee.com
E-mail address : saudee@pd.jaring.my

PRINCIPAL BANKERS

: Amlslamic Bank Berhad
Regional Business Centre – North
Level 3, No. 37, Jalan Sultan Ahmad Shah
10050 Penang

Telephone No. : 04 - 226 1818
Facsimile No. : 04 - 229 7634

Hong Leong Bank Berhad
Butterworth Business Centre
No. 2828-G-02 & 2828-1-02
Jalan Bagan Luar
12000 Butterworth, Penang

Telephone No. : 04 - 332 5660
Facsimile No. : 04 - 324 0928

HSBC Bank Malaysia Berhad
No. 69, Jalan Ibrahim
08000 Sungai Petani
Kedah

Telephone No. : 04 - 421 2477
Facsimile No. : 04 - 421 7151

1. CORPORATE DIRECTORY (CONT'D)

- OCBC Bank (Malaysia) Berhad
No. 476, Jalan Arumugam Pillai
14000 Bukit Mertajam
Seberang Prai, Penang
Telephone No. : 04 - 530 2941
Facsimile No. : 04 - 539 5840
- AUDITORS AND REPORTING ACCOUNTANTS :** Horwath
Suites 701 & 702 7th Floor
11 Lorong Kinta
10400 Penang
Telephone No. : 04 - 227 7061
Facsimile No. : 04 - 227 8011
- SOLICITOR :** Wong Beh & Toh
Suite 4, 1st Floor No. 173 & 174
Jalan Kelab Cinta Sayang
Taman Ria Jaya
08000 Sungai Petani
Kedah Darul Aman
Telephone No. : 04 - 442 9081
Facsimile No. : 04 - 442 9084
- INDEPENDENT RESEARCHER MARKET :** Dun & Bradstreet (D&B) Malaysia Sdn Bhd
Level 9-3A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone No. : 03 - 2080 6000
Facsimile No. : 03 - 2080 6001
- VALUER :** Colliers Jordan Lee & Jaafar (PG) Sdn Bhd
No. 26 Lebuh Light
10200 Penang
Telephone No. : 04 - 263 7749 / 7750
Facsimile No. : 04 - 263 7644
- ADVISER, SOLE UNDERWRITER AND PLACEMENT AGENT :** OSK Investment Bank Berhad
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Telephone No. : 03 - 2333 8333
Facsimile No. : 03 - 2175 3217
- ISSUING HOUSE :** Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
P.O. Box 13269
50804 Kuala Lumpur
Telephone No. : 03 - 2693 2075
Facsimile No. : 03 - 2693 0858

1. CORPORATE DIRECTORY (CONT'D)

SHARE REGISTRAR : Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang

Telephone No. : 04 - 228 2321
Facsimile No. : 04 - 227 2391

LISTING SOUGHT : Main Market of Bursa Securities

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2. INFORMATION SUMMARY

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT US AND THE IPO AND IS EXTRACTED FROM THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THIS SECTION TOGETHER WITH THE WHOLE PROSPECTUS BEFORE YOU DECIDE WHETHER TO INVEST IN US.

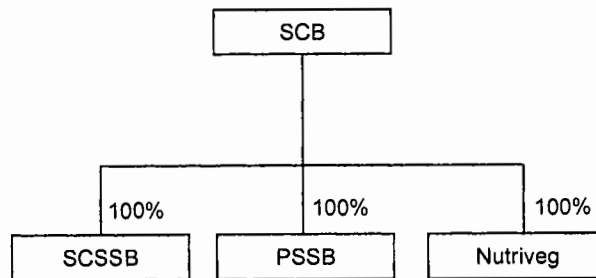
2.1 BACKGROUND AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia under the Act as a public limited company on 11 November 2008. On 2 January 2009, our Company converted to a private limited company to facilitate the restructuring of our Company's shareholdings before being converted back to a public limited company on 8 January 2009. The principal activity of our Company is investment holding.

Through our subsidiaries, our Group is principally involved in the following core activities:-

- (a) Wholesalers and dealers of fresh and frozen foods;
- (b) Manufacturer and sale of processed poultry, beef products, frozen foods and bakery products; and
- (c) Manufacturing and trading of vegetarian food products.

The corporate structure of our Group is as follows:-



Further information on our Group's listing scheme, background and business activities are set out in **Section 5** of this Prospectus.

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2. INFORMATION SUMMARY (CONT'D)

2.2 OWNERSHIP AND MANAGEMENT

The table below sets forth our Promoters, substantial shareholders, Directors and key management and technical personnel:-

Name	Designation
Promoters and substantial shareholders	
TKK	Group Managing Director
WSSB	-
Directors	
Tuan Haji Mohd Shakri Bin Abd Razak	Independent Non-Executive Chairman
TKK	Group Managing Director
Mohd Ariffin Bin Don	Executive Director / Chief Operating Officer
LAC	Executive Director
Heinz Geser	Executive Director
Datuk Mohd Hashim Bin Hassan	Independent Non-Executive Director
Sim Yee Fuan	Independent Non-Executive Director
Key management and technical personnel	
Chandran A/L Suppiah	General Manager
Siang Lim Seh Wan	Senior Finance Manager
Makhtar Bin Ismail	R&D Manager
Lim Seng Keek	Safety and Maintenance Manager
Lau Lam Kwee	Senior Sales and Marketing Manager
Hassan Bin Din	Assistant Production Manager

Further information on our Promoters, substantial shareholders, Directors and key management and technical personnel and their direct and indirect shareholdings in our Group is disclosed under **Section 7** of this Prospectus.

2.3 PRINCIPAL STATISTICS RELATING TO THE IPO

2.3.1 Share Capital

	Number of Shares	RM
Authorised share capital	200,000,000	100,000,000
Issued and fully-paid up share capital as at the date of this Prospectus	66,000,000	33,000,000
To be issued pursuant to the Public Issue	24,000,000	12,000,000
Enlarged issued and fully paid-up share capital upon admission	90,000,000	45,000,000
Offer for Sale	17,001,000	8,500,500
IPO Price		0.56 ^(a)
Proforma Consolidated NA per Share (based on the enlarged issued and paid-up share capital after the IPO and deducting the estimated listing expenses of approximately RM1.8 million)		0.54
Market capitalisation upon listing based on the Issue Price		50,400,000

Note:-

- (a) The Issue Price of RM0.56 per Issue Share is based on amongst other factors disclosed in **Section 3.5** of this Prospectus, a pre-IPO PE multiple of approximately 5.76 times and a post-IPO PE multiple of approximately 7.84 times (computed based on the audited consolidated PAT for the FYE 31 May 2009 and the enlarged number of 66 million and 90 million SCB Shares in issue respectively).

2. INFORMATION SUMMARY (CONT'D)

The IPO Price of RM0.56 per Share is payable in full upon application, subject to the terms and conditions of this Prospectus.

2.3.2 Classes of Shares and Ranking

We only have one (1) class of shares, being ordinary shares of RM0.50 each.

The Issue Shares and Offer Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares which are fully paid-up including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

Further information on our IPO is disclosed under **Section 3** of this Prospectus.

2.4 UTILISATION OF PROCEEDS FROM THE IPO

We expect to raise total gross proceeds of approximately RM13.44 million based on the Issue Price of RM0.56 from the Public Issue. The proceeds shall come to us and we shall bear all expenses relating to the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities.

We expect the proceeds to be utilised in the following manner:-

Purpose	RM'000	Estimated time frame for utilisation
Purchase of cold storage facilities and machineries	5,000	Within twelve (12) months from the date of Listing
Advertisement and brand building	2,500	Within twelve (12) months from the date of Listing
Setting up sales office in Dubai, United Arab Emirates ("UAE")	500	Within twelve (12) months from the date of Listing
Working capital	3,640	Within twelve (12) months from the date of Listing
Estimated listing expenses	1,800	Within three (3) months from the date of Listing
TOTAL	13,440	

Further information on our utilisation of proceeds is disclosed under **Section 3.12** of this Prospectus.

There is no minimum subscription to be raised from the IPO.

The Offer for Sale will raise total gross proceeds of RM9,520,560. All the proceeds from the Offer for Sale will accrue to the Offerors and we will not receive any of the proceeds. The Offerors shall bear all expenses such as placement fee, management fee, brokerage, registration fee and share transfer fee relating to their respective portion of the Offer for Sale, the aggregate of which is estimated to be approximately RM500,000.

The proforma impact of the utilisation of proceeds on our consolidated balance sheets as at 31 May 2009 is reflected in **Section 10.1.2** of this Prospectus.

2. INFORMATION SUMMARY (CONT'D)

2.5 PROFORMA CONSOLIDATED INCOME STATEMENTS OF OUR GROUP

The following table sets forth a summary of our proforma consolidated income statements for the past three (3) FYE 31 May 2009 based on the assumption that we have been in existence throughout the three (3) financial years under review. The proforma consolidated income statements are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter as set out in **Section 12** of this Prospectus and our Management's Discussion and Analysis of Financial Conditions, Results of Operations and Prospects that are presented herein.

	FYE 31 May		
	2007 RM'000	2008 RM'000	2009 RM'000
Revenue	107,001	131,129	127,761
Cost of sales	(90,916)	(111,309)	(107,186)
Gross profit	16,085	19,820	20,575
Other income	1,202	1,504	1,922
Administrative and general expenses	(5,830)	(7,058)	(8,169)
Selling and distribution expenses	(4,492)	(5,122)	(5,328)
Finance costs	(1,377)	(1,390)	(1,677)
PBT	5,588	7,754	7,323
Tax expense	(636)	(1,172)	(900)
PAT	4,952	6,582	6,423
No. of Shares in issue ('000) ^(a)	66,000	66,000	66,000
Gross EPS (sen)	8.47	11.75	11.10
Net EPS (sen)	7.50	9.97	9.73
EBITDA (RM'000)	7,597	9,707	9,246
Gross profit margin (%)	15.03	15.11	16.10
PBT margin (%)	5.22	5.91	5.73
PAT margin (%)	4.63	5.02	5.03
Effective tax rate (%)	12.10	12.37	12.30

Note:-

(a) Based on the number of SCB Shares assumed in issue after the Acquisition of Companies but before the Public Issue.

Our audited financial statements for the past three (3) financial years have not been subjected to any audit qualification. There were no extraordinary items in the audited financial statements of our Group during the years under review.

2. INFORMATION SUMMARY (CONT'D)

2.6 PROFORMA CONSOLIDATED BALANCE SHEETS OF OUR GROUP

We have prepared our proforma consolidated balance sheets below for illustrative purposes to show the effects on the audited consolidated balance sheet of our Group as at 31 May 2009, had the IPO been effected on that date. We advise you to read the proforma consolidated balance sheets together with the accompanying notes and assumptions included in the Reporting Accountants' Letter as set out in **Section 12** of this Prospectus.

	Company	Group	
		Proforma I	Proforma II
		After Acquisition of Companies and Land and Building	After Proforma I Public Issue and Utilisation of Proceeds
	RM'000	RM'000	RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	-	22,374	27,374
Prepaid land lease payments	-	2,300	2,300
Goodwill on consolidation	-	-	-
	-	24,674	29,674
Current assets			
Inventories	-	22,983	22,983
Trade receivables	-	21,856	21,856
Other receivables, deposits and prepayments	-	2,400	2,400
Amount owing by WSSB	-	768 ^(c)	768 ^(c)
Current tax assets	-	65	65
Short term and fixed deposits with licensed banks	-	6,475	6,475
Cash on hand and at banks	(a)	3,619	9,290
	(a)	58,166	63,837
TOTAL ASSETS	(a)	82,840	93,511
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the company			
Share capital	(a)	33,000	45,000
Revaluation surplus	-	1,891	1,891
Merger deficit	-	(29,297)	(29,297)
Retained profits / (Accumulated losses)	(2)	31,568	31,208
Total Equity	(2)	37,162	48,802

2. INFORMATION SUMMARY (CONT'D)

	Company	Group	
		Proforma I	Proforma II
		After Acquisition of Companies and Land and Building	After Proforma I Public Issue and Utilisation of Proceeds
	RM'000	RM'000	RM'000
Non-current liabilities			
Hire purchase creditors	-	856	856
Deferred taxation	-	966	966
	-	1,822	1,822
Current liabilities			
Trade payables	-	9,975	9,975
Other payables and accruals	2	1,690	1,690
Hire purchase creditors	-	1,025	1,025
Borrowings	-	31,012	30,043
Current tax payable	-	154	154
	2	43,856	42,887
TOTAL LIABILITIES	2	45,678	44,709
TOTAL EQUITY AND LIABILITIES	-	82,840	93,511
Number of shares assumed in issue ('000)	(b)	66,000	90,000
(Net Liabilities) ("NL") / NA per share(RM)	(500.00)	0.56	0.54

Notes:-

- (a) This represents RM2.00.
- (b) This represents four (4) ordinary shares of RM0.50 each.
- (c) This amount was fully paid upon completion of the Acquisition of Land and Building on 2 September 2009.

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2. INFORMATION SUMMARY (CONT'D)

2.7 DIVIDEND POLICY

Our Board intends to pay dividends of at least 20% of our PAT after taking into consideration our retained profits, cash flow as well as the funding requirements of our Group. It is a policy of our Board in recommending dividends to allow shareholders to participate in the profits of our Group whilst retaining adequate reserves for its future expansion.

Notwithstanding the above, all the foregoing statements are merely statements of our present intention and no inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future. Actual dividends proposed and declared may vary depending on the financial performance, cash flow and funding requirements of our Group, and may be waived if the payment of the dividends would adversely affect the cash flow and operations of our Group.

2.8 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations that may affect our future financial performance. The following is a summary of the key risks and investment considerations (which may not be exhaustive) that we currently face or that we may face in the future:-

2.8.1 Risk Relating to the Business and Operations of Our Group

- (i) Competition and barriers to entry;
- (ii) Dependence on major customers;
- (iii) Credit risk;
- (iv) Dependence on major suppliers;
- (v) No long-term contracts with suppliers and customers;
- (vi) Product liability;
- (vii) Products or raw materials deterioration;
- (viii) Market acceptance of products;
- (ix) No assurance that future plans will be commercially successful;
- (x) Laws and regulations;
- (xi) Foreign exchange risks;
- (xii) Production/operational risks;
- (xiii) Outbreak of diseases;
- (xiv) Intellectual property rights disputes; and
- (xv) Borrowing risks and restrictive covenants.

2.8.2 Risk Relating to Investing in Our Issue Shares

- (i) No prior market for our Shares and possible volatility of our share prices;
- (ii) Trading price and volume of SCB Shares;

2. INFORMATION SUMMARY (CONT'D)

- (iii) Ownership and control by our existing shareholders;
- (iv) Underwriting risk; and
- (v) Failure or delay in our Listing.

Further information on our risk factors is disclosed under **Section 4** of this Prospectus.

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3. PARTICULARS OF THE IPO

3.1 INTRODUCTION

This Prospectus is dated 23 October 2009.

We have registered a copy of this Prospectus together with the Application Forms with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the ROC, and neither the SC nor the ROC takes any responsibility for its contents.

Our Listing Scheme under the terms of this Prospectus was approved by the SC (under the SC Guidelines) on 4 May 2009 and 27 July 2009. MITI's approval for our Listing Scheme was obtained on 18 February 2009, 27 May 2009 and 3 August 2009. The approval of the SC shall not be taken to indicate that the SC recommends the IPO and / or the listing of SCB on the Main Market of Bursa Securities.

An application for the Listing shall be made to Bursa Securities within three (3) market days from the date of this Prospectus for admission to the Official List of Bursa Securities and for the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities failing which any allotment of our Shares made pursuant to the acceptance of applications for the IPO Shares shall be void and shall be repaid without interest all monies received from such application. Official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of the applications for the IPO Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities. Accordingly, all monies paid in respect of any application accepted from you will be returned in full without interest if the said permission for the listing is not granted within six (6) weeks from the issue of this Prospectus (or such longer period as may be specified by the SC) provided that we are notified by or on behalf of Bursa Securities within the aforesaid timeframe. If any such monies are not repaid within 14 days after we become liable to repay it, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed our Shares as a prescribed security. Therefore, we will deposit the IPO Shares directly with Bursa Depository. Any dealings in these Shares will be carried out in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25% of the total number of our Shares for which listing is sought must be in the hands of 1,000 public shareholders holding not less than 100 Shares each, upon admission to the Main Market of Bursa Securities. We expect to achieve this at the point of Listing. If we do not meet this requirement, we may not be allowed to proceed with the Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In such event, we will return all the monies paid in respect of all applications without interest in respect of all successful applications for the IPO.

3. PARTICULARS OF THE IPO (CONT'D)

Only an applicant who has a CDS Account can make an application by way of an application form. In the case of an application by way of an application form, an applicant should state his/her CDS Account number in the space provided in the application form only if he/she presently has such an account and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS Account to the Issuing House/the Company for the purpose of crediting the IPO Shares allotted to him/her to his/her CDS Account. Where an applicant does not presently have a CDS Account, he/she should open a CDS Account at an ADA prior to making an application for the IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application and the applicant shall furnish his/her CDS Account number to the Participating Financial Institution by way of keying in his/her CDS Account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS account and an existing account with access to the Internet financial services with Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS account number to the Internet Participating Financial Institutions by keying your CDS account number into the online application form. A corporation or institution cannot apply for the IPO Shares by way of Internet Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by us. Neither the delivery of this Prospectus or any IPO made in connection with this Prospectus shall under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Group since the date hereof.

Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of registration of this Prospectus with the SC up to the date of the Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMA.

The distribution of this Prospectus and the sale of the IPO Shares in other jurisdictions outside Malaysia may be restricted by law. If you have come into possession of this Prospectus, we require you to inform yourself of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation and/or offer to subscribe for our IPO Shares in any jurisdictions in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or expressed in this Prospectus. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our Company or our Shares.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND INVESTMENT IN US. IF YOU ARE UNSURE ABOUT ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISER IMMEDIATELY.

3. PARTICULARS OF THE IPO (CONT'D)**3.2 INDICATIVE TIMETABLE**

The following events are intended to take place on the following tentative dates:-

EVENTS	TENTATIVE DATES
Issuance of this Prospectus/ Opening of the application for the IPO	23 October 2009
Closing of the application for the IPO	30 October 2009
Balloting of the applications	3 November 2009
Allotment to successful applicants	9 November 2009
Listing date	12 November 2009

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. This IPO will close at the date stated above or such later date as our Board and OSK in their absolute discretion may mutually decide.

In the event the closing date of the application is extended, we will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia newspaper prior to the original closing date of the application. Following this, we will extend the dates for the balloting of the applications for the IPO Shares, allotment of the IPO Shares and listing accordingly.

3.3 PURPOSE OF THE IPO

The purposes of the IPO are as follows:-

- (i) to obtain the listing of and quotation for the entire enlarged issued and paid-up share capital of our Group on the Main Market of Bursa Securities, which is expected to enhance our business, profile and future prospects;
- (ii) to provide our Group with access to the capital market and allow us to raise funds for future expansion and growth;
- (iii) to enhance the stature of our Group in the marketing of our products and services, and to retain, and attract new, skilled employees;
- (iv) to provide an opportunity for Malaysian investors (including all our eligible Directors, employees and business associates/persons who have contributed to the success and development of our Group) to participate in our equity and continuing growth; and
- (v) to enhance our profile in Malaysia and to assist our Group in expanding our customer base in Malaysia and abroad.

