

9. ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus)



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ACCOUNTANTS' REPORT

The Board of Directors
 Kimlun Corporation Berhad
 Level 18, The Gardens North Tower
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31 May 2010

Dear Sirs

KIMLUN CORPORATION BERHAD ACCOUNTANTS' REPORT

1.0 INTRODUCTION

This report has been prepared by Ernst & Young, an approved company auditor, exclusively for the inclusion in this Prospectus of Kimlun Corporation Berhad dated 14 June 2010 in connection with the listing of and quotation of the entire enlarged issued and paid-up share capital of Kimlun Corporation Berhad and should not be relied upon for any other purposes.

2.0 ABBREVIATIONS

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

Acquisitions	Acquisition of KLSB, SPC and IBT
Dividend Payment	Prior to the Acquisitions, KLSB and SPC had, on 7 May 2010, declared to their shareholders a dividend of RM8.5 million and RM1.0 million, respectively
FPE	Financial period ended
FRS	Financial Reporting Standards
FYE	Financial year ended
IBT	I-Buildtech Solutions Pte Ltd
IPO	Initial public offering in Malaysia comprising the Public Issue and Offer for Sale, collectively
IPO Price	RM0.97 per IPO share, being the price payable by investors under the Public Issue/Offer for Sale
Group	KIMLUN and its subsidiaries namely KLSB, SPC and IBT
KIMLUN or Company	Kimlun Corporation Berhad
KLSB	Kimlun Sdn Bhd
MITI	Ministry of International Trade and Industry, Malaysia
Offeror	Phang Piow @ Pang Choo Ing
Offer for Sale	The invitation by the Offeror to eligible Directors and selected investors to purchase the Offer Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Offer Shares	The 11,300,000 Shares, which are the subject of the Offer for Sale
PERS	Private Entity Reporting Standards
Public Issue	The invitation by KIMLUN to the public, eligible employees and/or business associates and selected investors (including Bumiputera investors approved by the MITI) to subscribe for the Public Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus

9. ACCOUNTANTS' REPORT (Cont'd)



2.0 ABBREVIATIONS (Cont'd)

Public Issue Shares	The 64,000,000 new Shares, which are the subject of the Public Issue
RM	Ringgit Malaysia
SGD	Singapore Dollar
Share(s)	Ordinary share(s) of RM0.50 each in KIMLUN
SPC	SPC Industries Sdn Bhd

3.0 GENERAL INFORMATION

3.1 Background of KIMLUN

Kimlun Corporation Sdn Bhd was incorporated in Malaysia on 4 August 2009 as a private limited liability company. Subsequently, on 21 August 2009, it was converted to a public limited company and assumed its present name. The principal activity of KIMLUN is investment holding. Further details on its subsidiaries are set out in Section 3.3 below.

3.2 Share Capital of KIMLUN

At the date of incorporation, the authorised share capital of KIMLUN was RM100,000 comprising 200,000 ordinary shares of RM0.50 each. The issued and fully paid-up share capital of KIMLUN was RM1 comprising 2 ordinary shares of RM0.50 each.

On 28 August 2009, KIMLUN has increased its authorised share capital from RM100,000 to RM500,000,000 through the creation of 999,800,000 ordinary shares of RM0.50 each.

Arising from the Acquisitions as disclosed in Section 4.2 below, the issued and paid-up share capital of KIMLUN was increased from RM1 to RM82,500,000 by way of the issuance of 164,999,998 Shares.

Pursuant to the Public Issue, the issued and paid-up share capital of KIMLUN will be increased further to RM114,500,000 comprising 229,000,000 Shares.

3.3 Subsidiaries of KIMLUN

The details of the subsidiaries of KIMLUN at the date of this report are as follows:

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest	Principal Activities
KLSB	21 October 1977 Malaysia	RM1,000,000	100%	Infrastructure and building construction.
SPC	9 April 1993 Malaysia	RM2,000,000	100%	Manufacturing and supply of concrete products.
IBT	12 May 2008 Singapore	SGD 80 (equivalent to RM188)	100%	Provision of industrial building systems and trading of construction and building materials.



4.0 LISTING SCHEME

The listing scheme comprises the following transactions:

4.1 Dividend Payment

Prior to Acquisitions, KLSB and SPC had, on 7 May 2010, declared to their shareholders a dividend of RM8.5 million and RM1.0 million, respectively.

The dividends were paid on 8 May 2010.

4.2 Acquisitions

On 6 November 2009, KIMLUN entered into share sale agreements with the vendors of KLSB, SPC and IBT for the acquisition of the entire equity interest in KLSB, SPC and IBT, comprising 1,000,000 ordinary shares of RM1.00 each, 2,000,000 ordinary shares of RM1.00 each and 80 ordinary shares respectively. The purchase considerations for the Acquisitions are RM66,164,000, RM15,995,999 and RM340,000 respectively, which were fully satisfied by the issuance of 132,328,000, 31,991,998 and 680,000 Shares to the respective vendors of KLSB, SPC and IBT at an issue price of RM0.50 per Share. The Acquisitions were completed on 10 May 2010.

4.3 Public Issue

In conjunction with the listing, KIMLUN will undertake a public issue of 64,000,000 new Shares, representing 27.95% of the enlarged issued and paid-up share capital of KIMLUN, at the IPO Price to be allocated and allotted in the following manner:

(a) 11,450,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid up share capital of KIMLUN, will be made available for application by the Malaysian public, to be allocated via ballot;

(b) 1,500,000 Public Issue Shares, representing 0.66% of the enlarged issued and paid up share capital of KIMLUN, will be reserved for the eligible employees and/or business associates of the Group;

(c) 33,050,000 Public Issue Shares, representing 14.43% of the enlarged issued and paid up share capital of KIMLUN, will be made available for private placement to selected investors; and

(d) 18,000,000 Public Issue Shares, representing 7.86% of the enlarged issued and paid up share capital of KIMLUN, will be reserved for Bumiputera investors approved by MITI.

4.4 Offer for Sale

The offer for sale of 11,300,000 representing 4.93% of the enlarged issued and paid-up share capital of KIMLUN, will be offered at the IPO Price and will be allocated and allotted in the following manner:

(a) 380,000 Offer Shares, representing 0.17% of the enlarged issued and paid-up share capital of KIMLUN, will be reserved for eligible Directors of the Group;

(b) 5,460,000 Offer Shares, representing 2.38% of the enlarged issued and paid-up share capital of KIMLUN, will be made available for private placement to selected investors; and

9. ACCOUNTANTS' REPORT (Cont'd)**4.4 Offer for Sale (cont'd)**

(c) 5,460,000 Offer Shares, representing 2.38% of the enlarged issued and paid-up share capital of KIMLUN, will be made available for private placement to Bumiputera investors approved by MITI.

4.5 Listing

Upon completion of the Public Issue and Offer for Sale, KIMLUN will seek the listing of and quotation for its entire enlarged issued and paid-up share capital on the Main Market of Bursa Malaysia Securities Berhad.

5.0 AUDITORS AND AUDITED FINANCIAL STATEMENTS

5.1 The auditors of the Group for the relevant financial years/periods are as follows:

Company	FPE/FYE	Auditors
KIMLUN	FPE 31 December 2009	Ernst & Young, Johor Bahru, Malaysia
KLSB	FYE 31 December 2007	Ernst & Young, Johor Bahru, Malaysia
	FYE 31 December 2008	Ernst & Young, Johor Bahru, Malaysia
	FYE 31 December 2009	Ernst & Young, Johor Bahru, Malaysia
SPC	FYE 31 March 2007	Ernst & Young, Johor Bahru, Malaysia
	FYE 31 March 2008	Ernst & Young, Johor Bahru, Malaysia
	FYE 31 March 2009	Ernst & Young, Johor Bahru, Malaysia
	FPE 31 December 2009	Ernst & Young, Johor Bahru, Malaysia
IBT	FPE 31 December 2008	Ernst & Young, Singapore
	FYE 31 December 2009	UHY Lee Seng Chan & Co, Singapore

For the purposes of this report, the audited financial statements of KIMLUN for the FPE 31 December 2009, audited financial statements of KLSB for the FYE 31 December 2007 to 2009, audited financial statements of SPC for FYE 31 March 2007 to 2009 and nine (9) months FPE 31 December 2009, and audited financial statements of IBT for the FPE 31 December 2008 and FYE 31 December 2009 are presented.

The auditors' report of KIMLUN and all the subsidiaries were not subject to any qualifications or modifications for all the financial years/periods under review.

The financial statements of KLSB for FYE 31 December 2007 to 2008, SPC for FYE 31 March 2007 to 2009 were prepared in compliance with applicable PERS in Malaysia and the provisions of the Companies Act, 1965. The financial statements of KLSB, KIMLUN and SPC for the FYE/FPE 31 December 2009 were prepared in accordance with applicable FRS and the Companies Act, 1965 in Malaysia. For FPE/FYE 31 December 2008 and 2009, the financial statements of IBT was prepared in compliance with Singapore FRS and the provisions of the Singapore Companies Act, Cap. 50.

9. ACCOUNTANTS' REPORT (Cont'd)



5.0 AUDITORS AND AUDITED FINANCIAL STATEMENTS (Cont'd)

For the purpose of this report, the financial statements of these subsidiaries were converted to comply with applicable FRS in Malaysia. We have reviewed the financial statements of KLSB for FYE 31 December 2007 to 2008, SPC for FYE 31 March 2007 to 2009 for the conversion of PERS in Malaysia to applicable FRS in Malaysia and IBT for FPE 31 December 2008 and FYE 31 December 2009 for the conversion of Singapore FRS to applicable FRS in Malaysia, prepared for the purpose of this report. The adoption of applicable FRS in Malaysia did not have any material financial effect on the financial statements of these companies.

5.2 Restatements to the Audited Financial Statements

The following figures for the FYE 31 December or 31 March have been reclassified to conform with the current presentation :-

	As previously reported RM	Reclassification RM	As restated RM
KLSB			
31 December 2007			
Selling and administrative expenses	(5,856,657)	(148,625)	(6,005,282)
Interest expenses	(1,491,992)	148,625	(1,343,367)
31 December 2008			
Selling and administrative expenses	(7,370,586)	(193,913)	(7,564,499)
Interest expenses	(2,209,446)	193,913	(2,015,533)
SPC			
31 March 2007			
Sales	33,209,238	401,811	33,611,049
Cost of Sales	(27,495,497)	(58,162)	(27,553,659)
Other income	386,892	(307,307)	79,585
Administrative expenses	(4,810,258)	(36,342)	(4,846,600)
Trade payables	3,605,181	267,157	3,872,338
Other payables	8,345,858	(267,157)	8,078,701

9. ACCOUNTANTS' REPORT (Cont'd)



5.2 Restatements to the Audited Financial Statements (cont'd)

	As previously reported RM	Reclassification RM	As restated RM
SPC (cont'd)			
31 March 2008			
Sales	53,455,258	1,211,182	54,666,440
Cost of Sales	(43,051,470)	(117,891)	(43,169,361)
Other income	1,235,474	(1,146,898)	88,576
Administrative expenses	(7,165,164)	53,607	(7,111,557)
Trade payables	5,855,133	1,202,508	7,057,641
Other payables	7,946,106	(1,202,508)	6,743,598
IBT			
31 December 2008			
Other income	2,218	(2,218)	-
Administrative expenses	(81,100)	2,218	(78,882)

6.0 DIVIDENDS

No dividend has been paid or declared by KIMLUN since the date of incorporation.

Details of the dividends paid by KLSB and SPC for the financial years/period under review are as follows:

Subsidiaries	FYE/FPE	Rate %	Gross dividend RM	Net dividend RM
KLSB	FYE 2007	881%	8,806,326	6,956,826
	FYE 2008	450%	4,500,000	4,500,000
	FYE 2009	1010%	10,100,000	10,100,000
SPC	FPE 2009	250%	5,000,000	5,000,000

IBT has not paid or declared any dividend for the financial year/period under review.

9. ACCOUNTANTS' REPORT (Cont'd)



7.0 CONVERSION RATE

In preparing this report, all figures stated in SGD has been converted to RM.

The applied rates of exchange for the FPE 31 December 2008 and FYE 31 December 2009 are SGD1: RM2.4067 and SGD1: RM2.4408 respectively, based on the exchange rate as at 31 December 2008 and 31 December 2009.

8.0 HISTORICAL FINANCIAL INFORMATION

8.1 KIMLUN

Audited Income Statement of KIMLUN

We set out below the audited income statement of KIMLUN.

	FPE 31 December 2009 RM
Continuing operations	
Pre-operating expenses	(8,595)
Administrative expenses	(1,500)
Loss for the period	<u>(10,095)</u>
Loss before tax is analysed as follows:	
Loss before depreciation, and interest expense	(10,095)
Depreciation	-
Interest expense	-
Loss before tax	<u>(10,095)</u>
Weighted average number of ordinary shares in issue	2
Gross loss per share (RM) *	(5,048)
Net loss per share (RM) *	(5,048)

* The gross loss per share is computed based on the loss before tax divided by the weighted average number of ordinary shares in issue during the financial period.

The net loss per share is computed based on the loss after tax divided by the weighted average number of ordinary shares in issue during the financial period.

