

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT

9.1 Substantial Shareholders

9.1.1 Substantial Shareholders and their Shareholdings

The substantial shareholders of our Company (holding 5% or more of the issued and paid-up share capital of our Company) and their respective shareholdings, as at the LPD and after the IPO are as follows:

Substantial Shareholders	As at the LPD			Assuming Over-Allotment Option is not exercised After the IPO ⁱ			Assuming Over-Allotment Option is exercised in full After the IPO ⁱⁱ		
	No. of Shares held	%	Indirect No. of Shares held	Direct No. of Shares held	%	Indirect No. of Shares held	Direct No. of Shares held	%	Indirect No. of Shares held
YKY Investments	2,044,860,000	100	-	1,444,468,615	70.6	-	1,380,843,415	67.5	-
YK Yong	-	-	2,044,860,000 ⁱ	-	-	1,444,468,615	-	-	1,380,843,415
					100			70.6	
									67.5

Notes:

ⁱ Deemed interest through Section 6A of the Act. Shares in YKY Investments currently are held by UBS Nominees on behalf of YK Yong. Prior to the Listing, it is intended that the UBS Nominees (as a nominee for YK Yong) will transfer the YKY Investments shares to YKY Trustees. As a result, YKY Trustees will hold the YKY Investments shares under a revocable discretionary trust for the benefit of YK Yong and his named beneficiaries, which are currently his wife and his children. Please refer to Section 9.1.3 below for further details on the trust arrangement.

ⁱⁱ After adjusting for the transfer of 51,490,385 Shares representing approximately 2.5% of the issued and paid-up share capital of JCY (computed based on the Retail Price and estimated exchange rate but subject to adjustment upon the Final Retail Price being made available and the exchange rate on the day Maju Uni is notified of the Final Retail Price) arising from the assumed exercise of options granted to Maju Uni as described in Section 16.1(iv) of this Prospectus and the transfer of an aggregate of up to 18,891,000 Shares representing approximately 0.9% of the issued and paid-up share capital of JCY by YKY Investments to selected person(s) including certain Directors and certain employees of the JCY Group prior to the completion of the IPO.

Save for YK Yong's indirect interest as stated above, our Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise control over our Company.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

9.1.2 Changes in the Direct and Indirect Shareholding of the Substantial Shareholders

There has been no change in the direct and indirect shareholdings of the substantial shareholders of our Company for the past three years up to the LPD.

9.1.3 Details on Substantial Shareholders**(i) YKY Investments**

YKY Investments was incorporated in Bahamas as a private company limited by shares under the International Business Companies Act 2000 on 23 January 2006. The principal activity of YKY Investments is solely for the purpose of investment holding.

The authorised share capital of YKY Investments is USD50,000 comprising 50,000 ordinary shares of USD1.00 out of which two ordinary shares of USD1.00 each have been issued and paid up. Currently, YK Yong is the sole director of YKY Investments.

UBS Nominees currently provides nominee corporate shareholder services to YK Yong. 100% of the shares in YKY Investments are currently held by UBS Nominees on behalf of YK Yong. Prior to the Listing, it is intended that the UBS Nominees will (as a nominee for YK Yong) transfer the YKY Investments shares to YKY Trustees. As a result YKY Trustees will hold the YKY Investments shares under a revocable discretionary trust for the benefit of YK Yong and his named beneficiaries, which are currently his wife and his children.

The trust arrangements are part of the personal financial planning of YK Yong to provide for himself (during his lifetime) and for his family. The trust will not allow the trustee any investment or management functions in relation to the YKY Investments shares under the trust. During YK Yong's lifetime and where he is not suffering from any incapacity, YK Yong will retain the investment or asset management functions, responsibilities, powers or duties under the trust.

YKY Investments has no substantial shareholdings in any public corporations since incorporation other than its direct substantial shareholding in our Company.

(ii) YK Yong

YK Yong, aged 54, is a Malaysian citizen. He has approximately 20 years experience in the HDD industry and is the founder of PCA.

His indirect shareholding in our Company (as at the LPD and after the IPO) is as set out in Section 9.1.1 of this Prospectus.

He has no directorships or substantial shareholdings in any public corporations for the past two years other than his indirect substantial shareholding in our Company.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

9.2 Promoter and Selling Shareholder

YKY Investments, the substantial shareholder, is the promoter of JCY and our Selling Shareholder. Please see Section 9.1.3(i) above for the background of YKY Investments.

9.3 Board of Directors

Our Board has adopted a set of corporate governance guidelines which set out the following responsibilities for effective discharge of its functions:

- Reviewing and adopting a strategic plan for our Company;
- Overseeing the conduct of our Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing key management;
- Developing and implementing an investor relations programme or shareholder communications policy for our Company; and
- Reviewing the adequacy and the integrity of our Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Within the limits set by our Company's Articles of Association, our Board is responsible for the review and approval of corporate plans, annual budgets, acquisitions and disposals of undertakings and properties of substantial value, major investments and financial decisions and changes to the management and control structure within our Group, including key policies and delegated authority limits. Under our Articles of Association, our Company must have at least two Directors.

As at the LPD, our Board consists of seven Directors. Under our Company's Articles of Association, 1/3 of the Directors who are subject to retirement by rotation shall retire at each annual general meeting of shareholders but are eligible for re-appointment. The members of the Board as at the date of this Prospectus are set forth below:

Name	Age	Address	Nationality	Date of Appointment as Director	Designation
Dr. Rozali Bin Mohamed Ali	61	27 Lengkok Setiabudi Bukit Damansara 50490 Kuala Lumpur	Malaysian	13 November 2009	Chairman Independent Non-Executive Director
Goh Chye Kang	52	8 Fudu Park Singapore 789542	Singaporean	13 November 2009	Non-Independent Executive Director
Wong King Kheng	56	44 Jalan Tekam 96000 Sibul Sarawak	Malaysian	30 November 2005	Non-Independent Executive Director

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

Name	Age	Address	Nationality	Date of Appointment as Director	Designation
Yong Yong Chai	44	40A-02 Jalan Abdul Samad 80100 Johor Bahru	Malaysian	18 April 2006	Non-Independent Executive Director
Chatar Singh A/L Santa Singh	57	54-8-14, The Reef, Jalan Low Yat, 11100 Batu Feringhi, Penang	Malaysian	13 November 2009	Non-Independent Executive Director
Chang Wei Ming	57	60 Bayshore Road #05-05, Jade Tower Singapore 469982	Malaysian	13 November 2009	Independent Non-Executive Director
Chan Boon Hui	41	27, Mount Faber Road, #B1-03, Singapore 099200	Malaysian	13 November 2009	Independent Non-Executive Director

9.3.1 Biographies of Directors

Dr. Rozali Bin Mohamed Ali (Chairman and Independent Non-Executive Director), B.Sc. (Hons), Mechanical Engineering Brighton Polytechnic, Sussex, England; M.Sc. Thermal Power Engineering, Diploma of Imperial College (D.I.C.) and PhD, Imperial College of Science Technology, University of London. Dr. Rozali started his career in 1970 at Lembaga Letrik Negara Tanah Melayu, until 1990, when he was appointed Assistant Director-General, Institute of Strategic and International Studies ("ISIS") Malaysia, an appointment he held until 1995. Dr. Rozali was then appointed Executive Director of Commerce Asset-Holdings Berhad (now known as CIMB Group Holdings Berhad) from 1996 to 2000, Managing Director and Chief Executive Officer of Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad) from 2000 to 2004, and Executive Director and Chief Executive Officer of Bumiputra-Commerce Holdings Berhad from 2004 to 2005.

Dr. Rozali is currently a member of the Board of Directors of the International Institute for Leadership in Finance and Chairman of the International Governing Council and Pro-Rector of the International Centre for Education in Islamic Finance. Dr. Rozali's involvement with these activities does not affect his contribution to our Group.

Goh Chye Kang (Non-Independent Executive Director) has more than 27 years of working experience in the components manufacturing industry of which 20 years has been in the HDD industry. As Executive Director, Operations of JCY, he is responsible for addressing the daily operational and business issues of our Company. Prior to joining JCY, Mr. Goh was Vice President – Operation, in the Precision Engineering Division of Beyonics Technology Limited, a company listed on the Singapore Exchange Securities Trading Limited from 1998 to 2005, and was with Maxtor Peripherals for eight years prior to that. He was Senior Director of Materials of Maxtor Peripherals when he left in 1997.

Mr. Goh holds a Masters of Business Administration from Brunel University, United Kingdom. In addition, he is a certified Six Sigma Champion and a qualified Lean Manufacturing Captain/Master.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

Wong King Kheng (Non-Independent Executive Director) is presently the Director of Soh & Wong Management Consultant Pte Ltd, a management consultancy firm in Singapore, and Partner of K K Wong and Associates, a public accounting firm in Singapore. He was the founder and Partner of Soh, Wong & Partners, a public accounting firm, from 1989 to 2000. Prior to that, he was an audit manager in an international accounting firm and this gave him extensive exposure in the fields of auditing, tax planning, management consulting and public listing consulting. His main consulting engagements cover clients seeking public listing, and his main scope of consultancy covers strategic business planning, recruitment, share valuations, regional tax planning and other corporate advisory services. He also sits on board of directors of various public companies listed on the Singapore Exchange Securities Trading Limited, including as the Chairman of the Audit, Remuneration and Nominations Committee of Ossia International Limited, Portek International Limited, Integrated Technology Group Limited and VGO Corporation Limited, and as an independent director and member of the Audit, Remuneration and Nominations Committee of Tiong Woon Corporation Holding Ltd. He is also a director of a number of private companies in Singapore. Mr. Wong's involvement in these companies does not affect his contribution to our Group.

Mr. Wong has qualified as a member of the Institute of Chartered Accountants in England and Wales and is presently a member of the Institute of Certified Public Accountants, Singapore, Malaysian Institute of Accountants and Australian Certified Practising Accountants.

Yong Yong Chai (Non-Independent Executive Director) has more than 12 years of experience in the HDD industry, having joined PCA in 1994. He was an executive director of PCA since 1994, and is involved in the day-to-day operations of PCA, including the heading of various departments and task groups in PCA. Mr. Yong graduated from NCC, United Kingdom with a Diploma in Computer Studies. Mr. Yong is the brother of YK Yong, who is a beneficiary under the discretionary trust created over shares in YKY Investments, our controlling shareholder and indirect substantial shareholder of our Company.

Chatar Singh A/L Santa Singh (Non-Independent Executive Director) is currently the Non-Executive Chairman of MQ Technology Berhad, a company listed on the ACE Market of Bursa Malaysia. He is also an Independent Non-Executive Director of Luster Industries Berhad, a company listed on the Main Market of Bursa Malaysia.

He started his career in Sharp-Roxy Corporation (M) Sdn Bhd in Sungai Petani, Kedah and was with the company for seven years, his last position being Assistant Factory Manager. In 1983, he joined LH Research, an American switching power supply company based in Prai, Penang and HQ in California, in the U.S. He was with LH Research for a total of nine years and was also responsible for managing LH Research factories in the Caribbean (Puerto Rico and Dominican Republic) for approximately three years as General Manager. In 1992, he joined Dai-Ichi Industries Berhad ("Dai-Ichi") (Loudspeaker and Speaker Box business) as General Manager and was later appointed as a Director when the company was listed on the then Second Board of Bursa Securities. He resigned from the board of Dai-Ichi in 1999.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

In 1994, he founded SMT Technologies, a company involved in electronics contract manufacturing using surface mount technology and was the Managing Director. He left SMT Technologies in 1999. Thereafter, he was with PCA Mahlin, a company involved in making actuators for the HDD industry from 2000-2001 as Managing Director.

In 2001, he founded QB Technology Sdn Bhd, a company manufacturing precision coils for HDD actuators and was the Managing Director. In 2004, QB was acquired by MQ Technology Berhad and was subsequently listed in the then MESDAQ market of Bursa Malaysia in 2005.

He graduated with a B.Sc (Hons) degree majoring in Physics and Chemistry from University Sains Malaysia, Penang in 1976 and has more than 30 years experience in the electronics manufacturing industry.

Chang Wei Ming (Independent Non-Executive Director) is a self-employed Consultant providing consulting services to both listed and private companies. Mr Chang started his career as a Finance Officer with the Malaysian Timber Industry Board in 1975. Thereafter, he joined Touche Ross & Co, Chartered Accountants in London as an Articled Student Accountant. Upon returning to Malaysia in 1980, he joined Hanafiah Raslan & Mohamad as an Audit Supervisor. He left the industry in 1981 when he was recruited by the MBf Group for the post of Management Accountant. He held several positions within the Group and his last appointment in 1988 was General Manager of MBf Holdings Berhad, responsible for Group Corporate and Treasury as well as the Group Company Secretary.

He was employed by Falmac Machinery Pte Ltd as General Manager for a year before joining the National University Hospital (S) Pte Ltd in 1989 and served as its Chief Administration Officer and Company Secretary for five years. In 1994 he was appointed as Finance Director of Liang Huat Aluminium Limited until 1998 when he left to become a Consultant.

Mr. Chang graduated with a Bachelor of Economics (Hons) from University of Malaya in 1975 and is a member of the Institute of Chartered Accountants in England and Wales and a Fellow of the Institute of Certified Public Accountants, Singapore.

Chan Boon Hui (Independent Non-Executive Director) is presently a senior banker in the investment banking division of OCBC Bank. He started his career in investment banking with Schrodgers in Singapore. He then moved to the Rothschilds Group, based in Singapore and New York, before joining BNP Paribas Peregrine in Singapore. He has more than 15 years experience in this field involving domestic and cross-border transactions with companies and government institutions.

Mr. Chan is also a non-executive independent director of Hiap Hoe Limited, a company listed on the Singapore stock exchange. Mr. Chan's involvement in these companies does not affect his contribution to our Group.

Mr. Chan holds a Master of Arts Degree (Law) from Cambridge University, United Kingdom. He is also a CFA Charterholder.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

9.3.2 Ownership of Directors

The direct and indirect shareholding interests of the Directors of our Company as at the LPD and after the IPO are set forth below:

Director	As at the LPD			After the IPO [#]		
	Direct No. of Shares held	Indirect No. of Shares held	%	Direct No. of Shares held	Indirect No. of Shares held	%
Dr. Rozali Bin Mohamed Ali	-	-	-	650,000	-	0.03
Goh Chye Kang	-	-	-	600,000	-	0.03
Wong King Kheng	-	-	-	3,500,000	-	0.17
Yong Yong Chai	-	-	-	5,000,000	-	0.24
Chatar Singh A/L Santa Singh	-	-	-	750,000	-	0.04
Chang Wei Ming	-	-	-	25,000	-	*
Chan Boon Hui	-	-	-	25,000	-	*

Note:

[#] The shareholdings of the Directors include the number of Shares to be allocated to them under the Preferential Share Allocation Scheme assuming that they have fully subscribed for their respective entitlements and the transfer of an aggregate of up to 18,691,000 Shares by YKY Investments to selected person(s) including certain Directors and certain employees of the JCY Group prior to the completion of the IPO.

Insignificant.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

9.3.3 Principal Business Activities and Principal Directorship

The principal directorships of the Directors of the Company as at the LPD and that which was held in the five years preceding the date of this Prospectus and the involvement of the Directors in other business activities (other than as a Director) are set forth below.

Name	Directorships		Other business activities
	Present	Past	
Dr. Rozali Bin Mohamed Ali	<ul style="list-style-type: none"> • Mabohai Resort Sdn Bhd • International Centre for Leadership in Finance • International Centre for Education in Islamic Finance 	<ul style="list-style-type: none"> • Commerce Asset-Holdings Berhad (now known as CIMB Group Holdings Berhad) • Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) • CIMB Berhad • Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad) • PT Bank Niaga Tbk 	None
Goh Chye Kang	-	-	-
Wong King Kheng	<ul style="list-style-type: none"> • JCY HDD Singapore* • YK Technology Suzhou* • Portek International Limited • Tiong Woon Corporation Holding Ltd • Ossia International Limited • VGO Corporation Limited • Integrated Technology Group Limited • In-Tec Global Pte Ltd • Soh & Wong Management Consultant Pte Ltd • Business Exchange Pte Ltd 	<ul style="list-style-type: none"> • Chancery Capital Pte Ltd 	Consultant

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

Name	Directorships		Other business activities
	Present	Past	
Yong Yong Chai	<ul style="list-style-type: none"> • JCY HDD Malaysia* • JCY HDD Singapore* • JCY HDD Thailand* • Minarex Holdings Limited* • Axius Investments (Mauritius)* • PCA BVI* • Matrixjaya Sdn Bhd • PCA 	<ul style="list-style-type: none"> • Pre-Circuit Tech Sdn Bhd • ACP Metal Finishing Sdn Bhd • Hynaplex Industry Sdn Bhd • Tajami Corporation Sdn Bhd • Sunrise Panorama Sdn Bhd • ACP Chemical Plating (M) Sdn Bhd • Amalkey (M) Sdn Bhd 	-
Chatar Singh A/L Santa Singh	<ul style="list-style-type: none"> • QB Technology (Malaysia)* • MQ Technology Berhad • Luster Industries Berhad • MPP Consulting Sdn Bhd 	<ul style="list-style-type: none"> • JCY HDD Thailand (then known as PCA Technology Co. Ltd)* 	-
Chang Wei Ming	-	-	Consultant
Chan Boon Hui	<ul style="list-style-type: none"> • Chancery Capital Pte Ltd • H. Warta Pte Ltd • Evansville Capital Limited • Hiap Hoe Limited 	<ul style="list-style-type: none"> • Vantage Corporation Limited • Transmarco Ltd 	Senior banker in the investment banking division of OCBC Bank

* Companies in the JCY Group

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9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

9.3.4 Remuneration and Benefits of Directors

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the financial year ended 30 September 2009 and estimated for the financial year ending 30 September 2010 are as follows:

Name	<u>Actual</u>		<u>Estimate</u>	
	Financial year ended 30 September 2009 Remuneration Band (RM)		Financial year ending 30 September 2010 Remuneration Band (RM)	
Dr. Rozali Bin Mohamed Ali	n/a		300,000	- 350,000
Goh Chye Kang	900,000	- 950,000	950,000	- 1,000,000
Wong King Kheng	150,000	- 200,000	600,000	- 650,000
Yong Yong Chai	250,000	- 300,000	350,000	- 400,000
Chatar Singh A/L Santa Singh	n/a		400,000	- 450,000
Chang Wei Ming	n/a		0	- 50,000
Chan Boon Hui	n/a		0	- 50,000

9.3.5 Directors' Term of Office

As at the LPD, the number of years that our Directors have served in office are as follows:

Name	Length of service as a Director of our Company as at the LPD
Dr. Rozali Bin Mohamed Ali	n/a
Goh Chye Kang	n/a
Wong King Kheng	4 years and 1 month
Yong Yong Chai	3 years and 8 months
Chatar Singh A/L Santa Singh	n/a
Chang Wei Ming	n/a
Chan Boon Hui	n/a

In accordance with article 95 of our Articles, our Directors shall retire from office at least once in three years but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

9.3.6 Audit Committee

The Audit Committee of our Company was established on 13 November 2009. The members of the Audit Committee are appointed by the Board upon the recommendation of the Remuneration and Nomination Committee of our Company. The committee comprises at least three Non-Executive Directors, a majority of which are Independent. The committee is responsible for:

- (i) monitoring the integrity of our Company's financial statements;
- (ii) reviewing the independence and objectivity of our Company's independent auditor;
- (iii) monitoring the performance of our Company's internal audit function; and
- (iv) monitoring our Company's compliance with relevant laws, regulations and code of conduct.

The current members of the Audit Committee of our Company are set forth below:

Name	Position	Date of Appointment	Directorship
Chang Wei Ming	Chairman of Committee	13 November 2009	Independent Non-Executive Director
Dr. Rozali Bin Mohamed Ali	Member of Committee	13 November 2009	Chairman and Independent Non-Executive Director
Chan Boon Hui	Member of Committee	13 November 2009	Independent Non-Executive Director

9.3.7 Nomination Committee

Our present Nomination Committee was established on 13 November 2009, and its members are appointed annually by our Board of Directors. It is primarily responsible for:

- (i) recommending candidates for appointments to our Board of Directors, board committees, consultative panels, regulatory committees and key management positions;
- (ii) establishing the performance criteria to evaluate the performance of each member of our Board of Directors and reviewing their respective performances;
- (iii) formulating the nomination, selection and succession policies for members of the Board and board committees;
- (iv) recommending to the Board the optimum size of the Board, and formalising a transparent procedure for proposing new nominees to the Board and board committees; and
- (v) assisting the Board in reviewing on an annual basis the required mix of skills and experience of Non-Executive Directors.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

Our Nomination Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Chan Boon Hui	Chairman of Committee	13 November 2009	Chairman and Independent Non-Executive Director
Chang Wei Ming	Member of Committee	13 November 2009	Independent Non-Executive Director
Dr. Rozali Bin Mohamed Ali	Member of Committee	13 November 2009	Independent Non-Executive Director

9.3.8 Remuneration Committee

Our present Remuneration Committee was established on 13 November 2009, and its members are appointed annually by our Board of Directors. It is primarily responsible for:

- (i) recommending to the Board of the Company the policy and framework for Directors' remuneration as well as the remuneration and terms of service of Executive Directors; and
- (ii) evaluating performance and reward for the Directors.

Our Remuneration Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Dr. Rozali Bin Mohamed Ali	Chairman of Committee	13 November 2009	Chairman and Independent Non-Executive Director
Chang Wei Ming	Member of Committee	13 November 2009	Independent Non-Executive Director
Chan Boon Hui	Member of Committee	13 November 2009	Independent Non-Executive Director
Wong King Kheng	Member of Committee	13 November 2009	Non-Independent Executive Director

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

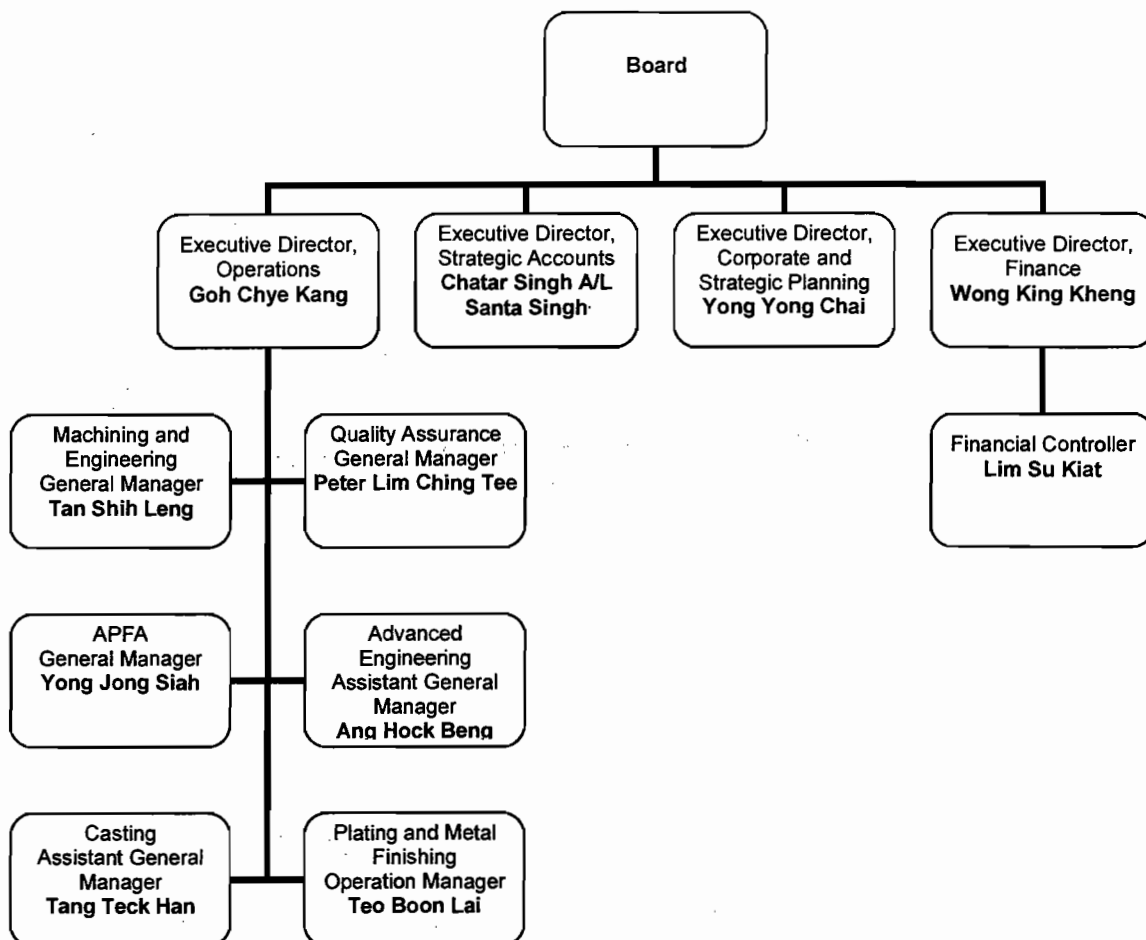
9.4 Key Management

The key management of our Company as at the LPD is set forth below:

Name	Age	Address	Nationality	Designation
Goh Chye Kang	52	8 Fudu Park Singapore 789542	Singaporean	Executive Director, Operations
Wong King Kheng	56	44 Jalan Tekam 96000 Sibu Sarawak	Malaysian	Executive Director, Finance
Yong Yong Chai	44	40A-02 Jalan Abdul Samad 80100 Johor Bahru	Malaysian	Executive Director, Corporate and Strategic Planning
Chatar Singh A/L Santa Singh	57	54-8-14, The Reef, Jalan Low Yat, 11100 Batu Feringhi, Penang	Malaysian	Executive Director, Strategic Accounts
Lim Su Kiat	41	9 Jalan Adda 1/6, Taman Adda, 81100 Johor Bahru	Malaysian	Financial Controller
Tan Shih Leng	44	62, Kg Baru 28300 Triang, Pahang	Malaysian	General Manager (Machining and Engineering)
Peter Lim Ching Tee	49	39 Springside Place, Singapore 786442	Singaporean	General Manager (Quality Assurance)
Yong Jong Siah	47	65, Jalan SS3/66, 47300 Petaling Jaya, Selangor.	Malaysian	General Manager (APFA)
Tang Teck Han	46	Blk 23, Sin Ming Road, #07-05 Singapore 570023	Singaporean	Assistant General Manager (Casting)
Ang Hock Beng	42	Blk 361 Woodlands Avenue 5, #10-428 Singapore 730361	Singaporean	Assistant General Manager (Advanced Engineering)
Teo Boon Lai	46	11, Jalan Kebudayaan 27 Taman Universiti 81300 Skudai Johor	Malaysian	Operation Manager (Plating and Metal Finishing)

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

9.4.1 Management Structure



After the restructuring of our Group in 2006, we are run by our key management, which comprises of our Executive Directors, supported by our key management team.

9.4.2 Biographies of Key Management

For the biographies of Goh Chye Kang, Wong King Kheng, Yong Yong Chai and Chatar Singh A/L Santa Singh, please refer to Section 9.3.1 of this Prospectus.

Lim Su Kiat (Financial Controller) has held the appointment of Financial Controller in JCY since 2001, and has been responsible for the finance and accounts of JCY and its subsidiaries. Mr. Lim has more than 15 years experience in the accounting field. Mr. Lim was employed with The Pryor Giggey Co., USA, between 1990 and 1992. Mr. Lim later commenced work at Regal Crest Sdn Bhd as an account executive between 1993 and 1994, and was subsequently finance manager of Professional Conglomerate between 1995 and 1999. Prior to joining JCY in 2001, Mr. Lim was employed as financial manager of Todai Malaysia Sdn Bhd for a year.

Mr. Lim graduated with a B.Sc in Business Administration, majoring in accounting and computer information systems from the University of Arkansas, Fayetteville, Arkansas, in the U.S.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

Tan Shih Leng (General Manager — Machining and Engineering) has held the appointment of General Manager — Operations, in JCY since 1997, and has been responsible for daily operation and administration of JCY's plants involved in various manufacturing activities, such as die-casting, machining, stamping, plating, plastic moulding and clean room assembly. Prior to joining JCY, Mr. Tan held various appointments in other manufacturing companies, including Operations Manager in Technic Precision Casting Sdn Bhd from 1994 to 1996, Assistant Manufacturing Manager in Technic Precision Pte Ltd from 1993 to 1993, and Process Engineer in Technicast Pte Ltd from 1991 to 1993.

Mr. Tan has a M.Sc in Mechanical Engineering from The City University of New York, and a B.Sc in Mechanical Engineering from Oklahoma State University.

Peter Lim Ching Tee (General Manager — Quality Assurance) has held the appointment of General Manager — Quality Assurance, in JCY since 1997, and has been responsible for the planning, organising and administration of activities to ensure the delivery quality products to JCY's customers. Prior to joining JCY, Mr. Lim has held similar appointments in other manufacturing companies, including Technic Precision (S) Pte Ltd from 1995 to 1997, Technicast (S) Pte Ltd from 1994 to 1995, Advanced Die Casting Pte Ltd from 1984 to 1990 and was a Supplier Quality Engineer in Miniscribe Peripherals Private Limited / Maxtor Corporation from 1990 to 1994.

Mr. Lim graduated with a Diploma in Mechanical Engineering from Singapore Polytechnic, trained in Die Casting Technology from Switzerland & Germany and holds individual memberships in the Singapore Quality Institute and the North American Die Casting Association.