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3. PARTICULARS OF THE IPO (CONT'D)

3.4 SHARE CAPITAL AND RIGHTS ATTACHING TO THE ISSUE SHARES AND OFFER SHARES

	RM
Authorised share capital:- 200,000,000 ordinary shares of RM0.50 each	100,000,000
Issued and fully-paid up share capital as at the date of this Prospectus:- 66,000,000 ordinary shares of RM0.50 each	33,000,000
To be offered pursuant to the Public Issue:- 24,000,000 ordinary shares of RM0.50 each	12,000,000
Enlarged issued and fully paid-up share capital upon admission 90,000,000 ordinary shares of RM0.50 each	45,000,000
Shares to be offered pursuant to the Offer for Sale 17,001,000 existing ordinary shares of RM0.50 each	8,500,500
IPO Price	0.56 ^(a)
Proforma Consolidated NA per Share (based on the enlarged issued and paid-up share capital after the IPO and deducting the estimated listing expenses of approximately RM1.8 million)	0.54
Market capitalisation upon listing based on the Issue Price of RM0.56 per Share	50,400,000

Note:-

- (a) *The Issue Price of RM0.56 per Issue Share is based on amongst other factors disclosed in Section 3.5 of this Prospectus, a pre-IPO PE multiple of approximately 5.76 times and a post-IPO PE multiple of approximately 7.84 times (computed based on the audited consolidated PAT for the FYE 31 May 2009 and the enlarged number of 66 million and 90 million SCB Shares in issue respectively)*

The IPO Price of RM0.56 per Share is payable in full upon application, subject to the terms and conditions of this Prospectus.

We only have one (1) class of shares, being ordinary shares of RM0.50 each. The Issue Shares and the Offer Shares will, upon allotment and issue, rank *pari passu* in all respects with our existing issued Shares which are fully paid-up including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

Subject to special rights attaching to any share which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on our Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with our Articles of Association and provisions of the Act.

Each shareholder shall be entitled to vote at any of our general meetings in person, by proxy or by attorney, and, on a show of hands, every person present who is a shareholder, or a representative, proxy or attorney of a shareholder, shall have one (1) vote, and on a poll, every shareholder present in person, by proxy, by attorney or by duly authorised representative shall have one (1) vote for each of our Shares held. A proxy may but need not be our member.

3. PARTICULARS OF THE IPO (CONT'D)

3.5 BASIS OF ARRIVING AT THE ISSUE PRICE AND OFFER PRICE

Our Directors, Offerors together with OSK as our Adviser, Sole Underwriter and Placement Agent, had determined and agreed upon the Issue Price and Offer Price of RM0.56 per Issue Share and Offer Share respectively, after taking into consideration the following factors:-

- (i) the pre-IPO PE multiple of approximately 5.76 times after taking into consideration our Group's net EPS of 9.73 sen (computed based on the audited consolidated PAT for the FYE 31 May 2009 divided by 66,000,000 SCB Shares in issue prior to the IPO);
- (ii) the post-IPO PE multiple of approximately 7.84 times after taking into consideration our Group's net EPS of 7.14 sen (computed based on the audited consolidated PAT for the FYE 31 May 2009 divided by 90,000,000 SCB Shares in issue prior to the IPO);
- (iii) the proforma audited consolidated NA per Share as at 31 May 2009 of approximately RM0.54. The Issue Price of RM0.56 per SCB Share represents a premium of RM0.02 per Share or approximately 3.70% higher than the Group's audited NA per Share;
- (iv) our operating and financial history as outlined in **Section 5** and **Section 11** of this Prospectus; and
- (v) the prevailing market conditions and the prospects of our Group and the industry as outlined in **Section 5** and **Section 6** of this Prospectus.

Our Directors, Offerors and OSK are of the opinion that the Issue Price and Offer Price are fair and reasonable after careful consideration of the abovementioned factors.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the market price of our Shares. You are reminded to consider the risk factors set out in **Section 4** of this Prospectus before deciding to invest in our Shares.

3.6 DETAILS OF THE IPO

Both the Offer for Sale and the Public Issue are subject to the terms and conditions of this Prospectus and upon acceptance, the Issue Shares and the Offer Shares will be allocated in the following manner:-

3.6.1 Public Issue

The Public Issue of 24,000,000 Shares at an issue price of RM0.56 per Issue Share is payable in full on application upon such term and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) **Malaysian Public**

6,000,000 SCB Shares, representing approximately 6.67% of the enlarged issued and paid-up share capital of SCB made available for application by the Malaysian public, companies, societies, co-operatives and institutions via ballot, of which at least 50% is to be made available to retail Bumiputera investors.

3. PARTICULARS OF THE IPO (CONT'D)

(ii) **Eligible Directors, employees and business associates/persons who have contributed to the success of our Group**

2,000,000 SCB Shares, representing approximately 2.22% of the enlarged issued and paid-up share capital of SCB made available for application by the eligible directors, employees and business associates/persons who have contributed to the success of our Group.

Further details of the pink form share allocation are set out in **Section 3.7** of this Prospectus.

(iii) **Private placement to identified investors**

16,000,000 SCB Shares representing approximately 17.78% of the enlarged issued and paid-up share capital of SCB by way of private placement to identified investors.

3.6.2 Offer for Sale

The Offer for Sale of 17,001,000 SCB Shares, representing approximately 18.89% of the enlarged issued and paid-up share capital of SCB will be offered to investors at the Offer Price and is payable in full on application upon such terms and conditions as set out in this Prospectus in the following manner:-

(i) **Bumiputera investors approved by MITI**

11,250,000 Offer Shares, representing 12.50% of the enlarged issued and paid-up share capital of SCB will be offered to Bumiputera investors approved by MITI; and

(ii) **Identified investors**

5,751,000 Offer Shares, representing 6.39% of the enlarged issued and paid-up share capital of SCB will be offered to identified investors.

Up to 8,000,000 Issue Shares available for application by the Malaysian Public and our eligible Directors, employees and business associates/persons who have contributed to the success of our Group under **Section 3.6.1(i)** and **Section 3.6.1(ii)** of this Prospectus will be underwritten by our Sole Underwriter while the total number of IPO Shares reserved for placement and Offer for Sale to identified investors and Bumiputera investors approved by MITI (totalling 33,001,000 Shares) will be placed out by our Placement Agent, OSK. Please refer to **Section 3.10** and **Section 3.11** of this Prospectus for further details on the underwriting and placement arrangements.

The amount of offering will not be increased via any over-allotment or "greenshoe" option.

3.6.3 Reallocation

Any of the 11,250,000 Offer Shares not subscribed for by the Bumiputera investors under the Offer for Sale shall be made available for application by the Bumiputera public as part of the IPO balloting process. The remaining 5,751,000 Offer Shares not subscribed for by the identified investors under the Offer for Sale shall be made available for application by the Malaysian public as part of the IPO balloting process.

Thereafter, any Issue Shares that were reallocated to the Bumiputera public (as part of the IPO balloting process) and not taken up by the Bumiputera public, shall be made available for the application by the public. Any unsubscribed Offer Shares not taken up by the public under the Malaysian Public offering shall be retained by the Offeror.

3. PARTICULARS OF THE IPO (CONT'D)**3.7 ALLOCATION OF THE ISSUE SHARES TO THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES/PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP**

The eligible Directors, employees and business associates/persons who have contributed to the success of our Group have been allocated a total of 2,000,000 new SCB Shares.

The total number of persons eligible for the allocation is 248 comprising the following:-

Category	No. of persons	Aggregate number of Issue Shares allotted
Our Directors	6	569,000
Employees	242	1,431,000
TOTAL	248	2,000,000

The criteria of allocation for the above mentioned Issue Shares to our Directors and employees of our Group are based on the following factors:-

- (i) The employee must be a confirmed full time employee and on the payroll of our Group;
- (ii) The number of shares allocated are based on the seniority, position, length of service and contribution made to our Group; and
- (iii) The Issue Shares to be allotted to business associates/persons who have contributed to the success of our Group shall be based on their contribution to our Group approved by our Board. The business associates/persons who have contributed to the success of our Group include business contacts, suppliers and customers.

The allocation of our pink form shares to our eligible Directors are as follows:-

Name	Designation	Pink Form Allocation (No. of SCB Shares)
Tuan Haji Mohd Shakri Bin Abd Razak	Independent Non-Executive Chairman	10,000
Mohd Ariffin Bin Don	Executive Director / Chief Operating Officer	364,000
LAC	Executive Director	155,000
Heinz Geser	Executive Director	20,000
Datuk Mohd Hashim Bin Hassan	Independent Non-Executive Director	10,000
Sim Yee Fuan	Independent Non-Executive Director	10,000

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3. PARTICULARS OF THE IPO (CONT'D)

3.8 SELLING SHAREHOLDERS

Our shareholders who are offering the Offer Shares for sale and their respective relationships with our Company within the past three (3) years are as follows:-

Shareholders	Material relationship with our Company	Address	Before IPO		Shares offered pursuant to the Offer for Sale			After IPO	
			No. of Shares	% ^(a)	No. of Offer Shares	% ^(a)	% ^(b)	No. of Shares	% ^(b)
TKK	Group Managing Director and substantial shareholder	No. 61 Jalan Anggerik 1/2 Bandar Aman Jaya 08000 Sungai Petani Kedah Darul Aman	33,936,175	51.42	8,500,500	12.88	9.45	25,435,675	28.26
WSSB	Substantial shareholder	Plot 331 Taman Perindustrian Sungai Petani Fasa III 08000 Sungai Petani Kedah Darul Aman	31,827,311	48.22	8,500,500	12.88	9.45	23,326,811	25.92

Notes:-

(a) Based on the issued and paid-up share capital of 66,000,000 SCB Shares, i.e. before the Public Issue.

(b) Based on the issued and paid-up share capital of 90,000,000 SCB Shares, i.e. after the Public Issue.

3.9 DILUTION

Dilution is computed as the difference between the Issue Price / Offer Price paid by the applicants for our issue Shares / Offer Shares and the proforma consolidated NA per Share of our Group immediately after the IPO.

Pursuant to the Public Issue and Offer for Sale in respect of 24,000,000 and 17,001,000 new Shares respectively at the Issue Price / Offer Price of RM0.56, our proforma NA per Share after the IPO and after taking into consideration the listing expenses based on the enlarged issued and paid-up share capital of 90,000,000 Shares would have been RM0.54. This represents an immediate dilution in the NA per Share of our Group of RM0.02, representing approximately 3.57% of the Issue Price / Offer Price to new public investors. The following table illustrates such dilution on a per Share basis:-

	RM
Issue Price / Offer Price	0.56
NA per Share as at 31 May 2009 (before adjusting for the Public Issue and Offer for Sale)	0.56
Decrease in NA per Share attributable to the existing shareholders	(0.02)
NA per Share after adjusting for the Public Issue and Offer for Sale	0.54
Dilution in NA per Share to new public investors[^]	0.02
Dilution in NA per Share to new public investors as a percentage of the Issue Price / Offer Price	3.57%

Note:-

[^] After taking into consideration the effect of the utilisation of the proceeds received and the listing expenses pursuant to the Listing.

3. PARTICULARS OF THE IPO (CONT'D)

Apart from the SCB Shares received by the substantial shareholders pursuant to the Acquisition of Companies, there is no acquisition of any existing equity securities in the SCB Group by the key management, substantial shareholders or person connected with them during the past three (3) years, or which they have the right to acquire.

3.10 PLACEMENT, BROKERAGE AND UNDERWRITING EXPENSES

3.10.1 Placement Fees

We will pay our Placement Agent a placement fee at the rate of 1.75% of the value of the Issue Shares at the issue price of RM0.56 per Issue Share to be placed out to placees identified by our Placement Agent and a placement fee at the rate of 0.75% of the Issue Shares at the issue price of RM0.56 per Issue Share to be placed out to placees identified by our Group. Placement fee in respect of the Offer Shares shall be borne by our Offerors.

3.10.2 Brokerage Fee

We will pay the brokerage fee to be incurred in respect of the Issue Shares at the rate of 1.0% of the issue price of RM0.56 per Issue Share in respect of successful applications which bear the stamps of participating organisation of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House. Brokerage fee in respect of the Offer Shares shall be borne by the Offerors.

3.10.3 Underwriting Commission

OSK, our Sole Underwriter, has agreed to underwrite up to 8,000,000 Issue Shares as set out in **Section 3.6.1(i)** and **Section 3.6.1(ii)** of this Prospectus. We will pay OSK an underwriting commission at the rate of 1.75% of the total value of the underwritten Shares at the Issue Price of RM0.56 per Share. There will be no managing Underwriter fees payable to OSK.

3.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We had on 28 September 2009 entered into an Underwriting Agreement with OSK, our Sole Underwriter, to underwrite up to 8,000,000 Issue Shares ("Underwritten Shares") at the issue price of RM0.56 based on the salient terms set out below.

The salient terms of the Underwriting Agreement, as extracted from the Underwriting Agreement, are set out below:-

1. Conditions precedent

The obligations of the Sole Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement are conditional on the performance by the Company of their obligations under the Underwriting Agreement and on:-

- (a) The Sole Underwriter being provided with the reports or confirmation in writing and the Sole Underwriter being satisfied on the last date for the acceptance of and payment for the Issue Shares under the IPO as stated in this Prospectus or such later date as may be extended from time to time by the Company subject to the Sole Underwriter's prior written consent provided that such extended date does not exceed three (3) months from the date of the Underwriting Agreement ("Closing Date") that:-
 - (i) there has been no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Company or

3. PARTICULARS OF THE IPO (CONT'D)

Group taken as a whole from that subsequent to the date of the Underwriting Agreement or

- (ii) there has not occurred any event or the discovery of any facts or circumstances which would render any representation, warranty or undertaking in Clause 10 (Representations, Warranties and Undertakings) of the Underwriting Agreement materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by the Company;
- (b) The Sole Underwriter receiving a certificate in the form or substantially in the form contained in Schedule 3 (Certificate) of the Underwriting Agreement dated the Closing Date signed by a Director of the Company for and on behalf of the Board stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 10 (Representations, Warranties and Undertakings) of the Underwriting Agreement;
- (c) The Prospectus being issued not later than thirty (30) Market Days from the date of the Underwriting Agreement or such date the Company and Sole Underwriter may agree in writing;
- (d) The registration of the Prospectus with the SC and the issue by the SC of the relevant certificate of registration and the lodgement of the Prospectus with the CCM on or before the date of issue of the Prospectus ("Issue Date");
- (e) The approvals of the SC and the MITI referred to in Clause 2.3 (Approvals) of the Underwriting Agreement remaining in full force and effect and that all conditions precedent to the approvals have been complied with;
- (f) The application to Bursa Securities for the admission of the Company to the Official List of the Main Market of Bursa Securities and for the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Main Market of Bursa Securities being made no later than three (3) market days from the date of this Prospectus and that all conditions precedent for the IPO have been completed and complied with;
- (g) The Sole Underwriter being satisfied with the arrangements of the Company to pay the expenses referred to in Clause 9 (Underwriting Commission) of the Underwriting Agreement;
- (h) The Sole Underwriter receiving the Company's Board of Directors' Resolution which shall be in full force and effect and duly certified by the Director and/or secretary of the Company as true and accurate and in the form and substance acceptable to the Sole Underwriter in respect of the following:-
 - (i) approving the Prospectus and Application Forms, the Underwriting Agreement and the transactions contemplated by them;
 - (ii) authorising a person to sign and deliver the Underwriting Agreement on behalf of the Company;
 - (iii) authorising the issuance of the Prospectus and Application Forms;
- (i) The Underwriting Agreement being duly signed by all parties and stamped;
- (j) The IPO not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia and all consents, approvals, authorisations or other

3. PARTICULARS OF THE IPO (CONT'D)

orders required by the Company under such laws for or in connection with the IPO and/or listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Main Market of Bursa Securities have been obtained and are in force on the Closing Date or the Sole Underwriter being reasonably satisfied that the same will be in force on the Closing Date; and

- (k) The Sole Underwriter being satisfied that the Company has complied with the policies, guidelines and requirements of the SC, Bursa Securities and other relevant authorities and all revisions, amendments and/or supplements thereto.

The Sole Underwriter, without prejudice to any of its rights, may waive all or any of the conditions as set out above except for those required by rule of law or governmental, public or regulatory authorities in connection with the Underwriting Agreement. Any waiver granted shall not preclude the Sole Underwriter from insisting that such condition waived be subsequently complied with at a later date.

Subject to the right to waive all or any of the conditions as set out above in the event any of the abovementioned conditions are not fulfilled or complied with to the satisfaction of the Sole Underwriter on or before the Closing Date, the Sole Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing to the Company and in such event the provisions of Clause 13 (Termination) as set out below shall apply but without prejudice to the rights of the Sole Underwriter under Clause 9 (Underwriting Commission), Clause 10.4 (Indemnity provision in favour of the Sole Underwriter) and Clause 11 (Costs and Expenses) of the Underwriting Agreement.

2. Termination

Notwithstanding anything contained in the Underwriting Agreement, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel and withdraw its underwriting commitment to underwrite the Underwritten Shares ("Underwriting Commitment") if:-

- (a) there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 10 (Representations, Warranties and Undertakings) of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the written notice of such breach given to the Company; or
- (b) there is failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement; or
- (c) there is withholding of information of a material nature from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group or the success of the IPO; or
- (d) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or the Group; or
- (e) any matter which arose immediately before the date of the Prospectus, would have constituted a material and adverse omission in the context of the IPO; or

3. PARTICULARS OF THE IPO (CONT'D)

- (f) any material and adverse event, act or omission which gives or is likely to give rise to any liability of the Company pursuant to the indemnities contained under the Underwriting Agreement;
- (g) there shall have occurred, or happened any of the following circumstances:-
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any event or series of events beyond the reasonable control of the Sole Underwriter including (without limitation) national disorder, declaration of a state of national emergency, acts of terrorism, respiratory or virus outbreak, acts of government, acts of God, strikes, lock-outs, fire, explosion, flooding, tsunامي, civil commotion, sabotage, acts of war or accidents; or
 - (iii) any change in laws, regulations, directives, policies or rulings in any jurisdiction; or
 - (iv) the FTSE Bursa Malaysia Kuala Lumpur Composite Index falling below 900 points and has stayed below 900 points for at least five (5) consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive

which, in the reasonable opinion of the Sole Underwriter would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or the Group as a whole, the success of the IPO, or market conditions generally or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

Upon any such notice(s) being given pursuant to Clause 13.1 (Termination), the Sole Underwriter shall be released and discharged of their obligations without prejudice to their rights under the Underwriting Agreement, and where the Sole Underwriter has terminated or withdrawn their Underwriting Commitments pursuant to the above termination clause, the Underwriting Agreement shall be of no further force or effect, save and except that the Company shall remain liable in respect of its obligations and liabilities under Clause 9 (Underwriting Commission), Clause 10.4 (indemnity provision in favour of the Sole Underwriter) and under Clause 11 (Costs and Expenses) of the Underwriting Agreement for the payment of costs and expenses already incurred up to the date of or in connection with such termination and under Clause 7.3.2 (Prospectus) of the Underwriting Agreement for the payment of any taxes, duties or levies, and for any antecedent breach.

The Sole Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing served on the Company in the event that the approval of Bursa Securities for the admission of the Company to the Official List of the Main Market of Bursa Securities and for the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Main Market of Bursa Securities is withdrawn or procured but subject to conditions not acceptable to the Sole Underwriter and upon such termination, the obligations of the Company and the Sole Underwriter shall become null and void and none of the parties shall have a claim against each other and that each party shall return any moneys paid to the other or others under the Underwriting Agreement save for those paid and remaining payable

3. PARTICULARS OF THE IPO (CONT'D)

under Clause 9 (Underwriting Commission), Clause 10.4 (indemnity provision in favour of the Sole Underwriter) and Clause 11 (Costs and Expenses) of the Underwriting Agreement within 48 hours of the receipt of such notice.

3.12 UTILISATION OF PROCEEDS FROM THE IPO

We expect the total gross proceeds from the Public Issue to amount to approximately RM13.44 million based on the issue price of RM0.56. The proceeds shall come to us and we shall bear all expenses relating to the listing of and quotation for our entire issued and paid-up share capital on the Main Market of Bursa Securities, which include underwriting commission, brokerage, professional fees, authorities' fees, advertising and other fees, the aggregate of which is estimated to be approximately RM1.8 million.