9. ACCOUNTANTS' REPORT (Cont'd)



8.1 KIMLUN (Cont'd)

Audited Balance Sheet of KIMLUN

We set out below the audited balance sheet of KIMLUN.

	Note	As at 31 December 2009 RM
ASSETS		
Current asset		
Cash on hand		1
TOTAL ASSETS		<u>1</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	8.2(a)	1
Accumulated losses		(10,095)
Total equity		<u>(10,094)</u>
Current liabilities		
Other payables	8.2(b)	10,095
Total liabilities		<u>10,095</u>
TOTAL EQUITY AND LIABILITIES		<u>1</u>
Key financial ratio:		
Net liabilities per share (RM)		(5,047)

Audited Statement of Changes in Equity of KIMLUN

	Attributable to Equity Holders of KIMLUN		
	Share Capital RM	Accumulated Losses RM	Total RM
As at 4 August 2009 (date of incorporation)	1	-	1
Loss for the period	-	(10,095)	(10,095)
As at 31 December 2009	<u>1</u>	<u>(10,095)</u>	<u>(10,094)</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.1 KIMLUN (Cont'd)

Audited Cash Flow Statement of KIMLUN

	FPE 31 December 2009 RM
Summarised Cash Flow Statements	
Net cash generated from financing activities	1
Net increase in cash and cash equivalents	1
Cash and cash equivalents at date of incorporation	-
Cash and cash equivalents at end of financial period	1
Cash and cash equivalents comprise:	
Cash on hand	1

8.2 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(a) Share capital

	Number of ordinary shares of RM 0.50 each	Amount RM
Authorised share capital		
At date of incorporation	200,000	100,000
Created during the period	999,800,000	499,900,000
At 31 December 2009	1,000,000,000	500,000,000
Issued and fully paid		
	2	1

(b) Other payables

	As at 31 December 2009 RM
Due to a related company	8,595
Accrual	1,500
	10,095

9. ACCOUNTANTS' REPORT (Cont'd)



8.3 KLSB

Audited Income Statements of KLSB

We set out below the audited income statements of KLSB.

		FYE 31 December		
	Note	2007 RM	2008 RM	2009 RM
Continuing operations				
Revenue	8.4(a)	318,742,604	350,815,850	390,643,072
Cost of sales	8.4(b)	(281,519,476)	(322,012,077)	(342,627,334)
Gross profit		37,223,128	28,803,773	48,015,738
Other income	8.4(c)	1,087,878	1,068,112	1,299,077
Selling and administrative expenses		(6,005,282)	(7,564,499)	(11,311,340)
Operating profit		32,305,724	22,307,386	38,003,475
Finance costs	8.4(d)	(1,343,367)	(2,015,533)	(1,733,609)
Profit before tax		30,962,357	20,291,853	36,269,866
Income tax expense	8.4(e)	(8,933,121)	(5,631,252)	(9,939,242)
Profit for the year		22,029,236	14,660,601	26,330,624
Profit before tax is analysed as follows:				
Profit before depreciation, and interest expense		34,625,650	25,156,876	40,639,408
Depreciation		(2,319,926)	(2,849,490)	(2,635,933)
Interest expense		(1,343,367)	(2,015,533)	(1,733,609)
Profit before tax		30,962,357	20,291,853	36,269,866



8.3 KLSB (Cont'd)

Audited Income Statements of KLSB (cont'd)

Weighted average number of ordinary shares in issue	1,000,000	1,000,000	1,000,000
Gross earnings per share (RM) *	30.96	20.29	36.27
Net earnings per share (RM) **	22.03	14.66	26.33
Gross profit margin	11.68%	8.21%	12.29%
Profit before tax margin	9.71%	5.78%	9.28%
Profit after tax margin	6.91%	4.18%	6.74%
Effective tax rate	28.85%	27.75%	27.40%
Gross dividend rate ^	880.63%	450.00%	1010.00%

* The gross earnings per share is computed based on the profit before tax divided by the weighted average number of ordinary shares in issue during the financial year.

** The net earnings per share is computed based on the profit after tax divided by the weighted average number of ordinary shares in issue during the financial year.

^ Based on gross dividends relating to a financial year divided by the weighted average number of ordinary shares in issue during the financial year.

9. ACCOUNTANTS' REPORT (Cont'd)



8.3 KLSB (Cont'd)

Audited Balance Sheets of KLSB

We set out below the audited balance sheets of KLSB.

		As at 31 December		
	Note	2007 RM	2008 RM	2009 RM
ASSETS				
Non-current assets				
Plant and equipment	8.4(f)	8,156,766	7,741,016	8,437,569
Investment properties	8.4(g)	787,445	787,445	567,445
Other investments	8.4(h)	40,000	40,000	40,000
		<u>8,984,211</u>	<u>8,568,461</u>	<u>9,045,014</u>
Current assets				
Properties held for sale	8.4(i)	1,140,250	1,965,723	1,337,816
Trade receivables	8.4(j)	144,952,606	156,227,087	181,598,175
Other receivables	8.4(k)	2,211,330	3,513,559	4,442,396
Cash and bank balances	8.4(l)	10,944,857	13,349,581	52,885,207
		<u>159,249,043</u>	<u>175,055,950</u>	<u>240,263,594</u>
TOTAL ASSETS		<u>168,233,254</u>	<u>183,624,411</u>	<u>249,308,608</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8.4(n)	1,000,000	1,000,000	1,000,000
Retained earnings	8.4(o)	59,899,990	70,060,591	86,291,215
Total equity		<u>60,899,990</u>	<u>71,060,591</u>	<u>87,291,215</u>
Non-current liabilities				
Borrowings	8.4(p)	1,726,769	1,191,987	791,343
Deferred tax liabilities	8.4(q)	124,000	167,000	294,000
		<u>1,850,769</u>	<u>1,358,987</u>	<u>1,085,343</u>
Current liabilities				
Borrowings	8.4(p)	14,607,518	28,634,840	34,360,387
Trade payables	8.4(r)	83,981,125	77,461,516	102,574,658
Other payables	8.4(s)	3,004,135	2,902,897	19,340,195
Tax payable		3,889,717	2,205,580	4,656,810
		<u>105,482,495</u>	<u>111,204,833</u>	<u>160,932,050</u>
Total liabilities		<u>107,333,264</u>	<u>112,563,820</u>	<u>162,017,393</u>
TOTAL EQUITY AND LIABILITIES		<u>168,233,254</u>	<u>183,624,411</u>	<u>249,308,608</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.3 KLSB (Cont'd)

Audited Balance Sheets of KLSB (cont'd)

Key financial ratio:

Trade receivables turnover period (months) ⁽ⁱⁱ⁾	3.16	2.68	2.49
Trade payables turnover period (months) ⁽ⁱⁱⁱ⁾	2.95	2.20	2.79
Current ratio (times)	1.51	1.57	1.49
Debt-equity ratio (times)	0.27	0.42	0.40
Net assets per share (RM)	60.90	71.06	87.29

Notes:

- (i) The audited balance sheets for 31 December 2007 and 2008 have been re-presented to conform with the format required by FRS 101 Presentation of Financial Statements.
- (ii) The trade receivables turnover period has been computed based on net trade receivables excluding provision for doubtful debts, retention sum that were withheld by KLSB customers for on-going and completed projects and amount due from customers on contract representing construction works which have been carried out but are pending consultant's certification over revenue.
- (iii) The trade payables turnover period has been computed based on net trade payables excluding retention sums accruing to sub-contractors that were withheld by KLSB and which are not due for payment. The said sums will be due for payment when the sub-contractors' rectification of defect works have been duly certified by KLSB and amounts due to customers on contracts which represent progress billings in excess of construction work in progress over construction expenses of which credit term is granted by suppliers and sub-contractors.

9. ACCOUNTANTS' REPORT (Cont'd)



8.3 KLSB (Cont'd)

Audited Statements of Changes in Equity of KLSB

	Attributable to Equity Holders of KLSB		
	Share Capital RM	Retained Earnings RM	Total RM
As at 1 January 2007	1,000,000	44,827,580	45,827,580
Dividends paid	-	(6,956,826)	(6,956,826)
Profit for the year	-	22,029,236	22,029,236
As at 31 December 2007	1,000,000	59,899,990	60,899,990
As at 1 January 2008	1,000,000	59,899,990	60,899,990
Dividends paid	-	(4,500,000)	(4,500,000)
Profit for the year	-	14,660,601	14,660,601
As at 31 December 2008	1,000,000	70,060,591	71,060,591
As at 1 January 2009	1,000,000	70,060,591	71,060,591
Dividends paid	-	(10,100,000)	(10,100,000)
Profit for the year	-	26,330,624	26,330,624
As at 31 December 2009	1,000,000	86,291,215	87,291,215

9. ACCOUNTANTS' REPORT (Cont'd)



8.3 KLSB (Cont'd)

Audited Cash Flow Statements of KLSB

	FYE 31 December		
	2007 RM	2008 RM	2009 RM
Summarised Cash Flow Statements			
Net cash generated from/(used in) operating activity	15,381,807	(4,154,075)	47,387,209
Net cash used in investing activities	(546,435)	(566,980)	(1,985,886)
Net cash (used in)/generated from financing activities	(16,414,858)	7,125,779	(12,630,404)
Net (decrease)/increase in cash and cash equivalents	(1,579,486)	2,404,724	32,770,919
Cash and cash equivalents at beginning of financial year	12,524,343	10,944,857	13,349,581
Cash and cash equivalents at end of financial year	<u>10,944,857</u>	<u>13,349,581</u>	<u>46,120,500</u>
Cash and cash equivalents comprise:			
Cash and bank balances	10,944,857	13,349,581	52,885,207
Bank overdrafts	-	-	(6,764,707)
	<u>10,944,857</u>	<u>13,349,581</u>	<u>46,120,500</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(a) Revenue

Revenue is determined by reference to the percentage of completion of contract activities and is calculated as that proportion of total contract value, of costs incurred for the year bear to the total expected costs of the contracts.

(b) Cost of sales

Cost of sales relates to the proportionate cost and site expenses incurred relating to construction revenue recognised.

(c) Other income

	FYE 31 December		
	2007 RM	2008 RM	2009 RM
Sundry income	9,274	-	4,738
Gain on disposal of plant and equipments	232,549	-	-
Gain on disposal of investment	17,112	-	-
Gain on disposal of investment property	-	-	36,000
Insurance claim	330,053	396,417	116,557
Interest income	336,960	344,960	362,768
Rental received	39,600	39,600	39,600
Rental received on machinery	122,330	287,135	739,414
	<u>1,087,878</u>	<u>1,068,112</u>	<u>1,299,077</u>

(d) Finance cost

	FYE 31 December		
	2007 RM	2008 RM	2009 RM
Bank Interest	592,372	932,382	606,749
Banker acceptance interest	483,027	544,099	877,488
Hire purchase interest	205,525	237,705	199,716
Leasing interest	443	197	-
Loan interest	62,000	301,150	49,656
	<u>1,343,367</u>	<u>2,015,533</u>	<u>1,733,609</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(e) Income tax expense

	FYE 31 December		
	2007 RM	2008 RM	2009 RM
Income tax:			
Current year	8,954,000	5,800,000	9,808,000
Under/(Over)provision in prior year	333,121	(211,748)	4,242
	<u>9,287,121</u>	<u>5,588,252</u>	<u>9,812,242</u>
Deferred tax:			
Relating to origination and reversal of temporary differences	(351,000)	(162,000)	127,000
Relating to reduction in Malaysia income tax rate	(5,000)	(20,000)	-
Underprovision in prior year	2,000	225,000	-
	<u>(354,000)</u>	<u>43,000</u>	<u>127,000</u>
	<u>8,933,121</u>	<u>5,631,252</u>	<u>9,939,242</u>

Income tax is calculated at the statutory tax rate as set out below:

	FYE 31 December		
	2007 %	2008 %	2009 %
Statutory tax rate	<u>27</u>	<u>26</u>	<u>25</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(f) Plant and equipment

	Cost RM	Accumulated Depreciation RM	Net Carrying Amount RM
At 31 December 2007			
Plant, machinery and motor vehicles	12,696,896	(5,113,461)	7,583,435
Furniture and equipment	824,996	(251,665)	573,331
	<u>13,521,892</u>	<u>(5,365,126)</u>	<u>8,156,766</u>
At 31 December 2008			
Plant, machinery and motor vehicles	14,841,012	(7,869,929)	6,971,083
Furniture and equipment	1,114,620	(344,687)	769,933
	<u>15,955,632</u>	<u>(8,214,616)</u>	<u>7,741,016</u>
At 31 December 2009			
Plant, machinery and motor vehicles	17,913,969	(10,387,170)	7,526,799
Furniture and equipment	1,374,149	(463,379)	910,770
	<u>19,288,118</u>	<u>(10,850,549)</u>	<u>8,437,569</u>
	As at 31 December		
	2007	2008	2009
	RM	RM	RM
(a) Net carrying amount of plant and equipment held under hire purchase and finance lease	<u>4,450,842</u>	<u>5,323,821</u>	<u>4,193,602</u>

- (b) KLSB's plant and equipment have been pledged to financial institutions under a fixed and floating charge to secure short term borrowings as referred to in Note 8.4 (p).