Yong Jong Siah (General Manager — APFA) was with PCA Mahlin Technology Sdn. Bhd., a company involved in making actuators for the HDD industry from 2001 to 2006 and held the post of Director. He was appointed as Executive Director of JCY HDD (APFA division) in April 2006 after PCA Mahlin business operations was bought over by JCY HDD Malaysia.

Prior to joining PCA Mahlin, he held appointment in the fields of the information technology ("IT"), study, design, development, implementation and support for banking software applications in Citibank from 1991 to 2000.

Mr Yong has a Higher Diploma from the Institute of Data Processing Management.

Tang Teck Han (Assistant General Manager - Casting Division) joined JCY HDD Malaysia in 2007. Prior to that, he held appointment as Senior Manager in Wearnes Precision Thailand Limited from 1997 to 2007. Mr Tang has been in the die casting industry for more than 20 years. He has set up die casting department and manage production from manpower to output delivery.

Mr Tang has a trade certificate from Association of Oversea Technical Scholarship in Die Casting.

Ang Hock Beng (Assistant General Manager — Advanced Engineering) joined JCY as Assistant Engineering Manager in 1994, and was subsequently promoted to Corporate Engineering Manager in 1995 and Assistant General Manager — Advanced Engineering in 2002. Prior to that, he held appointments as Electrical and Software Engineer and Automation Project Engineer in Nikini Automation Systems Pte Ltd.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

Mr. Ang has a Bachelor in Information Technology from University of Southern Queensland, and a Diploma in Electronics and Communications from Singapore Polytechnic.

Teo Boon Lai (Operation Manager — Plating and Metal Finishing), heads our plating department. Prior to joining JCY in 2004, he was Production Manager in Vacuumschmelze (M) Sdn Bhd from 1997 to 2004, and Senior Plating Engineer in Singapore Kitamura Ind. Pte Ltd in Singapore from 1987 to 1997.

Mr. Teo holds a Bachelor's degree in Chemistry from Campbell University, in the U.S.

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9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

9.4.3 Ownership of Key Management

As at the LPD, none of the key management holds any Share in our Company prior to the IPO.

The final direct and indirect shareholdings of the key management in our Company after the completion of the IPO will be as follows (for the ownership of Goh Chye Kang, Wong King Kheng, Yong King Kheng, Yong Yong Chai and Chatar Singh A/L Santa Singh, please refer to Section 9.3.2 of this Prospectus):

Key Management	As at the LPD		After the IPO*	
	Direct No. of Shares held	Indirect No. of Shares held	Direct No. of Shares held	Indirect No. of Shares held
	%	%	%	%
Lim Su Kiat	-	-	140,000	-
Tan Shih Leng	-	-	416,500	-
Peter Lim Ching Tee	-	-	416,500	-
Yong Jong Siah	-	-	2,500,000	-
Tang Teck Han	-	-	50,000	-
Ang Hock Beng	-	-	50,000	-
Teo Boon Lai	-	-	40,000	-

Note:

* The shareholdings of the key management include the number of Shares to be allocated to them under the Preferential Share Allocation Scheme assuming that they have fully subscribed for their respective entitlements and the transfer of an aggregate of up to 18,691,000 Shares by YKY Investments to selected person(s) including certain Directors and certain employees of the JCY Group prior to the completion of the IPO.

Insignificant.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT (cont'd)

9.4.4 Remuneration of Key Management

The aggregate yearly base salary for our key management is approximately RM3.35 million for the financial year ended 30 September 2009.

9.5 Director and Key Management Service Agreements

Save as disclosed below, there are no existing or proposed service agreements between the Directors and key management of the JCY Group with our Company and/or its subsidiaries, which governs their terms of employment with the JCY Group.

Our Company has service agreements with our four Executive Directors. The tenure of the service agreements are either for a fixed term of three years or with no fixed term. None of the service agreements provide for a contractual bonus and any bonus shall be at the absolute discretion of the company and the quantum shall be determined by the company and/or the board of directors at their absolute discretion. Our Company may terminate all service contracts by written notice, if the employee is found guilty of misconduct or negligence or if convicted of any criminal offence in Malaysia.

9.6 Management Succession Plans

Our Group recognises the need to ensure continuity in its management in order to maintain our Group's competitive edge over its competitors. Our Board believes that the continued success of our Group depends, among other things, on the support and dedication of our management personnel. Our Group has in place human resource strategies which include, amongst others, suitable compensation packages and structured succession planning.

Our Group's initiatives on succession planning include:

- A formal induction program which is carried out for all new management staff where our Group's history, business objectives, business policies and plans are communicated to the staff;
- Identifying key competencies and requirements for managers and higher positions. Job and candidate profiles are developed for management position in line with the business goals, strategies and culture of our Group; and
- Taking a proactive approach towards addressing talent management to ensure the organisation has talent readily available from a capability perspective to undertake leadership positions throughout the organisation.

In addition, the middle management are constantly exposed to various aspects of our Group's business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

9. INFORMATION ON SUBSTANTIAL SHAREHOLDERS / PROMOTERS / DIRECTORS / KEY MANAGEMENT *(cont'd)*

9.7 Other Matters

- (i) Each of the Directors and key management of our Company has confirmed to us that he is not and has not been involved in any of the following events (whether in or outside Malaysia):
 - (a) a petition under any bankruptcy or insolvency laws being filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
 - (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
 - (c) charged and/or convicted in criminal proceedings or is a named subject of pending criminal proceedings;
 - (d) any judgement involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
 - (e) the subject of any order, judgement or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.
- (ii) None of the Directors and key management has any interest, direct or indirect, in other corporations carrying on a similar trade as our Group.
- (iii) Save as disclosed in Section 9.3.1, none of the Executive Directors are involved in other businesses or corporations.
- (iv) Save as disclosed in Section 9.4.2, none of the key management is involved in other businesses or corporations.
- (v) The involvement of our Directors and key management in other business or corporations (where applicable) is not expected to affect their contribution to our Group.
- (vi) Save for the salaries, bonuses, allowances and dividend, there have been no amounts and benefits that have been or are intended to be paid or given to our promoters, Directors and/or substantial shareholders within the two years preceding the date of this Prospectus.

9.8 Family Relationships or Associations Between Substantial Shareholders, Promoter, Directors and Key Management

Yong Yong Chai, our Director and key management, and Yong Jong Siah, our key management, are the brothers of YK Yong, who is the indirect substantial shareholder of our Company and sole director of our controlling shareholder, YKY Investments.

Save for the above, there are no family relationships or associations between any of the substantial shareholders, promoter, Directors and key management of our Group.

10. APPROVALS AND CONDITIONS

10.1 Approvals and Conditions

The SC has, via its letter dated 26 January 2010 approved the IPO under section 212(5) of the CMSA, subject to the compliance with the following conditions:

Conditions	Status Compliance
(i) JCY to disclose in the listing prospectus the following information:	
(a) Late filings of the financial statement of JCY and JCY HDD Malaysia for the past three financial years ended 30 September 2008 with CCM;	Complied. Please refer to Section 12.1 of this Prospectus.
(b) Reasons for the late filing of the said financial statements in (a) above with CCM;	Complied. Please refer to Section 12.1 of this Prospectus.
(c) Actions that have been taken against JCY Group and possible action that the CCM may take against JCY Group under relevant laws and regulations for the late filings of the said financial statements in (a) above;	Complied. Please refer to Section 12.1 of this Prospectus.
(d) Steps taken to ensure compliance with the relevant environmental regulations in the countries which JCY operates in;	Complied. Please refer to Section 7.18 of this Prospectus.
(e) The non-involvement of YK Yong in the day-to-day operations of JCY and the mitigating factors to ensure continuing business with Western Digital given his absence;	Complied. Please refer to Sections 6.1 and 7.8 of this Prospectus.
(f) Effects on the shareholding structure of JCY upon the full exercise of the call options by Maju Uni and whether or not there is any conflict-of-interest with CIMB as the principal adviser; and	Complied. Please refer to Sections 9.1.1 and 11.4.1 of this Prospectus.
(g) Reasons for including the financial information for the two-month financial period ended 30 November 2009 and the extent of review/audit by the auditors on the said financial information.	Complied. Please refer to Section 13.1.2 of this Prospectus.
(ii) In relation to the property located at PLO 296 (PTD 63734), Tebrau IV Industrial Area, Mukim Tebrau, 81100 Johor Bahru, JCY is to obtain the Certificate of Fitness within 6 months from the date of SC's approval letter; and	Noted
(iii) CIMB/JCY should fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the proposal.	Noted

In the same letter dated 26 January 2010, the SC has also informed that it has taken note of the notification by CIMB, on our behalf, in relation to the Equity Requirements for Public Companies.

The SAC has, via its letter dated 28 December 2009, classified the Shares as Shariah-compliant.

10. APPROVALS AND CONDITIONS (cont'd)

In addition, the SC has, via its letter dated 28 January 2010 approved the waiver sought from enclosing the auditors' report from the audited financial statements to the accountants' report pursuant to the requirement under Paragraph 13.10 of the Prospectus Guidelines, subject to the following conditions:

Conditions	Status Compliance
(i) JCY to disclose in the accountants' report the following information:	Complied. Please refer to Section 4.1 of the Accountants' Report included in this Prospectus
(a) Auditors' opinion on the audited financial statements for the financial years under review;	
(b) Timing of the commencement and completion of the audits of JCY for the financial years ended 30 September 2007 and 2008; and	
(c) Reasons as to why the audit report for the financial years ended 30 September 2007 and 2008 were signed off on 3 November 2009.	

10.2 Moratorium on Shares

In accordance with the SC Guidelines, our Promoter and Selling Shareholder will not be allowed and has undertaken not to sell, transfer or assign its entire shareholding in our Company, as disclosed below, for a period of six months from the Listing Date.

	Direct No. of Shares to be held under the moratorium	%
Promoter and Selling Shareholder		
YKY Investments ⁱ	1,444,468,615 ⁱⁱ	70.6

Notes:

ⁱ 100% of the shares in YKY Investments are currently held by UBS Nominees on behalf of YK Yong. Prior to the Listing, it is intended that the UBS Nominees (as a nominee for YK Yong) will transfer the YKY Investments shares to YKY Trustees. As a result, YKY Trustees will hold the YKY Investments shares under a revocable discretionary trust for the benefit of YK Yong and his named beneficiaries, which are currently his wife and his children. Please refer to Section 9.1.3 above for further details on the trust arrangement.

ⁱⁱ After adjusting for the transfer of 51,490,385 Shares representing approximately 2.5% of the issued and paid-up share capital of JCY (computed based on the Retail Price and estimated exchange rate but subject to adjustment upon the Final Retail Price being made available and the exchange rate on the day Maju Uni is notified of the Final Retail Price) arising from the assumed exercise of options granted to Maju Uni as described in Section 16.1(iv) of this Prospectus and the transfer of an aggregate of up to 18,691,000 Shares representing approximately 0.9% of the issued and paid-up share capital of JCY by YKY Investments to selected person(s) including certain Directors and certain employees of the JCY Group prior to the completion of the IPO. The final number of moratorium shares can only be determined immediately prior to the completion of our IPO.

The restrictions above do not apply:

- In respect of the Shares that may be sold pursuant to the Over-Allotment Option to be granted by YKY Investments to the Stabilising Manager (on behalf of the Placement Managers); and

10. APPROVALS AND CONDITIONS *(cont'd)*

- To the transfer of shares by YKY Investments as contemplated under the Share Lending Agreement provided that these restrictions will apply to the Shares returned to YKY Investments pursuant to the Share Lending Agreement.

In accordance with the SC Guidelines, the ultimate beneficial shareholder of YKY Investments i.e. YK Yong has undertaken not to sell, transfer or assign or instruct the sale, transfer or assignment of any part of his equity interest in YKY Investments (whether direct or indirect) for a period of six months from the date of listing of JCY on the Main Market of Bursa Securities.

Accordingly, YKY Trustees, the holder of YKY Investments shares at the time of Listing and as trustee under a revocable discretionary trust for the benefit of YK Yong and his named beneficiaries, which are currently his wife and his children, has also undertaken not to sell, transfer or assign any part of its holdings in YKY Investments for a period of six months from the date of listing of JCY on the Main Market of Bursa Securities.

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11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

11.1 Related Party Transactions

Under the Listing Requirements that are applicable to companies listed on the Main Market, a "related party transaction" is a transaction entered into by a listed company or its subsidiaries which involves the interests, direct or indirect, of a related party. A "related party" of a listed company is:

- (i) a director; or
- (ii) a major shareholder having an interest or interests in one or more voting shares in a corporation and the nominal amount of those shares, or the aggregate of the nominal amount of those shares, is:
 - (a) 10% or more of the aggregate of the nominal amounts of all voting shares in the corporation; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation,

of the listed company and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director, chief executive or major shareholder of the listed company or its subsidiaries or holding company. Further, a related party includes a person connected with such director or major shareholder as defined under the Listing Requirements.

11.1.1 Recurrent and Non-Recurrent Related Party Transactions

Save as disclosed below, our Group does not have any other existing and/or proposed recurrent and non-recurrent related party transactions entered into/to be entered into by our Group that involves the interest, direct or indirect, of our Directors, major shareholders and/or key management and/or persons connected with them for the past three financial years as set out below:

Transacting parties	Nature of relationship	Nature of transaction	Financial year ended 30 September			
			2007 (RM)	Actual 2008 (RM)	2009 (RM)	Estimate 2010 (RM)
JCY HDD Malaysia and PCA Mahlin	Yong Yoong Kian, a director of PCA Mahlin, and Yong Jong Siah, a director and substantial shareholder of PCA Mahlin, are brothers of Yong Yong Chai, a director of our Company, and YK Yong, the sole director of our controlling shareholder, YKY Investments and indirect substantial shareholder of our Company	Rental by PCA Mahlin to JCY HDD Malaysia of Plot 55(A), Mukim 13, Taman Perindustrian Bukit Minyak, Seberang Prai Tengah, 14100 Bukit Mertajam, Pulau Pinang	600,000	600,000	600,000	600,000

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Financial year ended 30 September			
			2007 (RM)	Actual 2008 (RM)	2009 (RM)	Estimate 2010 (RM)
JCY HDD Malaysia and JCY Technology Corporation Sdn Bhd	Yong Yoong Kian, a director and substantial shareholder of JCY Technology Corporation Sdn Bhd, and Yong Jong Siah, a director and shareholder of JCY Technology Corporation Sdn Bhd, are brothers of Yong Yong Chai, a director of our Company, and YK Yong, the sole director of our controlling shareholder, YKY Investments, and indirect substantial shareholder our Company	Supply by JCY Technology Corporation Sdn Bhd to JCY HDD Malaysia of foreign and local contract workers for its factories.	28,907,000	-	-	-
Advanced Corporate Services Pte Ltd and JCY HDD Singapore	The spouse of Wong King Kheng, a director of certain companies in the JCY Group, is a director and major shareholder of Advanced Corporate Services Pte Ltd	Provision of registered office and corporate secretarial services	3,500*	3500*	3500*	3500*
K K Wong and Associates and JCY HDD Singapore	Wong King Kheng, a director of certain companies in the JCY Group, is the managing partner of K K Wong and Associates	Provision of taxation services	2,200*	2,200*	2,200*	2,200*
Amster Sdn Bhd and JCY HDD Malaysia	Yong Jong Fong, who has an interest in Amster Sdn Bhd is the brother of Yong Yong Chai, a director of our Company, and YK Yong, the sole director of our controlling shareholder, YKY Investments, and indirect substantial shareholder our Company	Factory renovation and maintenance expenses in Johor and Penang	-	-	3,088,000	3,000,000

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (cont'd)

Transacting parties	Nature of relationship	Nature of transaction	Financial year ended 30 September			
			2007 (RM)	Actual 2008 (RM)	2009 (RM)	Estimate 2010 (RM)
YK Technology Suzhou and YK Technology (Foshan) Co Ltd ("YK Tech Foshan")	YK Tech Foshan is wholly owned indirectly by YKY Investments, a major shareholder of our Company	Proposed lease of land in Guangzhou by YK Technology Suzhou from YK Tech Foshan, commencing in September 2010	-	-	-	300,000

Note:

* Approximated figure based on the exchange rate conversion of RM2.40 : SGD1.00.

Our Directors are of the view that all the above recurrent and non-recurrent related party transactions were conducted on arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

11.2 Outstanding Loans Made To / For The Benefit Of Related Parties

Save as disclosed below, there has been no outstanding loans (including guarantees of any kind) made by our Company or any of our subsidiaries to or for the benefit of related parties for the past three financial years ended 30 September.

Transacting parties	Nature of relationship	Nature of transaction	Financial year ended 30 September			
			2007 (RM)	Actual 2008 (RM)	2009 (RM)	Estimate 2010 (RM)
JCY and YKY Investments	YKY Investments is a major shareholder of our Company and Yong Yong Chai, a director of our Company is the brother of YK Yong, the sole director of our controlling shareholder, YKY Investments and indirect substantial shareholder of our Company	The interest free advancement arising from the rescission of interim dividend paid to YKY Investments and subsequently settled upon declaration of interim dividend for the year ended 30 September 2008.	100,198,140	-	-	-

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (cont'd)

11.3 Monitoring and Oversight of Related Party Transactions and Conflict of Interest Situations**11.3.1 Audit Committee Review**

The Audit Committee of our Company was constituted on 13 November 2009 by the Board. The Audit Committee reviews any related party transaction and conflict of interest that may arise within our Group (including any future related party transaction and conflict of interest situation). The Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties, at arm's length with our Group and are not to the detriment of our Company's minority shareholders. All reviews by the Audit Committee are reported to the Board for its further action. Please refer to Section 9.3.6 of this Prospectus for details of the Audit Committee.

11.3.2 Conflict of Interest

The related party transactions disclosed above, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and Directors of our Group are also officers and Directors or shareholders of related parties of our Group and, with respect to these related party transactions, a conflict of interest situation may arise.

As at the LPD and save as disclosed below, none of our Directors, substantial shareholder or Promoter have any direct and indirect interests in:

- (a) other businesses and corporations carrying on a similar trade as our Company or any other corporation in our Group; and
- (b) other businesses and corporations which are the customers or suppliers of the corporation/group.

Chatar Singh A/L Santa Singh, our Director holds approximately 21.5% of the issued and paid up capital in MQ Technology Berhad, which is a holding company for its subsidiaries involved in the precision tooling business for the semiconductor and HDD industries.

11.3.3 Measures taken / to be taken to address and mitigate potential conflict of interest

It is the policy of our Group not to enter into transactions with related parties unless these transactions (i) are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties; (ii) at arm's length with our Group; and (iii) cannot be to the detriment of our Company's minority shareholders.

In addition, any related party transaction which may result in a conflict of interest must be reviewed by our Audit Committee. If any related party transaction involves any of our Directors and/or substantial shareholders and/or persons connected or related to them, the relevant Director and/or substantial shareholder are required to abstain from deliberating or voting at the relevant Board meeting and general meeting convened to decide on the related party transaction.

Our Audit Committee periodically reviews our procedures to monitor related party transactions to ensure that such transactions are carried out in a manner consistent with our corporate policy.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (cont'd)**11.3.4 Dependency on PCA Mahlin and steps taken / to be taken to reduce and address its dependency**

The factory rented from PCA Mahlin is rented at a rental rate which is about 41% of the prevailing market rate, benchmarked against a comparable property rented by our Company. In addition, under the terms of a tenancy agreement entered into with PCA Mahlin, PCA Mahlin has granted JCY HDD Malaysia an option to purchase the piece of land, together with the factory rented from PCA Mahlin, at the prevailing market value, as well as a right of first refusal.

11.4 Declaration by Advisers on Conflict of Interests**11.4.1 Declaration by CIMB**

On 15 March 2007, YKY Investments entered into two Call Option Agreements with Maju Uni for the existing Shares in JCY. The number of Shares under the Call Option Agreements is subject to the terms and conditions of the Call Option Agreements. Further information on the options is set out in Section 16.1(iv) of this Prospectus. Maju Uni in its capacity as a professional investing entity, acts independently from the corporate advisory division of CIMB, in accordance with CIMB's internal control and policies.

CIMB Bank Berhad, an Affiliate of CIMB, has extended a RM200 million trade banking facility to JCY HDD Malaysia and has in syndication with UBS AG extended a USD50 million term loan facility to JCY HDD Malaysia. Please see Section 13.4 of this Prospectus for further details. The above credit facilities extended by CIMB Bank Berhad will not be repaid by virtue of this IPO.

Notwithstanding the above, CIMB is of the opinion and hereby declares that there is no conflict of interest in its capacity as the Principal Adviser, a Joint Global Co-ordinator, Joint Bookrunner, Joint Managing Underwriter and Underwriter.

11.4.2 Declaration by UBS

UBS and/or its Affiliates, in its capacity as principal or agent, is, and may be in the future, involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customary and proprietary) and brokerage) from which conflicting interests or duties may arise. In addition, UBS or its Affiliates may have, or may in the future have, a private banking relationship with the Company.

UBS AG has in syndication with CIMB Bank Berhad extended a USD50 million term loan to JCY HDD Malaysia. Please see Section 13.4 of this Prospectus for further details. The above credit facilities extended by UBS AG will not be repaid by virtue of this IPO.

UBS concludes that notwithstanding the above, in its opinion, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Global Co-ordinator and Joint Bookrunner for the Institutional Offering outside of Malaysia.

11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (cont'd)

11.4.3 Declaration by UBS Securities Malaysia Sdn Bhd (“UBSSM”)

UBSSM and/or its Affiliates, in its capacity as principal or agent, is, and may be in the future, involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customary and proprietary) and brokerage) from which conflicting interests or duties may arise.

UBSSM concludes that notwithstanding the above, in its opinion, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Bookrunner for the Institutional Offering in Malaysia and a Joint Managing Underwriter and Underwriter for the Retail Offering in Malaysia.

11.4.4 Declaration by Zaid Ibrahim & Co

Zaid Ibrahim & Co have acted as advisers for the Joint Global Co-ordinators and other companies controlled by or associated with any of them in other transactions.

Zaid Ibrahim & Co confirms that there is no conflict of interest in their capacity as legal advisers to us as to Malaysian law, in relation to our IPO and our Listing.

11.4.5 Declaration by Latham & Watkins LLP

Latham & Watkins LLP have acted as advisers for the Joint Global Co-ordinators and other companies controlled by or associated with any of them in other transactions. Apart from potential conflicts of interest which may arise as a result of Latham & Watkins LLP's representation of both our Company and the Selling Shareholder in the IPO (which have been waived by the respective parties), Latham & Watkins LLP are of the view that there is no conflict of interest in their capacity as legal advisers to our Company and our Selling Shareholders as to certain matters of U.S. federal securities and English laws, in relation to our IPO and our Listing.

11.4.6 Declaration by Adnan Sundra & Low

Adnan Sundra & Low confirms that there is no conflict of interest in their capacity as legal advisers to the Joint Global Co-ordinators and Joint Bookrunners as to Malaysian law, in relation to our IPO and our Listing.

11.4.7 Declaration by Ernst & Young

Ernst & Young confirms that there is no conflict of interest in their capacity as auditors and reporting accountants, in relation to our IPO and our Listing.

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12. FINANCIAL INFORMATION

12.1 Historical Financial Information

The following tables present our selected consolidated financial and operating data for the three financial years ended 30 September 2009. Our consolidated financial statements are prepared in accordance with Malaysian FRS. Our consolidated financial statements for the three years ended 30 September 2009 have been audited by Messrs Ernst & Young.

You should read the Consolidated Income Statement together with the "Management's Discussion and Analysis of Financial Condition and Results of Operations and Prospects" and the Accountants' Report as set out in Section 13 and 14 of this Prospectus.

Consolidated Income Statement Data

	Financial year ended 30 September		
	2007	2008	2009
	(RM millions)	(RM millions)	(RM millions)
	(Audited)	(Audited)	(Audited)
Revenue	1,657.8	1,834.9	1,758.0
Cost of sales	(1,439.4)	(1,576.5)	(1,513.1)
Gross profit	218.4	258.4	244.9
Other operating income	3.2	9.8	7.8
General and administrative expenses	(44.0)	(54.8)	(39.4)
Profit from operation	177.6	213.4	213.3
Finance costs	(3.0)	(3.6)	(7.4)
PBT	174.6	209.8	205.9
Taxation	(0.7)	(7.0)	1.4
Net profit for the year	173.9	202.8	207.3
Net profit attributable to:			
Equity holders	173.9	202.8	207.3
Minority interest	-	-	-

Other Financial Data and Ratios

	Financial year ended 30 September		
	2007	2008	2009
	(RM millions)	(RM millions)	(RM millions)
EBITDA ⁽¹⁾ (RM millions)	238.4	284.4	295.7
No. of JCY Shares in issue (unit million)	2,044.9	2,044.9	2,044.9
Gross profit margin (%)	13.2%	14.1%	13.9%
PBT margin (%)	10.5%	11.4%	11.7%
Net profit margin ⁽²⁾ (%)	10.5%	11.1%	11.8%
Basic and diluted earnings per share (RM)	0.09	0.10	0.10

Notes:

⁽¹⁾ EBITDA represents earnings before finance cost, taxation, depreciation and amortisation

	Financial year ended 30 September		
	2007	2008	2009
	(RM millions)	(RM millions)	(RM millions)
Net profit for the year	173.9	202.8	207.3
Depreciation	60.6	70.7	81.9
Amortisation of prepaid land lease	0.2	0.3	0.5
Finance costs	3.0	3.6	7.4
Taxation	0.7	7.0	(1.4)
EBITDA (unaudited)	238.4	284.4	295.7

12. FINANCIAL INFORMATION (cont'd)

EBITDA, as well as the related ratios presented in this Prospectus, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with Malaysian FRS. EBITDA is not a measurement of financial performance or liquidity under Malaysian FRS and should not be considered as an alternative to net income, operating income or any other performance measure derived in accordance with Malaysian FRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

⁽²⁾ Profit after tax divided by revenue.

Consolidated Balance Sheet

The following table sets forth the consolidated balance sheets of the JCY Group based on its audited financial statements as at 30 September 2007, 2008 and 2009:

	As at 30 September		
	2007 (RM millions) (Audited)	2008 (RM millions) (Audited)	2009 (RM millions) (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	467.4	600.6	643.4
Prepaid land lease payments	14.0	28.0	19.6
	<u>481.4</u>	<u>628.6</u>	<u>663.0</u>
Current assets			
Inventories	128.5	191.7	185.3
Trade and other receivables	335.5	330.9	345.3
Amount due from shareholder	100.2	-	-
Cash and bank balances	110.7	145.1	238.7
	<u>675.9</u>	<u>667.7</u>	<u>769.3</u>
Non-current asset classified as held for sale	-	-	28.8
TOTAL ASSETS	1,157.3	1,296.3	1,461.1
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	511.2	511.2	511.2
Reserves	287.7	314.1	291.5
	<u>798.9</u>	<u>825.3</u>	<u>802.7</u>
Non-current liabilities			
Deferred tax liabilities	-	6.4	5.5
Current liabilities			
Trade and other payables	225.3	294.1	292.1
Amount due to related companies	10.7	-	-
Amount due to shareholder	-	5.8	173.2
Short term borrowings	121.4	163.3	186.1
Tax payable	1.0	1.4	1.5
	<u>358.4</u>	<u>464.6</u>	<u>652.9</u>
Total liabilities	358.4	471.0	658.4
TOTAL EQUITY AND LIABILITIES	1,157.3	1,296.3	1,461.1

12. FINANCIAL INFORMATION (cont'd)**Cash Flows and Other Selected Data**

The following table sets forth certain information concerning our cash flows for the financial years indicated:

	Financial year ended 30 September		
	2007 (RM millions) (Audited)	2008 (RM millions) (Audited)	2009 (RM millions) (Audited)
Net cash generated from operating activities	174.0	278.8	275.0
Net cash (used in) investing activities	(104.3)	(199.2)	(140.5)
Net cash (used in) financing activities	(51.0)	(46.4)	(41.3)
Net increase in cash and cash equivalents	18.7	33.2	93.2

Lodgement of Audited Financial Statements

JCY and JCY HDD Malaysia did not file (within the stipulated period) their balance sheets and profit and loss accounts with the CCM for the financial period ended 30 September 2006 and the financial years ended 30 September 2007 and 2008. On 20 June 2007 and 10 September 2007, JCY and JCY HDD Malaysia applied to the CCM for a waiver from the requirement to file their balance sheets and profit and loss accounts for the financial period ended 30 September 2006 based on amongst others, the commercial reasons mentioned below:

Prior to a restructuring exercise in 2006, our Group's operations were carried out by the Predecessor Group, which then comprised of exempt private companies, which allowed the Predecessor Group to keep their financial statements confidential. Following the said restructuring exercise, our operations were and continue to be carried out under our current group structure. As the HDD industry has only a few major customers, we were concerned with the public filing of our financial statements for the financial period ended 30 June 2006 and financial years 30 June 2007 and 2008 as such filings would indirectly disclose competitive and commercially sensitive information including volumes and pricing.

The waiver sought was unsuccessful on both occasions. On 21 November 2007, both JCY and JCY HDD Malaysia applied under Section 169A(1) of the Act for relief as to the form and content of their balance sheets and profit and loss accounts for the financial period ended 30 September 2006 and on 4 March 2008, applied for the same relief for the financial period ended 30 September 2006 and five financial years ending 30 September 2011 for the same commercial reasons but were again unsuccessful.