We expect the proceeds to be utilised in the following manner:-

Purpose	Note	RM'000	Estimated time frame for utilisation
Purchase of cold storage facilities and machineries	(i)	5,000	Within twelve (12) months from the date of Listing.
Advertisement and brand building	(ii)	2,500	Within twelve (12) months from the date of Listing.
Setting up sales office in Dubai, UAE	(iii)	500	Within twelve (12) months from the date of Listing.
Working capital	(iv)	3,640	Within twelve (12) months from the date of Listing.
Estimated listing expenses*	(v)	1,800	Within three (3) months from the date of Listing.
TOTAL		13,440	

Notes:-

- (i) This amount is to be utilised for the purchase of cold storage facilities and machineries. The purchase of machineries is expected to increase the annual production capacities of meat-based products, flour-based products and vegetable-based products by approximately 2,400 metric tonnes, 450 metric tonnes and 200 metric tonnes respectively. The details of the cold storage facilities and machineries are as follows:-

	Unit	RM
Cold Storage Facilities:-		
(a) Cold Storage Room (35 meters (L) x 20 meters (W) x 6 meters (H), Storage Capacity = 1,000 metric tonnes	1	800,000
(b) Freezers with storage capacity of 40kg each	1,500	2,250,000
Sub-total		3,050,000
Machineries:-		
(a) Meat Processing Machineries:-		
▪ Spiral freezer;	1	600,000
▪ Mixer & Grinder;	1	150,000
▪ Forming;	1	350,000
▪ Smoke house;	1	200,000
▪ Packaging machine; and	1	120,000
▪ Weigher and vertical pack.	1	180,000
Sub-total		1,600,000
(c) Flour-based Processing Machineries:-		
▪ Tunnel oven;	1	400,000
▪ Upgrading of rondo machine; and	1	100,000
▪ Pastry making machine.	1	300,000
Sub-total		800,000
(d) Vege-based Machineries:-		
▪ Pasta machine; and	1	300,000
▪ Packaging machine.	1	100,000
Sub-total		400,000
GRAND TOTAL		5,850,000

3. PARTICULARS OF THE IPO (CONT'D)

Following the above, the purchase of the cold storage facilities and machineries will cater for future production of our products and we expect the increase of our production capacity will contribute positively to our revenue and profit in the future.

- (ii) This amount will be utilised to fund SCB's marketing, branding and promotion expenses in order for SCB to further establish its market presence in its targeted markets locally as well as overseas. The advertisement and promotion expenses includes amongst others the products advertisement, free product samples, product display, rental of billboards, cost of television advertisement and other relevant brand promotion expenses. The advertisement and brand building expenses over the past three (3) FYE 31 May 2009 are as follows:-

FYE 31 May	2007	2008	2009
	RM'000	RM'000	RM'000
Advertisement & Promotion Expenses	1,036	1,467	1,634

The advertisement and brand building is part of our Group's efforts in increasing brand awareness and to capture a larger market share in the existing and potential markets. We expect our advertisement and brand building efforts would contribute positively to our Group's revenue in the future.

- (iii) This amount is to be utilised for the setting up of a sales office in Dubai, UAE in order to penetrate new markets in various parts of the Middle East, which will serve as a platform for our Group to penetrate into the highly potential markets for our halal products. This is expected to contribute positively to our Group's revenue in the future.
- (iv) This amount will be utilised to finance SCB's day to day operations which will include, amongst others, general expenses, payment of staff related expenses and other operating expenses and are expected to strengthen our liquidity and cash flow position.
- (v) The estimated listing expenses for the listing of and quotation for our enlarged issued and paid-up share capital on the Main Market of Bursa Securities are as follows:-

	RM
Professional fees (Includes fees for, amongst others, the Adviser, Solicitors, Reporting Accountants, Independent Valuer and Independent Market Researcher)	750,000
Regulatory fees	130,000
Underwriting commission, brokerage and placement fee	350,000
Printing and advertising fees	200,000
Issuing house fees	100,000
Miscellaneous (Other incidental or related expenses in connection with the IPO)	270,000
TOTAL	1,800,000

- * Any unutilised amount shall be used for our Group's working capital purposes.

Our Board anticipates that a further amount of approximately RM1 million will be required to fund the purchase of the cold storage facilities and machineries as highlighted under note (i) above and that this would be funded by the Company's internally generated funds.

Pending the eventual utilisation of the proceeds from the Public Issue for the above intended purposes, the funds will be placed in short-term deposit with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may deem appropriate.

There is no minimum subscription to be raised from the IPO.

The Offer for Sale will raise total gross proceeds of RM9,520,560. All the proceeds from the Offer for Sale will accrue to the Offerors and we will not receive any of the proceeds. The Offerors shall bear all expenses such as placement fee, management fee, brokerage, registration fee and share transfer fee relating to their respective portion of the Offer for Sale, the aggregate of which is estimated to be approximately RM500,000.

The proforma impact of the utilisation of proceeds on our consolidated balance sheets as at 31 May 2009 is reflected in **Section 10.1.2** of this Prospectus.

4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED HEREIN IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ARE NOT AN EXHAUSTIVE LIST OF THE CHALLENGES THAT WE CURRENTLY FACE OR THAT MAY DEVELOP IN THE FUTURE. ADDITIONAL RISKS WHETHER KNOWN OR UNKNOWN, MAY HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL PERFORMANCE OF OUR GROUP.

4.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

4.1.1 Competition and Barriers to Entry

Our Group faces competition from existing competitors and potential new market entrants. Our Group's direct competitors are mainly food processing companies in Malaysia. Currently, besides our Group, we have identified nine (9) major players in the food processing industry. The top five (5) manufacturers in the market are Ayamas Food Corporation Sdn Bhd, Dindings Poultry Processing Sdn Bhd, Farm's Best Food Industries Sdn Bhd, Ramly Food Processing Sdn Bhd and our Group.

In general, the barriers to entry into the food processing industry are relatively high, as there are attributes needed such as relatively high capital investment, established distribution channels, access to retail shelf space, high cost of marketing, compliance with stringent safety standards and strong R&D capabilities.

We believe that the competition from our Group's competitors is, to a certain extent, mitigated as we can leverage on our competitive strengths to defend our market position. We also believe that the impact of the competition from potential new entrants on our business is to a certain extent, mitigated due to the barriers to entry mentioned above.

Although we seek to continue to adopt appropriate strategies to remain competitive, there can be no assurance that competition from existing competitors and/or potential new entrants will not have a material adverse effect on our Group's performance.

As mentioned in **Section 5.10.1** of this Prospectus, our Group is looking at expanding our current operations abroad to mitigate against any dependence on the domestic market.

4.1.2 Dependence on Major Customers

Our long term relationship customers comprise amongst others, Nazri Frozen Food & Trading Sdn Bhd, The Store (Malaysia) Sdn Bhd, Salam Marketing Enterprise Sdn Bhd, Billion Shopping Centre Sdn Bhd, GCH Retail (Malaysia) Sdn Bhd, Eonsave Cash & Carry Sdn Bhd, Magnificent Daigraph (M) Sdn Bhd (Carrefour Malaysia), Bintang Hypermarket Sdn Bhd, Mydin Hypermarket Sdn Bhd and Resort World Bhd. For the FYE 31 May 2009, we do not have any major customer who contributed more than 10% to our Group's revenue. Generally, we are not significantly dependent on any of our major customers.

4. RISK FACTORS (CONT'D)

Nevertheless, no assurance can be given that the loss of any one or more of our major customers resulting from, inter alia, cessation of business relations or otherwise, would not have an adverse impact on our operating results in the future. However, in the past five (5) years, none of our major customers have ceased business relations with our Group.

4.1.3 Credit Risk

Our customers, who comprise of distributors, agents, supermarkets as well as hypermarkets, may default on their payments to us. Although we continuously monitor and review the credit risk of our customers regularly, such risks will nevertheless arise from events or circumstances that are difficult to anticipate or control, such as an economic downturn. As a result of this credit risk exposure or our customers defaulting on their payments to us, we would have to make allowances for doubtful trade receivables or incur bad debt write-offs, both of which will have an adverse impact on our profitability.

4.1.4 Dependence on Major Suppliers

Our Group has successfully established long-term relationships with both our local and overseas suppliers. For the FYE 31 May 2009, save for M.K. Overseas Pvt. Ltd., our Group does not have any other major suppliers who have contributed more than 10% of our Group's total purchases. M.K. Overseas Pvt. Ltd., who is a supplier of beef, contributed approximately 13.40% of our Group's total purchases. Nevertheless, our Group can easily source for the supply of beef from other beef suppliers if we decide to do so. As such, our Group does not depend on any single supplier for the supply of raw materials. However, there is no assurance that the absence of long-term contracts with our suppliers will not have a material adverse impact on our Group's production capacity in the future. However, in the past five (5) years, our Group's production capacity has not experienced any material adverse impact owing to the absence of long-term contracts with our suppliers.

4.1.5 No Long-term Contracts with Suppliers and Customers

Our Group does not have long-term contracts with our suppliers and our customers. Accordingly, there can be no assurance that we will continue to be able to obtain sufficient quantities of raw materials in a timely manner from our existing suppliers on acceptable terms, or that our existing customers will continue to purchase our products on terms that are acceptable to us.

However, our Group has established long-term relationships with our existing suppliers as well as having a good reputation amongst our customers, thus mitigating the risk of the absence of long-term contracts with our suppliers and customers.

4.1.6 Product Liability

Like all other food and processed food manufacturers in Malaysia, our Group is exposed to inherent risk from the liability laws in Malaysia and may face lawsuits arising from alleged food poisoning to consumers caused by any alleged defects in the products distributed by our Group. A product liability suit or action, whether or not meritorious, could result in cost and diversion of management's attention and our resources, which could have an adverse impact on our Group's business, operating results and financial conditions. In addition, a suit alleging on food poisoning, if successful, may also have adverse precedent effect on other or future actions as well as our reputation.

To mitigate such event, our Group has established a QMS in our production processes. This is evidenced by the many certifications that were awarded to us by the United Kingdom Accreditation Service ("UKAS"), *Halal* Industry Development

4. RISK FACTORS (CONT'D)

Corporation, Department of Veterinary Services Malaysia and Islamic Development Department of Malaysia. Also, our Group has sufficient product liability insurance coverage from a reputable insurer in Malaysia, in case such event occurs. Notwithstanding the above, our Group has not experienced such risk of a material nature in the past five (5) years.

4.1.7 Products or Raw Materials Deterioration

Our raw materials and products, being perishable in nature, may deteriorate due to various reasons such as malfunctioning of cold storage facilities, delivery delays or poor handling by our suppliers. This may lead to a delay in production or delivery of our products, a loss in revenue, costs incurred in the purchase of replacement raw materials and payment of compensation to our customers.

To mitigate such event, our Group has planned to acquire additional cold storage facilities. Also, our Group has sufficient product liability insurance coverage from a reputable insurer in Malaysia, in case such event occurs. Notwithstanding the above, our Group has not experienced such risk of a material nature in the past five (5) years.

4.1.8 Market Acceptance of Products

Market acceptance of the products manufactured by our Group will determine our Group's future financial performance. Intense competition or a reduction in demand for our Group's existing and future products may result in a material adverse impact on our Group's business, operating and financial conditions. However, we expect that our Group strategic business plan of developing quality, tasty and healthy products and development of a more extensive distribution channel should ensure continued acceptance and demand for our Group's products.

4.1.9 No Assurance that Future Plans will be Commercially Successful

We intend to expand our markets, as well as operations and production capacity by setting up a sales office in Dubai, UAE and by acquiring new machinery and cold storage facilities respectively. Our expansion plans involve a number of risks, including (but not limited to) costs of investments in fixed assets, costs of working capital tied up in inventories, as well as other working capital requirements.

Whilst we will strive towards achieving our future plans, there can be no assurance that our expansion plans will be commercially successful. If we are unable to execute our expansion plans successfully, our business and financial performance would be affected.

4.1.10 Laws and Regulations

The conduct of our business and the manufacture of our products at our factory are subject to applicable laws and regulations as set out in **Section 5.9.12** of this Prospectus.

Our Group will always endeavour to ensure compliance with the relevant laws and regulations. Whilst we have no record of breaching the applicable laws and regulations, any breach or non-compliance by us with the laws and regulations to which we are subject to may lead to the termination, withdrawal or suspension of some or all of our business activities or penalties being imposed on us. The occurrence of any of these events may adversely affect our business, financial condition and results of operations. However, no such breaches or non-compliance have occurred in our Group in the past five (5) years.

4. RISK FACTORS (CONT'D)

4.1.11 Foreign Exchange Risks

Our Group is exposed to foreign exchange risks on sales to foreign customers, which are billed mainly in United States Dollar ("USD") currency. Our Group's raw materials are mainly paid in RM if they are purchased locally, and mainly in USD if purchased overseas.

The risk of foreign currency exchange fluctuations is, to a certain extent, mitigated by the managed float mechanism adopted by Bank Negara Malaysia on the RM versus the USD conversion rate since the de-pegging of the RM. This may prevent any extreme fluctuations of the RM vis-à-vis USD.

However, there is no assurance that any foreign currency exchange fluctuations in the future will not adversely affect our Group's financial performance.

4.1.12 Production/Operational Risks

Our Group's production processes are susceptible to risk such as fire, flood, energy crisis and sabotage, amongst others which can impede our Group's operations and ultimately result in delay or failure to meet customers' demands.

We have taken precautionary steps to minimise the risk of fire breakouts through the installation of fire-fighting equipment. Furthermore, our Group has taken up fire and fire consequential loss insurance coverage for our factory building, machineries and equipment, which are reviewed on a yearly basis.

Furthermore, our Group is also insured against other unforeseen circumstances such as damage, robbery and theft. Although reasonable steps have been taken by our Group to ensure that all of our Group's assets are adequately covered by insurance, no assurance can be given that the insurance coverage would be comprehensive enough to reflect the replacement cost of the assets or any consequential loss our Group may suffer. Notwithstanding the above, our Group has not experienced such risk of a material nature in the past five (5) years.

4.1.13 Outbreak of Diseases

Any outbreak of diseases or widespread contamination in any of the raw materials that our Group uses in our production or food scarce in the markets in which our products are manufactured or sold may have an adverse impact on our business as it may lead to a loss in consumer confidence and reduce the demand of our products.

The outbreak of Severe Acute Respiratory Syndrome ("SARS"), the Avian Influenza (commonly known as Bird Flu) and Bovine Spongiform Encephalopathy (commonly known as Mad Cow Disease) could also have an adverse effect on business sentiments and environment, which in turn may have an adverse impact on our revenue and financial performance.

4. RISK FACTORS (CONT'D)

4.1.14 Intellectual Property Rights Disputes

We have registered trademarks, details of which are set out in **Section 5.9.13** of this Prospectus. Despite the protection of our trademark under the intellectual property laws of Malaysia, such laws may not be adequate or effectively enforced against third parties who violate our proprietary rights by illegally using our trademarks or our brand name. Policing unauthorised use of our trademarks or brand is difficult and costly, particularly in countries where the laws may not fully protect our proprietary rights. Any unauthorised use of our trademarks and brand may damage the brand, recognition and reputation of our Group. This may lead to our consumers losing confidence in our brand and products, which in turn may lead to a loss in our business and hence sales revenue. Notwithstanding the above, our Group has not experienced such risk of a material nature in the past five (5) years.

4.1.15 Borrowing Risks and Restrictive Covenants

Our total borrowings as at 31 May 2009 amounted to approximately RM32.89 million all of which are domestic borrowings and are interest-bearing. As such, any additional borrowings and/or increase in interest rates may result in an increase in interest expense and affect the profitability of our Group. There can be no assurance that the interest rates will be maintained in the future and/or that any increase in our borrowings will not have a material effect on the performance of our Group.

Our credit facilities may also be subject to periodic review by the banks or financiers and contain certain covenants which may limit our operating and financial flexibility. Any act or omission by us that breaches such covenants may give rise to rights by the banks or financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to those credit facilities. This may in turn cause a cross default of other credit facility agreements. These covenants are commonly contained in credit facility agreements in Malaysia. Our Group will endeavour to monitor the compliance with all such covenants. There can be no assurance that our performance will not be adversely affected should we breach such covenants of any of our facility agreements. Notwithstanding the above, our Group has not experienced such risk of a material nature in the past five (5) years.

4.2 RISKS RELATING TO INVESTING IN OUR ISSUE SHARES**4.2.1 No Prior Market for Our Shares and Possible Volatility of Our Share Prices**

Prior to this Public Issue, there has been no public market for our Shares. There is no assurance that upon listing an active market in our Shares will develop, or, if developed, that such a market will be sustained. The Issue Price was determined through our negotiation with OSK, as Adviser and Sole Underwriter, after taking into account various factors. See **Section 3.5** of this Prospectus on the basis for the determination of the Issue Price.

There can be no assurance that the market price of our Shares will not decline below the Issue Price. Our Group believes that a number of factors could cause our share price to fluctuate, including but not limited to sales of substantial amounts of our Shares in the public market in the immediate future, announcements of developments relating to our Group's business, fluctuations in our Group's operating results, general industry conditions or the performance of the global economy.

4. RISK FACTORS (CONT'D)

4.2.2 Trading Price and Volume of SCB Shares

The trading prices and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares. Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of the Group have no direct correlation with the performance of securities listed on Bursa Securities.

4.2.3 Ownership and Control by Our Existing Shareholders

As disclosed in **Section 7.1.1** of this Prospectus, our Promoters will directly and indirectly, own in aggregate approximately 54.18% of our enlarged issued and paid-up share capital. As a result, these shareholders, acting together will have voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our Group's shareholders, unless it is required that they abstain from voting either by law and/or by the relevant authorities.

Nevertheless, our Group will appoint independent directors to ensure that any future transactions involving related parties are entered into on arms-length terms which are not detrimental to our Group, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

4.2.4 Underwriting Risk

Up to 8,000,000 of the Issue Shares are to be underwritten by OSK as the Sole Underwriter. The underwriting commission is payable by our Group at a rate of 1.75% of the Issue Price for the Issue Shares made available for the Malaysian Public and the unsubscribed portion of the Issue Shares reserved for the Directors, eligible employees and business associates/persons who have contributed to the success of our Group. However, the agreement of the Sole Underwriter to underwrite up to 8,000,000 Issue Shares should not be taken as an indication of the merits or assurance of the value of the Issue Shares.

4.2.5 Failure or Delay in Our Listing

The success of our Listing is also exposed to the risk that it may fail or be delayed due to any of the following reasons, amongst others:-

- (i) The placees under the private placement tranche of the Public Issue fail to acquire the Issue Shares allocated to them;
- (ii) The Sole Underwriter exercising their rights pursuant to the Underwriting Agreement discharging themselves from their obligations thereunder; and/or
- (iii) We are unable to meet the public shareholding spread requirements i.e. at least 25% of the total number of our Shares for which Listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each, at the time of Listing.

4. RISK FACTORS (CONT'D)

The above risks are mitigated by the following:-

- (i) The identified investors have provided irrevocable undertakings to subscribe for their respective portion of the Issue Shares to be placed to them; and
- (ii) Our Directors and OSK, as the Adviser, will endeavour to ensure that our Group is able to meet the public spread requirements by allocating the Issue Shares applied for by the Malaysian Public to the required number of public shareholders during the balloting process. The Issue Shares allocated to the Malaysian Public are fully underwritten.

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5. INFORMATION ON OUR GROUP

5.1 HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act as a public limited company on 11 November 2008. On 2 January 2009, our Company converted to a private limited company to facilitate the restructuring of our Company's shareholdings before being converted back to a public limited company on 8 January 2009. The principal activity of our Company is investment holding. Presently, the authorised share capital of our Company is RM100,000,000 comprising of 200,000,000 SCB Shares whilst our issued and fully paid-up share capital is RM33,000,000 comprising 66,000,000 SCB Shares.

Our Company was incorporated as an investment holding company to facilitate our Listing and commenced business in December 2008. It had on 8 January 2009 entered into three (3) conditional SSAs to acquire the following:-

- (a) the entire equity interest in SCSSB;
- (b) 4.76% equity interest in PSSB; and
- (c) the entire equity interest in Nutriveg.