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(g) Investment properties

	FYE 31 December		
	2007 RM	2008 RM	2009 RM
Cost			
At 1 January	1,974,525	920,525	920,525
Disposal	(1,054,000)	-	(295,000)
At 31 December	<u>920,525</u>	<u>920,525</u>	<u>625,525</u>
Provision for impairment loss			
At 1 January	(190,080)	(133,080)	(133,080)
Disposal	57,000	-	75,000
At 31 December	<u>(133,080)</u>	<u>(133,080)</u>	<u>(58,080)</u>
Net carrying amount	<u>787,445</u>	<u>787,445</u>	<u>567,445</u>
Fair value of investment properties	<u>819,000</u>	<u>788,000</u>	<u>639,000</u>

The investment properties are pledged to financial institutions for bank borrowings as referred to in Note 8.4 (p).

(h) Other investments

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Cost			
Club memberships	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

(i) Properties held for sale

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Cost			
Freehold land and buildings	<u>1,140,250</u>	<u>1,965,723</u>	<u>1,337,816</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(j) Trade receivables

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Trade receivables	84,139,777	78,528,611	81,361,631
Retention sums on contracts (Note 8.4(m))	34,334,027	37,708,621	51,511,999
Due from customers on contracts (Note 8.4(m))	26,617,459	40,128,512	48,965,569
	<u>145,091,263</u>	<u>156,365,744</u>	<u>181,839,199</u>
Less: Provision for doubtful debts	(138,657)	(138,657)	(241,024)
Trade receivables, net	<u>144,952,606</u>	<u>156,227,087</u>	<u>181,598,175</u>

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Amount due from companies in which certain directors of KLSB have interest included in trade receivables :	<u>5,416,839</u>	<u>12,830,745</u>	<u>3,445,476</u>

KLSB's normal trade credit term is 30 days to 90 days from date of certification, although in practice, this may extend up to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

KLSB has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors other than amount due from companies in which certain directors of KLSB have interest.

(k) Other receivables

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Prepayments	40,009	35,964	91,765
Sundry deposits	891,144	1,267,419	1,491,567
Sundry debtors	184,999	663,277	1,695,716
Deferred expenditure	1,095,178	1,546,899	1,154,753
Amount due from a related company	-	-	8,595
	<u>2,211,330</u>	<u>3,513,559</u>	<u>4,442,396</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(i) Cash and cash equivalents

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Deposits with licensed banks	10,663,189	11,191,951	42,737,074
Cash on hand and at banks	281,668	2,157,630	10,148,133
Cash and bank balances	10,944,857	13,349,581	52,885,207
Less: Bank overdrafts (Note 8.4(p))	-	-	(6,764,707)
Cash and cash equivalents	10,944,857	13,349,581	46,120,500

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Deposits with licensed banks pledged to banks for credit facilities granted to KLSB	10,663,189	11,191,951	23,237,074

	As at 31 December		
	2007 %	2008 %	2009 %
Weighted average effective interest rates of deposits with licensed banks	3.13	3.00	2.00

	As at 31 December		
	2007 days	2008 days	2009 days
Average maturities of deposits with licensed banks	9	27	28

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(m) Due from/(to) customers on contract

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Construction contract costs incurred to date	760,228,582	1,066,323,419	1,341,545,890
Attributable profits	125,664,632	168,984,255	219,934,890
	885,893,214	1,235,307,674	1,561,480,780
Less: Progress billings	(865,054,873)	(1,201,453,929)	(1,517,589,068)
	20,838,341	33,853,745	43,891,712
Due from customers on contracts (Note 8.4(j))	26,617,459	40,128,512	48,965,569
Due to customers on contracts (Note 8.4(r))	(5,779,118)	(6,274,767)	(5,073,857)
	20,838,341	33,853,745	43,891,712
Retention sum on contracts, included within trade receivables (Note 8.4(j))	34,334,027	37,708,621	51,511,999
Contract costs recognised as an expense during the year	268,417,578	306,442,287	328,487,461

The cost incurred to date on construction contracts include the following charges made during the financial year:

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Hire of plant and machinery	10,156,565	10,281,001	10,602,521
Rental of land and building	149,202	18,038	151,330

(n) Share capital

	Number of ordinary shares of RM 1 each	Amount RM
As at 31 December 2007, 2008 and 2009		
Authorised share capital	5,000,000	5,000,000
Issued and fully paid	1,000,000	1,000,000

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(o) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

KLSB has elected for the irrevocable option to disregard the 108 balance as at 31 December 2009. Hence, KLSB will be able to distribute dividends out of its entire retained earnings under the single tier system.

(p) Borrowings

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Short term borrowings			
Secured :			
Bank overdrafts (Note 8.4(l))	-	-	6,764,707
Hire purchase and finance lease payables	1,436,526	2,067,010	1,293,939
Banker's acceptance	6,887,000	8,399,000	23,019,000
Advance against progressive claim	6,283,992	13,583,830	3,282,741
	14,607,518	24,049,840	34,360,387
Unsecured :			
Short term loans	-	4,585,000	-
	14,607,518	28,634,840	34,360,387
Long term borrowings			
Secured :			
Hire purchase and finance lease payables	1,726,769	1,191,987	791,343
Total borrowings			
Bank overdrafts (Note 8.4(l))	-	-	6,764,707
Hire purchase and finance lease payables	3,163,295	3,258,997	2,085,282
Short term loans	-	4,585,000	-
Banker's acceptance	6,887,000	8,399,000	23,019,000
Advance against progressive claim	6,283,992	13,583,830	3,282,741
	16,334,287	29,826,827	35,151,730

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(p) Borrowings (contd.)

The bank overdrafts, advance against progressive claims, banker's acceptance together with bank guarantee facility are secured by :

- (a) First, second and third legal charges for RM45 million over the investment properties as disclosed in Note 8.4(g);
- (b) Fixed deposit pledged as disclosed in Note 8.4(l);
- (c) Debentures incorporating a first, second, third and fourth fixed and floating charge for RM90 million over all assets of KLSB;
- (d) Limited debentures by way of fixed and floating charge over two projects of KLSB; and
- (e) Joint and several guarantee of a shareholder and a director of KLSB.

(q) Deferred tax liabilities

	As at 31 December		
	2007 RM	2008 RM	2009 RM
At 1 January	478,000	124,000	167,000
Recognised in income statement	(354,000)	43,000	127,000
At 31 December	124,000	167,000	294,000

(r) Trade payables

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Trade payables	78,202,007	71,186,749	97,500,801
Due to customers on contracts (Note 8.4(m))	5,779,118	6,274,767	5,073,857
	83,981,125	77,461,516	102,574,658
Amount due to companies in which certain directors of KLSB have interest included in trade payables	10,228,774	6,623,393	7,587,587

The normal credit term granted to KLSB ranges from 30 to 90 days.

9. ACCOUNTANTS' REPORT (Cont'd)



8.4 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(s) Other payables

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Accruals	2,539,422	2,340,170	3,278,088
Sundry payables	462,713	560,727	16,060,107
Deposits payable	2,000	2,000	2,000
	<u>3,004,135</u>	<u>2,902,897</u>	<u>19,340,195</u>

(t) Capital commitments

	As at 31 December		
	2007 RM	2008 RM	2009 RM
Approved and contracted for:			
Property, plant and equipments	<u>863,603</u>	<u>1,770,840</u>	<u>525,000</u>
Lease commitment:			
Within one year	121,993	292,780	270,493
Within two to five years	17,900	101,804	47,500
	<u>139,893</u>	<u>394,584</u>	<u>317,993</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.5 SPC

Audited Income Statements of SPC

We set out below the audited income statements of SPC.

		FYE 31 March		FPE 31 December	
	Note	2007 RM	2008 RM	2009 RM	2009 RM
Continuing operations					
Revenue	8.6(a)	33,611,049	54,666,440	71,802,806	28,036,720
Cost of sales		(27,553,659)	(43,169,361)	(51,709,943)	(20,511,099)
Gross profit		6,057,390	11,497,079	20,092,863	7,525,621
Other income	8.6(b)	79,585	88,576	70,622	113,060
Administrative expenses		(4,846,600)	(7,111,557)	(8,667,695)	(3,780,431)
Operating profit		1,290,375	4,474,098	11,495,790	3,858,250
Finance costs	8.6(c)	(935,203)	(764,387)	(784,630)	(351,106)
Profit before tax		355,172	3,709,711	10,711,160	3,507,144
(Income tax expense)/ tax income	8.6(d)	(65,679)	1,217,536	(2,269,970)	(801,088)
Profit for the year/period		289,493	4,927,247	8,441,190	2,706,056

Profit before tax is

analysed as follows:

Profit before depreciation,
amortisation and interest
expense

	2,519,540	5,793,985	12,627,291	4,836,671
Depreciation	(1,229,165)	(1,319,887)	(1,131,501)	(978,421)
Interest expense	(935,203)	(764,387)	(784,630)	(351,106)
Profit before tax	355,172	3,709,711	10,711,160	3,507,144

9. ACCOUNTANTS' REPORT (Cont'd)



8.5 SPC (Cont'd)

Audited Income Statements of SPC (cont'd)

	2007	FYE 31 March 2008	2009	FPE 31 December 2009
	RM	RM	RM	RM
Weighted average number of ordinary shares in issue	2,000,000	2,000,000	2,000,000	2,000,000
Gross earnings per share (RM) *	0.18	1.85	5.36	1.75
Net earnings per share (RM) **	0.14	2.46	4.22	1.35
Gross profit margin	18.02%	21.03%	27.98%	26.84%
Profit before tax margin	1.06%	6.79%	14.92%	12.51%
Profit after tax margin	0.86%	9.01%	11.76%	9.65%
Effective tax rate	18.49%	(32.82%)	21.19%	22.84%
Gross dividend rate ^	0.00%	0.00%	0.00%	250.00%

* The gross earnings per share is computed based on the profit before tax divided by the weighted average number of ordinary shares in issue during the financial year/period.

** The net earnings per share is computed based on the profit after tax divided by the weighted average number of ordinary shares in issue during the financial year/period.

^ Based on gross dividends relating to a financial year/period divided by the weighted average number of ordinary shares in issue during the financial year/period.

9. ACCOUNTANTS' REPORT (Cont'd)



8.5 SPC (Cont'd)

Audited Balance Sheets of SPC

We set out below the audited balance sheets of SPC.

		As at 31 March		2009	As at 31 December
		2007	2008	2009	2009
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	8.6(e)	10,560,342	9,822,504	8,834,247	9,375,325
Deferred tax assets	8.6(m)	-	447,000	-	-
		<u>10,560,342</u>	<u>10,269,504</u>	<u>8,834,247</u>	<u>9,375,325</u>
Current assets					
Inventories	8.6(f)	12,479,294	10,804,245	14,874,662	12,959,274
Trade receivables	8.6(g)	10,627,468	16,336,593	20,692,162	9,736,680
Other receivables	8.6(h)	407,187	493,615	738,247	1,631,150
Tax recoverable		290,904	433,109	-	-
Cash and bank balances	8.6(i)	1,009,338	1,020,448	9,249,126	13,933,324
		<u>24,814,191</u>	<u>29,088,010</u>	<u>45,554,197</u>	<u>38,260,428</u>
TOTAL ASSETS		<u>35,374,533</u>	<u>39,357,514</u>	<u>54,388,444</u>	<u>47,635,753</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	8.6(j)	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings	8.6(k)	4,262,061	9,189,308	17,630,498	15,336,554
Total equity		<u>6,262,061</u>	<u>11,189,308</u>	<u>19,630,498</u>	<u>17,336,554</u>
Non-current liabilities					
Borrowings	8.6(l)	436,010	215,084	319,857	4,696,276
Other payables	8.6(o)	2,529,780	2,500,000	-	-
Deferred tax liabilities	8.6(m)	1,001,000	-	733,000	661,000
		<u>3,966,790</u>	<u>2,715,084</u>	<u>1,052,857</u>	<u>5,357,276</u>
Current liabilities					
Borrowings	8.6(l)	13,194,643	11,651,883	12,353,175	6,029,342
Trade payables	8.6(n)	3,872,338	7,057,641	6,050,770	4,145,436
Other payables	8.6(o)	8,078,701	6,743,598	15,028,113	13,910,145
Tax payable		-	-	273,031	857,000
		<u>25,145,682</u>	<u>25,453,122</u>	<u>33,705,089</u>	<u>24,941,923</u>
Total liabilities		<u>29,112,472</u>	<u>28,168,206</u>	<u>34,757,946</u>	<u>30,299,199</u>
TOTAL EQUITY AND LIABILITIES		<u>35,374,533</u>	<u>39,357,514</u>	<u>54,388,444</u>	<u>47,635,753</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.5 SPC (Cont'd)

Audited Balance Sheets of SPC (cont'd)

Key financial ratio:

Inventories turnover period (months)	5.43	3.00	3.45	5.69
Trade receivables turnover period (months) ⁽ⁱⁱ⁾	3.68	3.40	2.97	2.29
Trade payables turnover period (months) ⁽ⁱⁱⁱ⁾	1.96	2.35	1.55	2.40
Current ratio (Times)	0.99	1.14	1.35	1.53
Debt-equity ratio (Times)	2.18	1.06	0.65	0.62
Net assets per share (RM)	3.13	5.59	9.82	8.67

Notes:

- (i) The audited balance sheets have been re-presented to conform with the format required by FRS 101 Presentation of Financial Statements.
- (ii) The trade receivables turnover period has been computed based on net trade receivables excluding provision for doubtful debts and retention sum that were withheld by SPC's customers in relation to certain customised products sales orders over revenue.
- (iii) The trade payables turnover period has been computed based on net trade payables excluding retention sums accruing to sub-contractors that were withheld by SPC and which are not due for payment over production expenses of which credit term is granted by suppliers and sub-contractors.