Nevertheless, both JCY and JCY HDD Malaysia have since made the necessary lodgements with the CCM on 26 November 2009, 24 December 2009 and 7 January 2010 respectively and paid a late filing fee totalling RM1,600 in accordance with the CCM's directive dated 11 November 2005 for late lodgement pursuant to Section 169 of the Act.

Under the Act, the CCM may impose the following penalties on JCY and JCY HDD Malaysia, as well as the directors of both companies:

- (i) A penalty of RM5,000 on each company and each director of the company (Section 143 of the Act); and
- (ii) A fine on the directors of RM30,000 or imprisonment for five years (Section 169 of the Act).

The filings are now up to date. Both JCY and JCY HDD Malaysia will ensure the timely lodgement of its audited financial statements with the CCM in the future.

12. FINANCIAL INFORMATION *(cont'd)*

12.2 Capitalisation and Indebtedness

The following table sets forth our consolidated cash and cash equivalents, capitalisation and indebtedness as at 30 September 2009 (based on our audited consolidated balance sheet as at 30 September 2009) and as at 30 November 2009 (unaudited). Since all Shares in the Offering are being offered by the Selling Shareholder, we will not receive any of the proceeds from the Offering.

You should read our Consolidated Income Statement together with our "Management's Discussion and Analysis of Financial Condition and Results of Operations and Prospects" and the Accountants' Report as set out in Section 13 and 14 of this Prospectus.

	As at 30 September 2009 <i>(RM millions)</i> <i>(Audited)</i>	As at 30 November 2009 <i>(RM millions)</i> <i>(Unaudited)</i>
Cash and cash equivalents	238.7	227.9
Short-term borrowings:		
Guaranteed:		
- Secured	-	-
- Unsecured	186.1	164.7
Unguaranteed	-	-
Long-term borrowings:		
Guaranteed:		
- Secured	-	-
- Unsecured	-	-
Unguaranteed	-	-
Total borrowings	186.1	164.7
Contingent liabilities	-	-
Shareholders' equity	802.7	854.0
Total capitalisation and indebtedness	988.8	1,018.7

12.3 Dividend Policy

As we are a holding company, our Company's income, and therefore our ability to pay dividends, is dependent upon the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend upon their distributable profits, operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

It is the policy of our Board in recommending dividends to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth.

The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to take into account various factors including:

- the level of our cash, gearing, return on equity and retained earnings;
- our expected financial performance; and
- our projected levels of capital expenditure and other investment plans.

12. FINANCIAL INFORMATION *(cont'd)*

Considering our current financial position, our Board intend to adopt a progressive dividend policy, subject to the factors stated above and in the absence of any circumstances which might reduce the amount of revenue reserve available to pay dividends, whether by losses, capital reduction or otherwise.

Subject to the factors described above, our Board intends to pay dividends of up to 50% of our profits after taxation attributable to shareholders excluding non-recurring items after considering a number of factors, including our level of cash and retained earnings, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions and other factors considered relevant by our Board, including our expected financial performance.

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13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS

THE FOLLOWING DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH OUR AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE PAST THREE FINANCIAL YEARS ENDED 30 SEPTEMBER 2009 INCLUDED ELSEWHERE IN THIS PROSPECTUS. THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS REFERRED TO IN THIS SECTION ARE PREPARED IN ACCORDANCE WITH APPLICABLE MALAYSIAN FRS, WHICH DIFFER IN CERTAIN SIGNIFICANT RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES.

THIS DISCUSSION AND ANALYSIS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE STATED IN SUCH FORWARD-LOOKING STATEMENTS. FACTORS THAT MIGHT CAUSE FUTURE RESULTS TO DIFFER SIGNIFICANTLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED BELOW AND ELSEWHERE IN THIS PROSPECTUS, PARTICULARLY IN "RISK FACTORS."

13.1 Overview

13.1.1 Introduction

We are one of the largest global precision engineering manufacturers of HDD mechanical components based on revenue and unit production for base plates, top cover assembly, APFA and antidisks in 2009, according to estimates by TRENDFOCUS. We have manufacturing facilities located in the states of Johor, Penang and Malacca, in Malaysia and in Saraburi, Thailand. We are in the process of establishing manufacturing facilities in the PRC. We primarily manufacture base plates, top cover assembly, APFA and antidisks, which are key mechanical components of HDDs. We jointly develop these components with and manufacture them for our HDD company customers, which then assemble these components into completed HDDs, primarily 3.5 inch and 2.5 inch HDDs.

Our revenue increased from RM1,657.8 million in the financial year ended 30 September 2007 to RM1,758.0 million in the financial year ended 30 September 2009, representing a CAGR of 3.0%. Our net profit grew from RM173.9 million in the financial year 30 September 2007 to RM207.3 million in the financial year ended 30 September 2009, representing a CAGR of 9.2%. In addition, we also registered an improvement in our net profit margins from 10.5% in the financial year ended 30 September 2007 to 11.8% in the financial year ended 30 September 2009. We believe that our revenue in recent years has been driven by the diversity of our product portfolio and our long-term strategic relationships with our customers.

Based on direct sales, we derived 64.9% and 21.5% of our total consolidated revenue in the financial year ended 30 September 2009 from Western Digital and Nidec, respectively. Nidec is a MBA supplier to our Key Customers and our sales to Nidec are at the direction of Western Digital and Seagate.

As of 30 September 2009, we had total assets of RM1,461.1 million.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

13.1.2 Recent Developments

The following information provides an update on certain developments relating to our Group which have occurred after 30 September 2009.

Unaudited Consolidated Financial Statements for the Two Months Ended 30 November 2009

Financial information as of and for the two month period ended 30 November 2009 have been derived from our unaudited interim consolidated financial statements for this period which has been reviewed by Ernst & Young in accordance with the Malaysian standard on review, ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Approved Standards on Auditing in Malaysia. Results for the interim period should not be considered indicative of results for other periods or for the full financial year.

Based on the unaudited consolidated financial statements for the two months ended 30 November 2009, our revenue was RM356.8 million, of which 43.0% was from sales of base plates, antidisks and casting moulds and toolings, 11.3% was from sales of top cover assembly and 45.7% was from sales of APFA.

During the same period, we achieved gross profit of RM67.4 million and net profit of RM56.6 million. Gross profit margin was 18.9% and net profit margin was 15.9%. For the two months ended 30 November 2009, EBITDA⁽¹⁾ was RM71.5 million.

Cash and bank balances decreased from RM238.7 million as at 30 September 2009 to RM227.9 million as at 30 November 2009 primarily due to the repayment of certain bank borrowings.

Based on the unaudited balance sheet as at 30 November 2009, equity attributable to equity holders of our Company as at 30 November 2009 was RM854.0 million.

Note:

⁽¹⁾ EBITDA represents earnings before finance cost, taxation, depreciation and amortisation

	For the period ended 30 November 2009 (RM millions)
Net profit for the year	56.6
Depreciation	14.2
Amortisation of prepaid land lease	0.0
Finance costs	0.7
Taxation	(0.0)
EBITDA (unaudited)	71.5

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

EBITDA, as well as the related ratios presented in this document, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with Malaysian FRS. EBITDA is not a measurement of financial performance or liquidity under Malaysian FRS and should not be considered as an alternative to net income, operating income or any other performance measure derived in accordance with Malaysian FRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

Events Subsequent to Our Unaudited Consolidated Financial Statements for the Two Months Ended 30 November 2009

In December 2009, we reduced the amount due to our shareholder by RM80.0 million using internal cash and bank balances. However, in December 2009, we had also drawn down USD50.0 million under the CIMB/UBS Facility to purchase machinery and/or equipment and for general working capital needs.

13.2 Factors Affecting Our Results of Operations

13.2.1 ASPs

ASPs change primarily as a result of fluctuations in product mix, volume of orders and market conditions. Assuming no change in sales volume, higher ASPs will result in higher revenues.

The prices of the various components are negotiated and agreed between us and our customers prior to the issue of the purchase orders by such customers, and will apply to all components sold within the agreed period. The pricing model specifies the product specifications, certain raw materials cost and sub-component costs. The pricing model also typically contemplates variations in the unit selling price based on changes in product specifications, changes in the sub-components specified by customers and the manufacturing process. There are different product designs or models in each of the HDD mechanical component products we manufacture, each having different specifications, manufacturing processes and ASPs. We typically manufacture between three and five designs or models per product for our customers.

Our products have a typical life cycle of one to four years. New product designs which have been prototyped and are introduced into production by a customer are characterised by small volumes with high unit selling prices as we adjust our manufacturing process. Once the product design is put into mass production, the ASPs will gradually decline over time but are typically offset by larger volume orders. In addition, if our customer requires less value added processes for a product, the ASP for that product would generally decrease. In each of the past three financial years ended 30 September 2009, we experienced a decrease in the ASPs for our products, primarily as a result of the reduction of value added processes and the use of different grades of raw materials at the request of our customers.

Market conditions also affect ASPs. For example, a stronger demand for our products as a result of an increase in applications using our products may lead to higher ASPs and price competition may result in lower ASPs. In addition, when the industry invests in new plant and equipment, the resulting increase in manufacturing capacity may temporarily outstrip real demand, resulting in ASP erosion.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

13.2.2 Sales Volume

We typically enter into arrangements with our Key Customers and provide them with products based on purchase orders executed under such arrangements (see Section 7.9 of this Prospectus). Customers typically provide quarterly advance estimates as to future product demand. Such estimates do not bind the customer to minimum volume purchase requirements. The quantity of components set forth in the quarterly advance forecast only provides an estimate of our customer's quarterly requirements of certain components, and are subject to adjustment by our customers on a weekly basis. As with most HDD vendors, our Key Customers use JIT inventory management processes, which enable them to maintain low inventory levels and require them to work closely with their suppliers to ensure timely delivery of supplies. As we rely in part on these forecasts in determining our sub-component needs and our inventory requirements, we may have inadequate or excess inventory of our products or sub-components as compared with our Key Customers' actual requirements, which could have a material adverse effect on our operating results and financial condition.

We make adjustments to the volume of each product that we produce on a daily basis depending on our customers' requirements. As each product has different ASPs, this in turn affects our revenue. Further, ASPs also vary within each product segment.

From time to time, we may receive stagnant or declining orders for specific production designs. However, there has been a net increase in our total unit volumes over the last three financial years ended 30 September 2009. The decrease in unit volume production for a specific product design is usually offset by increased production volumes for other existing production designs, or by the introduction of new production designs by our customers.

13.2.3 Efficiency

Our net profit increases with higher efficiency from our manufacturing process - we can achieve higher yields from using common manufacturing equipment for different products, reducing raw materials wastage and higher volume production. Our profitability is also driven by the optimisation of equipment in our manufacturing facilities. If we are able to optimise our equipment, our fixed operating costs are spread over a large number of units produced, which generally leads to lower unit operating costs. As a result, our ability to optimise our equipment can significantly affect our margins.

Our ability to optimise our equipment is affected by several factors, including the level of customer orders, production efficiency, product mix and general industry and market conditions. Our overall ability to optimise our equipment is primarily affected by the time it takes to set up new production lines when we are installing new equipment and training staff. As a result, our ability to optimise our equipment will affect our profits.

13.2.4 Cost of Sales

Our gross margins are affected by our cost of sales. Our cost of sales changes primarily because of our product mix as it costs more to produce a particular product as compared to others. More than half of our cost of sales consists primarily of the costs of the materials and components used in the assembly and manufacture of our HDD mechanical components, including materials such as aluminium ingots, aluminium extruded bars, stainless steel and chemicals, and sub-components such as FCB, flexible flex circuits, chips and pivots. The prices of raw materials are driven

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

by market prices for such commodities, the availability of supply, as well as the transportation costs for such raw materials. The prices of sub-components are generally negotiated directly between our customers and our suppliers and fixed on a quarterly basis. We pay for such sub-components at such pre-agreed prices. Under our current arrangements with our customers, our customers would bear any price increases (and enjoy any corresponding price decreases) of certain niche HDD sub-components which we obtain from our suppliers. However, we remain liable for any price increases in commodity materials, such as stainless steel and aluminium, and our operating margins may be reduced if we are unable to pass on the increased prices of such materials to our clients, through the pricing of our products.

Other items included in cost of sales primarily comprise the labour costs for sub-contract workers, as well as depreciation of manufacturing equipment, transportation costs, electricity, consumables, spares production, tooling expenses, maintenance of machinery and equipment, lubricants, moulds, salaries and bonuses and packing expenses. Our transportation costs include costs incurred to transport works-in-progress between our various production facilities, and the costs incurred to transport our finished products to logistics hubs located in Kuala Lumpur, Malaysia or Bangkok, Thailand for collection by our customers on an as-required basis (see Section 7.9 of this Prospectus). We expect our transportation costs to increase in the future.

The following table shows the breakdown of our key cost items as a percentage of our cost of sales for the financial years indicated:

	Financial year ended 30 September		
	2007	2008	2009
	<i>(as percentage of cost of sales)</i>		
Cost of sales	100.0	100.0	100.0
Raw materials ⁽¹⁾	58.4	53.8	54.0
Overheads	25.5	28.1	26.9
Labour	16.1	18.1	19.1

Note:

⁽¹⁾ Includes purchase of raw materials and movement of finished goods, work- in-progress and consumable goods.

We expect to incur substantial increases in depreciation and other costs of sales as a result of the proposed new investments in plant and machinery in our existing facilities and our new facilities in Malaysia, the PRC and Thailand (see Section 13.6 of this Prospectus - Planned Capital Expenditure).

13.2.5 Taxation

Our Company has been granted MSC status with effect from 12 January 2006 by the MDC pursuant to which our Company would be granted full income tax exemption on statutory income (which is income from our core manufacturing business) under the MITA for an initial period of five years, effective from 12 January 2006, subject to renewal for a further five years. Our favourable tax treatment is dependent upon our continuing with our design and development activities in connection with our manufacturing operations.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

Our subsidiary, JCY HDD Malaysia, has also been granted full income tax exemption on statutory income under the MITA by MIDA for 10 years, effective from 1 April 2006. As a result of the tax exemptions enjoyed by our Company and JCY HDD Malaysia, we are not required to pay corporate income tax in Malaysia (currently 25%) on revenue generated from our manufacture of HDD mechanical components. Our costs due to tax are significantly reduced by these tax exemptions, thereby enhancing our ability to fund our operations and growth from internal cash accruals (see Section 5.1.11 of this Prospectus).

We have also received an income tax exemption for our Thai subsidiary, JCY HDD Thailand, which entitles us to tax exemption on income from our manufacturing activities in Thailand, and a reduced rate of 10% withholding taxes in respect of dividend distributions. In respect of our manufacturing activities in the PRC, we also enjoy a tax-free period of two years from the date we register a profit, after which we will be entitled to a tax deduction of 50% for the next three years. As our PRC subsidiary, YK Technology Suzhou, registered a profit in 2008, the tax benefit that we enjoy in respect of our manufacturing activity in the PRC began in 2008 and will expire in December 2012.

13.2.6 Foreign Exchange

Our functional and reporting currency is Ringgit. Our revenues are received in U.S. dollars and Thai Baht. However, our costs are primarily denominated in U.S. dollars, Japanese Yen and Ringgit. As a result, we are exposed to foreign currency risk. We manage our foreign exchange risk exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. However, we are exposed to fluctuations in exchange rates between the various currencies.

13.3 Results of Operations

The following table sets forth the revenue of each of the companies in our Group for the financial years indicated:

	Financial year ended 30 September		
	2007 (RM millions)	2008 (RM millions)	2009 (RM millions)
JCY	8.1	212.9	246.6
JCY HDD Malaysia	1,651.9	1,833.2	1,696.0
JCY HDD Singapore	90.0	157.0	80.7
PCA BVI	73.1	1.7	—
JCY HDD Thailand	—	18.1	235.6
YK Technology Suzhou	25.7	50.5	45.3
QB Technology	—	—	9.8
Axius Investments (Mauritius)	—	—	—
Minarex Holdings (Mauritius)	—	—	—
Consolidated elimination			(556.0)
	(191.0)	(438.5)	
Total Revenue (Audited)	1,657.8	1,834.9	1,758.0

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

The following table sets forth the profit before tax of each of the companies in our Group for the financial years indicated:

	Financial year ended 30 September		
	2007 (RM millions)	2008 (RM millions)	2009 (RM millions)
JCY	(3.4)	207.5	239.1
JCY HDD Malaysia	174.7	208.7	179.7
JCY HDD Singapore	0.4	0.1	(3.5)
PCA BVI	48.7	0.9	*
JCY HDD Thailand	(0.3)	(8.9)	12.2
YK Technology Suzhou	(4.3)	4.0	2.8
QB Technology	—	—	0.4
Axius Investments (Mauritius)	*	*	*
Minarex Holdings (Mauritius)	*	*	*
Consolidated elimination			(224.8)
Profit Before Tax (Audited)	(41.2)	(202.5)	205.9

Note:

* *Insignificant.*

The following table sets forth our income and expense items as a percentage of our total revenue for the financial years indicated:

	Financial year ended 30 September		
	2007 (As percentage of total revenue)	2008 (As percentage of total revenue)	2009 (As percentage of total revenue)
Revenue	100.0	100.0	100.0
Cost of sales	86.8	85.9	86.1
Gross profit	13.2	14.1	13.9
Other operating income	0.2	0.5	0.4
General and administrative expenses	2.7	3.0	2.2
Profit from operations	10.7	11.6	12.1
Finance costs	0.2	0.2	0.4
Profit before taxation	10.5	11.4	11.7
Taxation	*	0.4	0.1
Net profit for the year	10.5	11.1	11.8

Note:

* *Insignificant.*

The following table sets forth our revenue by product for the financial years indicated:

	Financial year ended 30 September		
	2007 (RM millions)	2008 (RM millions)	2009 (RM millions)
Base plates, antidisks and casting moulds and toolings	602.7	676.8	677.2
Top cover assembly	272.6	265.3	210.6
APFA			870.2
	782.5	892.7	
Total Revenue (Audited)	1,657.8	1,834.9	1,758.0

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

The following table sets forth our revenue by geographical segment based on the location of our assets for the financial years indicated:

	Financial year ended 30 September		
	2007 (RM millions) (Audited)	2008 (RM millions) (Audited)	2009 (RM millions) (Audited)
Malaysia	1,567.8	1,659.8	1,442.3
Others	90.0	175.1	315.7
Total	1,657.8	1,834.9	1,758.0

Financial Year Ended 30 September 2009 compared to Financial Year Ended 30 September 2008

Revenue

Revenue decreased 4.2% from RM1,834.9 million in the financial year ended 30 September 2008 to RM1,758.0 million in the financial year ended 30 September 2009 primarily as a result of market conditions that affected end user demand for our customers' products which led to a decrease in sales volumes of all products, partially offset by the increase in sales volume of antidisks to take into account the full year of production of antidisks, and a decrease in ASPs, which was partially offset by appreciation of the Ringgit.

Cost of Sales

Cost of sales decreased 4.0% from RM1,576.5 million in the financial year ended 30 September 2008 to RM1,513.1 million in the financial year ended 30 September 2009 primarily due to overall lower cost of raw materials. The lower cost of raw materials during the period was attributed to the change in raw material specifications by our customers, together with reduced orders of raw materials such as aluminium and steel, for which market prices had decreased during the period. The lower cost of sales also resulted from a general decrease in the volume of products produced and sold, coupled with increased production of products which required less aluminium and stainless steel. However, the decrease in cost of raw materials was partially offset by an increase in labour costs and overhead costs.

Gross Profit

Gross profit decreased 5.2% from RM258.4 million in the financial year ended 30 September 2008 to RM244.9 million in the financial year ended 30 September 2009. Gross profit margin decreased marginally from 14.1% in the financial year ended 30 September 2008 to 13.9% in the financial year ended 30 September 2009 primarily due to an increase in labour costs and overhead costs, which was partially offset by a decrease in raw materials costs.

Other Operating Income

Other operating income decreased 20.4% from RM9.8 million in the financial year ended 30 September 2008 to RM7.8 million in the financial year ended 30 September 2009 primarily as a result of a decrease in interest income from fixed deposits placed with banks and a decrease in foreign exchange gains.

General and Administrative Expenses

General and administrative expenses decreased 28.1% from RM54.8 million in the financial year ended 30 September 2008 to RM39.4 million in the financial year ended 30 September 2009 primarily as a result of a decrease in foreign exchange losses.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

Profit from Operations

Profit from operations was RM213.4 million in the financial year ended 30 September 2008 and RM213.3 million in the financial year ended 30 September 2009.

Finance Costs

Finance costs increased 105.6% from RM3.6 million in the financial year ended 30 September 2008 to RM7.4 million in the financial year ended 30 September 2009 primarily as a result of a one-time payment of facility fees for the renewal of a trade facility and larger drawdowns of its credit facilities for the purchase of equipment.

Profit Before Tax

As a result of the reasons discussed above, profit before tax decreased 1.9% from RM209.8 million in the financial year ended 30 September 2008 to RM205.9 million in the financial year ended 30 September 2009.

Taxation

Taxation changed from a tax expense of RM7.0 million in the financial year ended 30 September 2008 to tax credit of RM1.4 million in the financial year ended 30 September 2009. The tax credit of RM1.4 million in the financial year ended 30 September 2009 resulted primarily from deferred tax assets recognised on certain property, plant, equipment in respect of which the tax base exceeds the net carrying amount.

Net Profit

As a result of the reasons discussed above, net profit increased 2.2% from RM202.8 million in the financial year ended 30 September 2008 to RM207.3 million in the financial year ended 30 September 2009.

Financial Year Ended 30 September 2008 compared to Financial Year Ended 30 September 2007*Revenue*

Revenue increased 10.7% from RM1,657.8 million in the financial year ended 30 September 2007 to RM1,834.9 million in the financial year ended 30 September 2008 primarily as a result of an increase in sales volumes of all products because of an increase in end user demand for our customers' products as well as an increase in ASPs for base plates and antidisks, which was partially offset by a decrease in ASPs for top cover assembly and APFA.

Cost of Sales

Cost of sales increased 9.5% from RM1,439.4 million in the financial year ended 30 September 2007 to RM1,576.5 million in the financial year ended 30 September 2008 primarily due to larger orders of raw materials such as aluminium and steel, for which market prices had increased during the period under review and in line with the increase in volume of products produced and sold. Further, an increase in labour costs, due to an increase in headcount coupled with an increase in overhead costs due to an expansion of our facilities also contributed to the overall increase in cost of sales during the period.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

Gross Profit

Gross profit increased 18.3% from RM218.4 million in the financial year ended 30 September 2007 to RM258.4 million in the financial year ended 30 September 2008 due to production efficiencies and economies of scale resulting in higher gross margins.

Other Operating Income

Other operating income increased 206.3% from RM3.2 million in the financial year ended 30 September 2007 to RM9.8 million in the financial year ended 30 September 2008 primarily as a result of an increase in foreign exchange gains.

General and Administrative Expenses

General and administrative expenses increased 24.5% from RM44.0 million in the financial year ended 30 September 2007 to RM54.8 million in the financial year ended 30 September 2008 primarily as a result of an increase in foreign exchange losses.

Profit from Operations

As a result of the reasons discussed above, profit from operations increased 20.2% from RM177.6 million in the financial year ended 30 September 2007 to RM213.4 million in the financial year ended 30 September 2008.

Finance Costs

Finance costs increased 20.0% from RM3.0 million in the financial year ended 30 September 2007 to RM3.6 million in the financial year ended 30 September 2008 due to an increase in interest rates.

Profit Before Tax

As a result of the reasons discussed above, profit before tax increased 20.2% from RM174.6 million in the financial year ended 30 September 2007 to RM209.8 million in the financial year ended 30 September 2008.

Taxation

Tax expense (comprising taxes on interest income from fixed deposits and deferred tax) increased from RM0.7 million in the financial year ended 30 September 2007 to RM7.0 million in the financial year ended 30 September 2008. Deferred tax expense for 2008 amounted to RM6.4 million.

Net Profit

As a result of the reasons discussed above, net profit increased 16.6% from RM173.9 million in the financial year ended 30 September 2007 to RM202.8 million in the financial year ended 30 September 2008.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

13.4 Liquidity and Capital Resources

Our principal sources of liquidity have historically been from cash generated by operating activities and short-term borrowings under working capital and trade financing facilities. In the last three financial years ended 30 September 2009, we used these funds for the funding of our operations and capital expenditure. As of LPD, our unused sources of liquidity comprised cash and cash equivalents (including short-term deposits) and unutilised amounts of credit facilities of RM462.7 million.

The distribution of dividends from our Thai subsidiary, JCY HDD Thailand is subject to withholding taxes in Thailand. See Section 7.25.2 of this Prospectus for restrictions on the distribution of dividends from our PRC subsidiary, YK Technology Suzhou.

The following table sets forth certain information concerning our cash flows for the financial years indicated:

	Financial year ended 30 September		
	2007	2008	2009
	(RM millions)	(RM millions)	(RM millions)
	(Audited)	(Audited)	(Audited)
Net cash generated from operating activities	174.0	278.8	275.0
Net cash (used in) investing activities	(104.3)	(199.2)	(140.5)
Net cash (used in) financing activities	(51.0)	(46.4)	(41.3)
Net increase in cash and cash equivalents	18.7	33.2	93.2

Cash flows generated from operating activities

Net cash generated by operating activities totalled RM275.0 million in the financial year ended 30 September 2009. Primarily contributing to this net cash was a decrease in inventories from RM191.7 million as at 30 September 2008 to RM185.3 million as at 30 September 2009, partially offset by an increase in receivables from RM330.9 million as at 30 September 2008 to RM345.3 million as at 30 September 2009 and a decrease in payables from RM294.1 million as at 30 September 2008 to RM292.1 million as at 30 September 2009. The decrease in inventories and increase in receivables were primarily due to higher sales volume in September 2009. The decrease in payables was primarily due to timing of payments to suppliers.

Net cash generated by operating activities totalled RM278.8 million in the financial year ended 30 September 2008. Primarily contributing to this net cash was a decrease in receivables from RM335.5 million as at 30 September 2007 to RM330.9 million as at 30 September 2008 and an increase in payables from RM225.3 million as at 30 September 2007 to RM294.1 million as at 30 September 2008, offset by an increase in inventories from RM129.5 million as at 30 September 2007 to RM191.7 million as at 30 September 2008. The increase in payables was primarily due to increase in credit terms for certain suppliers. The increase in inventories was primarily due to lower sales volume in the last quarter of the financial year ended 30 September 2008.

Net cash generated by operating activities totalled RM174.0 million in the financial year ended 30 September 2007. Primarily contributing to this net cash was an increase in inventories from RM101.7 million as at 30 September 2006 to RM129.5 million as at 30 September 2007, an increase in receivables from RM317.8 million as at 30 September 2006 to RM335.5 million as at 30 September 2007 and a decrease in payables from RM227.5 million as at 30 September 2006 to RM225.3 million as at 30 September 2007. The increase in inventories was primarily due to lower sales volume in September 2007. The increase in receivables was primarily due to timing of payments by customers.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

Cash flows used in investing activities

Net cash used in investing activities totalled RM140.5 million in the financial year ended 30 September 2009 primarily as a result of the purchase of property, plant and equipment. Net cash used in investing activities totalled RM104.3 million and RM199.2 million in the financial years ended 30 September 2007 and 2008 respectively, primarily as a result of the purchase of property, plant and equipment and payments for prepaid land leases.

Cash flows used in financing activities

Net cash used in financing activities totalled RM41.3 million in the financial year ended 30 September 2009 primarily as a result of dividend payments of RM60.0 million which were partially offset by the drawdown of borrowings of RM22.8 million. Net cash used in financing activities totalled RM46.4 million in the financial year ended 30 September 2008 primarily as a result of dividend payments of RM88.2 million which was partially offset by drawdown of borrowings of RM41.8 million. Net cash used in financing activities in the financial year ended 30 September 2007 totalled RM51.0 million primarily as a result of an amount of RM100.2 million paid to our shareholder, YKY Investments, as interim dividends in 2007 but was subsequently rescinded in the same year and became an amount due from a shareholder to us, partially offset of the drawdown of borrowings of RM49.2 million. This was settled upon the declaration of interim dividends for the financial year ended 30 September 2008.

Capital Resources

We have entered into the following trade facilities:

CIMB Trade Facility

Pursuant to a letter dated 21 March 2006, as amended, CIMB Bank Berhad granted JCY HDD Malaysia a trade banking facility of up to RM200,000,000, which comprises of (i) multi-option line trade facility with a maximum limit of RM80,000,000 for the issuance of documentary credits, bankers acceptances, shipping guarantees, export credit refinancing, foreign bills purchased, foreign bills discounted, bank guarantees and foreign currency trade loan ("**MOL I Facilities**"); (ii) multi option line facility with a maximum limit of RM100,000,000 for the issuance of documentary credits and shipping guarantees in respect of the importing of machinery ("**MOL II Facilities**"); and (iii) foreign exchange contract limit of up to RM20,000,000 ("**FECL**") (collectively, the "**CIMB Facilities**").

The purpose of the MOL I Facilities and the MOL II Facilities is to, *inter alia*, facilitate domestic purchases and imports relating to JCY HDD Malaysia's business. The purpose of the FECL is to enable JCY HDD Malaysia, if required, to hedge against foreign exchange fluctuation on transactions related to JCY HDD Malaysia's business.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

As of LPD, we had drawn down approximately RM111.2 million.