Upon completion of the Acquisition of Companies as stated above, our Company undertook an internal reorganisation by acquiring the remaining 95.24% of the equity interest in PSSB from SCSSB for a total purchase consideration of RM23,463,546.

The history of our Group can be traced back to 1988 when Saudi Frozen was founded and registered as a sole proprietorship by Mr. Tan Eng Teen who was the late father of TKK, our Group Managing Director. Mr. Tan Eng Teen started Saudi Frozen with limited capital and resources, operating out of a shop house located in Alor Setar, Kedah, and trading imported frozen foods such as beef, mutton, chicken, fish, vegetables, amongst other products, for the local markets.

After many years of experience in the trading of frozen foods, TKK and Encik Mohd Ariffin Bin Don recognised the market potential for burgers and nuggets and they had successfully produced the handmade burgers in 1990. The burgers were then distributed to the retailers under the brand name of "SAUDI" in Alor Setar, Kedah. In 1992, two (2) years after the successful launch of its burgers, Saudi Frozen began to manufacture handmade nuggets in order to cater for a broader customer base. When the business started to grow, Saudi Frozen acquired several manual and semi-automated production machineries to increase its production capacity.

Subsequently on 22 May 1992, SCSSB was incorporated and it took over the business and operations of Saudi Frozen in 1994. When its business continued to grow, TKK realised that a bigger production plant was needed to accommodate a growing number of larger scale advanced equipment and machineries as well as more employees for its growing business operation and activities. Hence, in 1996, SCSSB bought a piece of industrial land situated at Sungai Petani Industrial Estate in Kedah through our then holding company, WSSB. On 19 February 1997, PSSB was incorporated and it is primarily involved in the manufacturing of the wider range of processed food products such as frankfurters, meat ball and drummet followed by the two (2) existing core products, burgers and nuggets, whereas SCSSB concentrated on the sales and marketing activities of the frozen processed food products manufactured by PSSB.

In 1998, PSSB was awarded with the Certificate of Authentication of *Halal* by the Islamic Development Department of Malaysia. Such certification verified that our products comply with the *halal* requirements according to the Islamic Law for food processing operations.

5. INFORMATION ON OUR GROUP (CONT'D)

After the completion of the construction of our new office and factory at the Sungai Petani Industrial Estate, SCSSB and PSSB shifted from Alor Setar to the new factory in May 1999. The new factory was equipped with numerous advanced semi-automated machineries and equipment with bigger production capacities for the production of burgers, nuggets and other frozen processed meat-based products. During the same year, our Group had formally set up our R&D department and our subsidiary, PSSB.

Subsequently, in 2000, our Group successfully started producing frankfurters for the local market. In the same year, our subsidiary, PSSB was awarded with the Veterinary Health Mark by the Department of Veterinary Services, Ministry of Agriculture and Agro-Based Industry Malaysia due to our reliable production operations and safe processed food products. Such certification proved that our value-added processed products are in compliance with all the veterinary inspection regulations and fulfil and satisfactorily comply with the requirements of the GAP and HACCP.

In order to offer a wider product base for different market segments, our Group has also successfully manufactured and launched flour-based products such as banana cakes, *roti canai* and pita breads catered for the domestic markets in 2004. Such effort was made possible after several years of R&D activities undertaken by our R&D department. With our new products, our Group has been successful in broadening our product range to cater for a wider customer base with various tastes.

PSSB was awarded a Pioneer Status for a period of five (5) years by MITI on 19 April 2001. Under the Pioneer Status, 70% of the statutory income of PSSB is exempted from the income tax. In 2005, our Pioneer Status was extended for another five (5) years up to 31 May 2009. Furthermore, PSSB and SCSSB were granted the ISO 9001:2000 certifications by BM Trada Certification Ltd in 2005. Such certifications are endorsements of our Group's quality assurance system which is in place for the manufacturing process of our frozen processed food products and in retaining our customers due to our high quality products.

In 2007, our Group undertook a re-branding exercise whereby we adopted a new corporate logo and product packaging to complement our brand building exercise. Under this re-branding exercise, our Group has re-designed and re-launched our brand names under "SAUDI GOLD", "TOPCHOICE", "HOMECOOK" and "FARM'S GOLD".

In the early 2008, our Group started our own research in developing processed food products by using fresh vegetables, mushroom and flour as the main ingredients to manufacture vegetable-based food products. On 6 March 2008, Nutriveg was incorporated to undertake the manufacturing and trading of vegetarian food products. However, the actual commercial production of Nutriveg only commenced in December 2008.

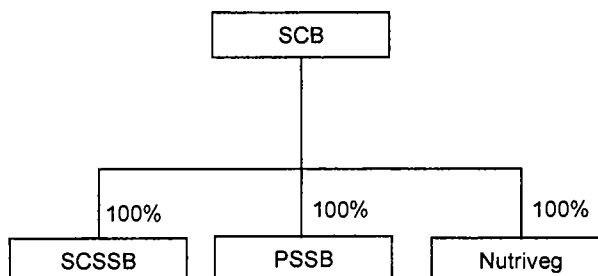
Over the past 20 years, our Group has evolved and expanded through product innovations and capacity expansion. Initially, our Group started with only a single product, namely the handmade burger in 1990 and since has expanded to more than 78 products which include not only meat-based processed food products and flour-based processed food products, but also vegetable-based processed food products which have just been introduced in December 2008. Furthermore, our Group started with only two (2) units of manual production machineries costing approximately RM50,000 for the production of burgers in 1990. Since then, our Group has expanded to a modern manufacturing plant in Sungai Petani, Kedah with total investment of over RM30 million into the land and building, plant and machineries, cold storage facilities with storage capacity of up to 3,000 metric tonnes of frozen products and a fleet of 23 refrigerated trucks for the purpose of distribution of our frozen products in an organised cold chain logistic systems aimed to preserve the quality and freshness of our frozen food products throughout Peninsular Malaysia.

5. INFORMATION ON OUR GROUP (CONT'D)

Presently, our Group, through its subsidiaries are principally involved in the following principal activities:-

Company Name	Principal Activities
SCSSB	Wholesalers and dealers of fresh and frozen foods
PSSB	Manufacturer and sale of processed poultry, beef products, frozen goods and bakery products
Nutriveg	Manufacturing and trading of vegetarian food products

As at the date of this Prospectus, the corporate structure of our Group is as follows:-



5.2 SHARE CAPITAL

As at the date of this Prospectus, we have an authorised share capital of RM100,000,000 comprising 200,000,000 SCB Shares and an issued and paid-up share capital of RM33,000,000 comprising 66,000,000 SCB Shares.

The details of the changes in our issued and paid-up share capital since incorporation until the date of this Prospectus are as follows:-

Date of Allotment	No. of shares	Consideration	Total issued and paid-up share capital (RM)
11 November 2008	4	Cash / Subscribers' Shares	2
3 September 2009	65,999,996	Shares issued pursuant to the Acquisition of Companies	33,000,000

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5. INFORMATION ON OUR GROUP (CONT'D)

5.3 SUBSIDIARIES AND ASSOCIATED COMPANIES

We are an investment holding company with three (3) subsidiaries as set out below:-

Subsidiary	Date and Place of Incorporation	Date of commencement of business	Issued and Paid-Up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
SCSSB	22.05.1992 Malaysia	1 June 1994	2,400,000	100	Wholesalers and dealers of fresh and frozen foods
PSSB	19.02.1997 Malaysia	1 June 1999	2,100,002	100	Manufacturer and sale of processed poultry, beef products, frozen goods and bakery products
Nutriveg	06.03.2008 Malaysia	15 December 2008	2	100	Manufacturing and trading of vegetarian food products

Further details on the subsidiaries of our Company are set out in **Section 5.7** of this Prospectus. As at the LPD, we do not have any other subsidiaries or associated companies.

5.4 CAPITAL EXPENDITURE AND DIVESTMENTS

Save as disclosed below, there are no other capital expenditure and divestitures (including interests in other corporations) made by our Company for the past three (3) financial years up to the date of this Prospectus:-

	FYE 2007 RM'000	FYE 2008 RM'000	FYE 2009 RM'000	1 June 2009 up to the date of this Prospectus RM'000
Expenditures				
Leasehold land and building	-	-	-	-
Capital work-in-progress	344	482	47	-
Plant and machinery	1,430	1,090	1,732	-
Motor vehicles	173	681	131	-
Others	295	361	286	-
Total expenditures	2,242	2,614	2,196	-
Divestments				
Leasehold land and building	-	774	-	-
Plant and machinery	-	-	-	-
Motor vehicles	298	12	94	-
Others	-	295	3	-
Total divestments	298	1,081	97	-

As at the date of this Prospectus, our Company does not have any capital expenditure and divestitures outside Malaysia. The above capital expenditure was financed by term loans, finance leases and internally generated funds.

5. INFORMATION ON OUR GROUP (CONT'D)

5.5 LOCATION OF OPERATIONS

Our Group's operational and administrative facility is located as follows:-

Company	Purpose	Location of Operations
SCB, SCSSB, PSSB and Nutriveg	Corporate headquarters, manufacturing plant, warehousing, logistic and sales and administration office	Plot 331, Taman Perindustrian Sungai Petani Fasa III 08000 Sungai Petani Kedah Darul Aman
SCSSB	Sales office	Lot 5-2-4 Danau Business Centre Taman Danau Desa 58100 Kuala Lumpur
SCSSB	Sales office	No. 98AB Taman Mahawangsa Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman

Apart from the above facilities, our Group has not acquired any other properties.

For further details of the leasehold land together with a factory building, please refer to **Section 5.9.17** of this Prospectus.

Our Group also maintains a correspondence office at Plot 331, Taman Perindustrian Sungai Petani, Fasa III, 08000 Sungai Petani, Kedah Darul Aman.

5.6 KEY ACHIEVEMENTS / MILESTONES / AWARDS

Our Group has received the following awards in the past:-

Year	Type of Award	Awarded by	Description
2007	Certificate of Authentication of <i>halal</i>	Islamic Development Department of Malaysia	In recognition of the compliance of the food products with the <i>halal</i> requirements according to the Islamic Law for food processing operations
2005	ISO 9001:2000 certification	BM Trada Certification Ltd	In recognition of the quality assurance system which is in place for the manufacturing process of the frozen processed food products

The key milestones achieved by our Group are as follows:-

Year	Description of Events
1988	Saudi Frozen was established as a sole proprietary to principally trade in imported frozen foods which include beef, mutton, chicken, fish and vegetable in Alor Setar, Kedah.
1990	Saudi Frozen successfully launched our first handmade burgers which was then distributed under the brand name of "SAUDI" to retailers in Alor Setar region.
1992	Saudi Frozen successfully produced our first handmade nuggets. SCSSB was incorporated on 22 May 1992, specialising in the wholesaling and dealing of fresh and frozen foods.
1994	SCSSB took over the business and operations of Saudi Frozen.
1996	WSSB, the then holding company of SCSSB, acquired a piece of 7.5 acres industrial land situated at Sungai Petani Industrial Estate in Kedah for the purpose of constructing our new factory.

5. INFORMATION ON OUR GROUP (CONT'D)

Year	Description of Events
1997	WSSB had invested RM8.2 million for the construction of our new factory and cold storage facilities. PSSB was incorporated on 19 February 1997, specialising in the manufacturing and sale of the processed poultry and beef products, frozen goods and bakery products.
1998	PSSB was awarded with the Certificate of Authentication of <i>halal</i> by Islamic Development Department of Malaysia, which was renewed in 2007.
2000	PSSB was awarded with the Certificate of QAP and HACCP System by Veterinary Health Mark by Department of Veterinary Services, Ministry of Agriculture and Agro-Based Industry Malaysia.
2001	PSSB was awarded with a Pioneer Status by MITI.
2004	PSSB began to manufacture flour-based products such as banana cake, <i>roti canai</i> and pita bread.
2005	PSSB and SCSSB were granted the ISO 9001:2000 by BM Trade Certification Ltd for the recognition of manufacturing as well as processing and distribution of frozen food products.
2007	Undertook a re-branding exercise whereby a new corporate logo and product packaging were introduced to improve our position in the <i>halal</i> market.
2008	Nutriveg was incorporated on 6 March 2008 and commenced its business in December 2008.

5.7 INFORMATION ON SUBSIDIARIES**Information on SCSSB****(a) History and Business**

SCSSB was incorporated in Malaysia on 22 May 1992 under the Act as a private limited company under its present name. SCSSB is principally involved in the wholesale and dealing of fresh and frozen foods. SCSSB commenced its operations on 1 June 1994.

(b) Share Capital

As at the LPD, the authorised and issued and paid-up share capital of SCSSB are as follows:-

	No. of shares	Par value (RM)	Amount (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	2,400,000	1.00	2,400,000

Details of the changes in the issued and paid-up share capital of SCSSB since its incorporation are as follows:-

Date of Allotment	No. of shares	Par value (RM)	Consideration	Cumulative Total (RM)
22 May 1992	4	1.00	Subscribers' shares	4
1 June 1994	199,998	1.00	Cash	200,002
1 June 1994	399,998	1.00	Conversion of amount owing to Tan Eng Teen @ Tan Ba Chik	600,000
15 September 1999	600,000	1.00	Bonus issue on the basis of 1:1	1,200,000
31 May 2000	1,200,000	1.00	Cash	2,400,000

5. INFORMATION ON OUR GROUP (CONT'D)**(c) Substantial Shareholder**

SCSSB is our wholly-owned subsidiary.

(d) Subsidiary and Associate Companies

SCSSB does not have any subsidiary or associate companies.

Information on PSSB**(a) History and Business**

PSSB was incorporated in Malaysia on 19 February 1997 under the Act as a private limited company under its present name. PSSB is principally involved in the manufacturing and sale of processed poultry, beef products, frozen goods and bakery products. PSSB commenced its operations on 1 June 1999.

(b) Share Capital

As at the LPD, the authorised and issued and paid-up share capital of PSSB are as follows:-

	No. of shares	Par value (RM)	Amount (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	2,100,002	1.00	2,100,002

Details of the changes in the issued and paid-up share capital of PSSB since its incorporation are as follows:-

Date of Allotment	No. of shares	Par value (RM)	Consideration	Cumulative Total (RM)
19 February 1997	2	1.00	Subscribers' shares	2
18 July 1999	99,998	1.00	Cash	100,000
1 February 2000	2,000,000	1.00	Settlement of amount owing to SCSSB	2,100,000
23 December 2008	2	1.00	Cash	2,100,002

(c) Substantial Shareholder

PSSB is our wholly-owned subsidiary.

(d) Subsidiary and Associate Companies

PSSB does not have any subsidiary or associate companies.

5. INFORMATION ON OUR GROUP (CONT'D)**Information on Nutriveg****(a) History and Business**

Nutriveg was incorporated in Malaysia on 6 March 2008 under the Act as a private limited company under its present name. Nutriveg is principally involved in the manufacturing and trading of vegetarian food products. Nutriveg commenced its operations on 15 December 2008.

(b) Share Capital

As at the LPD, the authorised and issued and paid-up share capital of Nutriveg are as follows:-

	No. of shares	Par value (RM)	Amount (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	2	1.00	2

There has been no change in the issued and paid-up share capital of Nutriveg since its date of incorporation.

(c) Substantial Shareholder

Nutriveg is our wholly-owned subsidiary.

(d) Subsidiary and Associate Companies

Nutriveg does not have any subsidiary or associate companies.

5.8 INFORMATION ON THE LISTING SCHEME

In conjunction with, and as an integral part of our listing of and quotation for the entire issued and paid-up share capital of our Company on the Main Market of Bursa Securities, the details of our Listing Scheme are as follows:-

5.8.1 Acquisition of Land and Building

In conjunction with the Listing, PSSB had, on 2 January 2009 entered into a conditional SPA with WSSB for the acquisition of a lease of 99 years leasehold land known as Lot PT No. 30508, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah held under HSD 52055 granted by Perbadanan Kemajuan Negeri Kedah to WSSB under presentation no. 14482/1996, Jil 12 Fol. 63 for a period of sixty years from 30 October 1996 until 29 October 2056 together with a factory building erected on thereon bearing assessment address of Plot 331, Jalan PKNK 3/7, Kawasan Perusahaan Sungai Petani, Fasa 3, 08000 Sungai Petani, Kedah for a purchase consideration of RM12,000,000 which was satisfied partly in cash and partly via the settlement of the amount owed to PSSB by WSSB. The Acquisition of Land and Building was completed on 2 September 2009.

The payment details are as follows:-

Details	RM
Settlement of the amount owing to PSSB by WSSB	10,773,746
Cash paid by PSSB to WSSB	1,226,254
TOTAL	12,000,000

5. INFORMATION ON OUR GROUP (CONT'D)

5.8.2 Acquisition of Companies

In conjunction with the Listing, our Company had, on 8 January 2009 entered into three (3) conditional SSAs which are as follows:-

- (a) the SSA between our Company, WSSB and TKK for the purchase of the entire equity interest in SCSSB for a total purchase consideration of RM31,936,446, which was satisfied by the issuance of 63,654,622 SCB Shares;
- (b) the SSA between our Company, TKK, LAC, Ng Wai Mei and Tinakaran A/L Kuppusamy for the purchase of 4.76% equity interest in PSSB comprising 100,002 ordinary shares of RM1.00 each for a total purchase consideration of RM1,172,685, which was satisfied by the issuance of 2,345,370 SCB Shares to TKK and LAC and by way of cash of RM1.00 each to Ng Wai Mei and Tinakaran A/L Kuppusamy; and
- (c) the SSA between our Company, TKK and LAC for the purchase of the entire equity interest in Nutriveg for a total purchase consideration of RM2, which was satisfied by the issuance of four (4) SCB Shares.

The Acquisition of Companies was completed on 3 September 2009.

Upon completion of the Acquisition of Companies, our Company undertook an internal group reorganisation whereby our Company acquired the 95.24% equity interest in PSSB from SCSSB for a total purchase consideration of RM23,463,546, which was reflected as an amount owing by our Company to SCSSB in our Company's books.

Following the above, the issued and paid-up share capital of our Company has increased from RM2.00 comprising four (4) SCB Shares to RM33,000,000 comprising 66,000,000 SCB Shares.

Acquisition of SCSSB

Vendors	Interest held in SCSSB as at 2 September 2009		New SCB Shares issued pursuant to the Acquisition of SCSSB	
	No. of ordinary shares of RM1.00 each	%	Consideration Shares	Purchase Consideration RM
TKK	1,200,000	50.00	31,827,311	15,968,223
WSSB	1,200,000	50.00	31,827,311	15,968,223
Total	2,400,000	100.0	63,654,622	31,936,446

The purchase consideration of RM31,936,446 for the Acquisition of SCSSB was arrived at based on a willing-buyer willing-seller basis after taking into consideration the audited NTA of the SCSSB Group for the FYE 31 May 2008 of RM33,532,598.

The abovesaid issued and paid-up share capital of SCSSB was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of SCSSB.

5. INFORMATION ON OUR GROUP (CONT'D)

Acquisition of PSSB

Vendors	Interest held in PSSB as at 2 September 2009		New SCB Shares issued pursuant to the Acquisition of PSSB	
	No. of ordinary shares of RM1.00 each	%	Consideration Shares II	Purchase Consideration RM
TKK	90,000	4.29	2,108,862	1,054,429
LAC	10,000	0.47	236,508	118,254
Ng Wai Mei	1	*	-	1
Tinagaran A/L Kuppusamy	1	*	-	1
Total	100,002	4.76	2,345,370	1,172,685

Notes:-

* *Negligible.*

The purchase consideration of RM1,172,685 for the Acquisition of PSSB was arrived at based on a willing-buyer willing-seller basis after taking into consideration the audited NTA of PSSB for the FYE 31 May 2008 of RM24,636,231.

The abovesaid issued and paid-up share capital of PSSB was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of PSSB.