9. ACCOUNTANTS' REPORT (Cont'd)



8.5 SPC (Cont'd)

Audited Statements of Changes in Equity of SPC

	Attributable to Equity Holders of SPC		
	Share Capital RM	Retained Earnings RM	Total RM
As at 1 April 2006	2,000,000	3,972,568	5,972,568
Profit for the year	-	289,493	289,493
As at 31 March 2007	<u>2,000,000</u>	<u>4,262,061</u>	<u>6,262,061</u>
As at 1 April 2007	2,000,000	4,262,061	6,262,061
Profit for the year	-	4,927,247	4,927,247
As at 31 March 2008	<u>2,000,000</u>	<u>9,189,308</u>	<u>11,189,308</u>
As at 1 April 2008	2,000,000	9,189,308	11,189,308
Profit for the year	-	8,441,190	8,441,190
As at 31 March 2009	<u>2,000,000</u>	<u>17,630,498</u>	<u>19,630,498</u>
As at 1 April 2009	2,000,000	17,630,498	19,630,498
Dividends paid	-	(5,000,000)	(5,000,000)
Profit for the period	-	2,706,056	2,706,056
As at 31 December 2009	<u>2,000,000</u>	<u>15,336,554</u>	<u>17,336,554</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.5 SPC (Cont'd)

Audited Cash Flow Statements of SPC

	2007 RM	FYE 31 March 2008 RM	2009 RM	FPE 31 December 2009 RM
Summarised Cash Flow Statements				
Net cash (used in)/generated from operating activities	(526,191)	4,528,418	10,258,680	14,151,111
Net cash used in investing activities	(496,272)	(835,558)	(748,110)	(1,399,499)
Net cash (used in)/generated from financing activities	(770,718)	(1,519,674)	2,538,386	(8,738,276)
Net (decrease)/increase in cash and cash equivalents	(1,793,181)	2,173,186	12,048,956	4,013,336
Cash and cash equivalents at beginning of financial year/period	(3,179,835)	(4,973,016)	(2,799,830)	9,249,126
Cash and cash equivalents at end of financial year/period	(4,973,016)	(2,799,830)	9,249,126	13,262,462
Cash and cash equivalents comprise:				
Cash and bank balances	1,009,338	1,020,448	9,249,126	13,933,324
Bank overdrafts	(5,982,354)	(3,820,278)	-	(670,862)
	(4,973,016)	(2,799,830)	9,249,126	13,262,462

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(a) Revenue

Revenue of SPC represents invoiced value of sales net of discounts.

(b) Other income

	2007 RM	FYE 31 March 2008 RM	2009 RM	FPE 31 December 2009 RM
Sundry income	25,871	11,820	740	14,805
Gain on disposals of property, plant and equipments	-	37,708	-	-
Fixed deposit interest	53,714	39,048	69,882	51,717
Insurance claims	-	-	-	46,538
	<u>79,585</u>	<u>88,576</u>	<u>70,622</u>	<u>113,060</u>

(c) Finance cost

	2007 RM	FYE 31 March 2008 RM	2009 RM	FPE 31 December 2009 RM
Bank overdraft and bankers acceptance interest	794,519	671,230	736,797	230,806
Hire purchase interest	75,154	32,964	30,307	29,291
Other Interest	47,908	41,591	5,660	-
Term loan interest	17,622	18,602	11,866	91,009
	<u>935,203</u>	<u>764,387</u>	<u>784,630</u>	<u>351,106</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(d) Income tax expense/(tax income)

	2007 RM	FYE 31 March 2008 RM	2009 RM	FPE 31 December 2009 RM
Current year/period	15,917	246,381	1,088,000	1,037,000
Under/(Over)provision in prior year	8,471	(15,917)	1,970	(163,912)
	<u>24,388</u>	<u>230,464</u>	<u>1,089,970</u>	<u>873,088</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	186,487	(1,333,691)	1,178,000	(107,967)
Relating to reduction in Malaysia income tax rate (Over)/Underprovision in prior year	(30,167)	(70,899)	-	-
	<u>(115,029)</u>	<u>(43,410)</u>	<u>2,000</u>	<u>35,967</u>
	<u>41,291</u>	<u>(1,448,000)</u>	<u>1,180,000</u>	<u>(72,000)</u>
	<u>65,679</u>	<u>(1,217,536)</u>	<u>2,269,970</u>	<u>801,088</u>

Income tax is calculated at the statutory tax rate as set out below:

	2007 %	FYE 31 March 2008 %	2009 %	FPE 31 December 2009 %
Statutory tax rate	27	26	25	25

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(e) Property, plant and equipment

	Cost RM	Accumulated Depreciation RM	Net Carrying Amount RM
At 31 March 2007			
Factory buildings	4,464,360	(482,905)	3,981,455
Plant and machinery	9,735,074	(3,683,901)	6,051,173
*Other assets	774,656	(246,942)	527,714
	<u>14,974,090</u>	<u>(4,413,748)</u>	<u>10,560,342</u>
At 31 March 2008			
Factory buildings	4,673,544	(644,168)	4,029,376
Plant and machinery	9,782,372	(4,432,630)	5,349,742
*Other assets	672,437	(229,051)	443,386
	<u>15,128,353</u>	<u>(5,305,849)</u>	<u>9,822,504</u>
At 31 March 2009			
Factory buildings	4,692,144	(788,261)	3,903,883
Plant and machinery	9,003,394	(4,506,156)	4,497,238
*Other assets	767,463	(334,337)	433,126
	<u>14,463,001</u>	<u>(5,628,754)</u>	<u>8,834,247</u>
At 31 December 2009			
Factory buildings	5,092,861	(905,754)	4,187,107
Plant and machinery	9,951,468	(5,266,337)	4,685,131
*Other assets	938,171	(435,084)	503,087
	<u>15,982,500</u>	<u>(6,607,175)</u>	<u>9,375,325</u>

Net carrying amount of property, plant and equipment held under hire purchase agreements are as follows :

	2007 RM	As at 31 March 2008 RM	2009 RM	As at 31 December 2009 RM
Plant and machinery	1,087,256	1,024,295	1,062,475	743,343
Motor vehicle	195,531	154,367	113,202	126,551
	<u>1,282,787</u>	<u>1,178,662</u>	<u>1,175,677</u>	<u>869,894</u>

*Other assets consist of furniture and fittings, air conditioners, office equipment and motor vehicle.

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(f) Inventories

	2007	As at 31 March 2008	2009	As at 31 December 2009
	RM	RM	RM	RM
At cost :				
Raw materials	731,568	2,220,550	2,366,023	2,275,845
Finished goods	11,747,726	8,583,695	10,328,318	9,615,645
	12,479,294	10,804,245	12,694,341	11,891,490
At net realisable value :				
Finished goods	-	-	2,180,321	1,067,784
	12,479,294	10,804,245	14,874,662	12,959,274

(g) Trade receivables

	2007	As at 31 March 2008	2009	As at 31 December 2009
	RM	RM	RM	RM
Third parties	7,457,071	14,792,555	18,764,830	8,645,859
Due from related parties	3,170,397	1,544,038	2,225,950	1,330,439
	10,627,468	16,336,593	20,990,780	9,976,298
Less: Provision for doubtful debts	-	-	(298,618)	(239,618)
Trade receivables, net	10,627,468	16,336,593	20,692,162	9,736,680

SPC's primary exposure to credit risk arises through its trade receivables. SPC's trading term with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 60 days, extending up to three months for major customers. Each customer has a maximum credit limit. SPC seeks to maintain strict control to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing. SPC has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors other than amount due from companies in which certain directors of SPC have interest.

(h) Other receivables

	2007	As at 31 March 2008	2009	As at 31 December 2009
	RM	RM	RM	RM
Prepayments	139,915	124,377	660,387	563,190
Deposits	127,680	227,573	39,030	168,159
Sundry receivables	139,592	141,665	38,830	899,801
	407,187	493,615	738,247	1,631,150

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(i) Cash and cash equivalents

	2007	As at 31 March	2009	As at 31 December
	RM	2008	RM	2009
		RM		RM
Deposits with licensed banks	1,000,000	1,000,000	7,323,817	1,881,817
Cash on hand and at banks	9,338	20,448	1,925,309	12,051,507
Cash and bank balances	1,009,338	1,020,448	9,249,126	13,933,324
Less : Bank overdrafts (Note 8.6(l))	(5,982,354)	(3,820,278)	-	(670,862)
Cash and cash equivalents	(4,973,016)	(2,799,830)	9,249,126	13,262,462

	2007	As at 31 March	2009	As at 31 December
	RM	2008	RM	2009
		RM		RM
Deposits with licensed banks pledged to banks for credit facilities granted to SPC	1,000,000	1,000,000	7,323,817	1,881,817

	2007	As at 31 March	2009	As at 31 December
	%	2008	%	2009
		%		%
Weighted average effective interest rates of deposits with licensed banks	3.70	3.70	3.24	2.50

	2007	As at 31 March	2009	As at 31 December
	days	2008	days	2009
		days		days
Average maturities of deposits with licensed banks	365	365	365	365

(j) Share capital

	Number of ordinary shares of RM 1 each	Amount RM
As at 31 March 2007, 2008, 2009 and 31 December 2009		
Authorised share capital	5,000,000	5,000,000
Issued and fully paid	2,000,000	2,000,000

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(k) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

SPC did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, SPC may utilise the credit in the 108 balance as at 31 December 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2009, SPC has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

(l) Borrowings

	2007 RM	As at 31 March 2008 RM	2009 RM	As at 31 December 2009 RM
Short term borrowings				
Secured :				
Bank overdrafts (Note 8.6(i))	5,982,354	3,820,278	-	670,862
Hire purchase and finance lease payables	372,048	239,508	261,232	233,264
Banker's acceptance	6,766,000	7,511,300	12,004,000	4,077,000
Term loan	74,241	80,797	87,943	1,048,216
	<u>13,194,643</u>	<u>11,651,883</u>	<u>12,353,175</u>	<u>6,029,342</u>
Long term borrowings				
Secured :				
Hire purchase and finance lease payables	258,738	118,538	311,363	236,620
Term loan	177,272	96,546	8,494	4,459,656
	<u>436,010</u>	<u>215,084</u>	<u>319,857</u>	<u>4,696,276</u>
Total borrowings				
Bank overdrafts (Note 8.6(i))	5,982,354	3,820,278	-	670,862
Hire purchase and finance lease payables	630,786	358,046	572,595	469,884
Banker's acceptance	6,766,000	7,511,300	12,004,000	4,077,000
Term loans	251,513	177,343	96,437	5,507,872
	<u>13,630,653</u>	<u>11,866,967</u>	<u>12,673,032</u>	<u>10,725,618</u>

The borrowings of SPC are secured by legal charge over 10 pieces of land belonging to few related parties and joint and several guarantee by certain directors of SPC.

9. ACCOUNTANTS' REPORT (Cont'd)



8.6 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(m) Deferred tax liabilities/(assets)

	2007	As at 31 March	2009	As at 31 December
	RM	2008	RM	2009
		RM		RM
At 1 April	959,709	1,001,000	(447,000)	733,000
Recognised in income statement	41,291	(1,448,000)	1,180,000	(72,000)
At 31 March/December	1,001,000	(447,000)	733,000	661,000

(n) Trade payables

	2007	As at 31 March	2009	As at 31 December
	RM	2008	RM	2009
		RM		RM
Third parties	3,236,423	6,613,173	5,620,374	3,938,635
Due to related parties	635,915	444,468	430,396	206,801
	3,872,338	7,057,641	6,050,770	4,145,436

The amount due to related parties, in which certain directors have financial interest, is unsecured, interest-free and is repayable within credit terms normally granted to SPC.

The normal trade credit term granted to SPC ranges from 30 to 90 days.

(o) Other payables

	2007	As at 31 March	2009	As at 31 December
	RM	2008	RM	2009
		RM		RM
Accruals	220,275	112,967	2,446,963	629,368
Sundry payables	1,843,616	2,598,399	4,978,280	5,945,833
Deposits received	4,195,388	3,967,452	6,602,870	7,334,944
Due to a related party	184,422	29,780	-	-
Due to directors	1,635,000	35,000	1,000,000	-
	8,078,701	6,743,598	15,028,113	13,910,145

Non-current**Other payables**

Due to a related party	29,780	-	-	-
Due to directors	2,500,000	2,500,000	-	-
	2,529,780	2,500,000	-	-

9. ACCOUNTANTS' REPORT (Cont'd)



8.7 IBT

Audited Income Statements of IBT

We set out below the audited income statements of IBT.