Trade Facility from HLB

Pursuant to a letter dated 13 March 2006, as amended, HLB granted JCY HDD Malaysia a trade banking facility of up to RM450,000,000, which comprises of (i) the issuance of letters of credit to up to a maximum of RM50,000,000 ("LC"); (ii) omnibus trade line with a maximum limit of RM100,000,000 for the issuance of letters of credit, trust receipts, bankers acceptances, onshore foreign currency loans, export credit refinancing, bankers' guarantees and the financing of imports of goods from approved foreign suppliers or exporters and to finance local purchases from approved suppliers ("**Omnibus Trade Line**"); and (iii) foreign exchange contract facility a maximum amount of RM300,000,000 ("**FECF**") (collectively, the "**HLB Facilities**").

The purpose of the LC and Omnibus Trade Line is to, *inter alia*, facilitate the import and purchase of raw materials or trading goods related to JCY HDD Malaysia's business. The purpose of the FECF is to enable JCY HDD Malaysia, if required, to hedge against foreign exchange fluctuation on transactions related to JCY HDD Malaysia's business.

As of LPD, we had drawn down approximately RM128.6 million.

*Term Loan Facility from CIMB Bank Berhad, Labuan Offshore Branch ("**CIMB Labuan**") and UBS AG, Labuan Branch ("**UBS Labuan**")*

Pursuant to a facility agreement dated 3 December 2009, CIMB Labuan and UBS Labuan granted JCY HDD Malaysia a term loan facility of up to USD50,000,000 (the "**CIMB/UBS Facility**"). JCY is the guarantor. The purpose of the CIMB/UBS Facility is to, *inter alia*, finance (i) the purchase of machinery and/or equipment by any member of our Group and (ii) our Group's general working capital needs. If utilised, JCY HDD Malaysia shall repay the loan on a pre-determined principal repayment profile over 24 months. Interest is payable at a rate per annum based on the London Interbank Offered Rate plus a margin.

As of LPD, we had drawn down USD50,000,000.

The HLB Facilities require YK Yong to maintain control over a majority of our voting shares. The CIMB/UBS Facility requires the discretionary trust established by YK Yong and the existing beneficiaries to maintain, directly or indirectly, legal and beneficial ownership and control of 60% of the voting shares of JCY HDD. A breach of these requirements would entitle the respective lenders to cancel the facility and declare all outstanding amounts immediately due and payable. The CIMB Facilities may be terminated upon any reduction of the control or ownership of JCY HDD Malaysia which may affect JCY HDD Malaysia's ability to comply with its obligations prior to and after disbursement of the loan. These facilities also contain customary financial covenants, such as the maintenance of certain financial ratios.

13.5 Indebtedness

Most of our indebtedness comprised letters of credit to finance purchases of machinery and equipment, as well as working capital loans.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

The following table sets forth a breakdown of our indebtedness as at 30 September 2009:

	As at 30 September 2009 (RM millions) (Audited)
Bills payable	51.1
Bankers acceptances and export credit financing	135.0
Foreign currency trade loans and onshore foreign currency loans	—
Total borrowings	186.1
Gearing ratio (times) ⁽¹⁾	0.23

Note:

⁽¹⁾ Computed based on total debt (interest-bearing) over shareholders' equity.

The following table sets forth the interest rates of our indebtedness as at 30 September 2009:

	2009 (% per annum)
Bills payable	1.20
Bankers acceptances	2.30-3.70
Foreign currency trade loans	3.50-4.00
Onshore foreign currency loans	3.50-4.00
Export credit refinancing	3.20-3.70

As of LPD, we had drawn down approximately RM411.1 million in trade finance and letter of credit facilities and under the CIMB/UBS Facility to finance our operations. All of our borrowings are at floating interest rates (including London Interbank Offered Rate) and our borrowings under our trade finance and letter of credit facilities are due within one year. Under the CIMB/UBS Facility, JCY HDD Malaysia shall repay the loan on a pre-determined principal repayment profile over 24 months.

We have not defaulted on payments of interest or principal sums for any borrowings from the beginning of the financial year ended 30 September 2009 through LPD.

Our cash and cash equivalents are held in Ringgit, U.S. dollars, Thai Baht and RMB.

13.6 Capital Expenditure

Financial Year Ended 30 September 2007 through Financial Year Ended 30 September 2009

The following table sets forth our principal capital expenditure (which includes property, plant and equipment and prepaid land lease payment) for the past three financial years ended 30 September 2009:

	Financial year ended 30 September		
	2007 (RM millions) (Audited)	2008 (RM millions) (Audited)	2009 (RM millions) (Audited)
Buildings	—	0.4	0.3
Buildings-in-progress	2.5	30.9	57.9
Plant and machinery	90.9	142.3	67.7
Equipment	12.1	15.6	12.6
Others ⁽¹⁾	9.2	20.2	2.9

Note:

⁽¹⁾ Comprises freehold land, fixtures, fittings and office equipment, electrical installation, renovation and motor vehicles and prepaid land lease payment.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

In the financial year ended 30 September 2007, capital expenditures of RM114.7 million were incurred primarily for the expansion of our manufacturing facilities in Johor and Penang, Malaysia and the PRC (principally for expenditure on plant and machinery).

In the financial years ended 30 September 2008 and 2009, capital expenditures of RM209.4 million and RM141.4 million respectively, were incurred primarily for the expansion of our manufacturing facilities in Johor and Penang, Malaysia (principally for expenditure on plant and machinery and buildings-in-progress), and Thailand (principally for expenditure on plant and machinery).

Between 30 September 2009 and LPD, we incurred capital expenditures of RM32.4 million. These capital expenditures were incurred primarily for the expansion of our manufacturing facilities in Johor and Penang, Malaysia (principally for expenditure on plant and machinery) and the PRC (principally for expenditure on buildings-in-progress).

These capital expenditure were funded primarily by cash generated by operating activities, but also by trade financing facilities.

Planned Capital Expenditure

Our planned capital expenditure of RM182.0 million for the financial year ending 30 September 2010 is for the purchase of machinery and relates primarily to our expansion plans in respect of our operations in Malaysia, Thailand and the PRC. The breakdown of the planned capital expenditure for the financial year ending 30 September 2010 is as follows:

	No. of Machines (units)	RM (million)
Malaysia		
- Penang	9	27.0
- Johor	185	69.1
Thailand	130	31.0
PRC	245	54.9
Total	569	182.0

The anticipated sources of funding for our planned capital expenditure are cash flows from operations and borrowings.

13.7 Key Financial Ratios

The following table sets forth certain of our key financial ratios for the financial years indicated:

Key Financial Ratios	Financial year ended 30 September		
	2007	2008	2009
Trade receivables turnover days ⁽¹⁾	71	63	69
Trade payables turnover days ⁽²⁾	53	63	61
Inventory turnover days ⁽³⁾	33	44	45
Current ratio (times) ⁽⁴⁾	1.9	1.4	1.2

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)**Notes:**

- (1) Trade receivables divided by total revenue and multiplied by 365 days.
- (2) Trade payables divided by total cost of sales less depreciation and amortisation and multiplied by 365 days.
- (3) Inventory divided by cost of sales and multiplied by 365 days.
- (4) Current assets over current liabilities.

(i) Trade Receivables Turnover Days

Trade receivables turnover days decreased from 71 in the financial year ended 30 September 2007 to 63 for the financial year ended 30 September 2008. This was a result of a 1.4% decrease in trade receivables and a 10.7% increase in revenue during the period under review.

The increase in trade receivables turnover days in the financial year ended 30 September 2009 as compared to the financial year ended 30 September 2008 was a result of a 4.4% increase in trade receivables and a 4.2% decrease in revenue during the financial year ended 30 September 2009.

(ii) Trade Payables Turnover Days

The increase in trade payables turnover days in the financial year ended 30 September 2008 as compared to the financial year ended 30 September 2007 was a result of a greater percentage increase of 30.5% in trade payables as compared to the 9.2% percentage increase in the cost of sales (less depreciation and amortisation) during the period.

The slight decrease in trade payable turnover days for the financial year ended 30 September 2009 as compared to the financial year ended 30 September 2008 was a result of a lower percentage decrease of 0.7% in trade payables as compared to a 5.5% decrease in cost of sales (less depreciation and amortisation) during the period.

(iii) Inventory Turnover Days

Inventory turnover days increased in the financial year ended 30 September 2008 as compared to the financial year ended 30 September 2007 as a result of a higher percentage increase in inventory, as compared to the percentage increase in cost of sales. The increase in inventory and cost of sales were primarily due to the increase in sales and commodity prices, in particular aluminium and stainless steel.

From the financial year ended 30 September 2008 to the financial year ended 30 September 2009, the inventory turnover day increased by only one day, primarily due to the decrease in inventory as well as cost of sales at a similar percentage.

(iv) Current Ratio

The current ratio decreased from 1.9 times in the financial year ended 30 September 2007 to 1.4 times in the financial year ended 30 September 2008 as a result of the 1.2% decrease in current assets compared to the 29.6% increase in current liabilities during the period under review.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

The current ratio decreased from 1.4 times in the financial year ended 30 September 2008 to 1.2 times in the financial year ended 30 September 2009 as a result of the lower percentage increase of 15.2% in current assets as compared with the higher percentage increase of 40.5% in current liabilities during the period under review.

The ageing analysis for trade receivables and payables as at 30 September 2009 is as follows:

Ageing <i>(RM million)</i>	1 – 30 days	31 – 60 days	61 – 90 days	91 -120 days	120 days – 1 year	Over 1 year	Total
Trade receivables	162.3	150.3	12.2	4.1	0.2	1.6	330.7
Trade payables	101.3	75.3	42.2	15.1	4.8	0.6	239.3

Our credit period for trade receivables is generally 30 to 60 days and payments are generally made once or twice a month. As at 30 September 2009, 94.5% of our trade receivables were within 60 days. Of the balance, a portion of our trade receivables was paid subsequent to the 60 days and the rest were for amounts due from existing customers. We do not make allowances for doubtful debts for these outstanding amounts.

Our trade payables are generally due within 60 days although certain suppliers require us to pay within 30 days. Payments are generally made once a month. As at 30 September 2009, 73.8% of our trade payables were due within 60 days.

13.8 Working Capital, Contingent Liabilities, Capital Commitments, Contractual Obligations and Off-Balance Sheet Arrangements

Working Capital

Our ability to maintain and grow revenue, net income and cash flows depends upon capital spending. Our capital expenditure plans are subject to a number of risks, contingencies and other factors, such as ASPs, customer demand, raw material prices and exchange rates, some of which are beyond our control. We adjust our capital expenditure and investment budget periodically, based on factors deemed relevant by us. Therefore, our actual future capital expenditure and investments are likely to be different from our current planned amounts, and such differences may be significant.

We believe that our future cash flow generated by operating activities and our borrowing capacity will be sufficient to fund our planned capital expenditure and investments, debt repayments and working capital requirements for a period of 12 months from the date of this Prospectus. However, our ability to operate our business, to make payments on and to refinance indebtedness and to fund planned capital expenditure will depend on our ability to generate sufficient cash in the future, which is subject to many factors beyond our control (see Section 5.1 of this Prospectus).

Contingent Liabilities

As of LPD, we had a contingent liability of RM8.4 million from a back-bill relating to the electricity supplied to our manufacturing facilities in Penang as disclosed in Section 5.1.16 of this Prospectus.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

Capital Commitments

As of LPD, we have capital commitments of RM73.8 million in the form of purchase orders relating to our purchase of plant and machinery. Our planned capital expenditure is summarised under Section 13.6 of this Prospectus - Planned Capital Expenditure.

Contractual Obligations

The table below sets forth, as of 30 September 2009, our contractual obligations with definitive payment terms. These obligations primarily relate to rental payments and payments relating to the purchase of plant and equipment.

	As of 30 September 2009				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
	(RM millions)				
Operating lease obligations	18.9	5.6	6.6	6.7	—
Purchase obligations ⁽¹⁾	141.4	141.4	—	—	—
Purchase of plant and equipment.....	45.0	45.0	—	—	—
Total contractual obligations	205.3	192.0	6.6	6.7	—

Note:

⁽¹⁾ Purchase obligations for raw materials (comprising mainly of aluminium ingots, stainless steel, silicon and APFA) and overheads (comprising mainly of packaging, maintenance and toolings).

Off-Balance Sheet Arrangements

Our Company does not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, capital expenditures or capital resources.

13.9 Market Risks

Commodity Price Risks

We are exposed to upward fluctuations in the price and availability of the primary raw materials we require for our manufacturing process, primarily aluminium and stainless steel. As we generally have quarterly purchase orders from our customers and subsequent quarter demand forecasts, we typically monitor raw material prices and may purchase sufficient inventory for longer periods if prices are low and we envisage price increases in the future. Conversely, we may purchase smaller volumes of raw materials if we require raw materials for production but expect that prices will decrease in the future. We do not currently use any derivative instruments or enter into any hedging arrangements to manage our exposure to price increases in our raw materials (see Section 5.1.4 of this Prospectus).

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

Foreign Exchange Risk

Prices for our products are benchmarked against the relevant global benchmark, are quoted in U.S. dollars and are generally adjusted on a quarterly basis. Our customers are quoted, invoiced, and required to pay in U.S. dollars. Around half of our expenses are denominated in U.S. dollars, with the remainder primarily in Ringgit and other currencies. Since removal of the fixed Ringgit/U.S. dollar exchange rate, we are now subject to fluctuations in the Ringgit/U.S. dollar exchange rate. We do not currently use any derivative instruments or enter into any hedging arrangements to manage our exposure to foreign exchange risk (see Section 5.3.3 of this Prospectus).

Interest Rate Risk

We are exposed to interest rate fluctuations due to the impact such changes have on interest expense from our short-term bank loans.

Our interest rate risk mitigation objective is to manage the acceptable level of rate fluctuation on our interest expense. In order to achieve this objective, we target a composition of fixed and floating debt based on an assessment of our existing exposure. This balanced profile enables us to reduce our exposure to interest rate volatility but still provides us with some exposure to floating interest rates which allows us to benefit from lower interest costs in weaker economic conditions.

13.10 Government/Economic/Fiscal & Monetary Policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 5 of this Prospectus.

13.11 Inflation

We do not believe that inflation has had a material impact on the business, financial condition or results of operations of our Group. If our Group were to experience significantly higher inflation than we have experienced in the past, we may not be able to fully offset such higher costs through price increases. Our failure or inability to do so could adversely affect our business, financial condition and results of operations.

13.12 Seasonality

We do not experience significant fluctuations in operations due to seasonal factors, although demand for HDD mechanical components tends to increase slightly during the last quarter of the year as a result of higher demand for HDDs.

13.13 Order Book

Due to the nature of our business, we do not maintain an order book. We generate our revenues as and when we deliver our products pursuant to purchase orders.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

13.14 Prospects and Trends

The following discussions about our prospects and trends include forward-looking statements that involve risk and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements (see also Section 2 of this Prospectus - Forward Looking Statements).

We expect that our revenue and results of operations in the financial year ending 30 September 2010 will be affected by the following principal considerations:

- our ability to maintain our market share and grow our customer base or increase the number or volume of products we supply to our customers;
- our ability to implement and incur our capital expenditure program and expand our manufacturing facilities as planned;
- our ability to retain and attract employees to work in our manufacturing facilities;
- the performance of the HDD industry;
- volatility in the prices of raw materials;
- global and Malaysian economic conditions; and
- fluctuations in currency exchange rates.

Save as disclosed in this Prospectus, we are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition in respect of the financial year ending 30 September 2010.

13.15 Critical Accounting Policies

The preparation of our Company's financial statements requires the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenditure during the periods presented. Actual results may differ from these estimates. We apply those accounting policies that our management believes best reflect the underlying business and economic events, consistent with Malaysian FRS. In accounting for certain transactions and operations of our business, our management establishes policies for the recognition of revenue and expenses, some of which require our management to develop estimates and expectations regarding future events, including estimates for the useful lives of assets. The assumptions underlying these standards may be subjective in nature. The ability to effectively and accurately establish, monitor and adjust these standards may have a material impact on the accuracy and quality of the financial information reported by us. It is important to understand the underlying assumptions and policies adopted by us when analysing our financial conditions and results of operations. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to depreciation of plant and machinery.

Property, plant and equipment and depreciation

The cost of plant and machinery for the manufacture of HDD components is depreciated on a straight-line basis over the assets' useful lives. Our management estimates the useful lives of these plant and machinery to be 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS (cont'd)

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

New accounting standards

The following Malaysian financial reporting standards FRSs, Amendments to FRSs and Interpretations are in issue but not yet effective and have not been applied by our Group:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 4 : Insurance Contracts	1 January 2010
FRS 6 : Exploration for and Evaluation of Mineral Resources	1 January 2010
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 101 : Presentation of Financial Statements	1 January 2010
FRS 123 : Borrowing Costs	1 January 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards and FRS 127 : Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 : Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 119 ₂₀₀₄ : Employee Benefits - Actuarial Gains and Losses Group Plans and Disclosures	1 January 2010
Amendments to FRS 132 : Financial Instruments : Presentation	1 January 2010
Amendments to FRS 139 : Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments: Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2 : Group and Treasury Share Transactions	1 January 2010

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND PROSPECTS *(cont'd)*

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
IC Interpretation 13 : Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 : FRS 119 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

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14. ACCOUNTANTS' REPORT



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(Prepared for Inclusion In the Prospectus to be issued)

The Board of Directors
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27 January 2010

Dear Sirs

JCY INTERNATIONAL BERHAD ACCOUNTANTS' REPORT

1. INTRODUCTION

This report has been prepared by Ernst & Young, an approved company auditor, for inclusion in the Prospectus of JCY International Berhad ("JCY") to be issued in connection with the offer for sale of shares in JCY by YKY Investments Ltd and listing of JCY on the Main Market of Bursa Malaysia Securities Berhad (hereinafter referred to as "the Prospectus").

2. ABBREVIATIONS

Unless the context otherwise requires, the following definitions shall apply throughout this report.

Bursa Securities	Bursa Malaysia Securities Berhad
BVI	British Virgin Islands
D & D Activities	Design & Development Activities
EY	Ernst & Young
FP	Financial Period
FRS	Financial Reporting Standards
FY	Financial Year

14. ACCOUNTANTS' REPORT (cont'd)**2. ABBREVIATIONS (Contd.)**

FPE	Financial period ended 30 September
FYE	Financial year ended 30 September
JCY or the Company	JCY International Berhad
JCY Group or the Group	JCY International Berhad and its subsidiaries
JCY HDD Malaysia	JCY HDD Technology Sdn Bhd
JCY HDD Singapore	JCY HDD Technology Pte Ltd
JCY HDD Thailand	JCY HDD Technology Company Limited
JCY Tech Corp	JCY Technology Corporation Sdn Bhd
MASB	Malaysian Accounting Standards Board
Manufacturing Business	HDD-related manufacturing assets comprising property, plant and equipment and inventories
PCA	PCA Hard.Com Sdn Bhd
PCA BVI	PCA Hard.Com Sdn Bhd Ltd
PCA Mahlin	PCA Mahlin Technology Sdn Bhd
QB Tech	QB Technology Sdn. Bhd.
RM	Ringgit Malaysia
RMB	Renminbi
SC	Securities Commission
SGD	Singapore Dollar
Baht	Thai Baht
USD	United States Dollar
YK Technology Suzhou	YK Technology (Suzhou) Co. Ltd
YKY Investments	YKY Investments Ltd

14. ACCOUNTANTS' REPORT (cont'd)



3. GENERAL INFORMATION

3.1 Background

JCY

JCY was incorporated as a private limited company on 21 October 2005 in Malaysia under the name of JCY International Sdn Bhd. JCY was converted into a public liability company and changed its name to JCY International Berhad effective 25 January 2006. The principal activities of JCY are investment holding, design and development of hard disk drive ("HDD") and other technology-related activities.

3.2 Offer for Sales and Listing

JCY has applied to Bursa Securities for its admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of JCY comprising 2,044,860,000 Shares on the Main Market of Bursa Securities.

In conjunction with the Listing, YKY Investments, the shareholder of JCY, as approved by the Securities Commission on 26 January 2010, is offering 530,210,000 ordinary shares of RM0.25 each ("Offer Shares") in JCY comprising:

- (a) The institutional offering of 470,317,000 Offer Shares to foreign and Malaysian institutional and selected investors at the institutional price to be determined by way of bookbuilding, payable in full upon allocation;
- (b) The retail offering of 59,893,000 Offer Shares offered to the Malaysian public, eligible directors and employees and persons who have contributed to the success of JCY Group's business at a retail price to be determined, payable in full upon application.

14. ACCOUNTANTS' REPORT (cont'd)



3. GENERAL INFORMATION (Contd.)

3.3 Share Capital

Details of the authorised and issued and paid-up share capital of JCY since its incorporation on 21 October 2005 are as follows:

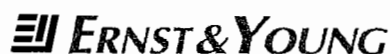
(a) Authorised Share Capital

Date of creation	Number of ordinary shares of RM1.00/RM0.25	Cumulative authorised share capital RM
<u>Before share split</u>		
21 October 2005	100,000	100,000
<u>After share split into RM0.25 per share</u>		
31 March 2006	8,000,000,000	2,000,000,000

(b) Issued and Paid-up Share Capital

Date of allotment	Number of ordinary shares of RM1.00/RM0.25 each allotted	Consideration/ By way of	Resultant total issued and paid-up share capital RM
21 October 2005	2	Subscribers' shares	2
<u>Share split into RM0.25 per share</u>			
31 March 2006	8	Share split	2
<u>Restructuring</u>			
1 April 2006	1,614,999,992	Acquisition of Manufacturing Business	403,750,000
1 April 2006	85,000,000	Acquisition of D & D Activities	425,000,000
1 April 2006	840,000	Acquisition of JCY HDD Thailand	425,210,000
1 April 2006	152,000,000	Acquisition of YK Technology Suzhou	463,210,000

14. ACCOUNTANTS' REPORT (cont'd)



3. GENERAL INFORMATION (Contd.)

3.3 Share Capital (Contd.)

1 April 2006	16,000	Acquisition of PCA BVI	463,214,000
5 April 2006	192,004,000	Cash (pursuant to Subscription of JCY shares)	511,215,000

3.4 Subsidiaries

The subsidiaries of JCY as at 30 September 2009 are:

Company	Country of Incorporation	Date of Incorporation	Issued and Paid-up Ordinary Share Capital	Principal Activities
JCY HDD Malaysia	Malaysia	16 November 2005	RM451,751,000	Manufacturing and trading of HDD components
JCY HDD Singapore	Singapore	15 September 2005	SGD1,000,000	Trading of HDD components
PCA BVI	British Virgin Islands	2 December 2004	USD1,000	International marketing support and procurement services
YK Technology Suzhou	The People's Republic of China	31 August 2004	USD52,000,501	Manufacturing and trading of HDD components
JCY HDD Thailand	Thailand	21 September 2004	Baht 234,000,000	Manufacture and distribution of HDD components
Minarex Holdings Limited	Mauritius	25 April 2006	USD2	Investment holding
Axius Investments Ltd	Mauritius	25 April 2006	USD2	Investment holding
QB Tech	Malaysia	5 January 2001	RM1,800,000	Manufacturing of magnetic coils for HDD

14. ACCOUNTANTS' REPORT (cont'd)



4. AUDITORS, AUDITED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

4.1 Auditors and Audited Financial Statements

The auditors of JCY and its subsidiaries for the relevant financial years/period are as follows:

Company	FYE	Auditors
JCY	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
JCY HDD Malaysia	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
JCY HDD Singapore	FYE 2007	Ernst & Young, Singapore
	FYE 2008	Ernst & Young, Singapore
	FYE 2009	Ernst & Young, Singapore
PCA BVI	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
YK Technology Suzhou	FYE 2007	Suzhou Times Certified Public Accountants
	FYE 2008	Suzhou Times Certified Public Accountants
	FYE 2009	Suzhou Times Certified Public Accountants
JCY HDD Thailand	FYE 2007	Thanchanok Sakaethong, Certified Public Accountants, Thailand
	FYE 2008	Ernst & Young, Thailand
	FYE 2009	Ernst & Young, Thailand
Minarex Holdings Limited	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
Axius Investments Ltd	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
QB Tech	FPE 2009	Horwath, Malaysia

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

**4. AUDITORS, AUDITED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (Contd.)****4.1 Auditors and Audited Financial Statements (Contd.)**

For the purpose of this report, the audited consolidated financial statements of JCY Group for the three financial years ended 30 September 2007, 30 September 2008 and 30 September 2009 are presented. QB Tech was acquired by JCY in FY 2009 and only the audited financial statements for FPE 2009 is included in this report.

For the purpose of this report, the financial statements of the companies or entities incorporated outside of Malaysia for the periods reported on, which were expressed in their respective reporting currency, were translated into RM based on the average exchange rate for income statements for the applicable periods and the exchange rate as at the applicable balance sheet dates for balance sheets items.

We have audited the consolidated financial statements of JCY Group, which comprise the balance sheets as at 30 September 2007, 2008 and 2009 of the Group, and the income statements, statements of changes in equity and cash flow statements of the Group for the respective financial years then ended and have issued our reports thereon dated 3 November 2009, 3 November 2009 and 2 December 2009 respectively. In these reports, we expressed the opinion that the respective consolidated financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group as at 30 September 2007, 30 September 2008 and 30 September 2009 and of their financial performance and cash flows for the years then ended.

As stated above, the auditors' reports for the financial years ended 30 September 2007 and 30 September 2008 were only signed off on 3 November 2009. We commenced our audit field work for the 2007 and 2008 audits in March 2008 and July 2009 and completed such work in July 2008 and August 2009 respectively. As there were concerns on the part of JCY in making disclosure of the cost of sales in the financial statements, JCY sought a waiver from the Companies Commission of Malaysia from having to file audited financial statements. However, such waiver was not granted. Subsequently, JCY decided to disclose the cost of sales in compliance with the relevant accounting standard and, consequently, the auditors' reports on the financial statements of JCY for the years ended 30 September 2007 and 2008 were issued on 3 November 2009.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification.

No audits have been performed for the financial statements of JCY Group subsequent to 30 September 2009.

14. ACCOUNTANTS' REPORT (cont'd)**4. AUDITORS, AUDITED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (Contd.)****4.2 Accounting Policies**

This report is prepared on the audited financial statements of JCY and its subsidiaries which have been prepared in accordance with the applicable Financial Reporting Standards in Malaysia and on a basis consistent with the accounting policies adopted by JCY Group as disclosed in Section 6 of this report.

There are no material changes in the accounting policies adopted by JCY and its subsidiaries for the FYs reported on.

5. DIVIDENDS

Details of the dividends declared by JCY for the financial years under review are as follows:

FYE	Rate (sen)	Single tier dividend (Net) RM million
30 September 2007	-	-
30 September 2008	9.50	194.3
30 September 2009	3.97	81.2
30 September 2009	7.35	150.3

14. ACCOUNTANTS' REPORT (cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES****6.1 Basis of Preparation**

The financial statements comply with applicable Financial Reporting Standards in Malaysia. The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest million (RM million) except when otherwise indicated.

6.2 Summary of significant accounting policies**(a) Subsidiaries and basis of consolidation****(i) Subsidiaries**

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying value is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup transactions, balances and unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Subsidiaries and businesses acquired under common control are accounted for in the consolidated financial statements by way of the application of merger principles of accounting. The common control transfers are acquisition of entities, or businesses controlled by such entities, at book values as recorded in these entities whereby these entities and the Company have common ultimate controlling parties prior to and immediately after such transfers. The results of such subsidiaries and businesses are presented as if the "merger" had been effected throughout the previous financial years.

14. ACCOUNTANTS' REPORT (cont'd)



6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(ii) Basis of consolidation (Contd.)

In the case of other acquisitions, the purchase method of consolidation is applied wherein, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The cost of acquisition is allocated to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Buildings-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates :

Buildings	2%
Fixtures, fittings and equipment	20%
Motor vehicles	20%
Plant, machinery and equipment	10% - 20%
Electrical installation	10% - 20%
Renovation	10% - 20%

14. ACCOUNTANTS' REPORT (cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****(b) Property, plant and equipment and depreciation (Contd.)**

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(c) Impairment of non-financial assets

The carrying amounts of assets, other than inventories and non-current assets held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

(d) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads.

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

14. ACCOUNTANTS' REPORT (cont'd)



6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(e) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value.

(ii) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which the obligation to pay is established.

14. ACCOUNTANTS' REPORT (cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****(f) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(g) Leases**(i) Classification**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or up-front payments made are allocated, whenever necessary, between the land and the buildings element in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

14. ACCOUNTANTS' REPORT (cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****(h) Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(i) Provisions

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(j) Employee benefits**(i) Short term benefits**

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

14. ACCOUNTANTS' REPORT (cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****(j) Employee benefits (Contd.)****(ii) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the income statement as incurred.

(k) Foreign currencies**(i) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign exchange reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

14. ACCOUNTANTS' REPORT (cont'd)



6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(k) Foreign currencies (Contd.)

(ii) Foreign currency transactions (Contd.)

Exchange differences arising on the translation of non-monetary items at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated in RM as follows :

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign exchange reserve within equity.