Acquisition of Nutriveg

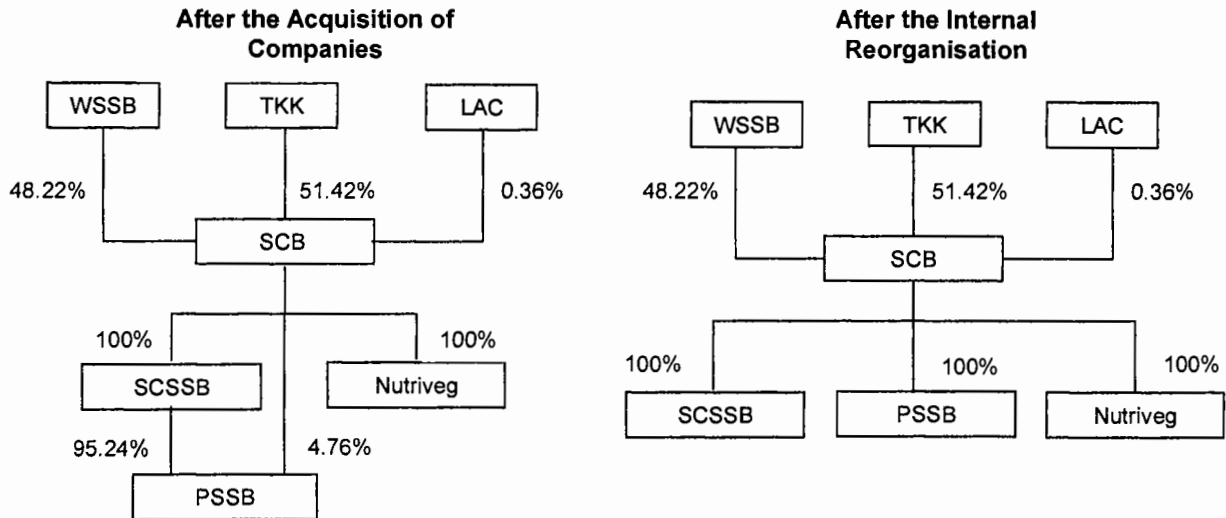
Vendors	Interest held in Nutriveg as at 2 September 2009		New SCB Shares issued pursuant to the Acquisition of Nutriveg	
	No. of ordinary shares of RM1.00 each	%	Consideration Shares III	Purchase Consideration RM
TKK	1	50.00	2	1
LAC	1	50.00	2	1
Total	2	100.00	4	2

In view that Nutriveg was incorporated on 6 March 2008 and the actual commercial production of Nutriveg has only commenced in December 2008, the purchase consideration of RM2.00 for the Acquisition of Nutriveg was arrived at based on a willing-buyer willing-seller basis after taking into consideration the nominal value of the total issued and fully paid-up share capital of Nutriveg for the FPE 30 November 2008 of RM2.00.

The abovesaid issued and paid-up share capital of Nutriveg was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlement attaching thereto from the date of completion of the Acquisition of Nutriveg.

5. INFORMATION ON OUR GROUP (CONT'D)

Upon completion of the Acquisition of Companies, our Company undertook an internal group reorganisation whereby our Company acquired the 95.24% equity interest in PSSB from SCSSB for a total purchase consideration of RM23,463,546. Upon completion of the internal group reorganisation, the group structure of our Company is as follows:-



5.8.3 Offer for Sale

Upon completion of the Acquisition of Companies and in conjunction with the Listing, 17,001,000 SCB Shares representing approximately 18.89% of the enlarged issued and paid-up share capital of our Company will be offered to investors at an offer price of RM0.56 per SCB Shares in the following manner:-

(i) **Bumiputera investors approved by MITI**

11,250,000 Offer Shares, representing approximately 12.50% of the enlarged issued and paid-up share capital of SCB will be offered to Bumiputera investors approved by MITI; and

(ii) **Identified investors**

5,751,000 Offer Shares, representing approximately 6.39% of the enlarged issued and paid-up share capital of SCB will be offered to identified investors.

Pursuant to the Offer for Sale, the Offerors are expected to raise RM9,520,560 based on the offer price of RM0.56 per SCB Share.

5. INFORMATION ON OUR GROUP (CONT'D)**5.8.4 Public Issue**

In conjunction with the Listing, our Company proposes to undertake a public issue of 24,000,000 new SCB Shares, representing approximately 26.67% of the enlarged issued and paid-up share capital of our Company, at an issue price of RM0.56 per SCB Share to be allocated in the following manner:-

- (a) 6,000,000 SCB Shares, representing approximately 6.67% of the enlarged issued and paid-up share capital of our Company made available for application by the Malaysian public, companies, societies, co-operatives and institutions;
- (b) 16,000,000 SCB Shares, representing approximately 17.78% of the enlarged issued and paid-up share capital of our Company, by way of private placement to identified investors; and
- (c) 2,000,000 SCB Shares, representing approximately 2.22% of the enlarged issued and paid-up share capital of our Company made available for application by the eligible directors, employees and business associates/persons who have contributed to the success of our Group.

Upon completion of the Public Issue, the issued and paid-up share capital of our Company will be as follows:-

	No. of Shares	RM
Issued and paid-up share capital upon completion of the Acquisition of Companies	66,000,000	33,000,000
Issuance of new Shares pursuant to the Public Issue	24,000,000	12,000,000
Enlarged issued and paid-up share capital	90,000,000	45,000,000

All the Issue Shares and Offer Shares shall rank *pari passu* in all respects with the existing issued and paid-up shares of our Company, including the voting rights and rights to all dividends and distributions that may be declared, made or paid subsequent to the date of the allotment thereof.

5.8.5 Listing

Upon completion of the Public Issue, we will apply to Bursa Securities for the admission of our Company to the Official List of Bursa Securities and for the listing of and quotation for our entire issued and paid-up share capital of RM45,000,000 comprising of 90,000,000 SCB Shares on the Main Market of Bursa Securities.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.9 BUSINESS OVERVIEW**5.9.1 Our Principal Activities**

Our Group is principally engaged in the manufacturing of frozen processed food products and the trading and distribution of fresh and frozen processed food products. The details of the activities carried out by our Group are as follows:-

(a) Manufacturing of frozen processed food products

Our Group's manufacturing activities primarily involve the manufacturing of three (3) broad categories of frozen processed food products, namely meat-based products which encompass chicken, beef and rabbit meat, flour-based products which include pastry and cake and vegetable-based products. Our Group's manufacturing activities are carried out by PSSB and Nutriveg. All of our manufactured food products are then marketed by SCSSB under our own brand names such as "SAUDI GOLD", "TOPCHOICE", "FARM'S GOLD" and "HOMECOOK" for meat-based food products whilst our flour-based food products are promoted under the brand names of "SAUDI GOLD" and "DELI-DELI". Our vegetable-based products are marketed under the brand name of "NUTRIVEG".

(b) Trading and distribution of fresh and frozen processed food products

Our Group's trading activities primarily involve the trading and distribution of the frozen processed food products manufactured by PSSB and Nutriveg to a broad base of customers through various distribution channels such as hypermarkets, supermarkets, convenience stores as well as regional grocery shops throughout Malaysia. Our trading activities also include the trading and distribution of third party goods which comprise largely imported frozen beef and other imported frozen food products such as vegetable-based products and other fresh and frozen products such as french fries and potato chips which are packed and marketed under our "SAUDI" brand. Trading of imported beef arises from the excess quantity of beef which was initially intended for our production purposes. Our Group usually purchases the imported beef by the container load with minimum order quantity ("MOQ") set by our overseas suppliers. As such, any excesses of imported beef for our production purposes are sold to third parties for additional revenue to our Group.

5.9.2 Our Principal Products

Our Group's principal products can be categorised into three (3) categories, the details of which are as follows:-

(a) Frozen processed meat-based products

Due to the changes in demographics and busy lifestyles, the demand for processed meat-based products is increasing. Processed meat-based products are convenient and easy to prepare and it can be immediately served as main dishes or snacks at anytime. The types of frozen processed meat-based products manufactured by our Group include burger, drummet, meat ball, minced meat, nugget, scallop, frankfurter and cocktail sausages. Our frozen processed meat-based products, which are categorised as convenience foods, are packed in different sizes with different packaging designs and distributed under our own brand names such as "SAUDI GOLD", "TOPCHOICE", "FARM'S GOLD" and "HOMECOOK".

5. INFORMATION ON OUR GROUP (CONT'D)

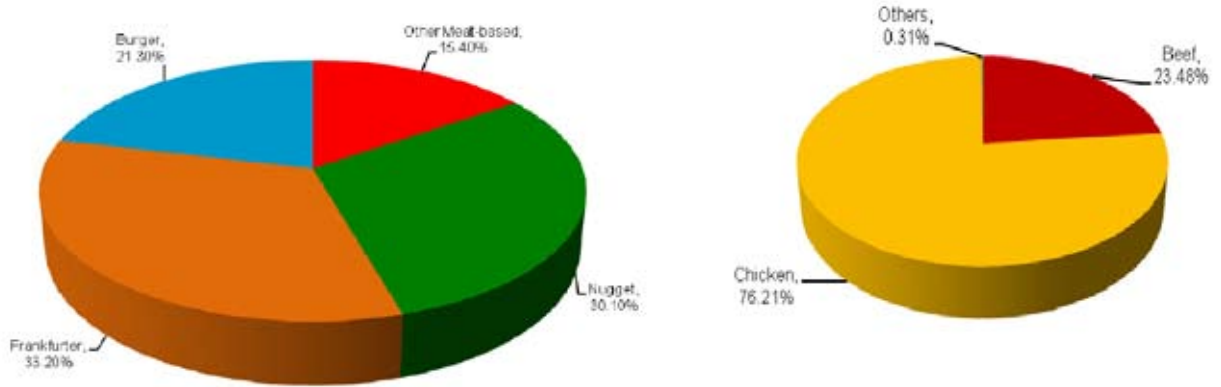
Our frozen processed meat-based products are specifically made for take-home consumption as well as for those in the food services industry such as hawkers, restaurants, school canteens, hospital cafeterias and catering operators. Our frozen processed meat-based products are prepared using several cooking methods such as deep-fry, steam and grill. The various frozen processed meat-based products produced by our Group are as follows:-

Product Types	Range of Products
Frankfurter/Cocktail Sausages	Chicken frankfurter Honey chicken frankfurter Cheesy chicken frankfurter Chicken breakfast frankfurter Footlong frankfurter Chicken frankfurter Beef frankfurter Rabbit frankfurter
Nugget/Scallop	Chicken nugget Chickorn (Chicken nugget with corn) Premium chicken nugget with cheese and pepperoni Chicken scallop Swiss scallop
Burger	Chicken burger Chicken patties Beef burger Beef patties Fried beef burger
Meat ball	Unbreaded/ breaded chicken meatball Unbreaded/ breaded beef meatball
Drummet	Chicken drummet Hot & spicy fried chicken
Minced meat	Minced chicken Minced beef

Our frozen processed meat-based products are mostly made up of beef and chicken. For the FYE 31 May 2009, the sales of chicken-based, beef-based and other meat-based products contribute approximately 76.21%, 23.48% and 0.31% respectively of our Group's total revenue derived from the sales of frozen processed meat-based products.

Furthermore, as depicted below, our major meat-based products are categorised into frankfurter, nugget, burger, meat ball, drummet and minced meat. Amongst the key products, frankfurter, nugget and burger achieved the highest sales contribution over the total revenue for the processed meat-based products of 33.2%, 30.1% and 21.3% respectively. Other meat-based products such as meat ball, drummet, minced meat and rabbit meat contributed the remaining balance of 15.4% of the total revenue for the processed meat-based products.

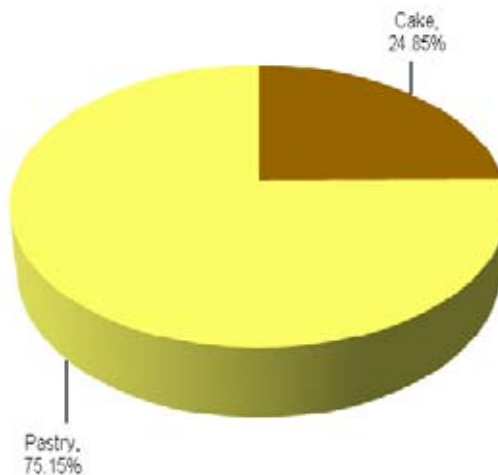
5. INFORMATION ON OUR GROUP (CONT'D)



(b) Frozen processed flour-based products

Our Group also manufactures and distributes frozen processed flour-based products which include pastry products and cakes. Our Group's processed flour-based products include wholesome pita breads, *roti canai*, pizza as well as banana cake. Our range of flour-based products are distributed in the market under the brand names of "SAUDI GOLD" and "DELI-DELI".

As depicted below, for the FYE 31 May 2009, our Group's flour-based products contributed approximately 0.83% to the total revenue. Pastry products such as *roti canai* and *roti pita* contributed 75.15% to the total revenue of flour-based products while the remaining balance of 24.85% was contributed by cake such as banana cake and fruitcake.



5. INFORMATION ON OUR GROUP (CONT'D)**(c) Frozen processed vegetable-based products**

In recent times, people have grown to be more health-conscious and they choose to consume more vegetable-based products in their daily diets. In order to provide more choices to our customers, our Group has started to undertake research in developing and producing frozen processed vegetable-based products. Our frozen processed vegetable-based products comprise vegetable-based and mushroom-based products which will be distributed under the brand name of "NUTRIVEG". Our Group's commercial production of the frozen processed vegetable-based products commenced in December 2008 with the first product called Texturized Vegetable Protein ("TVP"). TVP is a type of soya-based ingredient used for in-house production for new end products with lower meat content. As at to date, the new end products with TVP content are still subject to further tests and refinements especially in relation to its stability as an ingredient. Upon the commercialisation of these new end products with TVP content, we expect the sales of these products to contribute positively to our Group's performance in the FYE 31 May 2010 onwards.

5.9.3 Our Principal Markets

Presently, our Group's products are principally distributed locally.

5.9.4 Seasonality

Due to the nature of our products which are food consumed, the demand for our Group's products has been consistent throughout the year. Furthermore, the consumption of convenience food products is on the rise. Thus there is no seasonality in the demand for our Group's products.

5.9.5 Our Competitive Strengths

Our competitive strengths are as follows:-

(a) Established Track Record

We place priority in establishing a good rapport and long term strategic relationship by providing high quality and innovative processed food products at competitive prices to our customers. This is evidenced by the demand for our products from all major retail chains, hypermarkets, supermarkets and so forth. Our list of long standing customers has increased steadily over the years. Among our long term customers are Nazri Frozen Food & Trading Sdn Bhd, The Store (Malaysia) Sdn Bhd, Salam Marketing Enterprise Sdn Bhd, Billion Shopping Centre Sdn Bhd, GCH Retail (Malaysia) Sdn Bhd, Econsave Cash & Carry Sdn Bhd, Magnificent Daigraph (M) Sdn Bhd (Carrefour Malaysia), Bintang Hypermarket Sdn Bhd, Mydin Hypermarket Sdn Bhd and Resort World Berhad with relationships ranging from four (4) to ten (10) years.

We have also continuously strived to surpass the expectations of our customers, by paying close attention to their feedback and by working in tandem with their requirements to improve on our product quality and to create more innovative processed food-related products. This is achieved by employing an effective business model.

5. INFORMATION ON OUR GROUP (CONT'D)**(b) Experienced Management Team**

Our Group is managed by a team of professionals with wide experience in the *halal* food manufacturing industry. TKK, our Group Managing Director and Encik Mohd Ariffin Bin Don, our Chief Operating Officer, have more than 30 years and 20 years experience respectively in the design, development, manufacturing, marketing and distribution of frozen processed meat-based, flour-based and vegetable-based products for the *halal* food industry. Most of the key personnel employed are chefs and food specialists with management qualification, thus creating a strong technical foundation and hands-on culture throughout our Group. We have the necessary experience, knowledge and network and shall endeavour to deliver high quality products and services to our customers.

(c) Diversified Range of Products

Currently, we manufacture and distribute a diversified range of products, comprising of frozen processed meat-based, flour-based and vegetable-based products for the local *halal* food industry. Our diverse range of products would minimise any impact to our Group's revenue from a decline in demand in a particular product segment. Furthermore, with a diversified range of products, we are also able to achieve economies of scale. Through our four (4) well-known brands, we have managed to market up to 79 products as at the LPD. In our continuous product development plan, we will continue to develop more new and innovative processed food products to achieve a larger customer base.

(d) Extensive Network of Customers and End-Consumers

We have successfully established an extensive distribution network comprising retailers, wholesalers and importers throughout Malaysia and overseas who resell our products to retail chains, hypermarkets, supermarkets, school canteens, hawker and fast-food restaurants. By securing a large distribution network, we are able to offer our products to a larger end-consumer base which provides us with steady revenue stream from the sales of our products.

(e) Strong R&D Capabilities

Our main advantage in the processed food manufacturing business lies in our R&D capabilities to improve the quality of our Group's products, to develop new, innovative and diversified processed food products to cater for existing and potential market segments and to improve cost efficiency. Our R&D efforts have helped us to sustain our growth and future expansion in the competitive processed food manufacturing industry. Our R&D team is working towards the direction which is parallel to the current and future food market trends and demands. Our Group employs professionals with vast technical and practical experience in the processed food manufacturing industry to achieve our R&D objectives. Through our dedication, we are capable to invent and develop between ten (10) to twelve (12) new food products for production and trading annually.

5. INFORMATION ON OUR GROUP (CONT'D)

(f) Recognised Product Branding

With over 20 years of experience in the processed food manufacturing industry, we have established a reputable corporate brand in the food retail markets and have successfully positioned ourselves as a reliable *halal* food manufacturer in Malaysia. Our products are marketed under our self-established brand names, such as "SAUDI GOLD", "SAUDI GOLD TOPCHOICE", "DELI-DELI", "HOMECOOK", "FARM'S GOLD" and "NUTRIVEG". Presently, our products are well-accepted and can be found in most major retail chains, hypermarkets and supermarkets across Malaysia. Through our strategic marketing plan, we will continue to build our brands in the local market as well as in the international markets.

5.9.6 Types, Sources and Availability of Raw Materials/Input

In the daily production operations of our frozen processed food products, the principal raw materials used encompass frozen chicken meat, frozen beef, isolated soy protein, textured vegetable protein ("TVP"), shortening, whey powder, breadcrumb, cellulose casings and packaging materials. All the necessary raw materials are sourced from both local and overseas suppliers.

Our Group insists on using good quality raw materials in order to produce quality frozen processed food products for our customers. Hence, prior to the final purchasing negotiation with our suppliers, they are requested to provide the raw materials' samples for us so that our laboratorians such as food technologists and biochemists are able to determine the quality of the raw materials through the laboratory tests.

The breakdown of the availability of the major raw materials used in our production operations are as follows:-

Raw Material	Country of origin
Frozen chicken meat	Malaysia / China
Frozen beef	India / Australia / New Zealand
Isolated soy protein	USA / China
TVP	Thailand
Shortening	Malaysia
Whey powder	Malaysia
Breadcrumb	Malaysia
Packaging materials	Malaysia
Cellulose casing	Europe

The prices of raw materials used by our Company are fairly stable as at to date.

In order to receive consistent supply of raw materials for a smooth production process, it is essential for our Group to develop a close relationship with both the local and overseas suppliers for continuous availability and timely delivery of the raw materials of four (4) to six (6) months. Besides, our Group also takes the effort to ensure that the stocks of raw materials are sufficient at all times to prevent any delay or disruption in the production process. To ensure this, our storekeeper is responsible for monitoring the sufficiency of the raw materials and in the case of shortage, to notify the purchasing department for the immediate replenishment of the raw materials.