	Note	FPE 31 December 2008 RM	FYE 31 December 2009 RM
Continuing operations			
Revenue	8.8(a)	768,158	4,743,939
Cost of sales		(700,380)	(4,210,189)
Gross profit		67,778	533,750
Other income	8.8(b)	-	236
Operating expenses		(78,882)	(69,233)
Operating (loss)/profit		(11,104)	464,753
Finance costs	8.8(c)	(20,920)	(73,225)
(Loss)/profit before tax		(32,024)	391,528
Income tax expense		-	(10,739)
(Loss)/profit for the period/year		(32,024)	380,789
 (Loss)/profit before tax is analysed as follows:			
(Loss)/profit before depreciation, and interest expense		(11,104)	464,753
Interest expense		(20,920)	(73,225)
(Loss)/profit before tax		(32,024)	391,528
 Weighted average number of ordinary shares in issue			
		80	80
Gross (loss)/earnings per share (RM) *		(400.30)	4,894.10
Net (loss)/earnings per share (RM) **		(400.30)	4,759.86
Gross profit margin		8.82%	11.25%
(Loss)/profit before tax margin		(4.17%)	8.25%
(Loss)/profit after tax margin		(4.17%)	8.03%

* The gross (loss)/earnings per share is computed based on the (loss)/profit before tax divided by the weighted average number of ordinary shares in issue during the financial period/year.

** The net (loss)/earnings per share is computed based on the (loss)/profit after tax divided by the weighted average number of ordinary shares in issue during the financial period/year.

9. ACCOUNTANTS' REPORT (Cont'd)



8.7 IBT (Cont'd)

Audited Balance Sheets of IBT

We set out below the audited balance sheets of IBT.

	Note	As at 31 December	
		2008 RM	2009 RM
ASSETS			
Current assets			
Inventories	8.8(d)	618,659	-
Trade receivable	8.8(e)	372,496	307,113
Other receivables	8.8(f)	573	12,692
Cash and bank balances	8.8(g)	569,223	1,194,837
TOTAL ASSETS		1,560,951	1,514,642
EQUITY AND LIABILITIES			
Equity			
Share capital	8.8(h)	188	188
Translation reserve	8.8(i)	(69)	2,171
(Accumulated losses)/Retained earnings		(32,024)	348,765
Total equity		(31,905)	351,124
Current liabilities			
Trade payables	8.8(j)	308,428	214,444
Other payables	8.8(k)	526,305	938,259
Tax payables		-	10,815
		834,733	1,163,518
Non-current liability			
Other payable	8.8(k)	758,123	-
Total liabilities		1,592,856	1,163,518
TOTAL EQUITY AND LIABILITIES		1,560,951	1,514,642

Key financial ratio:

Inventories turnover period (months)	6.18	0.00
Trade receivables turnover period (months) ⁽ⁱⁱ⁾	2.34	0.09
Trade payables turnover period (months) ⁽ⁱⁱⁱ⁾	1.48	0.10
Current ratio (times)	1.87	1.30
Net (liabilities)/assets per share (RM)	(169.71)	1,867.68

Notes:

- (i) The audited balance sheets have been re-presented to conform with the format required by FRS 101 Presentation of Financial Statements.
- (ii) The trade receivables turnover period has been computed based on net trade receivables excluding retention sum that were withheld by IBT customers in relation to certain customised products sales orders over revenue.
- (iii) The trade payables turnover period has been computed based on net trade payables excluding retention sum accruing to sub-contractor that were withheld by IBT and which are not due for payment over cost of sales of which credit term is granted by suppliers or sub-contractors.

9. ACCOUNTANTS' REPORT (Cont'd)



8.7 IBT (Cont'd)

Audited Statements of Changes in Equity of IBT

	Attributable to Equity Holders of IBT			Total RM
	Share Capital RM	Foreign Currency Translation Reserve RM	(Accumulated Losses)/ Retained Earnings RM	
As at 12 May 2008	188	-	-	188
Foreign currency translation	-	(69)	-	(69)
Loss for the period	-	-	(32,024)	(32,024)
As at 31 December 2008	<u>188</u>	<u>(69)</u>	<u>(32,024)</u>	<u>(31,905)</u>
As at 1 January 2009	188	(69)	(32,024)	(31,905)
Foreign currency translation	-	2,240	-	2,240
Profit for the year	-	-	380,789	380,789
As at 31 December 2009	<u>188</u>	<u>2,171</u>	<u>348,765</u>	<u>351,124</u>

Audited Cash Flow Statements of IBT

	FPE 31 December 2008 RM	FYE 31 December 2009 RM
Summarised Cash Flow Statements		
Net cash generated from operating activities	569,104	623,294
Net cash generated from financing activities	188	-
Net increase in cash and cash equivalents	<u>569,292</u>	<u>623,294</u>
Effects of foreign exchange rate changes	(69)	2,320
Cash and cash equivalents at beginning of financial period/year	-	569,223
Cash and cash equivalents at end of financial period/year	<u>569,223</u>	<u>1,194,837</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u>569,223</u>	<u>1,194,837</u>

9. ACCOUNTANTS' REPORT (Cont'd)



8.8 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(a) Revenue

Revenue represents sales of goods net of discounts and goods and services tax (GST).

(b) Other income

	FPE 31 December 2008 RM	FYE 31 December 2009 RM
Interest income	-	236

(c) Finance cost

	FPE 31 December 2008 RM	FYE 31 December 2009 RM
Interest expenses	20,920	73,225

(d) Inventories

	As at 31 December	
Cost	2008 RM	2009 RM
Work-in-progress	618,659	-

(e) Trade receivable

	As at 31 December	
	2008 RM	2009 RM
Trade receivable, net	372,496	307,113

Trade receivables are non-interest bearing and are normally settled on 30 to 35 days' term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

9. ACCOUNTANTS' REPORT (Cont'd)



8.8 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(f) Other receivables

	As at 31 December	
	2008 RM	2009 RM
Sundry debtor	-	9,140
Due from a related party	573	-
Deferred expenditures	-	3,552
	<u>573</u>	<u>12,692</u>

Amount due from related party is unsecured, non-interest bearing and repayable upon demand.

(g) Cash and cash equivalents

	As at 31 December	
	2008 RM	2009 RM
Cash on hand and at bank	569,223	927,594
Deposit with licensed bank	-	267,243
Cash and cash equivalents	<u>569,223</u>	<u>1,194,837</u>

	As at 31 December	
	2008 %	2009 %
Weighted average effective interest rates of deposits with licensed banks	-	0.12

	As at 31 December	
	2008 days	2009 days
Average maturities of deposits with licensed banks	-	31

(h) Share capital

	Amount RM
Balance as at 31 December 2008 and 2009	<u>188</u>

(i) Translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of IBT whose functional currency is different from that of the IBT's presentation currency.

9. ACCOUNTANTS' REPORT (Cont'd)



8.8 NOTES TO THE AUDITED FINANCIAL STATEMENTS (Cont'd)

(j) Trade payables

	As at 31 December	
	2008 RM	2009 RM
Due to related parties	308,428	214,444

Amount due to related parties are non-interest bearing and are repayable within credit term normally granted to IBT. The amounts are unsecured and are to be settled in cash.

(k) Other payables

	As at 31 December	
	2008 RM	2009 RM
Current		
Accruals	49,208	17,470
Sundry payables	446,450	5,485
Due to directors	9,675	-
Advance from a shareholder	20,972	915,304
	526,305	938,259
Non-current		
Advance from a shareholder	758,123	-

Others payable

These balances are unsecured, non-interest bearing and have an average term of 60 days.

Amount due to directors (non-trade)

These amounts are non-interest bearing and are repayable on demand. The amounts due to directors are unsecured and are to be settled in cash.

Advance from a shareholder (non-trade)

The amount is interest bearing and is repayable on 30 June 2010. The interest rates are between 7.50% and 8.75% (2008 : 8.75%) per annum. The advance from a shareholder is unsecured and is to be settled in cash.

9. ACCOUNTANTS' REPORT (Cont'd)



9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF KIMLUN

(a) Basis of preparation

The financial statements of the Group have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM).

(b) 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, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

An acquisition that resulted in a business combination involving common control entities is outside the scope of FRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the audited financial statements.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which common control combination occurs are included in the audited financial statements of the Group as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the Group. Therefore, the Group recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts as if such audited financial statements had been prepared by the controlling party including adjustments required for conforming to the Group's accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost at the time of the common control combination. The effect of all transactions and balances between combining entities, whether occurring before or after the combination, are eliminated in preparing the audited financial statements of the Group.

9. ACCOUNTANTS' REPORT (Cont'd)**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(c) 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.

Depreciation of 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:

Factory building	3%
Plant, machinery and motor vehicles	10% - 33.33%
Other asset	10% - 20%

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.

(d) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

9. ACCOUNTANTS' REPORT (Cont'd)

**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(e) Properties held for sale**

Properties 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 to terms that are usual and customary.

Immediately before classification as properties held for sale, the measurement of the non-current asset is brought up-to-date in accordance with applicable FRS. Then, on initial classification as held for sale, non-current asset is 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.

(f) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(g) Impairment of non-financial assets

The carrying amounts of assets, other than investment properties, construction contract assets, deferred tax assets, 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 to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis.

9. ACCOUNTANTS' REPORT (Cont'd)**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(g) Impairment of non-financial assets (cont'd)**

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

(h) Inventories

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

Cost is determined using the first in, first out method. The costs of finished goods comprise raw materials, direct labour and appropriate proportion 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.

(i) 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, 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 in 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 statement, cash and cash equivalents include cash on hand and at banks, fixed deposits which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the profit or loss.

(iii) 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.

(iv) 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.

9. ACCOUNTANTS' REPORT (Cont'd)**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(i) Financial instruments (cont'd)****(v) Interest-bearing 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.

(vi) 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.

(j) Leases

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

(i) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 9.0(c).

(ii) Operating leases - the Group as lessee

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

9. ACCOUNTANTS' REPORT (Cont'd)**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(k) Income tax**

Income tax on the profit or loss for the year/period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year/period 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. 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 differences arises from goodwill or reserve from consolidation 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 as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) Provisions

Provisions 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 risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

9. ACCOUNTANTS' REPORT (Cont'd)**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(m) 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. 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.
- (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. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(n) 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).
- (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 which are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items which 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 the profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried 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.

9. ACCOUNTANTS' REPORT (Cont'd)



9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Foreign currencies (cont'd)

(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 currency translation reserve within equity.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 9.0(f).

(ii) Sales of goods

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

(iii) Rental income

Rental income is recognised on an accrual basis.

(iv) Interest income

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

9. ACCOUNTANTS' REPORT (Cont'd)**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(p) First-time adoption of financial reporting standards**

For all periods up to and including the year ended 31 December 2008, the subsidiaries prepared its financial statements in accordance with Private Entity Reporting Standard (PERS) in Malaysia. These financial statements, for the period/year ended 31 December 2009, are the first the Group and the Company has prepared in accordance with Financial Reporting Standards (FRS) in Malaysia.

The adoption of FRS did not have any significant impact on the financial statements of the Group and the Company on the date of transition to FRS.

FRS 1 First - Time Adoption of Financial Reporting Standards allows first-time adopters certain exemptions from the general requirement to apply FRS as effective for 1 January 2008 year ends retrospectively. The Group and the Company has not applied any of the exemptions.

(q) Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are:

Effective for financial periods beginning on or after 1 July 2009

FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

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

Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7:

Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

9. ACCOUNTANTS' REPORT (Cont'd)

**9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(q) Standards and interpretations issued but not yet effective (cont'd)****Effective for financial periods beginning on or after 1 March 2010**

Amendment to FRS 132: Financial Instruments: Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

FRS 127: Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 15: Agreements for the Construction of Real Estate

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
(Amendment to FRS 1)

FRS 7: Improving Disclosures about Financial Instruments (Amendments to FRS 7)

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial year. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

(i) FRS 101: *Presentation of Financial Statements (revised)*

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group and the Company are currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

9. ACCOUNTANTS' REPORT (Cont'd)


9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
(q) Standards and interpretations issued but not yet effective (cont'd)

- (ii) FRS 139: *Financial Instruments: Recognition and Measurement*, FRS 7: *Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement*, FRS 7: *Financial Instruments: Disclosures*

The new Standard on FRS 139: *Financial Instruments: Recognition and Measurement* establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: *Financial Instruments: Presentation* and the requirements for disclosing information about financial instruments are in FRS 7: *Financial Instruments: Disclosures*.

FRS 7: *Financial Instruments: Disclosures* is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group and the Company's exposure to risks, enhanced disclosure regarding components of the Group and the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

(r) Significant accounting estimates and judgements
Key sources of estimation 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 source of estimations uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below :

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be between 3 to 33 years. These are common life expectancies applied in the industry. As changes in the expected level of usage and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised.

(ii) Revenue recognition

The Group recognises construction revenues and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that construction cost incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction cost incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and internal budgeting.