(l) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sales of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(iii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

14. ACCOUNTANTS' REPORT (cont'd)



6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

6.3 Standards and interpretations issued but not yet effective

At the date of the report, the following FRSs, Amendments to FRSs and Interpretations were in issue but not yet effective and have not been applied by the Group :

FRS, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 4 : Insurance Contracts	1 January 2010
FRS 6 : Exploration for and Evaluation of Mineral Resources	1 January 2010
FRS 7 : Financial Instruments : Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 101 : Presentation of Financial Statements	1 January 2010
FRS 123 : Borrowing Costs	1 January 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards and FRS 127 : Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 : Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 119 ₂₀₀₄ : Employee Benefits - Actuarial Gains and Losses Group Plans and Disclosures	1 January 2010
Amendments to FRS 132 : Financial Instruments : Presentation	1 January 2010
Amendments to FRS 139 : Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments : Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2 : Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 : Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 : FRS 119 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

14. ACCOUNTANTS' REPORT (cont'd)



6. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

6.3 Standards and interpretations issued but not yet effective (Contd.)

The above FRS, Amendments to FRSs and Interpretations are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

6.4 Significant accounting estimates and judgements

The preparation of financial statements in accordance with FRSs requires the use of certain accounting estimates and exercise of judgement. Estimate and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relates to depreciation of plant and machinery.

The cost of plant and machinery for the manufacture of hard disk drive components is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

No major judgements have been made by management in applying the Group and the Company's accounting policies.

14. ACCOUNTANTS' REPORT (cont'd)



7. CONSOLIDATED INCOME STATEMENTS OF JCY GROUP

The consolidated income statements of JCY Group based on its audited financial statements for the financial years ended 30 September 2007, 30 September 2008 and 30 September 2009 are as follows:

	Note	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Revenue	11.1	1,657.8	1,834.9	1,758.0
Cost of sales		(1,439.4)	(1,576.5)	(1,513.1)
Gross profit		218.4	258.4	244.9
Other operating income		3.2	9.8	7.8
General and administrative expenses		(44.0)	(54.8)	(39.4)
Profit from operations	11.2	177.6	213.4	213.3
Finance costs	11.4	(3.0)	(3.6)	(7.4)
Profit before taxation		174.6	209.8	205.9
Taxation	11.5	(0.7)	(7.0)	1.4
Net profit for the year		173.9	202.8	207.3
Number of ordinary shares in issue at the end of the financial year (unit million)		2,044.9	2,044.9	2,044.9
Basic and diluted earnings per share (RM) ^		0.09	0.10	0.10

^ The basic and diluted earnings per share is computed based on the profit after tax attributable to equity holders of the Company divided by the number of ordinary shares in issue at the end of the financial year.

14. ACCOUNTANTS' REPORT (cont'd)



8. CONSOLIDATED BALANCE SHEETS OF JCY GROUP

The consolidated balance sheets of JCY Group based on its audited financial statements for the financial years ended 30 September 2007, 30 September 2008 and 30 September 2009 are as follows:

	Note	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
ASSETS				
Non-current assets				
Property, plant and equipment	11.7	467.4	600.6	643.4
Prepaid land lease payments	11.8	14.0	28.0	19.6
		<u>481.4</u>	<u>628.6</u>	<u>663.0</u>
Current assets				
Inventories	11.10	129.5	191.7	185.3
Trade and other receivables	11.11	335.5	330.9	345.3
Amount due from shareholder	11.12	100.2	-	-
Cash and bank balances	11.14	110.7	145.1	238.7
		<u>675.9</u>	<u>667.7</u>	<u>769.3</u>
Non-current asset classified as held for sale	11.15	-	-	28.8
		<u>-</u>	<u>-</u>	<u>28.8</u>
TOTAL ASSETS		<u>1,157.3</u>	<u>1,296.3</u>	<u>1,461.1</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	11.19	511.2	511.2	511.2
Reserves		287.7	314.1	291.5
		<u>798.9</u>	<u>825.3</u>	<u>802.7</u>
Non-current liabilities				
Deferred tax liabilities	11.18	-	6.4	5.5
		<u>-</u>	<u>6.4</u>	<u>5.5</u>
Current liabilities				
Trade and other payables	11.16	225.3	294.1	292.1
Amount due to related companies	11.13	10.7	-	-
Amount due to shareholder	11.12	-	5.8	173.2
Short term borrowings	11.17	121.4	163.3	186.1
Tax payable		1.0	1.4	1.5
		<u>358.4</u>	<u>464.6</u>	<u>652.9</u>
Total liabilities		<u>358.4</u>	<u>471.0</u>	<u>658.4</u>
TOTAL EQUITY AND LIABILITIES		<u>1,157.3</u>	<u>1,296.3</u>	<u>1,461.1</u>

14. ACCOUNTANTS' REPORT (cont'd)



9. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY OF JCY GROUP

The consolidated statements of changes in equity of JCY Group based on its audited financial statements for the years ended 30 September 2007, 30 September 2008 and 30 September 2009 are as follows:

		Non- Distributable	Distributable		
		Share capital	Foreign currency translation reserve	Retained profits	Total
	Note	(Note 11.19) RM million	(Note 11.20) RM million	RM million	RM million
FYE					
30 September 2007					
At 1 October 2006		511.2	0.1	110.9	622.2
Net profit for the year		-	-	173.9	173.9
Foreign currency translation		-	2.8	-	2.8
At 30 September 2007		<u>511.2</u>	<u>2.9</u>	<u>284.8</u>	<u>798.9</u>
FYE					
30 September 2008					
At 1 October 2007		511.2	2.9	284.8	798.9
Net profit for the year		-	-	202.8	202.8
Foreign currency translation		-	17.9	-	17.9
Dividends	11.6	-	-	(194.3)	(194.3)
At 30 September 2008		<u>511.2</u>	<u>20.8</u>	<u>293.3</u>	<u>825.3</u>
FYE					
30 September 2009					
At 1 October 2008		511.2	20.8	293.3	825.3
Net profit for the year		-	-	207.3	207.3
Foreign currency translation		-	1.6	-	1.6
Dividends	11.6	-	-	(231.5)	(231.5)
At 30 September 2009		<u>511.2</u>	<u>22.4</u>	<u>269.1</u>	<u>802.7</u>

14. ACCOUNTANTS' REPORT (cont'd)



10. CONSOLIDATED CASH FLOW STATEMENTS OF JCY GROUP

The consolidated cash flow statements of JCY Group based on its audited financial statements for the years ended 30 September 2007, 30 September 2008 and 30 September 2009 are as follows:

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	174.6	209.8	205.9
Adjustment for:			
Depreciation	60.6	70.7	81.9
Amortisation of prepaid land lease	0.2	0.3	0.5
Loss/(gain) on disposal of property, plant and equipment	0.2	-	(0.6)
Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination	-	-	(3.0)
Unrealised loss on foreign exchange	6.4	0.1	5.0
Interest income	(2.8)	(3.1)	(2.6)
Finance costs	3.0	3.6	7.4
Operating profit before working capital changes	242.2	281.4	294.5
Inventories	(27.9)	(62.1)	7.5
Receivables	(22.8)	4.6	(14.7)
Payables	(14.2)	58.7	(4.7)
Cash generated from operations	177.3	282.6	282.6
Finance costs paid	(3.0)	(3.6)	(7.4)
Tax paid	(0.3)	(0.2)	(0.2)
Net cash generated from operating activities	174.0	278.8	275.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	2.8	3.1	2.6
Purchase of property, plant and equipment	(109.0)	(195.1)	(141.4)
Payment for prepaid land lease	(5.7)	(14.3)	-
Acquisition of subsidiary	-	-	(6.0)
Proceeds from disposal of property, plant and equipment	7.6	7.1	4.3
Net cash used in investing activities	(104.3)	(199.2)	(140.5)

14. ACCOUNTANTS' REPORT (cont'd)



10. CONSOLIDATED CASH FLOW STATEMENTS OF JCY GROUP (Contd.)

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	-	(88.2)* **	(60.0)
Amount due to/from shareholder	(100.2)*	-	(4.1)
Drawdown of borrowings	49.2	41.8	22.8
Net cash used in financing activities	<u>(51.0)</u>	<u>(46.4)</u>	<u>(41.3)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
	18.7	33.2	93.2
EFFECT OF EXCHANGE RATE DIFFERENCE	(0.2)	1.2	0.4
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	<u>92.2</u>	<u>110.7</u>	<u>145.1</u>
CASH AND CASH EQUIVALENT AT END OF YEAR (NOTE 11.14)	<u>110.7</u>	<u>145.1</u>	<u>238.7</u>

* The amount due from shareholder of RM100.2 million for FYE 2007 has been reclassified from cash flows from operating activities to financing activities.

** The dividend paid of RM88.2 million for FYE 2008 has been presented net of the movement of amount due to the shareholder which was previously included in cashflows from operating activities.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP

11.1 Revenue

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Sales of hard disk drive components	1,657.8	1,834.9	1,758.0

Revenue for the Group includes 65% (2008 : 74%, 2007: 86%) derived from direct sales to a major customer.

11.2 Profit from operations

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
After charging:			
Depreciation	60.6	70.7	81.9
Amortisation of prepaid land lease payments	0.2	0.3	0.5
Audit fees			
- current year	0.2	0.3	0.3
Non-executive directors' fee	0.3	-	-
Loss on disposal of property, plant and equipment	0.2	-	-
Employee benefit expense (Note 11.3)	39.4	46.8	67.8
Rental of land and building	3.0	3.3	3.5
Rental of equipment	1.0	1.3	1.6
Rental of hostel	9.7	12.5	12.2
Rental of office	0.2	0.2	0.2
Loss on foreign exchange			
- realised	8.1	22.0	8.3
- unrealised	6.4	7.0	8.3
And crediting:			
Interest income from deposits	(2.8)	(3.1)	(2.6)
Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination	-	-	(3.0)
Gain on disposal of property, plant and equipment	-	-	(0.6)
Gain on foreign exchange			
- unrealised	-	(6.9)	(3.3)
- realised	-	-	(1.1)

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.3 Employee benefit expense

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Wages and salaries	36.1	42.8	62.4
Defined contribution plan	2.4	2.5	2.7
Social security contribution	0.6	0.9	1.5
Other staff related expenses	0.3	0.6	1.2
	<u>39.4</u>	<u>46.8</u>	<u>67.8</u>

Included in employee benefit expense of the Group was executive directors' remuneration as follows :

Director's fee	-	-	0.1
Salaries and other emoluments	1.8	1.7	1.5
Defined contribution plan	0.1	0.1	0.1
	<u>1.9</u>	<u>1.8</u>	<u>1.7</u>

11.4 Finance costs

Included in the finance costs for FYE 2009 is facility fee of RM3.1 million (2008 and 2007: Nil).

11.5 Taxation

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Current income tax :			
Malaysian income tax	0.7	0.5	0.1
Underprovision in prior year	-	0.1	-
Deferred tax (Note 11.18) :			
Relating to origination and reversal of temporary differences	-	4.8	(1.6)
Underprovision in prior year	-	1.6	0.1
	<u>0.7</u>	<u>7.0</u>	<u>(1.4)</u>

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.5 Taxation (Contd.)

Malaysian current income tax is calculated at the statutory tax rate of 25% (2008: 26%, 2007 : 27%) of the estimated assessable profit for the respective years. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Certain subsidiaries of the Group enjoy tax exemptions from the relevant authorities on their business income for current and future periods. The computation of deferred tax as at respective balance sheets dates has reflected the effects of such exemptions.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rates to income tax expense at the effective income tax rates of the Group is as follows :

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Profit before taxation	174.6	209.8	205.9
Taxation at Malaysian statutory tax rate of 25% (2008 : 26% , 2007 : 27%)	47.1	54.5	51.5
Income not subject to tax	(44.3)	(46.9)	(50.6)
Expenses not deductible for tax purposes	1.5	1.5	0.3
Deferred tax recognised at different tax rate	(4.3)	(2.6)	2.7
Deferred tax asset not recognised on unabsorbed tax losses	-	-	0.6
Deferred tax asset not recognised on unabsorbed capital allowance	0.8	-	-
Deferred tax assets recognised on certain property, plant and equipment in respect of which the tax base exceeds the net carrying amount	-	-	(6.0)
Utilisation of previously unrecognised tax losses	(0.1)	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	-	(1.2)	-
Underprovision of income tax in prior year	-	0.1	-
Underprovision of deferred tax in prior year	-	1.6	0.1
Taxation for the year	0.7	7.0	(1.4)

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.6 Dividends

	Dividend in respect of year		
	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Single tier interim dividend of 9.5 sen per ordinary share on 2,044,860,000 ordinary shares	-	194.3	-
Single tier interim dividend of 3.97 sen per ordinary share on 2,044,860,000 ordinary shares	-	-	81.2
Single tier interim dividend of 7.35 sen per ordinary share on 2,044,860,000 ordinary shares	-	-	150.3
	<u>-</u>	<u>194.3</u>	<u>231.5</u>
	Dividends recognised in year		
	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
Single tier interim dividend of 9.5 sen per ordinary share on 2,044,860,000 ordinary shares	-	194.3	-
Single tier interim dividend of 3.97 sen per ordinary share on 2,044,860,000 ordinary shares	-	-	81.2
Single tier interim dividend of 7.35 sen per ordinary share on 2,044,860,000 ordinary shares	-	-	150.3
	<u>-</u>	<u>194.3</u>	<u>231.5</u>

14. ACCOUNTANTS' REPORT (cont'd)
11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.7 Property, plant and equipment	Freehold		Building		Fixtures, fittings and office equipment		Plant and machinery		Electrical installation		Renovation		Motor vehicles		Total
	land	Buildings	in progress	in	equipment	office	machinery	installation	RM million	RM million	RM million	RM million	RM million	RM million	
At 30 September 2007	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million
Group	1.2	49.4	7.4	7.5	448.2	61.0	3.4	20.0	1.8	599.9					
Cost	-	-	2.5	0.7	90.9	12.2	2.2	0.4	0.1	109.0					
Additions	-	-	-	-	(8.3)	-	-	-	-	(8.3)					
Disposal	-	-	0.4	-	(2.2)	-	-	-	-	(1.8)					
Exchange differences	-	-	-	-	-	-	-	-	-	-					
At 30 September 2007	1.2	49.4	10.3	8.2	528.6	73.2	5.6	20.4	1.9	698.8					
Accumulated depreciation															
At 1 October 2006	-	4.9	-	4.6	129.2	20.1	2.8	9.3	0.8	171.7					
Charge for the year (Note 11.2)	-	1.0	-	0.9	48.8	6.7	0.6	2.3	0.3	60.6					
Disposal	-	-	-	-	(0.5)	-	-	-	-	(0.5)					
Exchange differences	-	-	-	-	(0.4)	-	-	-	-	(0.4)					
At 30 September 2007	-	5.9	-	5.5	177.1	26.8	3.4	11.6	1.1	231.4					
Net carrying amount															
At 30 September 2007	1.2	43.5	10.3	2.7	351.5	46.4	2.2	8.8	0.8	467.4					

14. ACCOUNTANTS' REPORT (cont'd)

11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.7 Property, plant and equipment (Contd.)

At 30 September 2008 Group	Freehold land RM million	Buildings RM million	Building in progress RM million	Fixtures, fittings and office equipment RM million	Plant and machinery RM million	Equipment RM million	Electrical installation RM million	Renovation RM million	Motor vehicles RM million	Total RM million
At 1 October 2007	1.2	49.4	10.3	8.2	528.6	73.2	5.6	20.4	1.9	698.8
Additions	3.0	0.4	30.9	0.9	142.3	15.6	1.5	0.2	0.3	195.1
Disposal	-	-	-	-	(12.6)	(1.0)	-	-	-	(13.6)
Exchange differences	-	0.5	(0.7)	-	18.5	-	-	0.3	-	18.6
At 30 September 2008	4.2	50.3	40.5	9.1	676.8	87.8	7.1	20.9	2.2	898.9
Accumulated depreciation										
At 1 October 2007	-	5.9	-	5.5	177.1	26.8	3.4	11.6	1.1	231.4
Charge for the year (Note 11.2)	-	1.4	-	1.1	57.6	7.6	0.8	1.9	0.3	70.7
Disposal	-	-	-	-	(6.1)	(0.3)	-	-	-	(6.4)
Exchange differences	-	-	-	-	3.0	-	-	(0.4)	-	2.6
At 30 September 2008	-	7.3	-	6.6	231.6	34.1	4.2	13.1	1.4	298.3
Net carrying amount										
At 30 September 2008	4.2	43.0	40.5	2.5	445.2	53.7	2.9	7.8	0.8	600.6

14. ACCOUNTANTS' REPORT (cont'd)
11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)
11.7 Property, plant and equipment (Contd.)

	Freehold land RM million	Buildings RM million	Building in progress RM million	Fixtures, fittings and office equipment RM million	Plant and machinery RM million	Equipment RM million	Electrical installation RM million	Renovation RM million	Motor vehicles RM million	Total RM million
At 30 September 2009										
Cost										
At 1 October 2008	4.2	50.3	40.5	9.1	676.8	87.8	7.1	20.9	2.2	898.9
Additions	-	0.3	57.9	0.4	67.7	12.6	2.1	0.4	-	141.4
Acquisition of subsidiary	-	-	-	0.2	4.3	-	-	-	0.1	4.6
Reclassified to non-current asset held for sale (Note 11.15)	-	-	(20.9)	-	-	-	-	-	-	(20.9)
Disposal	-	-	-	-	(5.3)	(1.0)	-	-	-	(6.3)
Transfers	-	0.6	(0.6)	-	-	-	-	-	-	-
Exchange differences	0.1	0.4	0.2	-	3.2	-	-	-	-	3.9
At 30 September 2009	4.3	51.6	77.1	9.7	746.7	99.4	9.2	21.3	2.3	1,021.6
Accumulated depreciation										
At 1 October 2008	-	-	-	-	-	-	-	-	-	-
Charge for the year (Note 11.2)	-	2.1	-	1.2	66.4	8.9	1.0	2.0	0.3	81.9
Disposal	-	-	-	-	(2.4)	(0.2)	-	-	-	(2.6)
Exchange differences	-	-	-	-	-	-	-	0.6	-	0.6
At 30 September 2009	-	9.4	-	7.8	295.6	42.8	5.2	15.7	1.7	378.2
Net carrying amount										
At 30 September 2009	4.3	42.2	77.1	1.9	451.1	56.6	4.0	5.6	0.6	643.4

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.8 Prepaid land lease payments

	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
As at 1 October	-	14.0	28.0
Effect of adopting FRS117	8.5	-	-
Additions	5.7	14.3	-
Reclassified to non-current asset held for sale	-	-	(7.9)
Amortisation for the year (Note 11.2)	(0.2)	(0.3)	(0.5)
As at 30 September	<u>14.0</u>	<u>28.0</u>	<u>19.6</u>
Analysed as :			
Long term leasehold land	<u>14.0</u>	<u>28.0</u>	<u>19.6</u>

11.9 Investment in subsidiary

On 19 June 2009, the Group acquired 100% equity interest in QB Tech, a company incorporated in Malaysia and involved in the manufacture of magnetic coils for hard disk drives. The purchase consideration of RM10,000,000 was satisfied by cash.

QB Tech's contribution to the Group's results for FYE 30 September 2009 was not significant. If the acquisition had occurred on 1 October 2008, the impact on the Group's revenue and profit for the year would not have been significant.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.9 Investment in subsidiary (Contd.)

The assets and liabilities arising from the acquisition are as follows:

	Fair value recognised on acquisition RM million	Acquiree's carrying amount RM million
Property, plant and equipment	4.6	4.7
Inventories	1.1	1.3
Trade and other receivables	6.7	6.8
Cash and bank balances	4.0	4.0
	<u>16.4</u>	<u>16.8</u>
Trade and other payables	(2.7)	(2.7)
Tax payable/recoverable	(0.1)	(0.1)
Deferred tax liabilities	(0.6)	(0.5)
	<u>(3.4)</u>	<u>(3.3)</u>
Fair value of net assets	13.0	
Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination recognised as other income	(3.0)	
Total cost of acquisition	<u>10.0</u>	

The cash outflow on acquisition is as follows:

	RM million
Purchase consideration satisfied by cash	10.0
Cash and cash equivalents acquired	(4.0)
Net cash outflow of the Group	<u>6.0</u>

There were no acquisitions in the financial years ended 30 September 2007 and 2008 and subsequent to 30 September 2009.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.10 Inventories

	30.09.2007	30.09.2008	30.09.2009
	RM million	RM million	RM million
At cost :			
Raw material	40.8	43.2	52.2
Work-in-progress	34.4	53.7	53.9
Finished goods	54.3	37.0	43.2
Consumables goods	-	13.5	11.6
At net realisable value :			
Work-in-progress	-	9.3	6.0
Finished goods	-	35.0	18.4
	129.5	191.7	185.3

11.11 Trade and other receivables

	30.09.2007	30.09.2008	30.09.2009
	RM million	RM million	RM million
Trade receivables			
Third parties	324.0	317.9	330.7
Other receivables			
Sundry receivables	0.9	6.1	0.5
Deposits	7.7	4.7	6.9
Prepayments	2.9	2.2	7.2
	11.5	13.0	14.6
	335.5	330.9	345.3

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are on credit. The credit period is generally for a period of 30 days, extending up to 60 days for major customers. Each customer has a maximum credit limit. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are non-interest bearing.

Approximately 57% for FY2009 (2008: 70% , 2007 : 82%) of the total trade receivables as at the respective financial years end were due from the Group's principal customer.

Other information on financial risks of other receivables are disclosed in Note 11.24.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.12 Amount due from/(to) the shareholder

The amount due from the shareholder, YKY Investments, in year 2007 arose from the rescission of interim dividend paid to the shareholder and was settled upon declaration of interim dividend for the year ended 30 September 2008 on 8 August 2008. The amount due to shareholder in year 2008 and 2009, represented the dividend payable to the shareholder, was unsecured, interest free and repayable on demand.

11.13 Amount due to related companies

	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Amount due to predecessor company of JCY Group			
- PCA	0.4	-	-
Amount due to a company in which a director is the brother of JCY's director			
- JCY Tech Corp	10.3	-	-
	<u>10.7</u>	<u>-</u>	<u>-</u>

The amounts due to related companies are unsecured, interest free and are repayable on demand.

11.14 Cash and bank balances

	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Repurchase agreements	84.7	92.7	165.9
Fixed deposits with commercial banks	-	11.8	29.1
Cash and bank balances	26.0	40.6	43.7
	<u>110.7</u>	<u>145.1</u>	<u>238.7</u>

The fixed deposits and bank balances which have been pledged for bankers' guarantee facilities granted to certain subsidiaries were as follows :

	Fixed deposits RM million	Bank balances RM million
As at 30 September 2007	-	-
As at 30 September 2008	-	0.1
As at 30 September 2009	<u>0.5</u>	<u>0.1</u>

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.14 Cash and bank balances (Contd.)

The range of interest rates and maturities of deposits as at their respective financial years end were as follows :

	Repurchase agreements	
	Range of interest rates %	Range of maturities Days
As at 30 September 2007	3.00 - 5.05	1 - 7
As at 30 September 2008	3.00 - 3.20	1 - 6
As at 30 September 2009	0.20 - 2.60	1 - 30

	Fixed deposits	
	Range of interest rates %	Range of maturities Days
As at 30 September 2007	-	-
As at 30 September 2008	3.78 - 4.14	182 - 365
As at 30 September 2009	1.71 - 2.75	92 - 365

11.15 Non-current asset classified as held for sale

The non-current asset classified as held for sale on the Group's balance sheet as at 30 September 2009 is as follows:

	Prepaid land lease payments RM million	Building RM million	Total RM million
Carrying amount immediately before classification	7.9	20.9	28.8
Allocation of remeasurement	-	-	-
Carrying amount as at 30 September 2009	<u>7.9</u>	<u>20.9</u>	<u>28.8</u>

There was no non-current asset classified as held for sale on the Group's balance sheets as at 30 September 2007 and 2008.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.16 Trade and other payables

	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Trade payables			
Third parties	199.4	259.4	239.3
Other payables			
Sundry payables	7.8	15.2	26.0
Accruals	18.1	19.5	26.8
	<u>25.9</u>	<u>34.7</u>	<u>52.8</u>
	<u>225.3</u>	<u>294.1</u>	<u>292.1</u>

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is two months.

Other information on financial risks of other payables are disclosed in Note 11.24.

11.17 Borrowings

	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Short term borrowings:			
Unsecured:			
Bill payables	60.0	88.2	51.1
Bankers' acceptances and export credit refinancing	61.4	10.8	135.0
Foreign currency trade loan and onshore foreign currency loan	-	64.3	-
	<u>121.4</u>	<u>163.3</u>	<u>186.1</u>

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.17 Borrowings (Contd.)

The weighted average effective interest rates at the balance sheet date for borrowings were as follows:

	30.09.2007 % per annum	30.09.2008 % per annum	30.09.2009 % per annum
Bill payables	1.20	1.20	1.20
Bankers' acceptances	3.67	-	2.30 - 3.70
Foreign currency trade loan	-	3.44	3.50 - 4.00
Onshore foreign currency loan	-	3.44	3.50 - 4.00
Export credit refinancing	3.70 - 3.75	3.70 - 3.75	3.20 - 3.70

The above borrowings are secured by the corporate guarantees from the Company and negative pledge over the assets of a subsidiary.

11.18 Deferred tax liabilities

	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
At 1 October	-	-	6.4
Recognised in the income statement (Note 11.5)	-	6.4	(1.5)
Acquisition of a subsidiary	-	-	0.6
At 30 September	-	6.4	5.5

The component and movement of deferred tax liabilities during the financial years are as follows :

	Property, plant and equipment		
	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Deferred tax liabilities			
At 1 October	-	-	6.4
Recognised in the income statement	-	6.4	(1.5)
Acquisition of a subsidiary	-	-	0.6
At 30 September	-	6.4	5.5

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.19 Share Capital

	Number of ordinary shares of RM0.25 each		
	30.09.2007 Unit million	30.09.2008 Unit million	30.09.2009 Unit million
Authorised:			
At 1 October/30 September	8,000.0	8,000.0	8,000.0
Issued and fully paid :			
At 1 October/30 September	2,044.9	2,044.9	2,044.9
	30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Authorised:			
At 1 October/30 September	2,000.0	2,000.0	2,000.0
Issued and fully paid :			
At 1 October/30 September	511.2	511.2	511.2

11.20 Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.21 Operating lease arrangements

The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land, buildings and hostel. These leases have an average life of between 1 and 5 years with renewal option of 12 months included in the contracts.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities under non-cancellable subleases, are as follows :

	30.09.2007	30.09.2008	30.09.2009
	RM million	RM million	RM million
Future minimum rentals payments :			
Not later than 1 year	3.6	3.2	5.6
Later than 1 year and not later than 5 years	3.4	1.0	13.3
	<u>7.0</u>	<u>4.2</u>	<u>18.9</u>

11.22 Capital commitments

Outstanding commitments of JCY Group in respect of capital expenditure at their respective balance sheet dates not provided for in the financial statements are as follows :

	30.09.2007	30.09.2008	30.09.2009
	RM million	RM million	RM million
Approved and contracted for:			
Purchase of property, plant and equipment	39.0	58.3	45.0
	<u>39.0</u>	<u>58.3</u>	<u>45.0</u>

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.23 Related party transactions

The directors are of the opinion that the transactions below have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

	01.10.2006 to 30.09.2007 RM million	01.10.2007 to 30.09.2008 RM million	01.10.2008 to 30.09.2009 RM million
JCY Tech Corp - a company in which a director is the brother of JCY's director			
- Supply of labour	28.9	-	-
Armster Sdn. Bhd. - a company in which a brother of JCY's director has interest			
- Factory renovation and maintenance expenses	-	-	3.0
PCA Mahlin - a company in which a director is the brother of JCY's director			
- Rental of building	0.6	0.6	0.6

The remuneration of the executive directors who are also the key management of the Group are disclosed in Note 11.3.

11.24 Financial Instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is to not engage in speculative transactions.

(b) Foreign exchange risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD), Japanese Yen (JPY) and Chinese Renminbi (RMB). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge. The Group also closely monitors and ensures that the net foreign currency exposure are kept to an acceptable level.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.24 Financial Instruments (Contd.)

(b) Foreign exchange risk (Contd.)

The net unhedged financial assets and financial liabilities of the JCY Group that are not denominated in their functional currencies are as follows :

Net financial assets/ (liabilities) held in non-functional currency	Functional Currency of Group Companies			Total RM million
	United States Dollars RM million	Ringgit Malaysia RM million	Chinese Renminbi RM million	
At 30 September 2007				
United States Dollars	-	173.3	11.9	185.2
Singapore Dollars	-	(20.1)	-	(20.1)
Euro	-	-	-	-
Japanese Yen	-	(46.8)	-	(46.8)
Swiss Franc	-	(0.1)	-	(0.1)
Thai Baht	-	-	-	-
	-	106.3	11.9	118.2
At 30 September 2008				
United States Dollars	-	59.0	1.0	60.0
Singapore Dollars	-	(26.5)	-	(26.5)
Euro	-	(0.3)	-	(0.3)
Japanese Yen	-	(79.5)	-	(79.5)
Swiss Franc	-	(0.1)	-	(0.1)
Thai Baht	-	-	-	-
	-	(47.4)	1.0	(46.4)
At 30 September 2009				
United States Dollars	-	280.3	-	280.3
Singapore Dollars	0.9	(13.3)	-	(12.4)
Euro	-	-	-	-
Japanese Yen	-	(45.8)	-	(45.8)
Swiss Franc	-	-	-	-
Thai Baht	-	(0.5)	-	(0.5)
	0.9	220.7	-	221.6

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.24 Financial Instruments (Contd.)