5. INFORMATION ON OUR GROUP (CONT'D)

5.9.7 Technology Used or To Be Used

Our Group uses various technological-advanced and automated machines and equipment in the processing and manufacturing of our products. As at the FYE 31 May 2009, our Group has invested approximately RM24.7 million in machineries, equipment, cold storage and refrigerated trucks and other auxiliary equipment and accessories for our production operations since the commencement of our manufacturing operations in 1990.

Our Group's machineries and equipment are principally utilised for the production, packaging and the cold storage of our frozen processed meat-based and flour-based products. Our Group's major machineries and equipment encompass forming machine, meat break machine, further processing equipment, bowl cutter, bandsaw, minced meat machine, mixer, packaging machine, plastic sealing machine, cooling system, freezer, oven, compressor and refrigerated trucks.

Maintenance work on all machineries and equipment are undertaken regularly by our experienced maintenance team to ensure that all machineries and equipment are functioning efficiently at all times. This further ensures a smooth and uninterrupted production flow is maintained.

5.9.8 Production / Operating Capacities and Output

Generally, the production processes of our meat-based and flour-based products are carried out by our Group everyday. For the production of frozen processed meat-based products, the daily tasks in the respective production operation involve several processes which include cutting and flaking, mixing and grinding, forming, pre-dusting, battering, breading as well as cooking. For the FYE 31 May 2009, our meat-based production operations achieved an actual production output of approximately 8,116 tonnes out of a maximum production capacity of approximately 11,500 tonnes, representing an utilisation of approximately 70.6% of the production capacity of the frozen processed meat-based products.

The production operations of flour-based products involve processes such as weighing, mixing, moulding and baking. For the FYE 31 May 2009, the production operation of flour-based products achieved an actual production output of approximately 144 tonnes out of a maximum production capacity of approximately 400 tonnes, representing an utilisation of approximately 36.0% of the production capacity of the flour-based products.

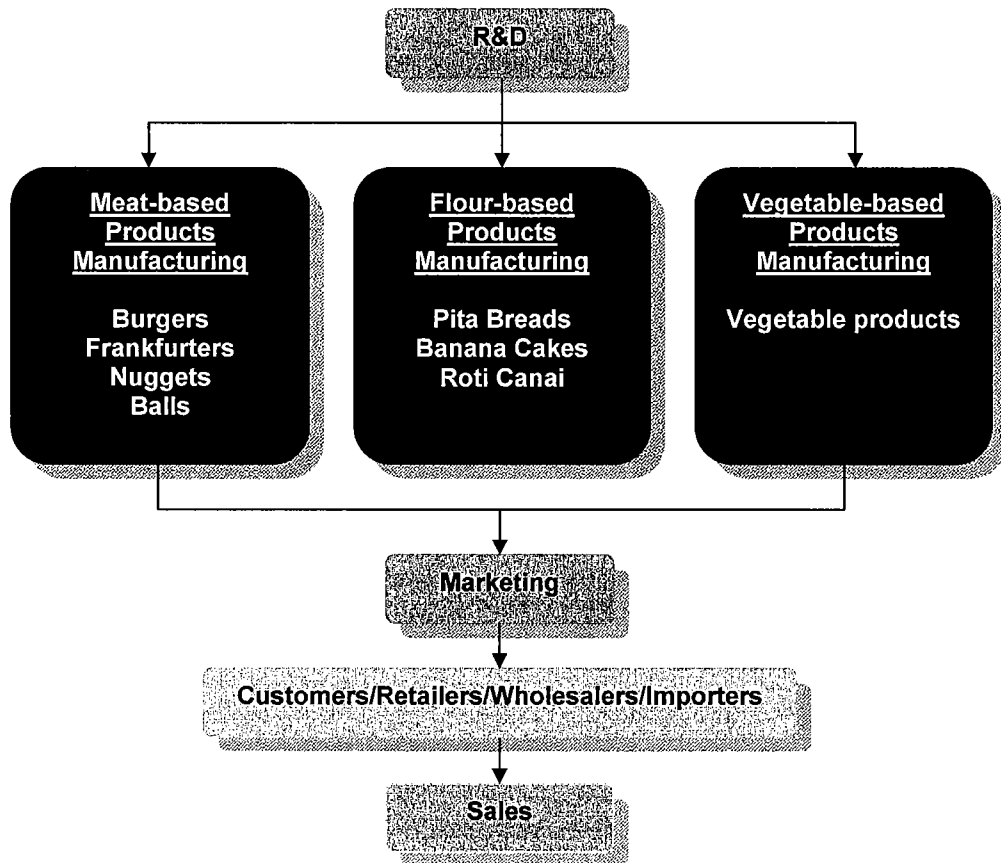
Typically, our Group's production processes consist of one (1) shift with a daily operational length of between eight (8) to ten (10) hours for both the meat-based and flour-based products.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.9.9 Process Flow of the Business Operations of Our Group

The overall process flow of the business operations of our Group are depicted as follows:-



(a) R&D

Our Group has an in-house R&D department equipped with experienced staff and advanced machineries and equipment. At the foremost stage, our R&D team is responsible for inventing and developing new products. A committee meeting will be held amongst our R&D team and marketing team together with our Group Managing Director and other key management personnel to discuss and validate the new suggestions proposed by our R&D team. Currently, our R&D department concentrates principally on the development and extension of flavour, nutritious content, freezing conditions and the level of convenience in consuming our existing frozen processed meat-based and flour-based products. As an example, our R&D team intends to produce retort sausages which are a type of convenient food especially appropriate for travellers and campers as it can be kept under normal room temperature for up to one (1) year.

(b) Marketing

After new product ideas have been substantiated, our food technologists and biochemists from our R&D department will carry out experiments on the new products, whilst our marketing department will begin their work in designing the aesthetic aspects of packaging as well as the design of the product label, themes, summary details and pictures for the new products.

5. INFORMATION ON OUR GROUP (CONT'D)

Prior to the official launching of our new products, our Group will organise a public testing of our new product. Our marketing team is responsible for screening and inviting a particular group of customers such as housewives, students, youngsters and hawkers to attend our public testing activity. Subsequently, our Group Managing Director and key management representatives will decide which type of new products to commence commercial production through the evaluation of comments and feedback gathered from the attendees of the public testing activity.

Once the list of new products has been confirmed and product registration has been made and approved by relevant authorities, our marketing team will then begin to introduce and promote our new products to our agents, distributors and customers.

(c) Customers/Retailers/Wholesalers/Importers

In order to reach an extensive customer base, our Group has contractually appointed agents and distributors to supply our products to our customers both in the local and overseas markets. Prior to receiving the sales orders from our customers, our Group will provide and deliver the new product samples to our customers for trial purposes. In addition, our Group will establish promotional booths in hypermarkets and supermarkets where our promoters will present our new products to shoppers and encourage them to try our new products.

(d) Sales Orders

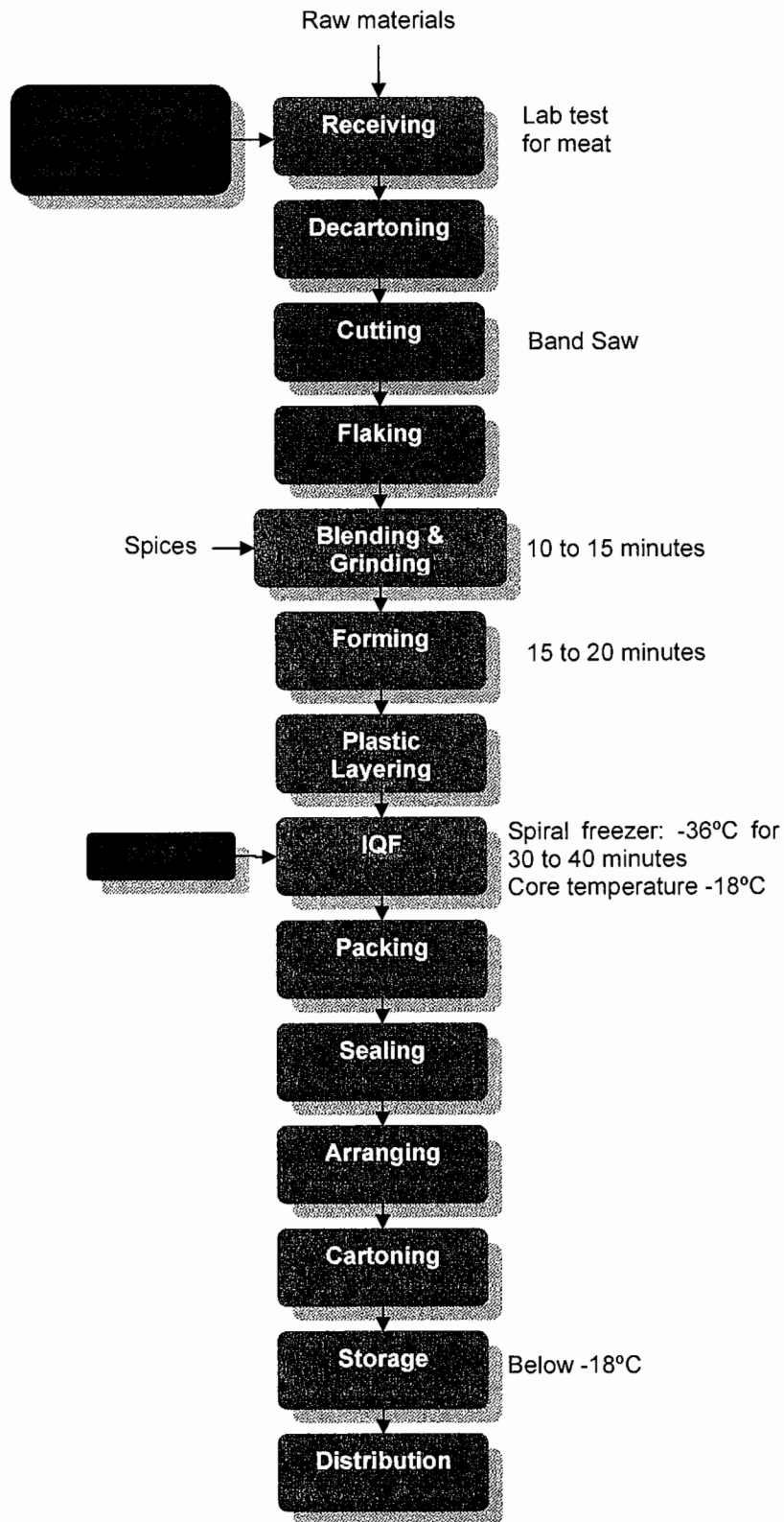
Our sales team will collect sales orders from our local customers, distributors as well as agents and hand over the orders to our production department before the cartoning process and shipments of the finished products take place.

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5. INFORMATION ON OUR GROUP (CONT'D)

Detailed Production Processes by Product Types

(i) Frozen Burgers



5. INFORMATION ON OUR GROUP (CONT'D)

Receiving and Decartoning

Raw materials which include frozen beef and beef fat and chicken meat are delivered to our manufacturing plant from the suppliers' warehouse. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

Cutting and Flaking

After the decartoning process, beef and beef fat are cut into small pieces by using a band saw. In order to further reduce the size, the raw materials are then transferred to the flaker or flaking machines for flaking process. Once the raw materials are flaked into smaller sizes, they can be blended and grinded evenly with spices and other ingredients.

Blending and Grinding

In the blending process, the raw materials are blended with our in-house mixed spices and other ingredients for approximately 10 to 15 minutes. Subsequently, the grinding process will be carried out in order to mix the raw materials with all the ingredients more evenly.

Forming and Plastic Layering

The forming process is a process which involves the shaping of the burger, whereas the plastic layering process separates the burgers apart by inserting plastic sheets between the burgers. After the raw materials are well-mixed with the spices and ingredients, the mixture is poured into the forming machine for further processing for approximately 15 to 20 minutes. The pressure of the forming machine is set at approximately 45 to 50 bars and the speed is adjusted to approximately 30 to 55 strokes per minute. The burgers are then inspected by our quality assurance system to ensure that the shape and colour of the burgers have met our quality control specifications.

In-line Quick Freezing ("IQF")

IQF is a process which involves the freezing of the burgers. After the forming and layering process, the burgers are then frozen using the spiral freezer at a temperature of minus 36 degree Celsius ("°C") for a duration of 30 minutes. After 30 minutes of storage in the spiral freezer, the burgers will become solid with a core temperature of minus 18°C. The low and rapid change of temperature will improve the quality of the burgers as well as prolong its shelf life.

Packing and Sealing

Prior to arranging and cartoning of the frozen burgers, our production staff will pack the frozen burgers into various-sized plastic packages which are properly sealed in order to prevent the burgers from freezer-burn during storage. Each of the plastic packages has a unique barcode for easy identification.

5. INFORMATION ON OUR GROUP (CONT'D)

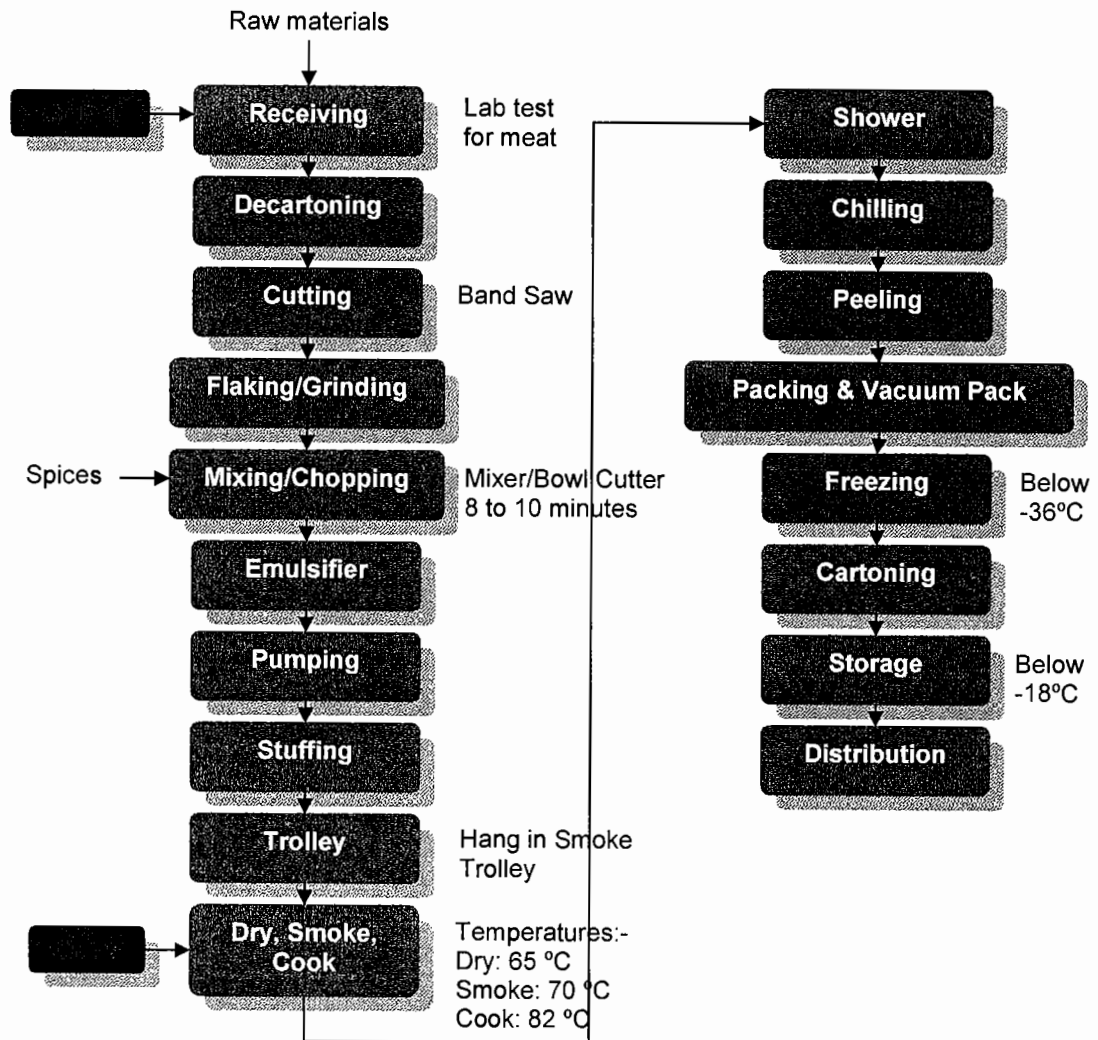
Arranging, Cartoning, Storage and Distribution

Our packaged and sealed frozen burgers are then arranged into cartons. Each carton is tagged with a corresponding "batch" number for easy tracking and identification. Cartons which are ready are then stored in the freezer rooms at our warehouse at a temperature of below minus 18°C to preserve the quality of the burgers before distribution. Finally, the frozen burgers are distributed from our warehouse using our fleet of freezer trucks according to the sales orders received from our local and overseas customers, distributors as well as agents.

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5. INFORMATION ON OUR GROUP (CONT'D)

(ii) Frozen Frankfurters



Receiving and Decartoning

Raw materials which include beef, chicken and rabbit meat are delivered to our manufacturing plant from the suppliers' warehouse. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

Cutting and Flaking

After the decartoning process, the raw materials are cut into small pieces by using a band saw. In order to further reduce the size, the raw materials are then transferred to the flaker or flaking machines for flaking process. Once the raw materials are flaked into smaller sizes, they can be blended and grinded evenly with spices and other ingredients.

5. INFORMATION ON OUR GROUP (CONT'D)

Mixing, Chopping and Emulsifying

The mixing process is a process which involves the mixing of the raw materials with spices and other ingredients. The duration of the mixing process takes approximately 8 to 10 minutes. Once the mixing process is completed, our production staff will transfer the mixture into a micro cutter or bowl cutter to process the mixture into an emulsion. The emulsion will become a homogeneous paste-like mixture which can be easily stuffed into the cellulose casings.

Pumping, Stuffing and Trolley

The emulsion is then pumped to the stuffing machine. Through the stuffing machine, the emulsion is filled into cellulose casings to form frankfurters, which are then hung on to a smoke trolley.

Smoke Air, Shower and Chilling

From the smoke trolley, the frankfurters are then transferred to the smoke house. The frankfurters are left to dry in the smoke house at the temperature of 65°C for 20 minutes. This is subsequently followed by the smoking process for 30 minutes at the temperature of 70°C and the cooking process between the temperature of 78°C to 82°C for 35 minutes. After the cooking process, the frankfurters are showered and chilled with water as cold as 2°C.