9. ACCOUNTANTS' REPORT (Cont'd)



9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Significant accounting estimates and judgements (cont'd)

Key sources of estimation and judgements (cont'd)

(iii) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determinations is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

10.0 SIGNIFICANT POST BALANCE SHEET EVENT

Acquisitions of KLSB, SPC and IBT

On 6 November 2009, KIMLUN entered into share sale agreements with the vendors of KLSB, SPC and IBT for the acquisition of the entire equity interest in KLSB, SPC and IBT, comprising 1,000,000 ordinary shares of RM1.00 each, 2,000,000 ordinary shares of RM1.00 each and 80 ordinary shares respectively. The purchase considerations for the acquisitions are RM66,164,000, RM15,995,999 and RM340,000 respectively. The Acquisition has been completed on 10 May 2010.

KIMLUN has applied and received approval from the Securities Commission vide its letter dated 23 February 2010 for the Company's proposed flotation on the Main Market of Bursa Malaysia Securities Berhad through the Restructuring and Listing Scheme as set out below.

(i) Restructuring

(a) Dividend payment

Prior to Acquisitions, KLSB and SPC had, on 7 May 2010, declared to their shareholders a dividend of RM8.5 million and RM1.0 million, respectively.

The dividends were paid on 8 May 2010.

(b) Acquisitions of KLSB, SPC and IBT

The Company will acquire the entire equity interest in KLSB, SPC and IBT, further details of which are stated above. The acquisitions has been completed on 10 May 2010.

9. ACCOUNTANTS' REPORT (Cont'd)



10.0 SIGNIFICANT POST BALANCE SHEET EVENT

(ii) Initial Public Offering

(a) Public issue

In conjunction with the listing, KIMLUN will undertake a public issue of 64,000,000 new Shares ("Public Issue Shares"), representing 27.95% of the enlarged issued and paid-up share capital of KIMLUN, at initial public offering price of RM0.97 ("IPO Price") to be allocated and allotted in the following manner:

(a) 11,450,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid up share capital of KIMLUN, will be made available for application by the Malaysian public, to be allocated via ballot;

(b) 1,500,000 Public Issue Shares, representing 0.66% of the enlarged issued and paid up share capital of KIMLUN, will be reserved for the eligible employees and/or business associates of the Group;

(c) 33,050,000 Public Issue Shares, representing 14.43% of the enlarged issued and paid up share capital of KIMLUN, will be made available for private placement to selected investors; and

(d) 18,000,000 Public Issue Shares, representing 7.86% of the enlarged issued and paid up share capital of KIMLUN, will be reserved for Bumiputera investors approved by MITI.

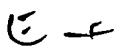
(b) Offer for sale


11,300,000 Shares ("Offer Shares") representing 4.93% of the enlarged issued and paid-up share capital of KIMLUN will be offered at the IPO Price and will be allocated and allotted in the following manner:

(a) 380,000 Offer Shares, representing 0.17% of the enlarged issued and paid-up share capital of KIMLUN, will be reserved for eligible Directors of the Group;

(b) 5,460,000 Offer Shares, representing 2.38% of the enlarged issued and paid-up share capital of KIMLUN, will be made available for private placement to selected investors; and

(c) 5,460,000 Offer Shares, representing 2.38% of the enlarged issued and paid-up share capital of KIMLUN, will be made available for private placement to Bumiputera investors approved by MITI.


Ernst & Young
AF 0039
Chartered Accountants


Wun Mow Sang
1821/12/10(J)
Chartered Accountant

10. VALUATION CERTIFICATE

(Prepared for inclusion in the Prospectus)

Your Ref : KGVVA 2908065-J (FDZ)

May 26, 2010

The Board of Directors
Kimlun Corporation Berhad
Level 18, The Gardens North Tower
Mid-Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Dear Sirs,

Certificate of Valuation
Kimlun Corporation Berhad (herein known as Kimlun)
Valuation of
PTD No 90544
Mukim of Kulai
District of Kulaijaya
(Formerly Lot Nos 2685 and 2688
Mukim of Senai-Kulai
District of Johor Bahru)
State of Johor Darul Takzim

This Certificate of Valuation has been prepared for inclusion in the Prospectus of KIMLUN in conjunction with its Proposed Listing on the Main Market of Bursa Malaysia Securities Berhad.

We have been instructed by KIMLUN to determine the Market Value of the subject property vide our Valuation Report under reference as set out above. A further detail of the aforesaid valuation is set out in our valuation report.

In accordance with your instructions to value, we have, apart from inspecting the Property, conducted the required search on the right ownership and carried all due diligence work required and deemed necessary to arrive at our professional opinion of value.

The term 'Market Value' is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

The Valuation Report was prepared based on the "Asset Valuation Guidelines" issued on May 8 2009 (effective on August 3 2009) for submission to the Securities Commission and is in compliance with the Manual of Valuation Standard issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The detail of the subject property is as follow:-



KGV-LAMBERT SMITH HAMPTON (JOHOR) SDN BHD

(214438-H)

UNIT 9-01, LEVEL 9, JOHOR BAHRU CITY SQUARE (OFFICE TOWER)
NOS 106-108, JALAN WONG AH FOOK, 80000 JOHOR BAHRU, JOHOR DARUL TAKZIM, MALAYSIA.
TEL: (6)07-224 2022 TELEFAX: (6)07-223 1366
E-mail: johor@kgv-lsh.com

**KGV-Lambert
Smith Hampton**

Property Valuers

Machinery Valuers

Property Managers

Projects Managers

Auctioneers

Property Consultants

Real Estate Agents

Head Office : Malaysia

Unit B-9-9, Blok B

Megan Avenue II

12, Jalan Yap Kwan Seng

50450 Kuala Lumpur

Tel : (60)3-2161 5355

Fax : (60)3-2164 5355

Email: kgvlshsb@streamyx.com

Internet: <http://www.realty.com.my>

Other Offices :

12-A-A, Jalan Todak 4

Pusat Bandar Seberang Jaya

13700 Prai, Penang

Tel : (60)4-398 8111

Fax : (60)4-398 8181

Email: kgvlshpg@streamyx.com

Overseas

Athens

Atlanta

Belfast

Beverly Hills

Birmingham

Bristol

Cambridge

Clearwater

Dublin

Glasgow

Guildford

Hemel Hempstead

Leeds

Leicester

London

Luton

Maidenhead

Manchester

Milton Keynes

Northampton

Nottingham

Oxford

Peterborough

Reading

San Diego

Sheffield

Slough

Smyrna

Wellingborough

10. VALUATION CERTIFICATE (Cont'd)

<p>A) Land Owner B) Title No C) Location</p>	<p>A) Sri Pulai Realty Sdn Bhd B) HS(M) No 1203 (Formerly HS(M) No 5550) (Also formerly EMR No 1503 and 1506) PTD No 90544 (Formerly Lot Nos 2685 and 2688) Mukim of Kulai, District of Kulajaya (Formerly Mukim of Senai-Kulai, District of Johor Bahru) State of Johor Darul Takzim. C) Location: Batu 21, Jalan Johor Bahru -- Pontian Kecil, 81150 Ulu Choh, Johor Darul Takzim.</p>
Date of Inspection	23.07.2009
A) Valuation Report Reference No. B) Date of Valuation	A) KGVA 2908065-J (FDZ) B) 23.07.2009
A) Land Use B) Status of Land	A) Heavy Industry B) Constructed with an industrial buildings with Certificate of Fitness for Occupation (CFO) issued to the buildings vide Reference No MPJBT(KS) 4/17/2205 dated October 26 2009.
A) Land Area Subject to Valuation B) Building / Construction C) Building Status	A) 56,250.0 sq m (605,489.8 sq ft) or 5.625 hectares (13.900 acres) B) It is erected with a 2-storey detached administrative building, 2 units of single-storey detached factories and 1-storey open-sided detached factory with a total building area of 11,010 sfl(10,312.9 sm). The buildings are generally constructed of steel portal frameworks with either open sided walls or metal cladding walls and concrete laid over hardcore floors. The administrative building is of reinforced concrete structure with cement plastered brickwalls and concrete laid over hardcore flooring and reinforced concrete flooring for the upper floors. C) We have excluded the values of the buildings in our valuation exercise.(i)
Method of Valuation	Comparison Approach(ii)
Description of Existing use	Industrial
Planning Matters / Approval & Proposed Use	Designated for heavy industrial use specifically for the manufacturing of asphaltic concrete, concrete products and related products.
Market Value (RM)	RM5,000,000 (Ringgit Malaysia Five Million Only)

Note:

- (i). We are valuing the subject property as an industrial land and other land improvements. As such, no second approach is required in deriving the Market Value of the subject property because KIMLUN is purchasing the land only. The buildings belong to SPC Industries Sdn Bhd.
(ii). The Comparison Approach is used as the only method of valuation because it is the best approach to value the land.

10. VALUATION CERTIFICATE (Cont'd)**KGV-Lambert
Smith Hampton****Comparable Details**

From the analysis, we noted that the values of the land component range from RM8.12 to RM10.60 per sq ft. We have relied more on Comparable No 3 because it is sited nearby the Property under consideration and thus we have adopted RM8.20 per sq ft.

	Comparable No 1	Comparable No 2	Comparable No 3
Description	Lot No 4976 Mukim of Pontian District of Pontian	Lot No 55 Mukim of Rimba Terjun District of Pontian	Lot No 1047 Mukim of Jeram Batu District of Pontian
Category of Land Use	Industrial	Industrial	Agriculture (Zoned for industrial land)
Status of Land	At the time of purchase, it was erected with an abandoned warehouse which had since been upgraded.	The subject comparable is overgrown with bushes.	The subject comparable is planted with wild fruit trees.
Location / Distance	Off Batu 4 ½, Jalan Sawah, Pontian. The subject property is sited approximately 13 km south-east of the sale comparable and approximately 7 km from Pekan Nenas town.	Batu 34 ¾, Jalan Johor - Pontian. The subject property is sited approximately 22 km north-east of the sale comparable and approximately 1.5 km from Pontian Kecil town.	Batu 22, Jalan Ulu Choh / Gelang Patah. The subject property is sited approximately 3 km south-east of the sale comparable and approximately 9 km from Pekan Nenas town.
Date of Transaction	June 9 2008	December 5 2007	November 16 2007
Tenure	Freehold	Freehold	Freehold
Land Size	5,259.7 sq m (56,616.9 sq ft)	15,169.2 sq m (163,285.0 sq ft)	16,039.1 sq m (172,649.4 sq ft)
Consideration	RM750,000	RM1,469,758	RM1,121,890
Analysis of the transaction	RM13.25 psf	RM9.00 psf	RM6.50 psf
Adjustment	Adjustments made for site improvements and size factors.	Adjustments made for site improvements and size factors.	Adjustments made for usage, site improvements and size factors.
Adjusted value	RM10.60 per sq ft	RM9.45 per sq ft	RM8.12 per sq ft

In connection with this Proposed Listing, we are pleased to advise that the Market Value of the abovementioned property is **RM5,000,000 (RINGGIT MALAYSIA FIVE MILLION ONLY)** made-up as follows:

13.900 acres @ 43,560 sq ft @ RM8.20 per sq ft - RM4,964,968

Say **RM5,000,000**

Yours Faithfully,
KGV-LAMBERT SMITH HAMPTON



Sr SAMUEL TAN WEE CHENG MISM MRICS
B Surveying (Hons) Property Management
Executive Director
(Registered Valuer V291)

Fdz/-

11. DIRECTORS' REPORT

(Prepared for inclusion in the Prospectus)

01 JUN 2010



The Shareholders of
Kimlun Corporation Berhad
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Dear Sir/Madam

On behalf of the Board of Directors of Kimlun Corporation Berhad ("**KIMLUN**" or "**Company**"), I wish to report after due enquiry by the Board of Directors of KIMLUN, that between the period from 31 December 2009 (being the date to which the last audited financial statements of KIMLUN and its subsidiaries ("**Group**") have been made up) to the date of this letter (being a date not earlier than 14 days before the issuance of this Prospectus), that:-

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

Yours faithfully
For and on behalf of the Board of Directors
KIMLUN CORPORATION BERHAD

A handwritten signature in black ink, appearing to read "Sim Tian Liang".

SIM TIAN LIANG
Chief Executive Officer and Executive Director

KIMLUN CORPORATION BERHAD 867077-X

Suite 19.06, Level 19, Johar Bohru City Square, 106-108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor, Malaysia.

Tel: +607-222 8080 (Hunting Line) Fax: +607-223 8282 Email: kimlun@streomyx.com

Website: www.kimlun.com

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

12.1 SHARE CAPITAL

- (i) No shares will be allocated or issued on the basis of this Prospectus later than 12 months after the date of issue of this Prospectus.
- (ii) Neither our Company nor our subsidiaries have any capital that is under option, or agreed conditionally or unconditionally to be put under option.
- (iii) As at the date of this Prospectus, there is 1 class of shares in our Company, being ordinary shares of RM0.50 each, the details of which are outlined in Section 2.6 of this Prospectus.
- (iv) Save as disclosed in Section 2.2, Section 4.1.1, Section 4.1.3 and Section 4.2 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company and our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years preceding from the date thereof.
- (v) Save for the IPO Shares reserved for our eligible Directors, employees and/or business associates as disclosed in Section 2.2.1 and Section 2.2.2 of this Prospectus, there is currently no other scheme for or involving our Directors or employees or our subsidiaries.
- (iv) Neither our Company nor our subsidiaries have any outstanding convertible debt securities, options, warrants or uncalled capital as at the date of this Prospectus.