(b) Foreign exchange risk (Contd.)

As at the respective balance sheet dates, the Group had entered into forward foreign exchange contracts with the following notional amounts and maturities :

	Currency	Notional Amount Maturity Within 1 Year		
		30.09.2007 RM million	30.09.2008 RM million	30.09.2009 RM million
Forwards used to hedge trade receivables	USD	51.8	-	-

(c) Liquidity risk

The Group actively manages their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and monitoring procedures. Cash terms and advance payments are required for customers of lower credit standing.

Trade receivables are monitored on an ongoing basis via Group's management reporting procedure.

The Group has a concentration of credit risk as at year end to a customer who contributed a substantial portion of the Group's revenue.

14. ACCOUNTANTS' REPORT (cont'd)

**11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)****11.24 Financial Instruments (Contd.)****(e) Fair values**

The fair value of amounts due from/to related companies/shareholder approximate their carrying amounts as there are no repayment term and hence considered repayable on demand. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

For cash and cash equivalents, trade and other receivables/payables, the carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(f) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at the respective balance sheet dates. The investments in financial assets are mainly short term in nature and have been mostly placed in short term deposits.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

11.25 Segment information

The Group's activities are predominantly in the sector of trading, manufacturing and assembling of HDD components. As such, segmental information is only presented by geographical segments. The geographical segments are based on the location of assets and geographical segments includes :

- (i) Malaysia
- (ii) Others : They consist of segments which are outside Malaysia and they are combined into a separately reportable segment as their combined revenue from sales to external customers is less than 10% in aggregate.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.25 Segment information (Contd.)

Geographical segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by geographical segment :

	Malaysia RM million	Others RM million	Eliminations RM million	Total RM million
30 September 2007				
Revenue				
Sales to external customers	1,567.8	90.0	-	1,657.8
Inter-segments sales	90.7	98.8	(189.5)	-
Total revenue	1,658.5	188.8	(189.5)	1,657.8
Results				
Segment results	174.4	44.4	(41.2)	177.6
Finance costs	(3.0)	-	-	(3.0)
Profit/(loss) before tax	171.4	44.4	(41.2)	174.6
Income tax expense	(0.7)	-	-	(0.7)
Net profit/(loss) for the year	170.7	44.4	(41.2)	173.9
Assets and liabilities				
Segment assets	1,745.7	438.7	(1,027.1)	1,157.3
Segment liabilities	496.9	194.8	(333.3)	358.4
Other segment information				
Depreciation	53.7	11.6	(4.7)	60.6
Amortisation	0.2	1.5	(1.5)	0.2

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.25 Segment information (Contd.)

	Malaysia RM million	Others RM million	Eliminations RM million	Total RM million
30 September 2008				
Revenue				
Sales to external customers	1,659.8	175.1	-	1,834.9
Inter-segments sales	384.9	52.2	(437.1)	-
Total revenue	2,044.7	227.3	(437.1)	1,834.9
Results				
Segment results	420.0	(4.2)	(202.4)	213.4
Finance costs	(3.8)	0.2	-	(3.6)
Profit/(loss) before tax	416.2	(4.0)	(202.4)	209.8
Income tax expense	(7.0)	-	-	(7.0)
Net profit/(loss) for the year	409.2	(4.0)	(202.4)	202.8
Assets and liabilities				
Segment assets	1,906.3	597.2	(1,207.2)	1,296.3
Segment liabilities	645.8	320.8	(495.6)	471.0
Other segment information				
Depreciation	60.0	17.7	(7.0)	70.7
Amortisation	0.3	1.0	(1.0)	0.3
30 September 2009				
Revenue				
Sales to external customers	1,442.3	315.7	-	1,758.0
Inter-segments sales	510.2	45.9	(556.1)	-
Total revenue	1,952.5	361.6	(556.1)	1,758.0
Results				
Segment results	426.5	11.5	(224.7)	213.3
Finance costs	(7.4)	-	-	(7.4)
Profit/(loss) before tax	419.1	11.5	(224.7)	205.9
Income tax	1.4	-	-	1.4
Net profit/(loss) for the year	420.5	11.5	(224.7)	207.3
Assets and liabilities				
Segment assets	1,840.5	687.2	(1,066.6)	1,461.1
Segment liabilities	623.7	391.7	(357.0)	658.4
Other segment information				
Depreciation	66.2	25.6	(9.9)	81.9
Amortisation	0.5	0.9	(0.9)	0.5

14. ACCOUNTANTS' REPORT (cont'd)



11. NOTES TO THE FINANCIAL STATEMENTS OF JCY GROUP (Contd.)

11.26 Significant post balance sheet events

There were no material events which have arisen subsequent to the balance sheet date, which requires disclosure in this Report other than:

- (i) A subsidiary, JCY HDD Malaysia obtained a USD50 million credit facility pursuant to a facility agreement entered into with certain banks dated 3 December 2009 . The credit facility is guaranteed by the Company.
- (ii) On 26 January 2010, the Securities Commission approved the following:
 - (a) Offer for sale of 530,210,000 ordinary shares of RM0.25 each in JCY by YKY Investments Ltd to retail and institutional investors ("Offer for Sales"); and
 - (b) Listing of and quotation for the entire issued and paid-up ordinary share capital of JCY on the Main Market of Bursa Malaysia Securities Berhad ("Listing").
- (iii) A subsidiary of the Company, JCY HDD Malaysia, has received letters dated 14 December 2009 from Tenaga Nasional Berhad ("TNB") claiming for additional electricity charges of approximately RM8.36 million. The additional electricity charges were in respect of the electricity charges supposedly undercharged by TNB for the period from September 2007 to November 2009 due to the incorrect meter reading from electricity meters that were either defective or tampered.

As at the date of this report, JCY HDD Malaysia is disputing the claims and is in discussion with TNB as to their basis and quantification of the additional electricity charges. In view of this, the directors of the Company are of the view that the additional electricity charges should not be provided in the financial statements as the amount, if any, cannot be reasonably estimated and such amount that may finally have to be paid to TNB are not expected to have a significant impact on the financial statements.

14. ACCOUNTANTS' REPORT (cont'd)



11.27 Comparatives

Certain comparative figures for FYE 2007 and FYE 2008 have been reclassified to conform with the presentation for FYE 2009.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young
AF 0039
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Abraham Verghese'.

Abraham Verghese A/L T.V. Abraham
1664/10/10(J)
Chartered Accountant

15. DIRECTORS' REPORT



JCY INTERNATIONAL BERHAD

(Co No. : 713422 - X)
Unit # 21-02, Level 21, Menara MSC Cyberport,
No.5, Jalan Bukit Meldrum, 80300 Johor Bahru, Johor, Malaysia
Tel : 60 (7) 352 5822 Fax : 60 (7) 352 5833



Registered Office:

JCY International Berhad
Level 7 Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur.

27 JAN 2010

The Shareholders
JCY International Berhad

Dear Sir/Madam

On behalf of the Directors of JCY International Berhad ("JCY"), I report after due inquiry that during the period from 30 September 2009 (being the date to which the last audited accounts of JCY and its subsidiaries ("JCY Group") have been made up) to 27 JAN 2010 (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of JCY Group, in the Directors' opinion, has been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited financial statements of the JCY Group which have adversely affected the trading or the value of the assets of JCY Group;
- (c) the current assets of JCY Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by JCY Group;
- (e) there have been, since the last audited financial statements of the JCY Group, no default or any known event that could give rise to a default situation, on payments of either interest and/ or principal sums in respect of any borrowings; and
- (f) save as disclosed in this Prospectus, there have been, since the last audited financial statements of JCY Group, no material changes in the published reserves or any unusual factors affecting the profit of JCY Group.

Yours faithfully
For and on behalf of
the Board of Directors of **JCY INTERNATIONAL BERHAD**

Wong King Kheng
Director

16. ADDITIONAL INFORMATION

16.1 Share Capital

- (i) No securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in our Company. As at the LPD, there is only one class of shares in our Company namely ordinary shares of RM0.25 each, all of which rank pari-passu with one another.
- (iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Group have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two preceding years from the date of this Prospectus.
- (iv) Save as disclosed below, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Group nor has any option to subscribe for securities been granted or exercised by any Directors or employees since incorporation:

(a) **Call Option Agreement Tranche A dated 15 March 2007 ("Agreement A")**

The Selling Shareholder has granted an option over its Shares to Maju Uni where Maju Uni has an option to acquire a certain number of Shares ("**Option Shares A**") at the Option Price of USD5,000,000. The number of Option Shares A depends on the formula below:

$$\text{Option Shares A} = \frac{\text{Option Price (as converted into RM at the Relevant Exchange Rate for Option Shares)}}{\text{Discounted IPO Price}}$$

Where

- Discounted IPO Price means the IPO Price less the Discount
- IPO Price means the lowest price at which any Shares is offered to investors pursuant to an initial public offering of Shares
- Discount means the figure derived from the following formula during the Option Period and subject to the successful implementation of the IPO:

- (i) during the period of one year commencing on the Agreement Date, the Discount shall be:

$$\text{IPO Price} \times 20\%; \text{ OR}$$

- (ii) for the period commencing on the day immediately after the first anniversary of the Agreement Date, the figure derived from the formula:

$$\text{IPO Price} \times \text{Discount Factor}$$

as the case may be;

16. ADDITIONAL INFORMATION (cont'd)

- Discount Factor means a rate not exceeding 60% at all times derived from the formula as follows:

$$20\% + \left[\frac{A}{12} \times 20\% \right]$$

A = such aggregate number of months or part thereof not exceeding 24 months; that have elapsed after the first anniversary of the Agreement Date

- Relevant Exchange Rate for Option Shares means the average of the TT buying and TT selling exchange rate for the RM equivalent of USD1 quoted by Malayan Banking Berhad as published in the New Straits Times on the date the Stakeholder is notified of the IPO Price and as notified pursuant to Clause 5.1(b) of the Agreement A:

The option under Tranche A has been exercised on 11 April 2007 but the final number of Option Shares A and the transfer of the Option Shares A to Maju Uni has not been completed pending the determination of the IPO Price and the final number of Option Shares A.

(b) Call Option Agreement Tranche B dated 15 March 2007 ("Agreement B")

The Selling Shareholder has granted an option over its Shares to Maju Uni where Maju Uni has an option to acquire a certain number of Shares ("**Option Shares B**") at the Option Price of USD15,000,000. The number of Option Shares B depends on the formula below:

$$\text{Option Shares B} = \frac{\text{Option Price} \times \text{Relevant Exchange Rate}}{80\% \times \text{IPO Price}}$$

The option period is five business days commencing on the date on which our Company obtains the approval for the IPO from the SC.

Where

- IPO Price means the lowest price at which any Shares is offered to investors pursuant to an initial public offering of Shares
- Relevant Exchange Rate means the average of the TT buying and TT selling exchange rate for the RM equivalent of USD1 quoted by Malayan Banking Berhad as published in the New Straits Times on the date the Stakeholder is notified of the IPO Price and as notified pursuant to Clause 4.1 of Agreement B.

Maju Uni must not and must cause and procure its nominee not to sell, transfer, assign, dispose of, charge, pledge, encumber or otherwise deal with in any way of part with possession or ownership of the Shares obtained under Agreement A and Agreement B or any part thereof for a period of six months from the date of the Listing (see Section 4.9.2(iv) of this Prospectus).

16. ADDITIONAL INFORMATION (cont'd)**(c) Over-Allotment Option**

Our Selling Shareholder will grant an Over-Allotment Option to the Stabilising Manager (on behalf of the Placement Managers) details of which are in Section 4.3.4 of this Prospectus.

- (v) Other than the Shares under the IPO reserved for the eligible Directors and employees of our Group as disclosed in Section 4 of this Prospectus, there is currently no scheme involving the employees in the capital of our Group.
- (vi) Our Company does not have any outstanding convertible debt securities as at the LPD.

16.2 Object Clauses and Extracts of Our Articles**16.2.1 Object Clauses**

The objects of our Company are set forth in our Memorandum of Association and are reproduced below:

- | | |
|------------------------|---|
| Object Clause 1 | To carry on the business of research, design and development activities in HDD and its components, designers of computer component of all kinds and related activities and services including the design and development of all types of machining precision components, moulds, other electronic and mechanical components and parts. |
| Object Clause 2 | To carry on the business of a holding investment company and in particular to invest in the companies, both in Malaysia and overseas, which carry on the business of designing, development and manufacturing of all types of mechanical, plastic and electronic components for HDD, computer industries, automobile and all types of electronic consumer industries including investment in the name of the company or in that of any nominee shares, stock, debentures, debenture stock, bonds, notes, obligations and any other form of securities issued or guaranteed by any company wherever incorporated or carrying on business in any part of the world or guaranteed by government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad. |
| Object Clause 3 | To carry on any whatsoever form of business, trade or undertaking whether as principals, agents, sub-agents or consignee, contractors, trustees or otherwise, either alone or in conjunction with other persons, companies or partnerships, and to deal in any form of produce, matter or things as are incidental or conducive to the attainment of making profits in any part of the world. |

16. ADDITIONAL INFORMATION (cont'd)

16.2.2 Extracts of our Articles

Certain extracts of our Articles are reproduced below:

(i) Transfer of shares**Article 27
-Transfer of
Shares**

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

Note:

- (i) *"Deposited Security(ies)" has been defined in the Articles as "a security in the Company standing to the credit of a Securities Account of the Depositor subject to the provisions of the Central Depositories Act and Rules".*
- (ii) *Article 27(ii) should only be applicable for transfer of shares upon any delisting and withdrawal from the CDS.*

**Article 28 –
Depository's
Discretion to
Refuse**

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

Note:

The approved reasons are stated in Appendix 67 of the CDS Procedures Manual for ADA which can be accessed from the Bursa Securities website.

**Article 30 –
No
Restriction
on Fully Paid
Shares**

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

16. ADDITIONAL INFORMATION *(cont'd)*

Article 33 - Suspension of Registration Subject to the Rules and Listing Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year or such number of days as may be prescribed by the Exchange. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be at least 12 clear Market Days after the date of announcement to the Exchange or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Depository to prepare the appropriate Record of Depositors.

(ii) Transmission of shares

Article 36 - Death of Member Subject to the provisions of the Act, the Central Depositories Act and the Rules, in the case of the death of a member, the legal personal representatives of the deceased shall be the only persons recognised by the Company and/or the Depository as having any title to his interest in the shares but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share which had been held by him.

Article 37 - Shares of Deceased or Bankrupt Member Any person becoming entitled to a share (that is not a Deposited Security) in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Where the share is a Deposited Security, subject to the provisions of the Central Depositories Act, the Rules and any written law, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.

Article 38 – Notice of Election If the person so becoming entitled elects to have the share (in respect of shares that are not Deposited Securities) transferred to him, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and (in relation to securities that are Deposited Securities) subject to the Central Depositories Act and the Rules, the aforesaid notice must be served by him on the Depository.

16. ADDITIONAL INFORMATION (cont'd)

If he elects to have the share transferred to another person he shall testify his election by executing to that person a transfer of the securities. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfer of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

**Article 41 –
Transmission
from Foreign
Register**

(i) Where:-

(a) the Securities of the Company are listed on an Approved Market Place; and

(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the Registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of the Securities.

(ii) For the avoidance of doubt, no transmission of Securities from the Malaysian Register into the Foreign Register shall be allowed by the Company despite the fulfilment of Articles 41(i)(a) and (b).

**Article 82 –
Vote of
Member of
Unsound Mind
and person
Entitled to
Transfer**

A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person who properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.

(iii) Remuneration of the Directors

**Article 105 –
Directors'
Remuneration**

(i) The fees payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting provided that such fees shall not be increased except pursuant to an Ordinary Resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

16. ADDITIONAL INFORMATION (cont'd)

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

**Article 106 –
Reimbursement
Of Expenses**

- (i) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily incurred by them in connection with the business of the Company including attending and returning from meetings of the Directors or any committee of the Directors or general meeting of the Company.
- (ii) If any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, he shall be entitled to receive such sum as the Directors may think fit either as a fixed sum or as percentage of profits or otherwise (other than by a sum to include commission on or percentage of turnover) as may be determined by the Board provided in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

16. ADDITIONAL INFORMATION (cont'd)**(iv) Voting and Borrowing Powers of Directors**

Article 109 - Directors' Borrowing Powers The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company's or the subsidiaries' undertaking, property or uncalled capital as the case may be, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party subject to the Act and the Listing Requirements.

Article 124 - Votes by Majority and Chairman not to have Casting Vote Subject to these Articles any question arising at any meeting of Directors shall be decided by a majority of votes, each Director having one vote and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote. However, where 2 Directors form a quorum, the Chairman of a meeting, at which only such a quorum is present or at which only 2 Directors are competent to vote on the question at issue, shall not have a second or casting vote.

Article 125 - Disclosure of Interest Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a director of the Company.

Article 127 - Restriction on Voting A Director shall not vote in respect of any contract or proposed contract or arrangement in which he is interested, directly or indirectly, and if he does so vote, his vote shall not be counted. Subject to Article 128, he shall not be counted in the quorum present at any meeting, but neither of these prohibitions shall apply to:

- (i) any arrangement for giving the Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or
- (ii) any contract or proposed contract which relates to any loan to the Company or any of its subsidiaries or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or

16. ADDITIONAL INFORMATION (*cont'd*)

- (iii) any contract or proposed contract or arrangement with any other corporation in which he is interested only as a holder of shares or Securities or as creditor and such interest is not material; or
- (iv) any contract or proposed contract which has been or will be made with or for the benefit of or on behalf of a corporation (as defined in the Act) which by virtue of Section 6 of the Act is deemed to be related to the Company - that he is a director of that corporation.

**Article 128 –
Relaxation of
restriction**

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

(v) Alteration of Capital

**Article 61 -
Power to
Alter Capital**

The Company may from time to time by ordinary resolution:-

- (a) increase the share capital by the creation of new shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, 1 or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and

16. **ADDITIONAL INFORMATION** (cont'd)

- (e) subject to the provisions of these Articles and the Act, convert and/or reclassify any class of shares into any other class of shares.

Note:

The above provisions are not more stringent than those required under the Act.

**Article 62 -
New Shares
Subject To
Articles**

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

**Article 63 -
Power to
Reduce
Capital**

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

**Article 4 -
Power to
Issue Shares
with Special
Rights**

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

- (i) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (ii) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
- (iii) every share scheme for employees shall be approved by the members in general meeting and no Director shall participate in a share scheme for employees unless the members in general meeting have approved of the specific allotment to be made to such Director; and
- (iv) subject to the Act, the provisions of these Articles and the requirements of the Exchange, the Company shall have power to issue preference shares on such terms and conditions and carrying such rights or restrictions provided that the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time.

16. ADDITIONAL INFORMATION (cont'd)**Article 6(a) -
Modification
of Class
Rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the Act, whether or not the Company is being wound up, be made, varied or abrogated, with the consent in writing of the holders of 3/4 of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provision of these Articles relating to general meetings shall apply mutatis mutandis but so that the necessary quorum shall be 2 persons at least holding or representing by proxy one-third of the issued share of the class and that any holder of the shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

Note:

The above provisions are more stringent than those required under the Act.

Article 6(b)

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects pari passu therewith.

(vi) General Meeting of Shareholders**Article 64 –
General
Meeting**

(a) The Company shall in every calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than 15 months after the holding of the last preceding annual general meeting, but so long as the Company holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year.

(b) Meetings of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings. All general meetings shall be held at such time and place as the Directors shall determine. Every notice convening a general meeting shall contain sufficient information to enable a member to decide whether to attend the meeting and any other information as required by the Listing Requirements. Every notice convening a meeting for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.

16. ADDITIONAL INFORMATION (cont'd)

Article 65 – Extraordinary General Meeting The Directors may whenever they so decide by resolution convene an extraordinary general meeting of the Company. In addition, an extraordinary general meeting shall be convened on such requisition as referred to in Section 144 of the Act. If the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 144, a meeting may be convened by the requisitionists themselves in the manner provided in Section 144 of the Act. Any meeting convened by the requisitionist shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Article 66 – Notice of Meeting Subject to the provisions of the Act, every notice convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. The notice convening meetings shall also specify the general nature of the business to be discussed and any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. The notices shall be given to such persons as are entitled to receive these notices from the Company as provided for in the Articles, the Listing Requirements, the Central Depositories Act and the Rules. At least 14 days' notice or 21 days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange in which the Company is listed.

Article 72 – No Business Unless Quorum is present No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, 2 members present in person or by proxy or by attorney or in the case of a corporation, by a representative duly authorised in that behalf shall be a quorum.

(vii) Voting Rights

Article 77 - Voting and Evidence of Passing of Resolutions

(a) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- i. by the Chairman;
- ii. by at least three members present in person or by proxy;
- iii. by any member or members present in person or by proxy and representing not less than 1/10 of the total voting rights of all members having the right to vote at the meeting; or

16. ADDITIONAL INFORMATION (cont'd)

- iv. by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than 1/10 of the total sum paid up on all the shares conferring that right.

Provided that no poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.

- (b) Unless a poll is so demanded a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolutions.
- (c) The demand for a poll may be withdrawn. Every resolution shall be decided by a majority of votes whether on show of hands or on a poll. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

**Article 80 –
Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members and Article 68, each member entitled to vote may vote in person or by proxy or by attorney or other duly authorised representative and on a show of hands every person present who is a member or proxy or attorney or duly authorised representative of a member shall have 1 vote, and on a poll every member present in person or by proxy or by attorney or duly authorised representative shall have 1 vote for each share he holds. Any proxy or attorney or duly authorised representative shall be entitled to vote both on a show of hands and on a poll, on any question, at any general meeting.

(viii) Information on Shareholdings

**Article 26 –
Company
May Require
Information**

- (a) Subject to Article 9, the Company may by notice in writing require any member of the Company within such reasonable time as is specified in the notice:
 - i. to inform the Company whether he holds any voting shares in the Company as Beneficial Owner or as trustee; and
 - ii. if he holds them as trustee, to indicate so far as he can the persons for whom he holds them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.

16. ADDITIONAL INFORMATION (cont'd)

- (b) Where the Company is informed in pursuance of a notice given to any person under subparagraph (a) of this Article or under this subparagraph that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:
 - i. to inform it whether he holds that interest as Beneficial Owner or as trustee; and
 - ii. if he holds it as trustee, to indicate so far as he can the persons for whom he holds it by name and by other particulars sufficient to enable them to be identified and the nature of their interest.

- (c) The Company may by notice in writing require a member of the Company to inform it, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement or arrangement and the parties to it.

16.3 Limitations of Rights

There are no limitations on the right to own securities including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

16.4 General

- (i) Save as disclosed in Sections 4.7 and 4.8 of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Group within the two years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of our Group and in connection with the issue or sale of any capital of our Group and no Director or promoter or expert is or are entitled to receive any such payment or any other benefits.

- (ii) During the last financial year and the current financial period up to the date of this Prospectus, there were no:
 - (a) public take-over offers by third parties in respect of our Company's shares; and
 - (b) public take-over offers by our Company in respect of other companies' shares.

16. ADDITIONAL INFORMATION (cont'd)

- (iii) The governmental laws, decrees, regulations or other legislation in Thailand and the PRC that may affect the repatriation of capital and the remittance of profit by JCY HDD Thailand and YK Technology Suzhou, respectively, to Malaysia are as follows:
- (a) All matters involving foreign currency in Thailand are regulated by the Bank of Thailand. The Bank of Thailand has authorised commercial banks in Thailand to approve certain transactions on its behalf in accordance with its rules and regulations. The repatriation of profits derived in or from Thailand in foreign currencies, whether in the form of interest, dividends or capital gains, will be approved by a commercial bank as a matter of course upon presentation of the relevant supporting documents (such as evidence of the relevant holding of shares or disposal of assets).
 - (b) Repatriation of capital involving a WFOE (which will decrease its capital) requires the approval of the Ministry of Commerce of the PRC or its local counterpart, the issuance of a public announcement and notice to the creditors of the capital reduction and registration of the capital reduction with the State Administration of Industry and Commerce in the PRC. The repatriation of capital so reduced also requires the approval of the State Administration of Foreign Exchange. Remittance of profits by a WFOE needs to be verified by banks licensed to conduct foreign exchange business.

16.5 Material Contracts

Save as disclosed below, there are no contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by our Company and its subsidiaries during the two years preceding the date of this Prospectus.

- (a) Underwriting Agreement dated 26 January 2010 entered into between the Company, our Selling Shareholder and the Joint Managing Underwriters and the Underwriters to underwrite 59,893,000 Offer Shares under the Retail Offering at an underwriting commission of 2.5% of the amount equal to the Retail Price multiplied by the 59,893,000 Offer Shares to be underwritten pursuant to the Retail Offering and a discretionary fee of up to 1.0% of the amount equal to the Final Retail Price multiplied by the Offer Shares sold under the Retail Offering;
- (b) Lock-up letter dated 26 January 2010 issued by our Company whereby we have agreed that subject to certain exceptions, we shall not, without the consent of the Joint Bookrunners, for a period of 180 days from the Listing Date, carry out any of the transactions as set forth in Section 4.9.2(i) of this Prospectus in respect of the Shares;
- (c) On 19 February 2009, JCY HDD Malaysia entered into a share sale agreement with MQ Technology Berhad for the acquisition of the entire issued and paid-up share capital of QB Technology comprising of 1.8 million ordinary shares of RM1.00 each to JCY HDD Malaysia for the total cash consideration of RM10 million;

16. ADDITIONAL INFORMATION (cont'd)

- (d) On 1 June 2009, JCY HDD Malaysia entered into a sale and purchase agreement with Besglobal Sdn Bhd for the sale of the lease of the land held under HS(D) 459298 PTD 76058 Mukim Tebrau, Daerah Johor Bahru, Negeri Johor measuring approximately 1.5813 hectares (170,188.92 square feet) and more particularly identified as PLO 275 Tebrau IV Industrial estate undertaken by Perbadanan Johor for the total cash consideration of RM 4.356 million;
- (e) On 1 June 2009, JCY HDD Malaysia entered into a construction agreement with Besglobal Sdn Bhd for the construction of hostel building for workers on the land held under HS(D) 459298 PTD 76058 Mukim Tebrau, Daerah Johor Bahru, Negeri Johor for the total cash consideration of RM21.644 million. This construction agreement was entered into pursuant to the sale and purchase agreement under item (b) above and by a Lease Agreement dated 11 November 2009, JCY HDD has leased the land and hostel building from Besglobal Sdn Bhd. Please see Annexure A for further details;
- (f) On 11 September 2008, YK Technology Suzhou entered into a Working Contract for Construction Project with Nanjing Kaisheng Group Limited as the contractor to construct a four storey factory building and guardhouse in the PRC for a total cash consideration of RMB27,239,100; and
- (g) On 4 April 2008, JCY HDD Malaysia appointed Kean Leng Construction Sdn Bhd to construct a 2 storey factory on land known as PLO 296, Kawasan Perindustrian Tebrau IV, Mukim Tebrau, Daerah Johor Bahru for the sum of RM17.7 million.

16.6 Material Litigation

Neither we nor our subsidiaries, as at the date of this Prospectus, are engaged in any material litigation, whether as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

16.7 Consents

- (i) The written consents of our Principal Adviser, Joint Managing Underwriters and Underwriters, Joint Global Co-ordinators and Joint Bookrunners, Legal Advisers, Share Registrar, Issuing House, Principal Bankers and Company Secretary to the inclusion of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consents of Ernst & Young as our Auditors and Reporting Accountants to the inclusion of its name and Accountants' Report dated 27 January 2010 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16. ADDITIONAL INFORMATION *(cont'd)*

- (iii) The written consent of TRENDFOCUS to the inclusion of its name and its Independent Market Research Report and its letter dated 27 January 2010 in the form and context in which they are contained on this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16.8 Documents for Inspection

Copies of the following documents may be inspected at our Company's registered office in Malaysia during office hours for a period of 12 months from the date of this Prospectus:

- (i) The Memorandum and Articles of our Company;
- (ii) The Accountants' Report and Directors' Report as included in Sections 14 and 15 respectively of this Prospectus;
- (iii) The material contracts referred to in Section 16.5 above;
- (iv) The letters of consent referred to in Section 16.7 above;
- (v) The audited financial statements of our Group for the last three financial years ended 30 September 2009;
- (vi) The service agreements of executive directors referred to in Section 9.5 of this Prospectus; and
- (vii) Our Independent Market Researcher's letter and its Independent Market Research Report referred to in Section 8 of this Prospectus.

16.9 Responsibility Statements

Our Directors, Promoter and Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained. 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.

CIMB being the Principal Adviser 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 our IPO.

16. ADDITIONAL INFORMATION *(cont'd)*

16.10 Legal Matters

Certain legal matters in connection with our IPO will be passed upon for our Company by Zaid Ibrahim & Co with respect to Malaysian law, and by Latham & Watkins LLP with respect to certain matters of U.S. federal securities and English laws.

Certain legal matters in connection with our IPO will be passed upon for the Joint Global Co-ordinators and Joint Bookrunners by Adnan Sundra & Low with respect to Malaysian law, and by Shearman & Sterling LLP with respect to certain matters of U.S. federal securities and English laws.