Peeling, Packing and Vacuum and Freezing

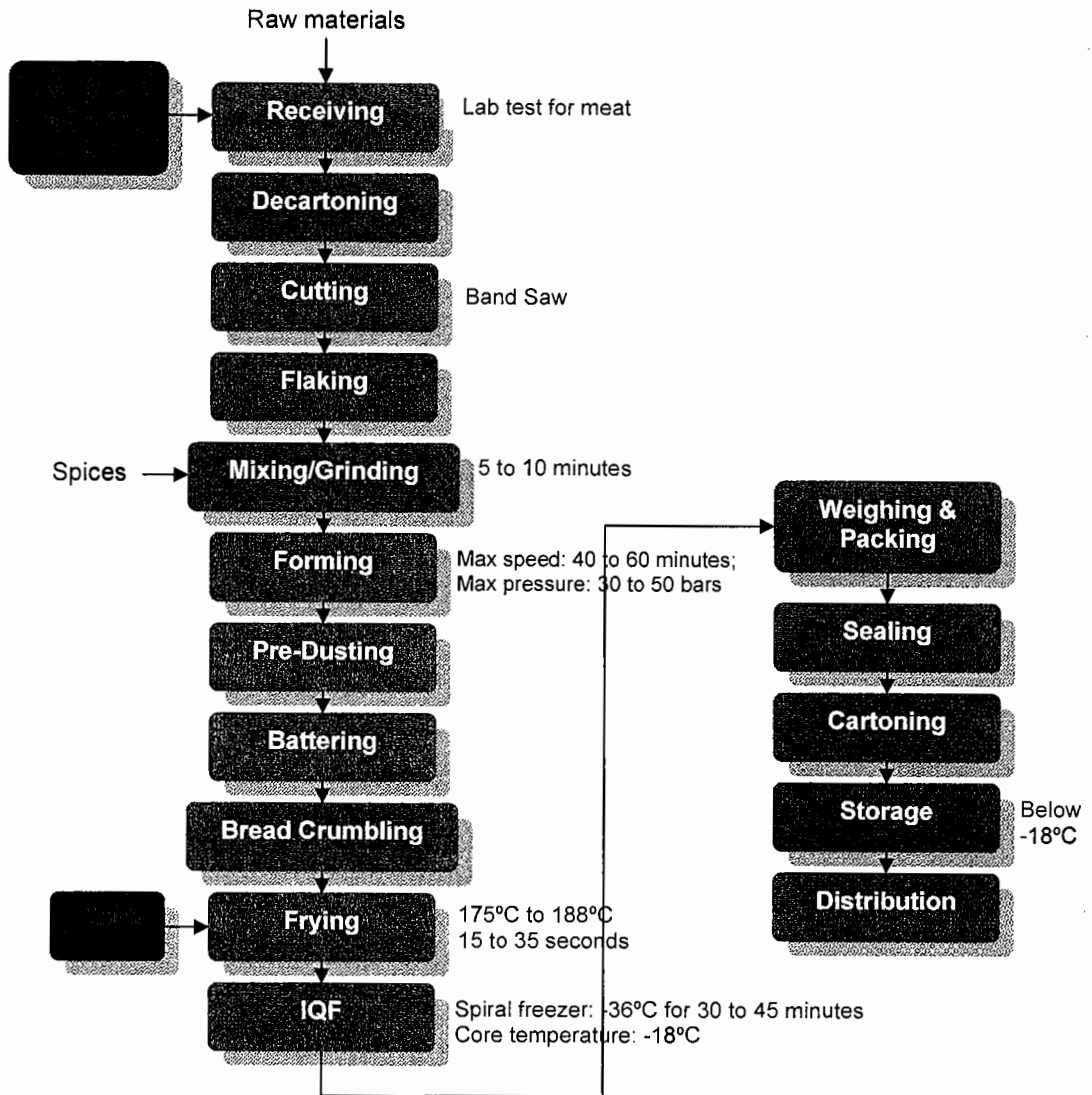
The peeling process involves the removal of the cellulose casings from the frankfurters. As the frankfurters are immersed in chilled water, the peeling process becomes easier and less time consuming. At this stage, the smoked frankfurters are inspected by our quality control system to ensure that the shape, colour and the surface of the smoked frankfurters have met our quality control requirements. After the peeling process, the smoked frankfurters are vacuum-packed in order to preserve its freshness. Subsequently, the smoked frankfurters are blast frozen at the temperature of below minus 36°C prior to the cartoning process.

Cartoning, Storage and Distribution

The vacuum-packed smoked frankfurters are then arranged into cartons and stored in the freezer rooms at our warehouse at a temperature of below minus 18°C to preserve its freshness before distribution. Finally, the smoked frankfurters are distributed from our warehouse using our fleet of freezer trucks according to the sales orders received from our local and overseas customers, distributors as well as agents.

5. INFORMATION ON OUR GROUP (CONT'D)

(iii) Frozen Nuggets



Receiving and Decartoning

The raw materials for the production of frozen nuggets include chicken meat and chicken skin and are delivered in frozen form to our production plant from the suppliers' warehouse. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

5. INFORMATION ON OUR GROUP (CONT'D)

Cutting and Flaking

After the decartoning process, the raw materials are cut into small pieces by using a band saw. In order to further reduce the size, the raw materials are then transferred to the flaker or flaking machines for flaking process. Once the raw materials are flaked into smaller sizes, they can be blended and grinded evenly with spices and other ingredients.

Mixing and Grinding

The flaked chicken meat is then mixed with our secret spice mixture and other ingredients for approximately 5 to 10 minutes. Subsequently, the grinding process will be carried out in order to mix the chicken meat with all the ingredients more evenly.

Forming, Pre-Dusting, Battering and Bread Crumbling

The forming, pre-dusting, battering and bread crumbling processes are the essential part in the production of our frozen nuggets. The mixture of raw materials with the ingredients from the earlier mixing and grinding processes are transferred into the forming machine to form the mixture into various designed nugget shapes. In order to produce quality shaped nuggets, the required speed and pressure of the forming machine are set at 40 to 60 strokes per minute and 30 to 50 bar respectively. Then the well-shaped nuggets will go through the pre-dusting (flour-coating) and battering processes (starch and flour emulsion) in order to make the nuggets attachable to the bread crumbs. Subsequently, the bread crumbling process will commence to coat the nuggets with bread crumbs.

Frying and IQF

The next process is to fry the breaded nuggets at the temperature between 175°C and 188°C for a short duration of 15 to 35 seconds. These 30% cooked nuggets will then go through the IQF process, in which it is blast frozen in the spiral freezer at the temperature of minus 36°C for 30 minutes.

Weighing, Packing, Sealing and Cartoning

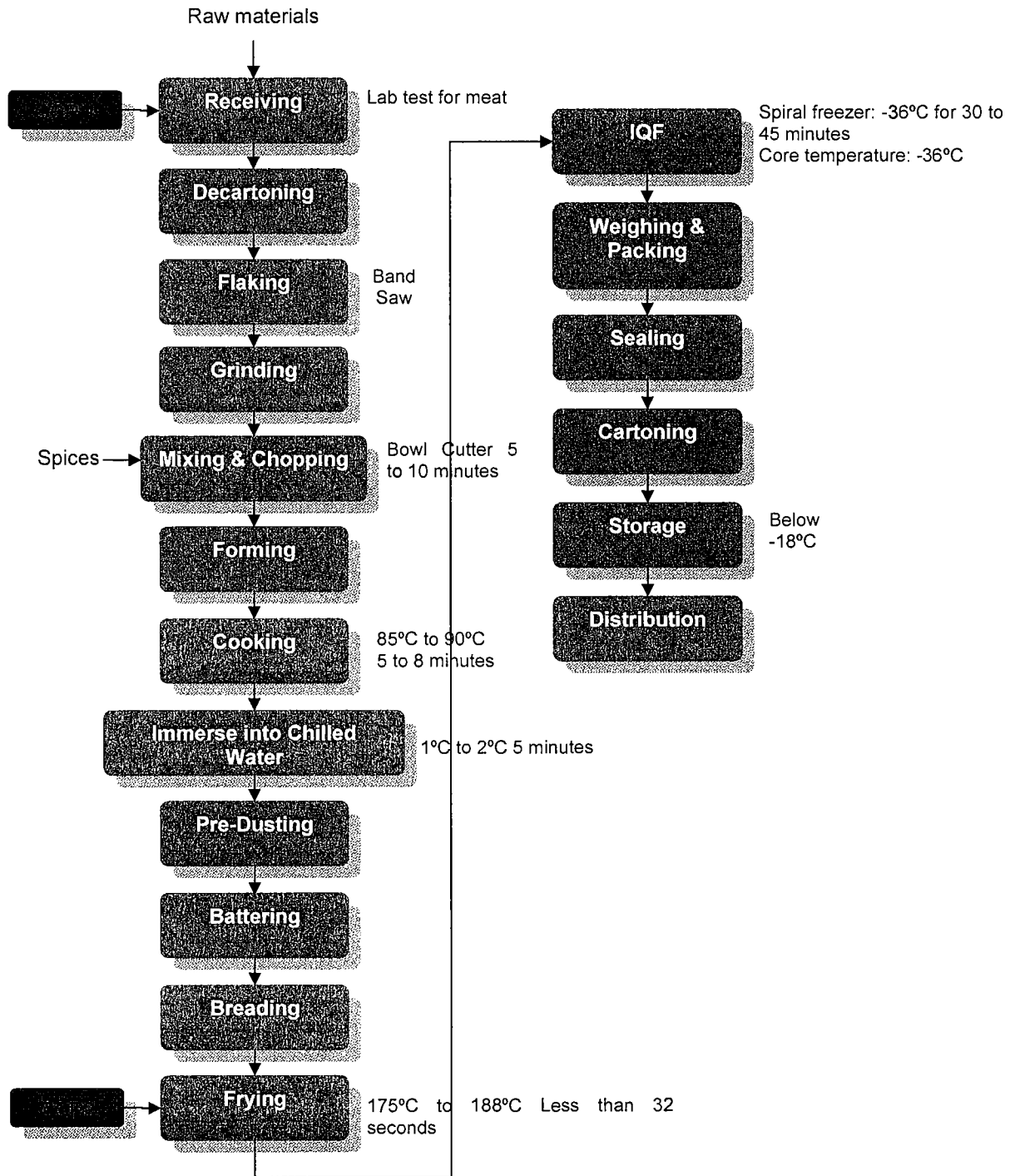
The frozen nuggets will be weighed and packed in specially-designed plastic bags in which every bag is designed according to its content. After that, the packages of frozen nuggets are tightly-sealed to preserve its freshness and arranged into cartons.

Storage and Distribution

The packed nuggets are stored in the freezer rooms at our warehouse at the temperature of below minus 18°C to preserve its freshness before distribution. Finally, the frozen nuggets are distributed from our warehouse using our fleet of freezer trucks according to the sales orders received from our local and overseas customers, distributors as well as agents.

5. INFORMATION ON OUR GROUP (CONT'D)

(iv) Chicken Balls



5. INFORMATION ON OUR GROUP (CONT'D)

Receiving and Decartoning

Raw materials which include frozen raw chicken meat are delivered to our manufacturing plant from the suppliers' warehouse. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

Flaking and Grinding

After the decartoning process, the raw materials are flaked into small pieces by using a band saw. In order to further reduce the size, the raw materials are then sent for grinding to produce minced chicken meat.

Mixing and Chopping

The minced chicken meat is transferred into the bowl cutter where spices and other dried ingredients are added and evenly mixed. The minced chicken meat as well as the spices and other dried ingredients are mixed and chopped at high speed in the bowl cutter for a duration of 5 to 10 minutes until the minced chicken meat becomes an emulsion.

Forming and Cooking

Similar to the production of frozen nuggets, the emulsion is then transferred to the forming machine to produce the required shapes and sizes before being sent into boiling water at the temperature of 85°C for a duration of 30 minutes in the cooking process.

Immersion into Chilled Water

The cooked chicken balls are then immersed into chilled water as cold as 2°C for cooling prior to the pre-dusting, battering and breading processes.

Pre-Dusting, Battering and Breading

Pre-dusting, battering and breading processes are vital part in the production of chicken balls as any defections that occur during this stage will affect the quality of the chicken balls. The chilled chicken balls are sent for pre-dusting (flour coating), after which the chicken balls are dipped in the batter before being rolled in bread crumbs.

Frying and IQF

The crumbed chicken balls are then sent for frying process using palm oil at the temperature of between 175°C and 188°C for not more than 32 seconds. Once the frying process is completed, the fried chicken balls will go through the IQF process, whereby the fried chicken balls will be transferred to the spiral freezer to be frozen at the temperature of minus 36°C for a duration of 30 to 45 minutes.

Weighing, Packing, Sealing and Cartoning

Prior to the packing process, our production employees will weigh the frozen chicken balls, to be packed in either 500 grams or 800 grams pack. Having obtained the right weight, the frozen chicken balls are then packed into plastic bags and sealed before all the packages are arranged into cartons.

5. INFORMATION ON OUR GROUP (CONT'D)

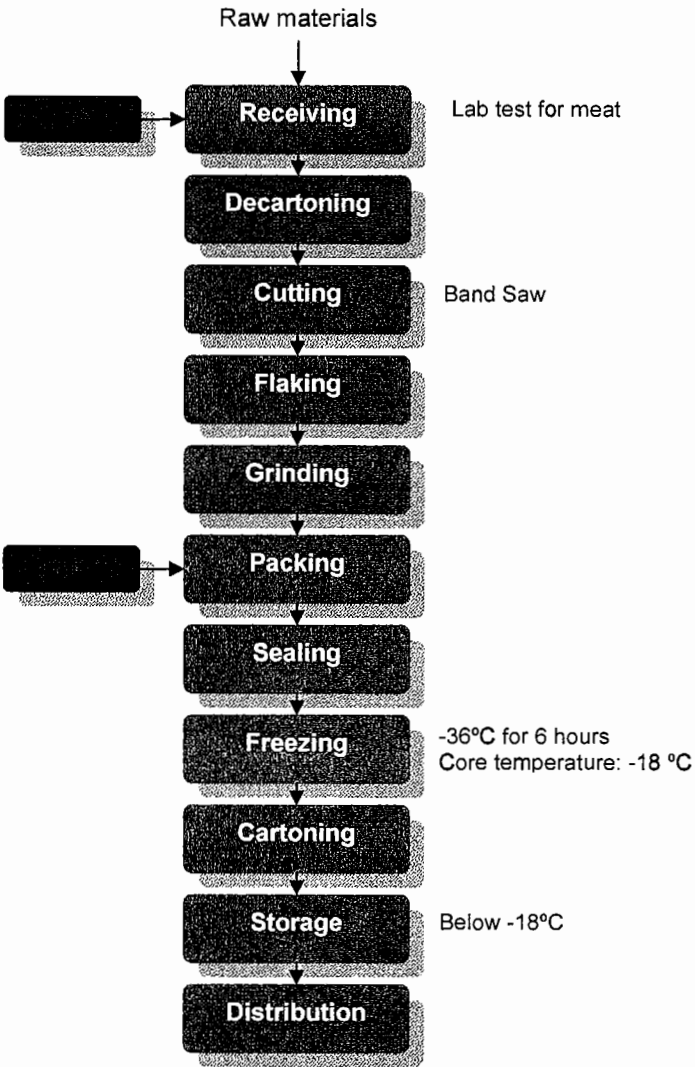
Storage and Distribution

The packed chicken balls are stored in the freezer rooms at our warehouse at the temperature of below minus 18°C to preserve its freshness before distribution. Finally, the frozen chicken balls are distributed from our warehouse using our fleet of freezer trucks according to the sales orders received from our local customers, distributors as well as agents.

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5. INFORMATION ON OUR GROUP (CONT'D)

(v) Minced Beef



Receiving and Decartoning

Raw materials which include frozen beef are delivered to our manufacturing plant from the suppliers' warehouse. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

Cutting, Flaking and Grinding

After the decartoning process, the beef is cut into smaller pieces using a band saw. For smaller size, the cut beef pieces are then flaked using the flaking machine before being processed into minced meat using the grinding machine.

5. INFORMATION ON OUR GROUP (CONT'D)

Packing, Sealing and Freezing

After the grinding process, the minced beef is packed into plastic bags and sealed tightly using a clipper. The minced beef is then blast frozen at minus 36°C for a duration of 6 hours in order to preserve the quality of the minced beef.

Cartoning and Storage

After 6 hours of freezing, the packed minced beef will be arranged into cartons, and then stored in the freezer rooms at our warehouse at the temperature of below minus 18°C to preserve its freshness before distribution.

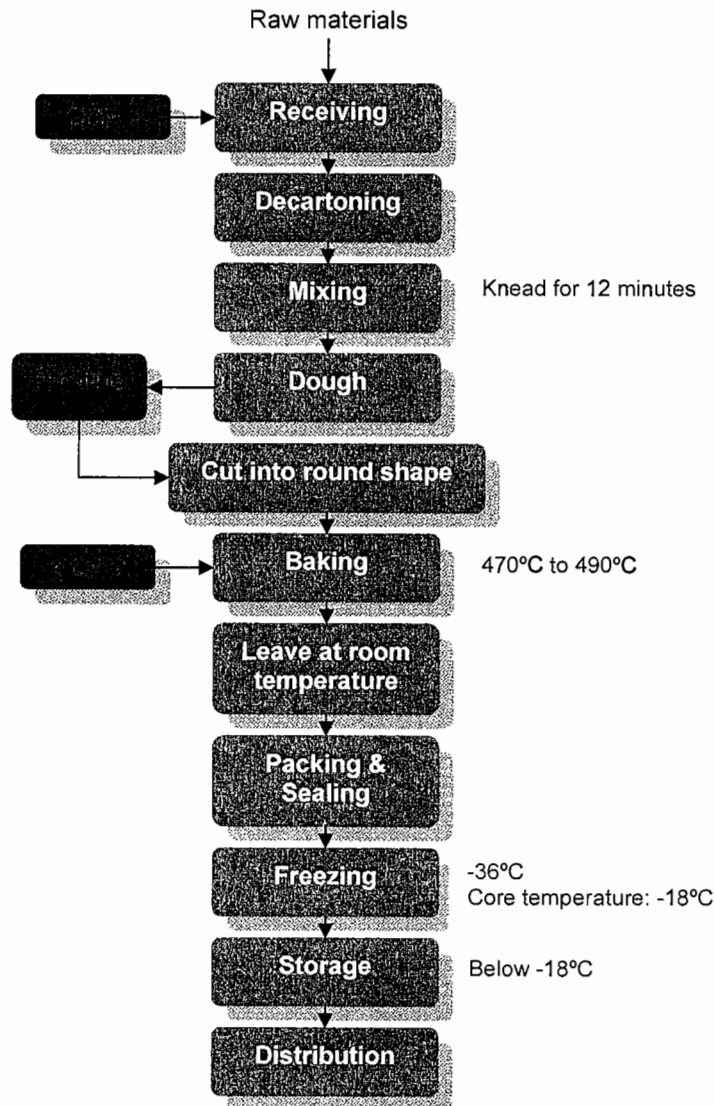
Distribution

Finally, the frozen minced beef are distributed from our warehouse using our fleet of freezer trucks according to the sales orders received from our local and overseas customers, distributors as well as agents.

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5. INFORMATION ON OUR GROUP (CONT'D)

(vi) Pita Breads



Receiving and Decartoning

For the production of pita bread, the raw materials include sugar, salt, flour and yeast. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

5. INFORMATION ON OUR GROUP (CONT'D)

Mixing

The required quantity of raw materials are poured into a dough mixer and kneaded for 12 minutes until a consistent dough texture is formed. As the dough contains yeast, it has to be left at the normal room temperature for 1 to 2 hours for fermentation. At this stage, the critical control point involves the monitoring of the quality of the dough that will be further processed into pita breads.

Dough

Once the dough is ready, it is cut into smaller pieces prior to the proofing process. In the proofing process, the dough is shaped into round shapes using the rondo machine, a machine which is principally utilised for shaping function. The round-shaped dough is then arranged neatly on a baking tray.

Baking

After the cutting process is completed, the round-shaped dough is thoroughly baked in the oven at temperature of approximately 470°C to 490°C for a duration of one (1) and a half minutes. The dough then turns into our finished product, namely pita bread.

Packing and Sealing

The pita bread has to be left at normal room temperature for two (2) hours first before our production staffs begin the packing process. There are 2 types of pita bread produced by our Company, namely the original pita bread and the wholemeal pita bread. Our pita bread is packed in 400 grams packages, equivalent to 8 pieces per pack.