12.2 ARTICLES OF ASSOCIATION

The following provisions are extracted from our Company's Articles of Association. The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Articles of Association.

(i) Transfer of Securities

Article 29 The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Depository shall be by way of book entry by the Depository in accordance with the Rules of the Depository and notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

Article 30 Subject to these Articles, the Act, the Depositories Act and the Rules of the Depository (with respect to transfer of deposited security), the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Depositories Act and the Rules of the Depository.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- Article 31 (1) Subject to these Articles, the Act, the Depositories Act and the Rules of the Depository (with respect to the transfer of deposited security), the Directors may in their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares which are not deposited with the Depository.
- (2) The Depository may refuse to register any transfer of deposited security that does not comply with the Depositories Act and the Rules of the Depository. Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, no listed securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind or any partnership or unincorporated association or body.
- Article 32 Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, all dealings in respect of deposited securities shall only be effected by the beneficial owners of such deposited securities or an authorised nominee, as the case may be. A Depositor shall not withdraw the securities which have been deposited with a Depository except in such manner as may be specified in the Rules.
- Article 33 The Register of Members may be closed at such time and for such period as the Directors may from time to time determine PROVIDED ALWAYS that they shall not be closed for more than 30 days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange, such notice shall state the books closing date, which shall be at least 10 clear market days after the date of notification to the Exchange, and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules of the Depository to issue the appropriate Record of Depositors.
- Article 34 Subject to the provisions of these Articles the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.
- (ii) Remuneration of Directors
- Article 96 The Directors shall be paid by way of remuneration for their services. The remuneration payable to non-executive Directors shall be such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:-
- (a) fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to Executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (d) save as provided in Article 96(c) hereof, an Executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration as the Directors may determine and need not be determined by the Company in general meeting; and
 - (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
- Article 97
 - (1) The Directors shall be paid all travelling, hotel and such other expenses properly incurred by them in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings of the Company or otherwise in or about the business of the Company.
 - (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Directors provided that such extra remuneration payable to Non-Executive Director shall not be by a commission on or percentage of profits or turnover. In the case of an Executive Director, such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors and shall not include a commission or percentage of profits or turnover.
- (iii) Voting and Borrowing Powers of Directors
 - Article 101 Subject to the provisions in the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries or of its related company PROVIDED ALWAYS that the Directors shall not borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debts, liability or obligation of an unrelated third party.
 - Article 113
 - (1) The quorum necessary for the transaction of the business of the Directors shall be 2 and a meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally.
 - (2) For the purpose of determining whether the quorum for the transaction of the business of the Directors exists, a meeting of the Board or a Committee appointed by the Board may be held by means of a video conference or telephone conference or other telecommunications facilities which permits all

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present at such meeting and unless otherwise provided in these Articles, shall be counted in a quorum and be entitled to vote.

Article 115 Subject to these Articles any question arising at any meeting of Directors shall be decided by a majority of votes 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 at the meeting, only 2 Directors form the quorum or where only 2 Directors are competent to vote on the question at issue, the Chairman of the meeting shall not have a second or casting vote.

Article 118 A Director shall not deliberate and vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

Article 119 A Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

(iv) Changes In Capital and Variation of Class Rights

Article 7 The repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholders rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting consent in writing obtained from the holders of three-fourth of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 8 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any other holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- Article 9 The rights conferred upon 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.
- Article 53 The Company may from time to time, whether all the shares for the time being authorised shall have been issued, or all shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.
- Article 54 Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

12.3 LIMITATION 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.

12.4 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contract which is not in the ordinary course of business of our Group within 2 years preceding the date of this Prospectus:-

- (i) Sale and purchase agreement dated 16 October 2009 between Sri Pulai Realty Sdn Bhd and SPC for the purchase by SPC of a piece of industrial land known as HS(M) 1203 PTD 90544, Mukim Kulai, District of Kulai Jaya, Johor, for a purchase consideration of RM5,000,000.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ii) Share sale agreement dated 6 November 2009 between Pang Tin @ Pang Yon Tin, Phang Piow @ Pang Choo Ing, Pang Khang Hau, Chin Lian Hing, Sim Tian Liang, Yam Tai Fong, Leong Choon Thye and Lew Kim Bock and our Company for the acquisition by our Company of the entire issued and fully paid-up share capital of KLSB comprising 1,000,000 ordinary shares of RM1.00 each, for a purchase consideration of RM66,164,000 satisfied by the issuance of 132,328,000 new Shares as fully paid-up.
- (iii) Share sale agreement dated 6 November 2009 between Pang Tin @ Pang Yon Tin, Phang Piow @ Pang Choo Ing, Loh Chew Lon, Pang Chew Ngo and Pang Koi Moy and our Company for the acquisition by our Company of the entire issued and fully paid-up share capital of SPC comprising 2,000,000 ordinary shares of RM1.00 each, for a purchase consideration of RM15,995,999 satisfied by the issuance of 31,991,998 new Shares as fully paid-up.
- (iv) Share sale agreement dated 6 November 2009 between Chin Lian Hing, Pang Khang Hau, Sim Tian Liang, Yam Tai Fong and Pang Tin @ Pang Yon Tin and our Company for the acquisition by our Company of the entire issued and fully paid-up share capital of IBT comprising 80 ordinary shares, for a purchase consideration of RM340,000 satisfied by the issuance of 680,000 new Shares as fully paid-up.
- (v) Supplemental share sale agreement to SPC SSA dated 10 May 2010 between Pang Tin @ Pang Yon Tin, Phang Piow @ Pang Choo Ing, Loh Chew Lon, Pang Chew Ngo and Pang Koi Moy and our Company.
- (vi) Underwriting Agreement dated 31 May 2010 between our Company and AmInvestment Bank for AmInvestment Bank to underwrite up to 13,330,000 IPO Shares under the Public Issue and the Offer for Sale.

12.5 MATERIAL LITIGATION OR ARBITRATION

As at the LPD, we are not involved in any material litigation and arbitration, whether as plaintiff or defendant or as a third party, which has a material effect on our position or business, and we are not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which might materially affect our position or business.

12.6 REPATRIATION OF CAPITAL AND PROFITS

To the best knowledge of our Directors, there are no governmental laws, decrees, regulations or other legislation in Singapore that may affect the repatriation of capital and the remittance of profit by IBT to Malaysia.

12.7 GENERAL INFORMATION

During the last financial year and the current financial year to date, there were no:-

- (i) public take-over offers by third parties in respect of our Company's shares; and
- (ii) public take-over offers by our Company in respect of other companies' shares.

12.8 CONSENTS

The written consents of the Adviser, Sole Underwriter, Sole Placement Agent, Company Secretaries, Solicitors for the IPO, Principal Bankers, Registrar and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letter relating to the Proforma Consolidated Financial Information in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Valuer to the inclusion in this Prospectus of its name and Valuation Certificate in the form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of the Ministry of Trade and Industry, Singapore, BCA, Land Transport Authority, Singapore, Urban Redevelopment Authority, Singapore and the Ministry of National Development, Singapore, to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and, to the best knowledge of our Board, have not subsequently been withdrawn.

12.9 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the Head Office of our Company during normal business hours for a period of 12 months from the date of this Prospectus:-

- (i) The Memorandum and Articles of Association of our Company;
- (ii) The Directors' Report referred to in Section 11 of this Prospectus;
- (iii) The Accountants' Report as included in Section 9 of this Prospectus;
- (iv) The Reporting Accountants' letters relating to the Proforma Consolidated Financial Information as set out in Section 8.7 of this Prospectus;
- (v) The audited financial statements as follows:-
 - KIMLUN for the 5-month FPE 31 December 2009;
 - KLSB for the past 3 financial years up to FYE 31 December 2009;
 - SPC for the past 3 financial years up to FYE 31 March 2009 and the 9-month FPE 31 December 2009; and
 - IBT for the 7-month FPE 31 December 2008 and FYE 31 December 2009.
- (vi) The Valuation Certificate as included in Section 10 of this Prospectus;
- (vii) The material contracts referred to in Section 12.4 of this Prospectus; and
- (viii) The consents referred to in Section 12.8 of this Prospectus.

12.10 RESPONSIBILITY STATEMENTS

This Prospectus has been seen and approved by our Directors and Promoters and the Offeror and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

AmInvestment Bank acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

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13. PROCEDURES FOR APPLICATION AND ACCEPTANCE

13.1 OPENING AND CLOSING OF APPLICATIONS

Applications will be accepted from 10.00 a.m. on 14 June 2010 to 5.00 p.m. on 21 June 2010 or for such further period or periods as the Directors, Offeror and Promoters of our Company together with the Sole Underwriter in their absolute discretion may mutually decide. In the event that the closing date of the IPO is extended, the dates for the balloting, allotment of the IPO Shares and the Listing will be extended accordingly. Any extension of the abovementioned dates will be announced by way of advertisement in a widely circulated daily Bahasa Malaysia and English newspapers. Late applications will not be accepted.

13.2 METHODS OF APPLICATION

Application Form, Electronic Share Application and Internet Share Application.

13.3 PROCEDURES FOR APPLICATIONS

THE FOLLOWING RELEVANT APPLICATION FORMS ISSUED WITH THE NOTES AND INSTRUCTIONS PRINTED THEREIN ARE ENCLOSED WITH THIS PROSPECTUS AND ARE DEEMED TO FORM PART THEREOF:-

- (i) **White** Application Forms for the application of Malaysian public.
- (ii) **Pink** Application Forms for the application by eligible Directors, employees and/or business associates of our Group;

You can obtain **White** Application Forms together with copies of this Prospectus, subject to availability, from AmInvestment Bank, participating organizations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or MIDFCCS.

Pink Application forms together with copies of this Prospectus will be sent out to eligible Directors, employees and/or business associates of our Group.

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

13.4 GENERAL CONDITIONS FOR APPLICATIONS

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

(i) Application by Malaysian Public for Allocations via Balloting

Applications for the 11,450,000 Shares made available for applications by the Malaysian public must be made on the White Application Forms provided or by way of Electronic Share Application through a Participating Financial Institution's ATM or Internet Share Application through the Internet financial services website of the Internet Participating Financial Institutions. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application.

(ii) Application by eligible Directors, employees and/or business associates of our Group

Applications for the 1,880,000 Shares reserved for eligible Directors, employees and/or business associates of our Group must be made on the Pink Application Forms provided. The application must not be made on any other Application or by way of Electronic Share Application through a Participating Financial Institution's ATM or Internet Share Application through the Internet financial services website of the Internet Participating Financial Institutions.

(iii) Application by Places under Private Placement

Selected investors being allocated the 61,970,000 Shares under this method will be contacted directly by the Sole Placement Agent and are to follow the instructions as communicated by the Sole Placement Agent.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from AmInvestment Bank, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and MIDFCCS.

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

Directors and employees of MIDFCCS, and their immediate families are strictly prohibited from applying for the IPO Shares.

Only 1 Application Form from each applicant will be considered and applications must be for 100 ordinary shares or multiples thereof. Multiple applications will not be accepted. A person who submit multiple applications in his own name or by using the name of others, with or without their consent, commits an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to 10 years under Section 182 of the CMSA.

Persons submitting applications by way of Application Forms or Electronic Share Applications or Internet Share Applications must have a CDS account.

The amount payable in full upon application is RM0.97 per Share. Persons submitting applications by way of Applications Forms may not submit applications by way of Electronic Share Applications or Internet Share Applications and vice versa. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application.

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

IN THE CASE OF AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND NATIONAL REGISTRATION IDENTITY CARD (NRIC) NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN:-

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

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN HIS/HER AUTHORITY CARD.

IN THE CASE OF A CORPORATE/INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN THE APPLICANT'S CERTIFICATE OF INCORPORATION.

No acknowledgement of the receipt of the Application Form or Application monies will be made by our Company and/or MIDFCCS.