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17. PROCEDURE FOR RETAIL OFFERING APPLICATION

17.1 Opening and Closing of Applications

Applications for the Offer Shares under the Retail Offering will open at 10.00 a.m. on 1 February 2010 and will remain open until 5.00 p.m. on 8 February 2010, or such other date or dates as our Directors, our Selling Shareholder and the Joint Managing Underwriters may mutually decide at their absolute discretion. If the Retail Offering is extended, the dates for the balloting, transfer of Offer Shares and the Listing will be extended accordingly. Any extension of the abovementioned dates will be announced by way of advertisement in Bahasa Malaysia and English daily newspapers widely circulated throughout Malaysia.

Late applications will not be accepted.

17.2 Methods of Application and Category of Investors

17.2.1 Application for Offer Shares under the Retail Offering

Applications for the Offer Shares pursuant to the Retail Offering may be made using either of the following:

Type of Application	Category of investor
PINK Application Form	Eligible Directors, employees and persons who have contributed to the success of the JCY Group
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian public

Notes:

⁽¹⁾ A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

⁽²⁾ The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:

(i) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;

(ii) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs.

An eligible employee or a person who has contributed to the success of the JCY Group who has made an application using PINK Application Forms may still apply for the Offer Shares offered to the Malaysian public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and Internet Share Applications.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

17.2.2 Application by investors under the Institutional Offering

Investors under the Institutional Offering will be contacted directly by the Joint Global Co-ordinators and Joint Bookrunners and should follow the instructions as communicated by the Joint Global Co-ordinators and Joint Bookrunners.

17.3 Procedures for Application and Acceptance**17.3.1 Application by the PINK Application Forms**

Application procedures and instructions will be separately contained in a letter to be issued by our Company to the eligible Directors, employees and persons who have contributed to the success of our Group.

17.3.2 Application by the Malaysian public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)**Eligibility**

An applicant may apply for the Offer Shares if the applicant fulfills all the following:

- (i) The applicant must have a CDS account. If the applicant does not have a CDS account, the applicant may open a CDS account by contacting any of the ADAs listed in Section 18 of this Prospectus;
- (ii) The applicant must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or
 - (b) a corporation/institution incorporated in Malaysia where there is a majority of Malaysian citizens on its board of directors/trustees. If the corporation/ institution has a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation or provident or pension fund established or operating in Malaysia.

Our Company and our Selling Shareholder will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in (ii)(b) or (c) above or the trustees thereof; and

The applicant must not be a director or employee of the Issuing House or their immediate family members.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)*

17.4 Procedures for Applications by way of Application Forms

Each application for the Offer Shares under the Retail Offering using the Application Forms must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with Notes and Instructions printed therein. The Application Forms together with the Notes and Instructions shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the Application Form or which are illegible may not be accepted at the absolute discretion of our Directors and our Selling Shareholder.

Full instructions for the application for the Offer Shares and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the Notes and Instructions therein carefully.

Step 1 : Obtain Application Documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **WHITE** Application Form can be obtained subject to availability from the following:

- (i) CIMB;
- (ii) Participating organisations of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association; and
- (v) Issuing House.

Step 2 : Read this Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. Applicants are advised to read and understand this Prospectus before making their applications.

Step 3 : Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the Notes and Instructions printed on it and in this Prospectus.

(i) Personal particulars

Applicants must ensure that their personal particulars submitted in their applications are identical with the records maintained by the Bursa Depository. Applicants are required to inform the Bursa Depository promptly of any changes to their personal particulars.

For individuals who are not members of the armed forces or police, the name and national registration identity card ("NRIC") numbers must be the same as:

- their NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or
- their "Resit Pengenalan Sementara (JPN KP 09)" issued pursuant to "Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990".

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

For applicants who are members of the armed forces or police, their names and their armed forces or police personnel number, as the case may be, must be exactly as that stated in their authority cards.

For corporations/institutions, the name and certificate of incorporation numbers must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

For non-Malaysian applicants (in the case of PINK Forms), the name and passport numbers must be exactly as that stated in their passports.

(ii) CDS account number

Applicants must state their CDS account numbers in the space provided in the Application Form. Invalid, nominee or third party CDS accounts will **not** be accepted.

(iii) Details of payment

Applicants must state the details of their payments in the appropriate boxes provided in the Application Form.

(iv) Number of Offer Shares Applied

Applications must be for at least 100 Offer Shares or multiples of 100 Offer Shares for applicants using the PINK and WHITE Application Forms.

Step 4 : Prepare appropriate form of payment

Applicants must prepare the correct form of payment in RM for the FULL amount payable for the Offer Shares based on the Retail Price, which is per Offer Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 480**” and crossed “**A/C PAYEE ONLY**” (excluding ATM statements) and endorsed on the reverse side with the applicant’s name and address. Only the following forms of payment will be accepted:

- (i) banker’s draft or cashier’s order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order (“GGO”) from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - EON Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad;
 - Public Bank Berhad; or
 - RHB Bank Berhad;

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

Applications with excess or insufficient remittances or inappropriate forms of payment will not be accepted.

Step 5 : Finalise application

The Application Form with payment and a legible photocopy of the applicant's identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP 09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) must be inserted into Official "A" envelope. The applicant must write his name and address on the outside of the Official "A" and "B" envelopes.

The name and address written must be identical to the applicant's name and address as per his NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP 09)"/authority card for armed forces or police personnel/certificate of incorporation or the certificate of change of name for corporate or institutional applicant or passport (where applicable).

Affix a 50 sen stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
P.O. Box 13269
50804 Kuala Lumpur
Malaysia

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia,

so as to arrive not later than 5.00 p.m. on 8 FEBRUARY 2010, or such later date or dates as our Directors, our Selling Shareholder and the Joint Managing Underwriters may mutually decide at their absolute discretion.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)*

17.5 Procedures for Applications by way of Electronic Share Applications

Only Malaysian individuals may use the Electronic Share Application to apply for the Offer Shares made available to the Malaysian public.

17.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Offer Shares at an ATM belonging to other Participating Financial Institutions;
- (ii) The applicant **must have a CDS account**;
- (iii) The applicant is advised to read and understand this Prospectus before making the application; and
- (iv) The applicant may apply for the Offer Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. The applicant is to submit the following information through the ATM, where the instructions on the ATM screen, require him to do so:
 - Personal Identification Number (PIN);
 - MIH Share Issue Account Number No.480;
 - CDS account number;
 - Number of Offer Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements as set out in Section 17.5.3 of this Prospectus.

17.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- CIMB Bank Berhad;
- EON Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

17.5.3 Terms and Conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"), similar to the steps set out in Section 17.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

Upon the completion of the applicant's Electronic Share Application transaction at the ATM, he will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company, Selling Shareholder or the Issuing House. The Transaction Record is for the applicant's retention and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 8 FEBRUARY 2010 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit their respective customers' applications for the Offer Shares to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

The applicant shall only make one application and shall not make any other application for the Offer Shares under the Retail Offering to the Malaysian public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

THE APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF THE APPLICANT OPERATES A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, HE MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. THE APPLICANT'S APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 17.7 of this Prospectus:

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of this Prospectus and the Articles.
- (ii) The applicant is required to confirm the following statements (by pressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - (a) The applicant has attained 18 years of age as at the closing date of the share application;
 - (b) The applicant is a Malaysian citizen residing in Malaysia;
 - (c) The applicant has read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - (d) This is the only application that the applicant is submitting; and

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

- (e) The applicant hereby gives consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to himself and his account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institutions. By doing so, the applicant shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of the applicant's particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) THE APPLICANT CONFIRMS THAT THE APPLICANT IS NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT THE ELECTRONIC SHARE APPLICATION THAT THE APPLICANT MAKES IS MADE BY THE APPLICANT AS THE BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE OFFER SHARES UNDER THE RETAIL OFFERING TO MALAYSIAN PUBLIC, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR USING THE WHITE APPLICATION FORMS.
- (iv) The applicant must have sufficient funds in the applicant's account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) The applicant agrees and undertakes to purchase and to accept the number of Offer Shares applied for as stated on the Transaction Record or any lesser number of shares that may be allocated to the applicant in respect of the Electronic Share Application. In the event that the Company and Selling Shareholder decide to allocate a lesser number of such shares or not to allocate any share to the applicant, the applicant agrees to accept any such decision as final. If the Electronic Share Application is successful, the confirmation (by the applicant's action of pressing the predesignated keys (or buttons) on the ATM keyboard) of the number of Offer Shares applied for shall signify, and shall be treated as, the applicant's acceptance of the number of Offer Shares that may be allocated to the applicant and to be bound by the Memorandum and Articles of Association of the Company.
- (vi) The Issuing House on the authority of the Directors and Selling Shareholder reserves the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allocating the Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (vii) The applicant requests and authorises the Company and Selling Shareholder:
- (a) To credit the Offer Shares allocated to the applicant into the applicant's CDS account; and

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

- (b) To issue share certificate(s) representing such shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) The applicant, acknowledging that the Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Selling Shareholder, Issuing House, Bursa Depository or the Participating Financial Institution, irrevocably agrees that if:
 - (a) Our Company, our Selling Shareholder or the Issuing House do not receive his Electronic Share Application; or
 - (b) The data relating to the Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Selling Shareholder or Issuing House,

the applicant shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, Selling Shareholder, Issuing House or the Participating Financial Institution for the Offer Shares applied for or for any compensation, loss or damage.
- (ix) All of the applicant's particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, our Selling Shareholder, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (x) The applicant shall ensure that the applicant's personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, the Electronic Share Application is liable to be rejected. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to the registered address last maintained with Bursa Depository.
- (xi) By making and completing an Electronic Share Application, the applicant agrees that:
 - (a) In consideration of our Company and our Selling Shareholder agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, the applicant's Electronic Share Application is irrevocable;
 - (b) Our Company, our Selling Shareholder, Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to the Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)*

- (c) Notwithstanding the receipt of any payment by or on the behalf of the Selling Shareholder, the acceptance of the applicant's offer to purchase the Offer Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Offer Shares;
 - (d) The applicant irrevocably authorises Bursa Depository to complete and sign on the applicant's behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Offer Shares allocated to the applicant; and
 - (e) The applicant agrees that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities of the parties to the Retail Offering shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that the applicant irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xii) The Issuing House, on the authority of the Directors and Selling Shareholder reserves the right to reject applications which do not conform to these instructions.
 - (xiii) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

17.6 Procedures for Applications by way of Internet Share Applications

Only Malaysian individuals may use the Internet Share Application to apply for the Offer Shares made available to the Malaysian public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application by way of Internet Share Application, the applicant **must have all** of the following:

- (i) an existing account with access to internet financial services with **CIMB** at www.eipocimb.com or **CIMB Bank Berhad** at www.cimbclicks.com.my. The applicant needs to have his user identification and PIN/password for the internet financial services facility; and
- (ii) a CDS account registered in the applicant's name (and not in a nominee's name).

Step 2 : Read this Prospectus

Applicants are advised to read and understand this Prospectus before making the application.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

Step 3 : Apply through internet

The following steps for an application of the Offer Shares via Internet Share Application have been set out for illustration purposes only.

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

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which the applicant has an account;
- (ii) Log in to the internet financial services facility by entering the user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of initial public offerings;
- (iv) Select the counter in respect of the Offer Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Offer Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) After selecting the designated hyperlink on the screen, the applicant will have to confirm and undertake that the following mandatory statements are true and correct:
 - (a) The applicant is at least 18 years of age as at the closing date of the share application;
 - (b) The applicant is a Malaysian citizen residing in Malaysia;
 - (c) The applicant has, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which he has read and understood;
 - (d) The applicant agrees to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
 - (e) The Internet Share Application is the only application that the applicant is submitting for the Offer Shares under the offering to the Malaysian public;
 - (f) The applicant authorises the financial institution with whom the applicant has an account to deduct the full amount payable for the Offer Shares from the applicant's account with the said financial institution ("**Authorised Financial Institution**");

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)*

- (g) The applicant gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to the applicant, the Internet Share Application made by the applicant or the applicant's account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (h) The applicant is not applying for the Offer Shares as a nominee of any other person and the application is made in the applicant's own name, as beneficial owner and subject to the risks referred to in this Prospectus;
- (i) The applicant authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Retail Offering, all information relating to the applicant if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services;
- (ix) Upon submission of the online application form, the applicant will be linked to the website of the Authorised Financial Institution to effect the online payment for the Retail Offering;
- (x) The applicant must pay for the Offer Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of the applicant's Internet Share Application, including the number of Offer Shares applied for, which can be printed out by the applicant for record purposes;
- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Offer Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and
- (xii) Applicants are advised to print out the Confirmation Screen for reference and retention.

17.7 Terms and Conditions

- (i) The applicant is required to pay the Retail Price of RM2.00 for each Offer Share applied for.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

- (ii) The applicant can submit only 1 application for the Offer Shares offered to the Malaysian public. For example, if the applicant submits an application using a WHITE Application Form, the applicant cannot submit an Electronic Share Application or Internet Share Application.

The Issuing House acting under the authority of our Directors and our Selling Shareholder has the discretion to reject applications that appear to be multiple applications under each category of applicants. **Applicants are hereby cautioned that if the applicants submit more than 1 application in the applicants' own name or by using the name of others, with or without their consent, the applicants will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.**

- (iii) Each application under the PINK AND WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Offer Shares or multiples of 100 Offer Shares.
- (iv) Each application must be made in connection with and subject to this Prospectus and the Memorandum and Articles of Association of the Company. The applicant agrees to be bound by the Memorandum and Articles of Association of the Company.
- (v) The submission of an application does not necessarily mean that the application will be successful. Any submission of application is irrevocable.
- (vi) Our Company, our Selling Shareholder or the Issuing House will not issue any acknowledgement of the receipt of the application or application monies.
- (vii) Applicants must ensure that the personal particulars submitted in their application and/or the personal particulars as recorded by the Internet Participating Financial Institution are correct and identical with the records maintained by the Bursa Depository. Otherwise, the application is liable to be rejected. Applicants will have to promptly notify the Bursa Depository of any change in their addresses as the notification letter of successful allocation will be sent to the applicants' registered/correspondence addresses last maintained with the Bursa Depository.
- (viii) No application shall be deemed to have been accepted by reason of the remittances having been presented for payment.**

The acceptances of the applications to purchase the Offer Shares shall be constituted by the issue of notices of allotment for the Offer Shares to the applicants.

- (ix) Submission by the applicant of the applicant's CDS account number in the application includes the applicant's authority/consent in accordance with Malaysian laws of the right of the Bursa Depository, the Participating Financial Institution and Internet Participating Financial Institution (as the case may be) to disclose information pertaining to the applicant's CDS account and other relevant information to our Company, our Selling Shareholder, Issuing House and any relevant authorities (as the case may be).
- (x) The applicant agrees to accept the decision of the Company and Selling Shareholder as final should the Company and Selling Shareholder decide not to allocate any Offer Share to the applicant.**

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

- (xi) Additional terms and conditions for Internet Share Application are as follows:
- (a) The application will not be successfully completed and cannot be recorded as a completed application unless the applicant has completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen. The applicant is required to complete the Internet Share Application by the close of the Retail Offering mentioned in Section 17.1 of this Prospectus.
 - (b) The applicant irrevocably agrees and undertakes to subscribe for or purchase and to accept the number of Offer Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to him. The applicant's confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as his acceptance of the number of Offer Shares allocated to him.
 - (c) The applicant requests and authorises our Selling Shareholder to credit the Offer Shares allocated to the applicant into the applicant's CDS account. The applicant authorises the share certificate(s) representing those Shares to be registered in the name of Bursa Malaysia Depository Nominees Sdn Bhd and held by Bursa Depository.
 - (d) The applicant irrevocably agrees and acknowledges that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of our Company, our Selling Shareholder, Issuing House, Bursa Depository, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, the Company, Selling Shareholder, Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, the applicant shall be deemed not to have made an Internet Share Application and shall have no claim whatsoever against our Company, our Selling Shareholder, Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.
 - (e) The applicant irrevocably authorises the Bursa Depository to complete and sign on the applicant's behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Offer Shares allocated to the applicant.
 - (f) The applicant agrees that in the event of legal disputes arising from the use of Internet Share Application, the mutual rights, obligations and liabilities of the parties to the Retail Offering shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)*

- (g) The applicant shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of the Internet Share Application by our Company, our Selling Shareholder, Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) The applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after the Company has accepted the applicant's Internet Share Application.
- (i) In making the Internet Share Application, the applicant has relied solely on the information contained in this Prospectus. Our Company, our Promoter and our Selling Shareholder, our Principal Adviser, the Joint Managing Underwriters and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by the applicant in making the Internet Share Application.
- (xii) IN RESPECT OF INTERNET SHARE APPLICATION, THE TERMS AND CONDITIONS OUTLINED IN THIS SECTION 17.7 OF THIS PROSPECTUS SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

17.8 Authority of Our Directors, Our Selling Shareholder and the Issuing House

Applicants will be selected in a manner to be determined by our Directors and our Selling Shareholder. Due consideration will be given to the desirability of allocating the Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

The Issuing House, on the authority of our Directors and our Selling Shareholder, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable) or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and
- (iii) bank in all application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded (where applicable) without interest by registered post.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)*

Our Directors and our Selling Shareholder reserve the right to require any successful applicant to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to the successful applicant to ascertain that his application is genuine and valid. Our Directors and our Selling Shareholder are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicants for the purpose of complying with this provision.

17.9 Over/Under-subscription

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors and our Selling Shareholder to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors and our Selling Shareholder will consider the desirability of distributing the Offer Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing an adequate market in the trading of the Shares. Pursuant to the Listing Requirements, our Company needs to have a minimum of 25% of the Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO and at the time of Listing. In the event that the above requirement is not met, our Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the event of an under-subscription, subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Offer Shares not applied for under the Retail Offering will be subscribed by the Underwriters pursuant to the Underwriting Agreement.

17.10 Unsuccessful/Partially Successful Applicants

Application monies in respect of the unsuccessful/partially successful applicants will be returned without interest in the following manner.

17.10.1 For applications by way of application forms

- (i) The application monies or the balance of it, as the case may be, will be returned to applicants by ordinary post (for fully unsuccessful applications) or by registered post to the last address maintained by the applicants with the Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.
- (ii) If the application was rejected because the applicant did not provide a CDS account number, the application monies will be sent to the applicant's address as stated in the NRIC or "Resit Pengenalan Sementara" (JPN KP 09) or any valid temporary identity document issued by the National Registration Department from time to time.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded within 10 Market Days from the date of the final ballot by registered post to the last address maintained by the applicant with the Bursa Depository or as per item (ii) above (as the case may be).

17. PROCEDURE FOR RETAIL OFFERING APPLICATION *(cont'd)***17.10.2 For applications by way of Electronic Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two Market Days after the balloting date. The application monies or the balance of it will be credited without interest into the applicant's account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) Applicants may check their accounts on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within 10 Market Days from the date of the final ballot.

17.10.3 For applications by way of Internet Share Application

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to credit the application monies or the balance of it without interest into the applicant's account with the Authorised Financial Institution within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) Applicants may check their accounts on the fifth Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post. The cheques will be issued not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within 10 Market Days from the date of the final ballot.

17.11 Successful Applicants

- (i) The Offer Shares will be credited into the CDS accounts of the successful applicants. No physical share certificates will be issued to successful applicants and successful applicants shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.
- (ii) Notices of allotment will be despatched, to successful applicants at the address last maintained by the successful applicants with the Bursa Depository, at their own risk, before the Listing. This is the only acknowledgement of acceptance of the application.

17. PROCEDURE FOR RETAIL OFFERING APPLICATION (cont'd)

- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address last maintained by the applicants with the Bursa Depository or to the address as stated in Bursa Depository's records for applications made via the Electronic Share Application and Internet Share Application, of the successful applicants, within 10 Market Days from the date of final ballot of application, at the successful applicants' own risk.

17.12 Enquiries

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Forms	Issuing House at telephone no. 603 - 2693 2075 (10 lines)
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

Applicants may also check the status of their application on the Issuing House's website at www.mih.com.my, or by calling their respective ADA at the telephone number as stated in

Section 18 of this Prospectus or the Issuing House at telephone no. 603 - 2693 2075 (10 lines) between five to 10 Market Days (during office hours only) after the balloting date.

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18. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and ADA Codes are as follows:

List of Authorised Depository Agents

Name	Address and telephone number	ADA Code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2166 7922	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Telephone no.: +603 4043 3533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1800	052-009
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan KasKas, 5th Mile Cheras 56100 Kuala Lumpur Telephone no.: +603 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (cont'd)		
KENANGA INVESTMENT BANK BERHAD	No. 57-10, Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Telephone no.: +603 2287 1799	073-015
MAYBANK INVESTMENT BANK BERHAD <i>(formerly known as Aseambankers Malaysia Berhad)</i>	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	Lot 6-05, Level 6 Tower Block, Menara Milenium 8, Jalan Damanlela, Bukit Damansara 50490 Kuala Lumpur Telephone no.: +603 2094 2828	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AFFIN INVESTMENT BANK BERHAD	No. 1, Jalan 52/16 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7955 3281	028-004

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (cont'd)		
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	1st, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 7345	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
INTER-PACIFIC SECURITIES SDN BHD	No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Telephone no.: +603 6137 1888	054-006
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (cont'd)		
KENANGA INVESTMENT BANK BERHAD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7956 2169	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (cont'd)		
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22, 40200 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Telephone no. : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
MELAKA (cont'd)		
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Telephone no.: +606 2833 622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no. : +605 6232 328	078-009
ALLIANCE INVESTMENT BANK BERHAD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6910 910	076-008
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1 st and 2 nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
PERAK DARUL RIDZUAN (cont'd)		
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003
MAYBANK INVESTMENT BANK BERHAD <i>(formerly known as Aseambankers Malaysia Berhad)</i>	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
PERAK DARUL RIDZUAN (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299 318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuhraya Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Telephone no.: +604 2281 868	052-003

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
PULAU PINANG (cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Telephone no.: +604 3900 022	056-005

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
PULAU PINANG (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
KEDAH DARUL AMAN (cont'd)		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
NEGERI SEMBILAN DARUL KHUSUS (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6636 658	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (cont'd)		
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Telephone no.: +607 512 1633	078-006
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (cont'd)		
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali, 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama, 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (cont'd)		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 1 & 1-01, Jalan Rosmerah 2/11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	Suite 5.1, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 2781 813	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002
ECM LIBRA INVESTMENT BANK BERHAD	B62, Ground Floor Lorong Tun Ismail 8, Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5133 289	052-007
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5173 811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
SARAWAK (cont'd)		
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 606	065-004
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Telephone no.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
SARAWAK (cont'd)		
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 313 836	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001

18. LIST OF ADAs (cont'd)

Name	Address and telephone number	ADA Code
SABAH (cont'd)		
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057

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ANNEXURE A

SUMMARY OF JCY GROUP'S LANDED PROPERTIES

The details of the landed properties owned, leased or occupied by our Group are as follows:

1. Properties owned or held under a long term lease

No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
1.	HSD 459291, PTD 76041, Mukim Tebrau, Daerah Johor Bahru, Johor Also known as - No 1, Jalan Firma Kawasan Perindustrian Tebrau IV, Mukim Tebrau, 81100 Johor Bahru, Johor. - 1 two storey factory - 1 two storey office building - 1 guardhouse	Johor Corporation	Factory building cum office / 60 years lease commencing on 1 February 2000 and expiring 31 January 2060	2.002 acres / Total built up area of approximately 50,000 square feet	Lease consideration of RM1,310,402	8½ years / 18 July 2001	<ul style="list-style-type: none"> JCY HDD Malaysia is not permitted to transfer, charge lease or dispose the land in any way including through any agreement for its sale without the prior consent from State Authority. JCY HDD Malaysia is not permitted to assign, underlet or part with or share possession or occupation, sublease and/or charge the whole or part of the land for all or any part of the term of the Lease without the prior consent in writing of Johor Corporation. JCY HDD Malaysia must ensure that prior to an assignment or underletting, the proposed assignee or undertenant must enter into a covenant with Johor Corporation to perform and observe the Lessee's covenants contained in the lease during the residue of the term of the Lease. 	<ul style="list-style-type: none"> The land shall be used for medium industry. The land shall be used as the site for manufacturing "Hard Disk Machining (High Precision)" and for any other products related thereof. JCY HDD Malaysia shall employ Malaysian citizens at the Management, Executive and Technical Level of which not less than 40% at all levels shall be of the Malay race and there shall be no discrimination in salaries according to race. JCY HDD Malaysia shall channel all effluent discharge to places determined by relevant authorities and ensure that effluent discharge which is to be channelled into drains or rivers, be free from odour, poisons or anything which would cause environmental nuisance according to the standards set by relevant authorities. JCY HDD Malaysia shall obtain written approval of Johor Corporation for all subsequent construction on the land 	4,842,806

ANNEXURE A

No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2, 3, 4}	Net book value as at 30 September 2009 (RM)
2.	HSD 459289, PTD 76039, Mukim Tebrau, Daerah Johor Bahru, Johor Also known as - No 17, Jalan Firma 3, Kawasan Perindustrian Tebrau IV, Mukim Tebrau, 81100 Johor Bahru, Johor. - 1 single storey factory - 1 two storey office building - 1 guardhouse	Johor Corporation	Factory building cum office / 60 years lease commencing on 1 February 2000 expiring on 31 January 2060	2.5 acres / Total built up area of approximately 69,000 square feet	Lease consideration of RM1,963,795	9 years / 11 November 2000	<p>(Party entering into principal lease agreement is Pre-Circuit Technology Corporation Sdn Bhd. The lease agreement was novated to JCY HDD Malaysia on 1 April 2006. The beneficial owner of the land is JCY HDD Malaysia)</p> <ul style="list-style-type: none"> JCY HDD is not permitted to transfer, charge lease or dispose the land in any way including through any agreement for its sale without the prior consent of the State Authority. JCY HDD Malaysia shall not assign or part with the benefit of the lease agreement without the consent of Johor Corporation. The lease agreement shall be binding upon the respective successors-in-title and permitted assigns of each of the parties thereto. <p>(Party entering into principal lease agreement is Tajam. Corporation Sdn Bhd. The lease agreement was novated to JCY HDD Malaysia on 31 March 2006. The beneficial owner of the land is JCY HDD Malaysia)</p>	<ul style="list-style-type: none"> The land shall be used for medium industry. The land shall be used for the setting up of a plant for "Electronic, Mechanical, Electrical Component Manufacturing and Surface Treatment of Above Components" and for any other products related thereof. JCY HDD Malaysia shall employ Malaysian citizens at the Management, Executive and Technical Level of which not less than 40% at all levels shall be of the Malay race and there shall be no discrimination in salaries according to race. JCY HDD Malaysia shall channel all effluent discharge to places determined by relevant authorities and ensure that effluent discharge which is to be channelled into drains or rivers, be free from odour, poisons or anything which would cause environmental nuisance according to the standards set by relevant authorities. 	5,426,448

ANNEXURE A

No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
3.	PLO 277 (PTD 76038) Tebrau IV Industrial Area, Mukim Tebrau, Johor Bahru, Johor ⁵ Also known as - No 15, Jalan Firma 3, Kawasan Perindustrian Tebrau IV, Mukim Tebrau, 81100 Johor Bahru, Johor. - 1 three storey factory - 1 single storey c.inteen - 1 three storey office building - 1 guardhouse	Johor Corporation	Factory building cum office / 60 years lease commencing on 22 August 2000 and expiring on 21 August 2060	2,501 acres / Total built up area of approximately 153,000 square feet	Lease consideration of RM1,642,969	8 years / 3 January 2002	<ul style="list-style-type: none"> The Land Title cannot be transferred unless the building(s) have been constructed in accordance to the plans approved by the relevant authorities. JCY HDD Malaysia shall not assign or part with the benefit of the Lease Agreement without the consent of Johor Corporation. JCY HDD Malaysia shall not assign, underlet or part with or share possession or occupation, sublease and/or charge the whole or part of the land for all or any part of the term of this Lease without the prior consent in writing of Johor Corporation. To ensure that prior to an assignment or underletting, the proposed assignee or undertenant must enter into a covenant with Johor Corporation to perform and observe the Lessee's covenants contained in this Lease during the residue of the term of the Lease. 	<ul style="list-style-type: none"> JCY HDD Malaysia shall obtain a written approval from Johor Corporation for all subsequent construction and building on PLO 278. The land shall be used for medium industry. JCY HDD Malaysia shall channel all effluent discharge to places determined by relevant authorities and ensure that effluent discharge which is to be channelled into drains or rivers, be free from odour, poisons or anything which would cause environmental nuisance according to the standards set by relevant authorities. JCY HDD Malaysia shall employ and train workers at all levels that reflect the national structure. JCY HDD Malaysia shall comply with all Government Acts, by-laws which shall be imposed from time to time particularly on employment of Bumiputera and Bumiputera equity ownership. JCY HDD Malaysia shall obtain a written approval from Johor Corporation for all subsequent construction and building on the land 	13,378,902