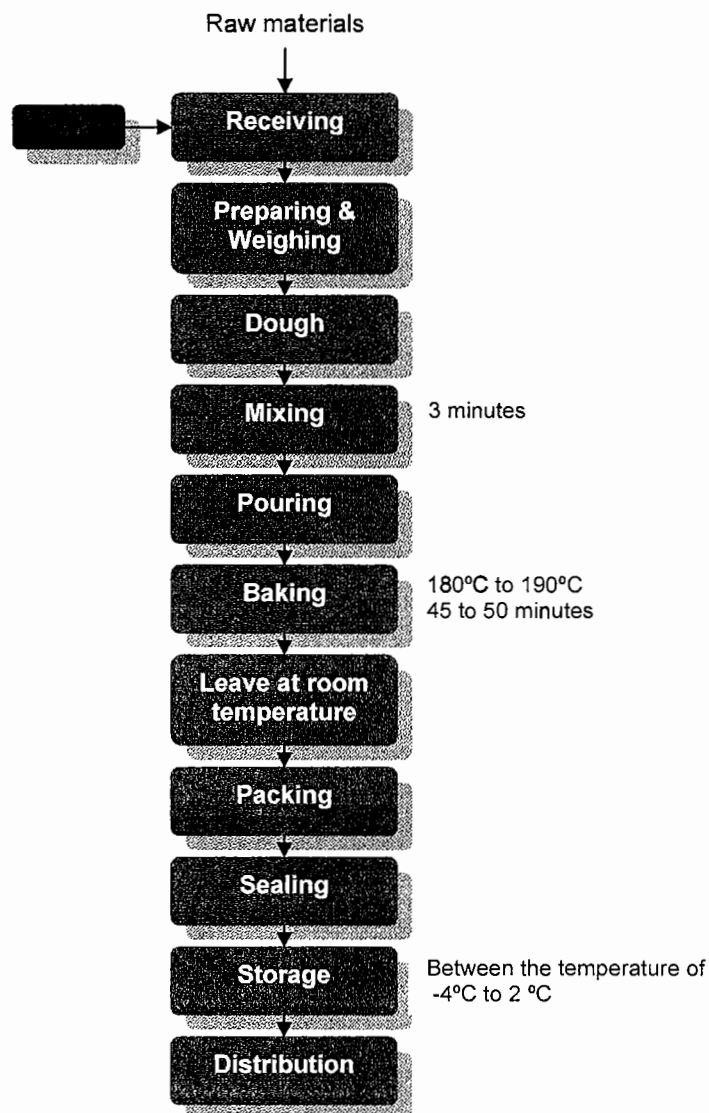
Freezing, Storage and Distribution

The packed pita bread will be blast frozen at minus 36°C in order to maintain its freshness. Then, the frozen pita bread is stored in the freezer rooms at our warehouse at the temperature of below minus 18°C before distribution. Finally, the packed pita bread is arranged into boxes, ready for shipment or loaded onto our fleet of freezer trucks for delivery according to the sales orders received from our local and overseas customers, distributors as well as agents.

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5. INFORMATION ON OUR GROUP (CONT'D)

(vii) **Banana Cake**



Receiving

For the production of banana cake, the raw materials include banana, eggs, flour, sugar and cooking oil. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

Preparing and Weighing

Prior to the production process, our production staff will prepare the correct weightage of each of the raw material required for the production of banana cake.

5. INFORMATION ON OUR GROUP (CONT'D)

Mixing and dough

The raw materials are then poured into the air mixer for 3 minutes to produce a well-binding cake batter.

Pouring and baking

The pouring process involves pouring the batter into a cake mould before the baking process takes place. Our production staff will prepare the cake mould in advance and place a grease paper around the inner part of the mould so that when the banana cake is ready, it will not stick onto the inner part of the mould and it can be taken out easily without damaging its shape. The moulds are then put into the oven for 45 to 50 minutes at the temperature of between 180°C to 190°C. After the banana cake is baked, it needs to be cooled down in room temperature prior to the packing process.

Packing and Sealing

The banana cake is packed into plastic bags and sealed properly. Then, the banana cake is arranged into cartons and blast frozen at the temperature of minus 36°C for 12 hours.

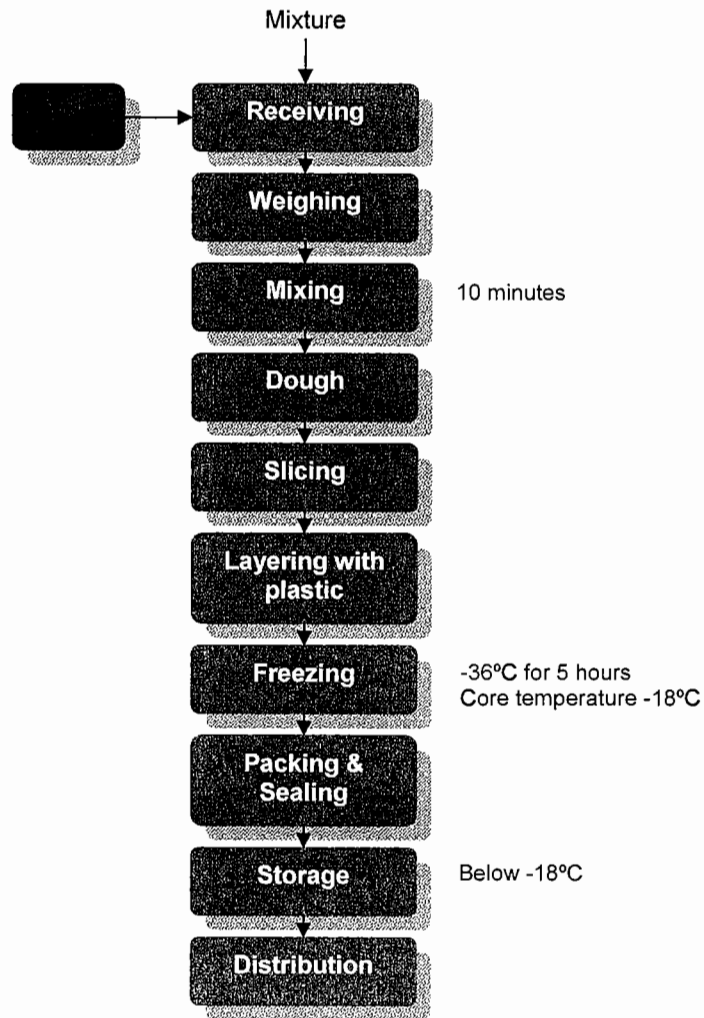
Storage and Distribution

Our banana cakes are stored in the freezer rooms at our warehouse at the temperature of below minus 18°C before distribution. Finally, the banana cakes are loaded onto our fleet of freezer trucks for delivery according to the sales orders received from our local and overseas customers, distributors as well as agents.

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5. INFORMATION ON OUR GROUP (CONT'D)

(viii) Roti Canai



Receiving

For the production of roti canai, the raw materials include flour, sugar, salt, margarine and eggs. Upon arrival, samples of the raw materials are taken from the cartons for examination by our internal laboratory team to ensure that the raw materials are not contaminated and suitable for further production process. Our production staff will then transfer the raw materials to the respective processing areas.

Weighing and Mixing

The required quantity of the respective raw materials are prepared to the correct weightage by our production staff before being poured into the dough mixer for 10 minutes to evenly mix all the raw materials to form a dough.

5. INFORMATION ON OUR GROUP (CONT'D)

Dough, Slicing and Layering with Plastic

Once the dough is formed, it is then compressed into flat dough before being transferred to the rondo machine for shaping. Through the rondo machine, the dough will be shaped into a flat round form. During this stage, the roti canai will be separated into individual layer using a piece of plastic to be put on top of each of the roti canai by our production staff.

Freezing

The roti canai is then blast frozen at the temperature of below minus 36°C for 5 hours.

Packing and Sealing

Prior to the packing and sealing processes, the frozen roti canai is examined by our quality control department. Thereafter, the roti canai is packaged in 5 pieces per bag and airtight-sealed to preserve its freshness.

Storage and Distribution

The packed roti canai is then stored in the freezer rooms at our warehouse at the temperature of below minus 18°C before distribution. Finally, the roti canai will be loaded onto our fleet of freezer trucks for delivery according to the sales orders received from our local customers, distributors as well as agents.

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5. INFORMATION ON OUR GROUP (CONT'D)**5.9.10 Quality Assurance**

We emphasise on improving the quality of our products as consistent quality would ensure customer satisfaction and secure repeated orders for our Group. In order to maintain high standards and quality in all our production processes, quality assurance procedures are infused at every step of the production process to monitor the quality of the products processed or manufactured.

Essentially, we adopt the following approaches in the various stages of sourcing, production and delivery to ensure that quality standards are maintained.

(i) Quality Policy & Objectives

In terms of our Group's quality policy, we will constantly adhere to the strict domestic and international requirements and emphasise on continuous product improvements to ensure the quality of our products and customer safety in consuming our products.

To complement our quality policy, our Group adopts the following quality objectives:-

- to ensure that no more than 2.5% of daily in-process rejection rate for our three (3) main products namely chicken frankfurter, burger and nugget; and
- to ensure that no more than 1.5% of daily wastage rejection.

In order to achieve the objectives mentioned above, our Group endeavours to:-

- operate within a well-defined QMS based on the requirements of ISO 9001;
- regularly improve our QMS through a systematic review programme;
- regularly improve and upgrade our products and processes through efforts in a stringent quality control environment; and
- regularly develop and upgrade our employees both in the technical and management fields.

(ii) QMS

As our major products are processed foods, we put much of our effort in ensuring that our products are of good quality and most importantly, safe to be consumed. To achieve this, we have adopted a stringent and effective internal quality assurance policy to ensure that our products are of high quality and meet the requirements of our customers. In addition to the annual management review, our in-house quality assurance team will also carry out internal quality control audits on our QMS. We conduct quality assurance inspections at various stages of the production process and have equipped ourselves with advance laboratory inspection equipment to ensure that our products consistently meet our own quality standards as well as the requirements and specifications set by our customers.

5. INFORMATION ON OUR GROUP (CONT'D)

Our ability to provide the best quality products through proper quality control practices set by our Group is evidenced by our achievement in obtaining the ISO 9001:2000 certification from a reputable accreditation body. Such accreditation is a testament to our Group's ability to comply with international quality standards.

Further thereto, our Group has also received various recognition awards such as the *Sijil Pengesahan Halal* or Certificate of Authentication by the *Halal* Industry Development Corporation and the Veterinary Health Mark by Department of Veterinary Services, Ministry of Agriculture and Agro-Based Industry Malaysia, all of which are further testament to the quality of our products.

(iii) QAP

Before we accept the raw materials used in the manufacturing of our frozen processed food products from our suppliers, samples of the raw materials are sent to our own internal laboratory and third-party independent laboratories for analysis to ensure that they are not contaminated and suitable for further production process. Each delivery of raw materials for meat-based food products are tested by way of sampling, before the raw materials are removed from their cartons. We have appointed a reputable third-party independent laboratory approved by the Ministry of Health Malaysia, namely Union Laboratories (M) Sdn Bhd located in Prai, Penang to assist us in analysing the samples of raw materials that we receive from our suppliers. After obtaining test approvals from the laboratories, the raw materials will be prepared for further production processes.

After production, samples of our frozen processed food products are sent to the internal laboratory for further analysis. Approvals from internal laboratory testing are required before our R&D and marketing departments are permitted to use them for sample tasting by consumers and before the products can be marketed and distributed to our customers.

All raw materials and processed food products are stored at an appropriate storage facility to ensure that the quality of the food is maintained. Finished products are inspected, packed in qualified packaging materials and stored in the proper storage facility. To ensure proper handling of our processed foods, the production and storage of meat-based, floured-based and vegetable-based products are produced and kept separately in different locations at our factory.

We also take the necessary steps in ensuring a bacterial-free environment. All employees entering the production area and storage facility must wear the prescribed attire, comprising of a laboratory coat, cap, face mask and boots supplied by our Group. Before entering the production area, all employees are required to wash their hands with proper cleaning agents and dip their boots in a cleaning solution to clear any bacteria that may affect the quality and safety levels of the food produced in the production area. The production area will be cleaned and sanitised after every shift on a daily basis and all machineries and storage facility must undergo in-house scheduled maintenance on a monthly basis to ensure they are operating efficiently.

5. INFORMATION ON OUR GROUP (CONT'D)**5.9.11 Marketing and Distribution****(i) Marketing Strategies**

Our Chief Operating Officer, Encik Mohd Ariffin Bin Don, is responsible for the overall sales and marketing activities of our Group. As at the LPD, we have a team of 25 sales and marketing staff, who are principally responsible for promoting and marketing of our Group's products and services as well as securing new customers for our Group. Our sales and marketing team is also assigned with the critical responsibility of maintaining the relationship with our existing customers as well as delivering trustworthy and value-added products and services to them.

Our Group's principal sales and marketing objective is also to continuously provide market feedback to our R&D department for continuous research and development of innovative products as well as for product quality improvement. In order to reach and serve our customers more effectively, our Group has launched several sales and marketing activities, the details of which are as follows:-

(a) Internet

Our Group has an active website, <http://www.saudee.com>, where information on our Group's products and services are available to our existing and potential customers from both local and overseas markets.

(b) Billboard Advertisement

Our billboard advertisements come in the form of large and eye-catching outdoor advertising structures which are exposed to road users. Our Group has set up several units of billboard advertisements in striking orange and red colours alongside major roads and highways throughout Malaysia.

(c) Brochure

Besides accessing our official website online, our existing and potential customers are also able to go through our Group's history, contact numbers and addresses as well as the range of products offered by us through our brochures. Our Group's brochures are available at our offices during our office hours. With simplified and well-organised descriptions of our products and the colourful images, our customers are able to obtain a clear picture of our Group's products.

(d) Publications and Directories

The global *halal* market is one of our target markets and as such, our products and services are advertised and promoted in well-known *halal* industry magazines and journals such as the *Halal Pages* to reach both the local and international *halal* market. Through *halal* publications and directories, our existing and prospective customers will be able to obtain the latest news on our products and services.

5. INFORMATION ON OUR GROUP (CONT'D)**(e) Television Commercial**

Our Group also utilises television commercials as a tool to convey our message and the information on our Group's products and services to our existing and prospective customers. As our television commercial was broadcasted repeatedly over the course of six (6) months from July 2008 to December 2008, it was able to attract prospective customers to try our products as they became inquisitive over our products.

(f) Trade Fairs, Conferences and Exhibitions

Our Group participates in trade fairs, exhibitions and conferences to comprehensively disclose and promote our processed food products and services to prospective customers. Such participation in trade fairs and exhibitions is significant as our Group is then able to demonstrate and present our full range of products and services to the attendees effectively via direct face-to-face communication. The list of past trade fairs and exhibitions participated by our Group is set out as follows:-

Year	Name of Event	Location
2003	Food Hotel Malaysia	Malaysia
2004	Malaysia International <i>Halal</i> Showcase (MIHAS)	Malaysia
2005	Expo Hari Petani, Penternak & Nelayan Kebangsaan	Malaysia
2006	Expo Hari Petani Penternak & Nelayan Kebangsaan	Malaysia
2008	Trade Mission to Kuwait, Qatar, Damman (Saudi Arabia), Bahrain and Dubai (United Arab Emirates) from 7 November 2008 to 16 November 2008 organised by Perak Chinese Chamber of Commerce and Industry ("PCCCI")	Middle-East Countries
2009	Trade fairs in major hypermarkets/supermarket chains such as The Store, Carrefour, Mydin, Billion and local retailers from 1 August 2009 to 31 October 2009. The trade fair is known as "99 Promotion".	Malaysia

(g) Intermediaries

Our Group employs contractual and temporary promoters and agents to introduce and promote our latest products. Both the promoters and agents act as intermediaries who promote our products to our existing and prospective customers. In general, promotional booths are established at various hypermarkets and supermarkets for public testing of our products with our promoters serving the shoppers with our product samples. After testing our sample products, the shoppers' comments and feedbacks are gathered and compiled as vital information for our future improvement of our products.

5. INFORMATION ON OUR GROUP (CONT'D)

(h) Contest

We create public awareness and strengthen our brand image by organising contests in hypermarkets and supermarkets as a form of advertisement and to boost our sales revenue. Consumers who purchase our products automatically qualify for the contests by showing their proof of purchase.

Other than engaging in the daily sales and marketing activities, our marketing department is also responsible for the designing of labels, themes and packaging of our products. During this stage, our marketing department will work closely with the R&D department in order to create the most attractive packaging designs for our products.

In 2007, our Group embarked on an outdoor advertising campaign through billboards located along the North-South Highway, Malaysia. A total of 31 sites were rented for a period of 14 months from September 2007 to October 2008 for the billboards. In July 2008, our Group began to advertise our Chezetta and Swiss Scallop products on television through two (2) national channels, namely TV3 and TV9, which ended in December 2008. In 2009, our Group embarked on a new outdoor advertising campaign through billboards located along the North South Highway and for this purpose, a total of 23 sites were rented for a period of twelve (12) months from 1 July 2009 to 30 June 2010.

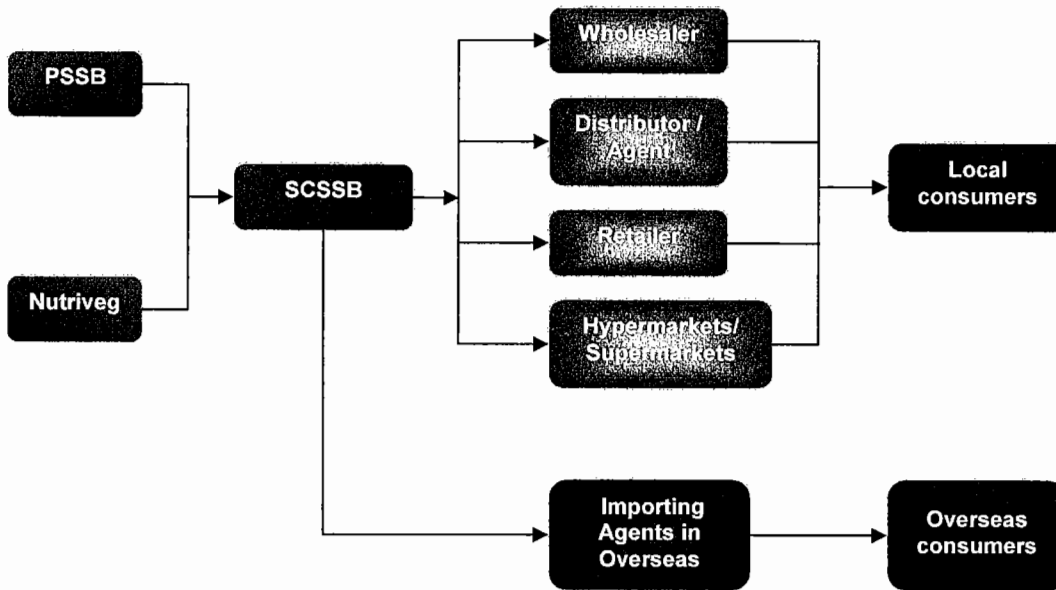
For the next three (3) years, our Group will enhance our presence in the market by continuing our investments in suitable above-the-line media. For the FYE 31 May 2010, our Group plans to continue to advertise our range of frozen processed food products through outdoor media tools. Also, other media type such as radio will be considered as well.

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5. INFORMATION ON OUR GROUP (CONT'D)

(ii) Distribution Channels

As an effective and cost-efficient product penetration strategy, our Group has established a credible distribution network to deliver our products to our customers. Our Group's distribution process flow is illustrated as follows:-



All finished products manufactured by PSSB and Nutriveg are sold to SCSSB which is principally involved in distributing and marketing of frozen processed food products. SCSSB will then supply the frozen processed food products to our wholesalers, distributors and agents, who in turn will distribute our products to various retailers such as hypermarkets, supermarkets, school canteens, hawkers and fast-food restaurants before our products are sold to the end-consumers. Our Group also distributes the frozen processed food products directly to hypermarkets and supermarkets in the northern and central regions in Malaysia.

Our Group also maintains an organised cold chain logistics system which is vital in preserving the quality and freshness of our frozen processed food products. The cold chain logistics starts with the blast freezing of the products to minus 36°C and being stored at a minimum of minus 18°C in our cold storage facilities and ends at our customers' coldroom or refrigerated display unit.

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5. INFORMATION ON OUR GROUP (CONT'D)

5.9.12 Approvals, major licences and permits obtained

Details of major business licenses, permits and approvals applicable to our Group as at the LPD are as follows:-

Company	Approving/ Issuing Authority	Type of approvals / permits	licences /	Date of issuance / Expiry	Equity and other conditions imposed	major Status of compliance
PSSB	MITI	Manufacturing License for further processed chicken and beef products		7 November 2003 / Not applicable	None.	Not applicable

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