ANNEXURE A

No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
4.	PLO 272, (PTD 76042), Tebrau IV Industrial Area, Mukim Tebrau, Johor Bahru, Johor ⁵ Also known as - No 3, Jalan Firma 3, Kawasan Perindustrian Tebrau IV, Mukim Tebrau, 81100 Johor Bahru, Johor.	Johor Corporation	Factory building cum office / 60 years lease commencing on 1 February 2000 and expiring on 31 January 2060	1.986 acres/ Total built up area of approximately 55,000 square feet	Lease consideration of RM1,559,363	9 years / 11 November 2000	<p>(Party entering into principal lease agreement is Sunrise Panorama Sdn Bhd. The lease agreement was novated to JCY HDD Malaysia on 31 March 2006. The beneficial owner of the land is JCY HDD Malaysia)</p> <ul style="list-style-type: none"> • JCY HDD Malaysia is not permitted to transfer, rent or sub-lease the land without the written consent from Johor Corporation / State Authority. • JCY HDD Malaysia shall not assign or part with the benefit of this Agreement without the consent of Johor Corporation. • The Lease Agreement shall be binding upon the respective successors-in-title and permitted assigns of each of the parties. <p>(Party entering into principal lease agreement is Amalkey (M) Sdn Bhd. The lease agreement was novated to JCY HDD Malaysia on 1 April 2006. The beneficial owner of the land is JCY HDD Malaysia)</p>	<ul style="list-style-type: none"> • The land shall be used for medium industry. • The land shall be used for the setting up of a plant for "Assembly of Mechanical, electronic and Electrical Components and Surface treatment of Above Components" and for any other products related thereof. • JCY HDD Malaysia shall employ Malaysian citizens at the Management, Executive and Technical Level of which not less than 40% at all levels shall be of the Malay race and there shall be no discrimination in salaries according to race. • JCY HDD Malaysia shall channel all effluent discharge to places determined by relevant authorities and ensure that effluent discharge which is to be channelled into drains or rivers, be free from odour, poisons or anything which would cause environmental nuisance according to the standards set by relevant authorities. • JCY HDD Malaysia shall obtain written approval from Johor Corporation for all subsequent construction and building on PLO 272. 	5,962,044

ANNEXURE A

No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
5.	PLO 297A, (PTD 63734), Tebrau IV Industrial, Mukim Tebrau, 81100 Johor Bahru, Johor Also known as – No. 24 / No. 24A / No. 24B, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, Mukim Tebrau, 81100 Johor Bahru, Johor.	Johor Corporation	Factory building cum office / 60 years lease commencing on 30 November 2002 and expiring on 29 November 2062 ⁶ .	4 acres/ Total built up area of approximately 129,000 square feet	Lease consideration of RM2,613,600	5½ years / 29 May 2004	<ul style="list-style-type: none"> JCY HDD Malaysia shall not assign or part with the benefit of the lease agreement without the consent of Johor Corporation. JCY HDD Malaysia shall not share possession or part with or assign, underlet or part with or sublease and/or charge the whole or part of the land for all or any part of the term of this Lease without the prior consent in writing of Johor Corporation. To ensure that prior to an assignment or underletting, the proposed assignee or undertenant must enter into a covenant with Johor Corporation to perform and observe the Lessee's covenants contained in this Lease during the residue of the term of this Lease. <p>(Party entering into principal lease agreement is Globeline Enterprise Sdn Bhd. The lease agreement was novated to JCY HDD Malaysia on 1 April 2006. The beneficial owner of the land is JCY HDD Malaysia)</p>	-	16,685,639
	- 1 single storey factory - 1 two storey factory - 1 single storey canteen - 2 two storey office buildings - 1 guardhouse								

ANNEXURE A

No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2, 3, 4}	Net book value as at 30 September 2009 (RM)
6.	PLO 296 (PTD 63734), Tebrau IV Industrial Area, Mukim Tebrau, 81100 Johor Bahru, Johor ⁵ - 1 single storey factory - 1 two storey factory - 2 two storey office buildings	Johor Corporation	Factory/60 year lease commencing from 6 January 2003 and expiring on 5 January 2063 ⁷	5 acres/ Total built up area of approximately 6,000 square feet	Lease consideration of RM2,178,000	n.a. ⁸	<ul style="list-style-type: none"> JCY HDD Malaysia is not permitted to assign, underlet or part with or share possession or occupation, sublease and/or charge the whole or part of the land for all or any part of the term of the Lease without the prior consent in writing of Johor Corporation. JCY HDD Malaysia must ensure that prior to an assignment or underletting, the proposed assignee or undertenant must enter into a covenant with Johor Corporation to perform and observe the Lessee's covenants contained in the lease during the residue of the term of the Lease 	The land shall be used for light industry JCY HDD shall employ Malaysian citizens in the Management, Executive and Technical Level of which not less than 40% at all levels shall be of the Malay race and there shall be no discrimination in salaries according to race.	34,368,832
7.	Geran 19729, Lot 3530, Mukim Jasin, Daerah Jasin, Melaka Also known as- Lot PT 2743, Jalan Bemban, Kawasan Perindustrian Jasin, 77000 Jasin, Melaka.	JCY HDD Malaysia	Factory building / curn office / Freehold	2,81082 acres/ Total built up area of approximately 64,000 square feet	n.a.	7 years / 4 March 2002	-	-	4,500,220

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No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
<ul style="list-style-type: none"> - 1 single storey factory - 1 single storey canteen - 1 two storey office building - 1 guardhouse 									
8.	HS(D) 46612, PT 394, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang	JCY HDD Malaysia	Factory building cum office/60 year lease expiring on 11 March 2061	Approximately 9,33317 acres/ Total built up area of approximately 120,000 square feet	Lease consideration of RM4,878,629	n.a. ³	<ul style="list-style-type: none"> • The land cannot be transferred, charged, leased or sub-leased, rented pursuant to tenancy or any other dealings without the consent in writing from the State Authority. • The land and the building erected thereon cannot be used for any purpose other than approved by Perbadanan Pembangunan Pulau Pinang and the State Authority. 	Registered owner after Perbadanan Pembangunan Pulau Pinang must: <ul style="list-style-type: none"> • Within 2 years from the date of first transfer being registered or within a period specified by the State Authority, construct factory building on the land in accordance with the plan approved by the Local Council. • Clean, destroy or cause and procure cleanliness or destruction of industrial effluents in the form or method at the satisfaction of the relevant authority. • Ensure 30% of its employees at all level of management in relation to the business carried on the land are Bumiputra. • Comply with all terms and conditions contained in the sale and purchase agreement signed between the first registered owner after Perbadanan Pembangunan Pulau Pinang and Perbadanan Pembangunan Pulau Pinang. 	10,546,792

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No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
9.	HS(D) 460686, PTD 4032, Mukim Sungai Tiram, Kompleks Perindustrian Tg. Langsat, Daerah Johor Bahru, Johor measuring approximately	JCY HDD Malaysia	Vacant land/60 year lease expiring on 16 November 2068	10.02259 acres	n.a	n.a	<ul style="list-style-type: none"> The land cannot be sold, charged, mortgaged, pledged or transferred in any way including through any agreement for its sale without the prior consent from the State Authority 	<ul style="list-style-type: none"> The land shall be used for medium industry and as a site for purposes "Manufacturing Components, Parts and Modules for Hard Disk Drives (HDD)" and other related usage, built according to plan approved by the relevant Local Authorities. All discharges as a result of this activity shall be channelled or disposed of to places by the Local Authorities. All policies and regulations imposed by the Local Authorities shall be complied with. 	4,347,548
10.	PLO 275, (HS(D) 459298, PTD 76058) Mukim Tebrau, Daerah Johor Bahru, Negeri Johor Also known as PLO 275, Jalan Firma 3, Kawasan Perindustrian Tebrau IV, Mukim Tebrau, 81100 Johor Bahru, Johor - 4 blocks of 4 storey hostel buildings for workers - 2 bin centre - 1 guardhouse	Johor Corporation	Hostel/5 year lease commencing on 1 December 2009 and expiring on 30 November 2014	Approximately 3,90748 acres/ Total built up area of approximately 243,272 square feet	Monthly rent of RM240,000	2 months/6 November 2009	<ul style="list-style-type: none"> Not to assign, underlet, sub-let or part with possession of the Property or any part thereof in any manner or guise whatsoever without the written consent of the Lessor The landowner after Johor Corporation cannot transfer, charge, lease or otherwise dispose in any manner, including through any agreement with the purpose of disposing/selling the land without the consent of the State Authority <p>(JCY HDD Malaysia is the lessee of the land)</p>	<ul style="list-style-type: none"> The land must be used as a hostel or housing quarters for workers. All discharge and policies imposed and enforced by the relevant Authority from time to time must be observed 	28,800,854

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No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
11.	Certificate No. Wu Guo Yong (2007) Di 20805 for a parcel of land located at Hedong Industrial Park, Wuzhong Economic Development Zone, Jiangsu Province, PRC	Suzhou Land Resources Bureau Wuzhong Sub-Branch ¹⁰	Factory building in progress/50 years from 11 May 2007 to 10 May 2057	Approximately 13.17887 acres	n.a.	n.a.	-	<ul style="list-style-type: none"> Purpose of use is for industrial plant In case of a breach of contract by YK Technology Suzhou, Suzhou Land Resources Bureau Wuzhong Sub-Branch shall have the right to withdraw the land together with all the buildings and constructions erected on the land. 	13,840,857
12.	Plot no. A58/2 in the S I L Industrial Zone, land title deed no. 36365, located at Bualoy Sub-District, Nongkhae District, Saraburi Province, Thailand -1 two storey factory - 1 two storey office - 1 guardhouse - 1 carriean Building in progress - 1 two storey factory - 1 two storey office	JCY HDD Thailand	Factory/ Freehold	Approximately 5.878 acres/ Total built up area of the completed buildings is approximately 103,181 square feet	n.a.	3 years/22 January 2007	<ul style="list-style-type: none"> If PCA Technology Thailand wishes to transfer the land, whether by sale, exchange or disposition by any other means, PCA Technology Thailand shall inform SIL Industrial Co Ltd ("SIL") and ask for SIL's prior written consent. The land transferee shall have the qualifications, and agree to comply with all conditions stipulated in the related agreements which PCA Technology Thailand has entered into with SIL. PCA Technology Thailand shall in no event assign the land sale and purchase agreement without prior written consent of SIL. 	<ul style="list-style-type: none"> This Land must be used only for establishing and operating a computer parts factory with no living quarters where the utilization of or the construction of factory for its operation within the Land shall be carried out upon fulfilment of conditions imposed by SIL The expansion of the factory or the change in manufacturing activity, products processing or any conduct which may cause the increase of pollution or increase use of utilities system provided by SIL shall require prior written approval of SIL or other relevant Thai government authority. Comply with all standards, provisions, laws and/or regulations relating to the Land usage and the construction of industrial factory for the operation of business in the area of the SIL's Industrial Land as stipulated from time to time. 	28,931,583

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No.	Location	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years)	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
13.	Plot no. 43 in the S I L Industrial Zone, land title deed no. 36364, located at Bualoy Sub-District, Nongkhae District, Saraburi Province, Thailand	S I L ¹¹	Vacant land allotted for industrial use	Approximately 5.928 acres	Approximately RM2,856,957	n.a.	<ul style="list-style-type: none"> • PCA Technology Thailand (now known as JCY HDD Thailand) may transfer all or any of its rights under the land sale and purchase agreement, including the right to purchase the land (which is subject to the transfer fee of Baht 100,000), by notifying SIL of such intention in writing. In such case, PCA Technology Thailand shall provide SIL with the details of the new buyer for an approval of SIL (which may not be unreasonably withheld). SIL may grant such approval to the new buyer under any condition as SIL deems reasonably appropriate. • The ownership to the Land can be transferred to PCA Technology Thailand only after the permission to own land is granted by the Board of Investment Promotion in favor of PCA Technology Thailand. <p>(Party entering into the land sale and purchase agreement is PCA Technology Thailand. JCY HDD Thailand has a contractual right to the land prior to the transfer of ownership to JCY HDD Thailand)</p>	<p>The transfer of title to the Land must be registered with the competent land office.</p> <p>This Land must be used only for establishing and operating a manufacturing plant and warehouse where any factory, building or structure on or under the Land may be constructed and/or altered upon prior written approval from SIL or other relevant Thai government authority.</p> <p>The expansion of the factory or the change in manufacturing activity, products processing or any conduct which may cause the increase of pollution or increase use of utilities system provided by SIL shall require prior written approval of SIL or other relevant Thai government authority.</p> <p>Pay a fair proportion of all costs and expenses, overhead and profit incurred in the management and maintenance of common utilities and facilities, common areas, common structure and other facilities and other things provided for the common benefit of the land owners in the Industrial Land in such amount and proportion or such matters as may be required or imposed uniformly by SIL.</p> <p>Comply with the air emission, waste water discharge and environmental standards as required by the laws and regulations.</p>	Approximately 2,856,957

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Notes:

¹ The built-up areas of the buildings are based on JCY Group management's estimates.

² Based on land title and terms and conditions of the relevant agreements and land title.

³ See also Section 5.1.21 of this Prospectus.

⁴ Save for Note 5 below and as disclosed in Sections 5.1.13 and 5.1.21 of this Prospectus, we have substantially complied with all conditions relating to the respective land title.

⁵ The master land title is subject to the following conditions:

(i) for agriculture ("Category of Land Use");

(ii) (a) Within two (2) years from the date of registration of the title, the proprietor must apply to the relevant State Authority for the imposition of category of land use and express condition for this land for proposed use and the relevant State Authority may impose premium on the land at its discretion; and

(b) The land must not be used or developed for any purpose until the first condition stated above is implemented and the category of land use and express condition are stated in the title, ("Express Condition").

⁶ The master land title has been surrendered to the State government on 4 November 2008 and the subdivision and conversion of the category of land use to "industrial" is in the process. Individual titles have been issued for 2 plots of land and with the category of land being "industrial".

⁷ Based on date of lease agreement and date of taking of vacant possession.

⁸ Based on date of lease agreement.

⁹ The Certificate of Fitness for Occupation has not been issued yet.

¹⁰ The construction of the factory is still in progress and as such the Certificate of Fitness has not been issued yet.

¹¹ YK Technology holds a state-owned land use right in relation to the land. Ownership over all state-owned land use rights is vested with the state, and users of state-owned land use rights have only the right to the use of the land for a limited period.

JCY HDD Thailand entered into an agreement with SIL for purchase of the piece of land and has fully paid the purchase price. The transfer of land to JCY HDD Thailand is pending the issuance of the Promotional Certificate by Thailand's Board of Investment and a letter from the Board of Investment to the relevant land office approving the transfer.

No revaluation exercise has been carried out on the land and buildings above pursuant to the IPO.

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2. Tenancies

No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
1.	HSD 37958, PT 3184, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang Also known as - Plot 553, Lorong Perusahaan 4, Prai Free Trade Zone, Phase 1, 13600 Prai, Pulau Pinang - 1 single storey factory - 1 single storey canteen - 1 two storey office building - 1 guardhouse	Hardenbrass Sdn Bhd	Factory building cum office / six month tenancy commencing on 16 August 2009 and expiring on 31 March 2010	5,98868 acres/ Total built up area of approximately 50,000 square feet	Monthly rental of RM48,000	15 years / 9 December 1994	<ul style="list-style-type: none"> JCY HDD Malaysia shall not assign, sublet, or part with the possession of the demised premises or any part thereof without the prior consent of Hardenbrass. The land cannot be transferred, charged, leased or sub-lease, rented pursuant to tenancy or any other dealings without the consent in writing from the State Authority. 	<ul style="list-style-type: none"> To use the demised premises for the purpose of JCY HDD Malaysia's business and related activities. Registered owner after Perbadanan Pembangunan Pulau Pinang must: <ul style="list-style-type: none"> To clean, destroy or to cause and procure cleanliness or destruction of industrial effluents in the form or method at the satisfaction of the relevant authority. To ensure 30% of its employees at all level of management in relation to the business carried on the land are Bumiputera. 	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
2.	HS(M) 2508, PTD 43207, Mukim Senai-Kulai, Daerah Kulai, Negeri Johor Also known as - 2 Jalan Gangsa, Desa Perindustrian Kulai II, 81000 Kulai, Johor. - 1 single storey factory - 1 two storey office building - 1 guardhouse	Multinat Property Sdn Bhd	Factory building cum office / 2 years tenancy commencing on 1 April 2009 and expiring on 31 March 2011	1.34463 acres/ Total built up area of approximately 24,055 square feet	Monthly rental of RM18,000	13 years / 13 August 1996	<ul style="list-style-type: none"> Not to assign, sublet, or part with the possession of the Demised Premises or any part thereof without the prior written consent of the Landlord. The Land must not be transferred in any manner unless the factory building as required under the express conditions has been constructed in accordance with the plans approved by the relevant local authorities. (Party entering into tenancy agreement is JCY HDD Malaysia) 	<ul style="list-style-type: none"> This Land must be used only for the purpose of light industries. This Land must be used as location site for manufacturing as determined by the Majlis Daerah Kulai and the DOE and other buildings in relation to manufacturing. 	n.a.
3.	HS(M) 2507, PTD 43206, Mukim Senai-Kulai, Daerah Kulai, Negeri Johor Also known as - 3 Jalan Gangsa, Desa Perindustrian Kulai II, 81000 Kulai, Johor. - 1 single storey factory - 1 single storey canteen - 1 two storey office building - 1 guardhouse	Multinat Property Sdn Bhd	Factory building cum office / 2 years tenancy commencing on 1 April 2009 and expiring on 31 March 2011	1.25882 acres/ Total built up area of approximately 24,055 square feet	Monthly rental of RM17,500	13 years / 13 August 1996	<ul style="list-style-type: none"> The Land must not be transferred in any manner unless the factory building as required under the express conditions has been constructed in accordance with the plans approved by the relevant local authorities. Not to assign, sublet, or part with the possession of the Demised Premises or any part thereof without the prior written consent of the Landlord which consent shall not be unreasonably withheld. (Party entering into tenancy agreement is JCY HDD Malaysia) 	<ul style="list-style-type: none"> The Land must be used only for the purpose of light industries. The Land must be used as location site for manufacturing as determined by the Majlis Daerah Kulai and the DOE and other buildings in relation to manufacturing. 	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2, 3, 4}	Net book value as at 30 September 2009 (RM)
4.	HS(M) 2306, PTD 43205, Mukim Senai-Kulai, Daerah Kulai, Negeri Johor Also known as - 4 Jalan Gangsa 3, Desa Perindustrian Kulai II, 81000 Kulai, Johor. - 1 single storey factory - 1 two storey office building	Multinat Property Sdn Bhd	Factory building cum office / 2 years tenancy commencing on 1 April 2008 and expiring on 31 March 2010	1.78549 acres/ Total built up area of approximately 32,696 square feet	For monthly rental of RM21,620	13 years / 13 August 1996	<ul style="list-style-type: none"> • The Land must not be transferred in any manner unless the factory building as required under the express conditions has been constructed in accordance with the plans approved by the relevant local authorities. • Not to assign, sublet, or part with the possession of the Demised Premises or any part thereof without the prior written consent of the Landlord which consent shall not be unreasonably withheld (Party entering into tenancy agreement is JCY HDD Malaysia)	<ul style="list-style-type: none"> • The Land must be used only for the purpose of light industries. • The Land must be used as location site for manufacturing as determined by the Majlis Daerah Kulai and the DOE and other buildings in relation to manufacturing. 	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
5.	HS(M) 2518, PTD 43219, Mukim Senai-Kulai, Daerah Kulai, Negen Johor Also known as- No. 17, Jalan Gangsa, Desa Perindustrian Kulai II, 81000 Kulai, Johor - 1 single storey factory - 1 single storey canteen - 1 two storey office building - 1 guardhouse	Mr. Lim Tiat Min @ Lim Siewe Yong and Lim Chim Min	Factory building cum office / 2 years tenancy commencing on 1 April 2008 and expiring on 31 March 2010	1.14986 acres/ Total built up area of approximately 25,000 square feet	Monthly rental of RM16,340	13 years / 13 August 1996	<ul style="list-style-type: none"> Not to assign, sub-let, underlet or part with possession of the Premises or any part thereof unless the assignee or the sub-tenant is JCY HDD Malaysia's Affiliated Person and that prior written approval is obtained from the Landlord. (Party entering into tenancy agreement is JCY HDD Malaysia) 	<ul style="list-style-type: none"> This Land must be used only for the purpose of light industries. This Land must be used as location site for manufacturing as determined by the Majlis Daerah Kulai and the DOE and other buildings in relation to manufacturing. 	n.a.
6.	PN 6694, Lot 51664, Mukim Pientong, Daerah Johor Bahru Also known as Lot 40, PLO 102, Jalan Timah, 81700 Pasir Gudang, Johor. - 1 single storey factory - 1 single storey office building	Jackfal (M) Sdn Bhd	Factory building cum office / 2 years tenancy commencing on 1 November 2009 and expiring on 31 October 2011	Approximately 0.73687 acres/Total built up area of approximately 15,000 square feet	Monthly rental of RM11,000	29½ years / 1 June 1981	<ul style="list-style-type: none"> Not to assign, sublet, underlet, or part with possession of the Premises unless the assignee or the sub-tenant is the JCY HDD Malaysia's affiliated person. (Party entering into tenancy agreement is JCY HDD Malaysia) 	<ul style="list-style-type: none"> This Land is for factory use only for the purpose of light industries and any other purposes in relation to light industries where the factory must be constructed in accordance to plan approved by the relevant local authorities. Any discharge and pollution resulting from any activities must be channeled or disposed to specified locations approved by the relevant local authorities. All policies and conditions imposed by the relevant Authority from time to time must be observed. 	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
7.	PN 6693, Lot 51663, Mukim Plentong, Daerah Johor Bahru Also known as - Lot 41, PLO 101, Jalan Timah, 81700 Pasir Gudang, Johor. - 1 single storey factory - 1 single storey canteen - 1 single storey office building - 1 guardhouse	H.B.I Sdn Bhd	Factory building cum office / 2years tenancy commencing on 1 April 2008 and expiring on 31 March 2010	Approximately 0.78357 acres/ Total built up area of approximately 15,000 square feet	Monthly rental of RM12,000	25 years / 8 October 1984	<ul style="list-style-type: none"> Not to assign, sublet, or otherwise dispose or part with the possession of the Demised Premises or any part thereof without the previous consent in writing of HBI. The Land must not sold, used as security, charged, mortgaged or transferred in any manner including entering into any agreement for the purposes of releasing/ selling the land without the approval by the relevant local authorities. (Party entering into tenancy agreement is JCY HDD Malaysia)	<ul style="list-style-type: none"> This Land is for factory use only for the purpose of light industries and any other purposes in relation to light industries where the factory must be constructed in accordance to plan approved by the relevant local authorities. Any discharge and pollution resulting from any activities must be channelled or disposed to specified locations approved by the relevant local authorities. All policies and conditions imposed by the relevant authority from time to time must be observed. 	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2,3,4}	Net book value as at 30 September 2009 (RM)
8.	HS(D) 26391, PT 261, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang Also known as - Plot 55(A), Mukim 13, Taman Perindustrian Bukit Minyak, Seberang Prai Tengah, 14100 Bukit Mertajam, Pulau Pinang - 1 single storey factory - 1 single storey canteen - 1 two storey office building - 1 guardhouse	PCA Mahlin	Factory building cum office / 2 years tenancy commencing on 1 April 2009 and expiring on 31 March 2011	Approximately 4.00039 acres / Total built up area of approximately 127,000 square feet	Monthly rental of RM50,000	5 years / 6 October 2004	<ul style="list-style-type: none"> Not to assign, sublet, underlet, or part with possession of the Demised Premises unless the assignee or the sub-tenant is the JCY HDD Malaysia's affiliated person. The land cannot be transferred, charged, leased or sub-lease, rented pursuant to tenancy or any other dealings without the consent in writing from the State Authority. The land and the building erected thereon cannot be used for any purpose other than approved by Perbadanan Pembangunan Pulau Pinang and the State Authority. <p>(Party entering into tenancy agreement is JCY HDD Malaysia)</p>	<p>Registered owner after Perbadanan Pembangunan Pulau Pinang must:</p> <ul style="list-style-type: none"> Clean, destroy or to cause and procure cleanliness or destruction of industrial effluents in the form or method at the satisfaction of the relevant authority. Ensure 30% of its employees at all level of management in relation to the business carried on the land are Bumiputra. Comply with all terms and conditions contained in the sale and purchase agreement signed between the first registered owner after Perbadanan Pembangunan Pulau Pinang and Perbadanan Pembangunan Pulau Pinang. The land cannot be used for any purpose other than the business of the tenant, which is light industry. 	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2, 3, 4}	Net book value as at 30 September 2009 (RM)
9.	HSD 177915, PTD 53928, Mukim Tebrau, Daerah Johor Bahru, Johor Also known as – No. 10, Jalan Firma 2, Kawasan Perindustrian Tebrau 1, 81100 Johor Bahru - 1 single storey factory - 1 guardhouse	Johor Corporation	Factory/1 year tenancy commencing on 1 April 2009 and expiring on 31 March 2010	Approximately 1.06824 acres/ Total built up area of approximately 48,000 square feet	Monthly rental of RM15,000	12½ years/10 April 1997	<ul style="list-style-type: none"> Not to assign, sublet or part with the possession of the whole or any part thereof (Party entering into tenancy agreement is JCY HDD Malaysia) 	<p>The land must be used for a factory for the purpose of light industries and any other purposes in relation to light industries where the factory must be constructed in accordance to plan approved by the relevant local authorities.</p> <ul style="list-style-type: none"> Any discharge and pollution resulting from any activities must be channelled or disposed to specified locations approved by the relevant local authorities. 	n.a.
10.	HSD 3034, PT No. 2757, JA 7067, Kawasan Perindustrian Jasin, Batu 16, 77200 Bemban, Mukim Jasin, Melaka - 1 single storey factory - 1 single storey canteen - 1 two storey office building - 1 guardhouse	Asia Selatan (M) Sdn Bhd	Warehouse/1 year tenancy commencing 21 May 2009 and expiring on 20 May 2010	Approximately 1.22514 acres/ Total built up area of approximately 8,470 square feet	Monthly rental of RM6,000	11 years/15 September 1998	<ul style="list-style-type: none"> To use premises for the purpose of manufacturing and assembling hard disk drives 	<p>The land must be used for manufacturing only</p>	n.a.

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2, 3, 4}	Net book value as at 30 September 2009 (RM)
11.	#21-02, Level 21, Menara MSC Cyberport, No. 5, Jalan Bukit Meldrum, 80300 Johor Bahru	Dunlop Estates Holdings Sdn Bhd	Office/2 year tenancy commencing 1 August 2008 and expiring on 31 July 2010	Office space of 7,306 square feet	Monthly rental of RM15,342.60	n.a	<ul style="list-style-type: none"> Shall not assign transfer sub-let part with the possession or otherwise deal with its interest in the Demised Premises or any part thereof without the written consent of the Landlord. Any form of reconstruction, reorganization, amalgamation or change in any shareholding of the Tenant or any scheme of arrangement or compromise or any other scheme giving rise to a change in shareholding of Tenant as at the time of the execution of the Tenancy shall for the purposes of this Tenancy constitute an assignment. 	Premises to be used only as an office. Any proposed change of permitted use shall be at the sole discretion of the landlord.	n.a.

(Party entering into tenancy agreement is JCY)

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No.	Location /	Registered owner/ lessor/ landlord	Existing use/ Tenure of land (years) /	Land area/ Built up area ¹	Monthly rental or lease consideration	Age of Building / Date of issuance of Certificate of Fitness	Restrictions in interest ²	Conditions and status of compliance ^{2, 3, 4}	Net book value as at 30 September 2009 (RM)
12.	West to the power plant, No. 6, Tianling Road, Wuzhong Economic Development Zone, Jiangsu Province, PRC - 1 two storey factory - 1 two storey office building - 1 guardhouse	Suzhou Wuzhong District Dongwu Energy Co Ltd ⁵	Factory building cum office / 3 years commencing on 1 October 2007 and expiring on 30 September 2010	Approximately 1.91062 acres/ Total built up area of approximately 6,825 square feet	Monthly rental of RMB85,825 (about RM43,582)	4 years/ 28 July 2005	<ul style="list-style-type: none"> • The right of the lessor to use the land will expire on 10 November 2048. • After full payment of the consideration and issuance of the certificate for right to use the land, the lessor is entitled to transfer, lease or pledge, in whole or as a part the right to use the land provided that the transfer of the land for remaining years is subject to the government authority's confirmation set out in the conditions of contract for the transfer the right to use the of state-owned land entered into between the lessor and the government authority. • Any transfer, lease or pledge of the right to use the land are also attached to the building erected on the land, and vice-versa. • Upon any transfer, lease or pledge of the right to use the land, the transferor, lessor or pledgor shall, within the prescribed period after the execution of the contract, register with the relevant government authority. <p>(Party entering into lease agreement is YK Technology Suzhou)</p>	The land must be used for industry, and the lessor shall not change the use of the land without prior consent of the relevant government authority. Within the prescribed period after the payment of all consideration, the lessor shall procure the registration of the land with the government authority and obtain the certificate for the right to use the land.	n.a

ANNEXURE A

Notes:

- 1 The built-up areas of the buildings are based on JCY Group management's estimates.
- 2 Based on land title and terms and conditions of the relevant agreements and land title.
- 3 See also Section 5.1.21 of this Prospectus.
- 4 Save as disclosed in Sections 5.1.13 and 5.1.21 of this Prospectus, we have substantially complied with all conditions relating to the respective land title.
- 5 Yk Technology Suzhou has entered into a lease agreement with Suzhou Wuzhong District Dongwu Energy Co Ltd for the building. Suzhou Wuzhong District Dongwu Energy Co Ltd has not obtained the title certificate for the building.
- No revaluation exercise has been carried out on the land and buildings above pursuant to the IPO.