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

13.5 APPLICATIONS USING APPLICATION FORMS**13.5.1 Terms and Conditions for Applications using the White and Pink Application Forms**

Applications by way of White and Pink Application Forms shall be made on, and subject to, the terms and conditions set out below:-

- (i) Applicant who is an individual must be a Malaysian citizen residing in Malaysia, with a CDS account and a Malaysian address (White Application Forms only).
- Applicant who is an individual must have a correspondence address in Malaysia with CDS account (Pink Application Forms only).
- (ii) Applicants which are corporations/institutions incorporated in Malaysia must have a CDS account and be subject to the following:-
- a. 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; and
 - b. There is majority of Malaysian citizens on the board of directors/trustee.
- Applicants which are corporations/institutions incorporated outside Malaysia must have a CDS account and provide a correspondence address in Malaysia (Pink Application Forms only).
- (iii) Applicant which is a superannuation, provident or pension fund must be established or operating in Malaysia and has a CDS account.
- (iv) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in Sections 13.5.1(ii) and (iii) above or the trustees thereof.
- (v) Application for the Shares must be made on the respective Application Forms issued together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein is accompanied by this Prospectus. Applications which **do not STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible will not be accepted.
- (vi) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-
- BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - GUARANTEED GIRO ORDER (GGO) FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR

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

▪ ATM STATEMENT OBTAINED ONLY FROM:-

- 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;

AND MUST BE MADE OUT IN FAVOUR OF "MIDF SHARE ISSUE ACCOUNT NO. 632" AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

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

- (vii) AN APPLICANT MUST STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND HE SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO THE CDS ACCOUNT TO MIDFCCS/COMPANY.
- (viii) THE NAME AND ADDRESS OF THE APPLICANT MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER OR POSTAL ORDER OR GGO FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD.
- (ix) The Board reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS within 14 days of the date of the notice issued to him to ascertain the regularity or propriety of the Application. The Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (x) MIDFCCS on the authority of the Board reserves the right to reject Applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (xi) MIDFCCS on the authority of the Board reserves the right not to accept any Application or accept any Application in part only without assigning any reason therefore. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.

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

- (xii) Where an Application is not accepted or accepted in part only, the full amount or the balance of the Application monies, as the case may be, without interest, will be returned and despatched to the applicant within 10 Market Days from the date of the final ballot of the Applications lists by ordinary post at the applicant's address last maintained with Bursa Depository or where the application is not accepted due to the applicant not having provided a CDS account, to the address per the National Registration Identity Card or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time.
- (xiii) The applicant shall ensure that his/her personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his/her registered or correspondence address last maintained with Bursa Depository.
- (xiv) MIDFCCS on the authority of the Board reserves the right to bank in all Application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest by registered post.
- (xv) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-
- MIDF Consultancy and Corporate Services Sendirian Berhad
Level 8, Menara MIDF
82 Jalan Raja Chulan
50200 Kuala Lumpur
P.O.Box 11122
50736 Kuala Lumpur
- or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the Ground Floor of Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur, so as to arrive not later than 5.00 p.m. on 21 June 2010 or for such further period or periods as the Board, Promoters and/or Offeror of our Company together with the Sole Underwriter in their absolute discretion may mutually decide.
- (xvi) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIDFCCS.

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

13.6 APPLICATIONS USING ELECTRONIC SHARE APPLICATION**(i) Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (a) Applicant must have an account with a Participating Financial Institution (as detailed in Section 13.6(ii) below) and an ATM card issued by that Participating Financial Institution to access the account.
- (b) Applicant must have a CDS account.
- (c) Applicant is to apply for the Shares, via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 13.6 (ii) below under the Terms and Conditions for Electronic Share Application. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:-
 - Personal Identification Number (PIN);
 - MIDF Share Issue Account No. 632;
 - CDS Account Number;
 - Number of Shares, applied for and/or the Ringgit Malaysia amount to be debited from the account; and
 - Confirmation of several mandatory statements.

(ii) Terms and Conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 13.6(i) above. 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 Application set out below before making an Electronic Share Application.

Only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

The applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institutions. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon completion of his Electronic Share Application transaction, the applicant 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 our Company or MIDFCCS. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the offer for the Application for the Shares, on 21 June 2010, at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Shares to MIDFCCS as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

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

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one Application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one Application.

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

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

- (i) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.
- (ii) The applicant is required to confirm the following statement (by depressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:-
 - I have attained 18 years of age as at the Closing Date of the application for the IPO Shares;
 - I am a Malaysian citizen residing in Malaysia;
 - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this Application;
 - This is the only Application that I am submitting; and
 - I hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to myself and my account with the Participating Financial Institution and Bursa Depository to MIDFCCS 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 Institution. By doing so, the applicant shall be treated as signifying his confirmation of 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 Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of the applicant's particulars to MIDFCCS, or any relevant regulatory bodies.

- (iii) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE SHARES WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.

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

- (iv) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his 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 subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that our Company decides to allot or allocate any lesser number of Shares or not to allot or allocate any Shares to the applicant, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key or button on the ATM) of the number of Shares applied for shall signify, and shall be treated as, his acceptance of the number of Shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of Association of our Company.
- (vi) MIDFCCS on the authority of our Directors reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefore. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful Applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the Application monies without interest into the applicant's account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. MIDFCCS shall inform the Participating Financial Institutions of the non-successful or partially successful Applications within 2 Market Days after the balloting date. The applicants may check their accounts on the fifth Market Day from the balloting day.
- Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. A number of Applications will, however, be held in reserve to replace any successfully balloted Applications which are subsequently rejected. For such Applications which are subsequently rejected, the Application monies without interest will be refunded to applicants by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to the applicants not later than 10 Market Days from the day of the final ballot of the Application list. Should applicants encounter any problems in their Applications, they may refer to the Participating Financial Institutions.
- (viii) The applicant requests and authorises our Company:-
- (a) to credit the Shares allotted or allocated to the applicant into the CDS account of the applicant; and
 - (b) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

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

- (ix) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of our Company, MIDFCCS or the Participating Financial Institution, irrevocably agrees that if:-
- (a) our Company or MIDFCCS does not receive the applicant's Electronic Share Application; or
 - (b) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to our Company or MIDFCCS,
- the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against our Company, MIDFCCS or the Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.
- (x) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and our Company, MIDFCCS and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) The applicant shall ensure that his personal particulars as recorded by both Bursa Depository and relevant Participating Financial Institution are correct and identical. Otherwise, his 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 allotment or allocation will be sent to his registered or correspondence address last maintained with Bursa Depository.
- (xii) By making and completing an Electronic Share Application, the applicant agrees that:-
- (a) in consideration of our Company 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, his Electronic Share Application is irrevocable;
 - (b) our Company, the Participating Financial Institutions, Bursa Depository and MIDFCCS shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of the offer made by the applicant to subscribe for and purchase Shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the said shares;
 - (d) the applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Shares allotted or allocated to the applicant; and

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

- (xiii) our Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiv) The Board reserves the right to require any successful applicant to appear in person at the registered office of MIDFCCS within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the Application. The Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (xv) MIDFCCS on the authority of the Board reserves the right to reject applications which do not conform to these instructions.
- (xvi) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
- AFFIN BANK BERHAD; OR
 - AMBANK (M) BERHAD; OR
 - BANK MUAMALAT MALAYSIA BERHAD; OR
 - CIMB BANK BERHAD; OR
 - EON BANK BERHAD; OR
 - HSBC BANK MALAYSIA BERHAD; OR
 - MALAYAN BANKING BERHAD; OR
 - OCBC BANK (MALAYSIA) BERHAD; OR
 - RHB BANK BERHAD; OR
 - STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only)
- (xvii) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

13.7 APPLICATIONS USING INTERNET SHARE APPLICATION**(I) Steps for Internet Share Application**

The exact steps for Internet Share Application in respect of the IPO Shares are as set out on the Internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, the steps for an application for the IPO Shares via Internet Share Application may be as set out below. The steps set out the actions that the applicant must take at the Internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

THE APPLICANT MUST HAVE A CDS ACCOUNT BEFORE HE CAN MAKE ANY APPLICATION FOR THE IPO SHARES. PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which the applicant has an account.

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

- (b) Login to the Internet financial services facility by entering the applicant's user identification and PIN/password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the share counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) By confirming such information, the applicant also undertakes that the following information given are true and correct:-
 - (i) The applicant has attained 18 years of age as at the Closing Date of the application for the IPO Shares;
 - (ii) The applicant is a Malaysian citizen residing in Malaysia;
 - (iii) The applicant has, prior to making the Internet Share Application, received and/or has had access to a printed/electronic copy of this Prospectus, the contents of which the applicant has read and understood;
 - (iv) The applicant agrees to all the terms and conditions of the Internet Share Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO shares;
 - (v) The Internet Share Application is the only application that the applicant is submitting for the IPO Shares;
 - (vi) The applicant authorises the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from the applicant's account with the Authorised Financial Institution;
 - (vii) 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 Securities Industry (Central Depositories) Act, 1991) 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 MIDFCCS and the Authorised Financial Institution, the SC and any other relevant authority;
 - (viii) The applicant is not applying for the IPO 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;

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

- (ix) The applicant authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company or other relevant parties in connection with the IPO, 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 Applications services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to the applicant furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Applications services;
- (i) 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 of the application money for the IPO.
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application money is being made.
- (k) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (l) The applicant is advised to print out the Confirmation Screen for reference and retention.

(II) TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION

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

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

Internet Participating Financial Institution

Internet Share Applications may be made through the Internet financial services websites of the following Internet Participating Financial Institutions:-

- CIMB Investment Bank Berhad at www.eipocimb.com; or
- CIMB Bank Berhad at www.cimbclicks.com.my; or
- Malayan Banking Berhad at www.maybank2u.com.my; or
- RHB Bank Berhad at www.rhbbank.com.my; or
- Affin Bank Berhad at www.affinOnline.com

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

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

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out herein:-

- (i) An applicant making an Internet Share Application shall:-
 - (a) be an individual with a CDS Account;
 - (b) have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. Applicant must have ready their user identification (User ID) and Personal Identification Numbers (PIN)/password for the relevant Internet financial services facilities; and
 - (c) be a Malaysian citizen and have a mailing address in Malaysia.

Applicants are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.
- (ii) An Internet Share Application shall be made on and shall be subject to the terms of this prospectus and our Company's Memorandum and Articles of Association.
- (iii) The applicant is required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:-
 - (a) The applicant has attained 18 years of age as at the date of the application for the IPO Shares;
 - (b) The applicant is a Malaysian citizen residing in Malaysia;
 - (c) The applicant has, prior to making the Internet Share Application, received and/or has had access to a printed/electronic copy of this Prospectus, the contents of which the applicant 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 has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO;

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

- (e) The Internet Share Application is the only application that the applicant is submitting for the IPO Shares;
 - (f) The applicant authorises the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - (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 Securities Industry (Central Depositories) Act, 1991) 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 MIDFCCS and the Authorised Financial Institution, the SC and any other relevant authority;
 - (h) The applicant is not applying for the IPO 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; and
 - (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, our Company or other relevant parties in connection with the IPO, 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 IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to the applicant furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (iv) 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.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of the applicant's Internet Share Application, including the number of IPO Shares applied for which can be printed out by the applicant for his records.

Upon the display of the Confirmation Screen, the applicant shall be deemed to have confirmed the truth of the statements set out in Section 13.7(II)(iii) herein.

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

- (v) The applicant must have sufficient funds in the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.
- (vi) The applicant irrevocably agrees and undertakes to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted to the applicant in respect of the Internet Share Application. In the event that our Company decides to allot any lesser number of such IPO Shares or not to allot any IPO Shares to the applicant, the applicant agrees to accept any such decision of our Company as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, the confirmation by the applicant of the number of IPO Shares applied for (by way of the applicant's action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

- (a) acceptance by the applicant of the number of IPO Shares that may be allotted or allocated to the applicant in the event that the applicant's Internet Share Application is successful or successful in part, as the case may be; and
 - (b) The applicant's agreement to be bound by the Memorandum and Articles of Association of our Company.
- (vii) The applicant is fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares of our Company will be rejected. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
 - (viii) Where an Internet Share Application is unsuccessful or successful in part only, the Internet Participating Financial Institution will be informed of the unsuccessful or partially successful Internet Share Application. Where an Internet Share Application is unsuccessful, the Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution within 2 Market Days after receipt of written confirmation from MIDFCCS.

MIDFCCS shall inform the Internet Participating Financial Institution of unsuccessful or partially successful applications within 2 Market Days from the balloting date.

Where the Internet Share Application is accepted in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into the applicant's account with

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

the Internet Participating Financial Institution within 2 Market Days after receipt of written confirmation from MIDFCCS. A number of applications will however be held in reserve to replace any successfully balloted applications that are subsequently rejected. In respect of such applications that are subsequently rejected, the application monies (without interest or any share of revenue or other benefit arising therefrom) will be refunded to applicants by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to the applicants within 10 Market Days from the day of the final ballot of the Applications list.

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 but without interest or any share of revenue or other benefit arising therefrom) within 10 Market Days from the day of the final ballot of the Applications list.

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

- (ix) Internet Share Applications will be closed at 5.00 p.m. on 21 June 2010 or for such further period or periods as the Directors, Promoters and/or Offeror of our Company together with the Sole Underwriter in their absolute discretion may mutually decide. An Internet Share Application is deemed to be received only upon its completion, that is when the Confirmation Screen is displayed on the Internet financial services website. Applications are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.
- (x) The applicant irrevocably agrees and acknowledges that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution and our Company. If, in any such event, our Company, MIDFCCS and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the applicant's Internet Share Application and/or the payment therefore, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, the applicant shall be deemed not to have made an Internet Share Application and the applicant shall have no claim whatsoever against our Company, MIDFCCS or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (xi) All particulars of the applicant in the records of the relevant Internet Participating Financial Institution at the time of the Internet Share Application shall be deemed to be true and correct, and our Company, the Internet Participating Financial Institutions, MIDFCCS and all other persons who, are entitled or allowed under the law to such information or where the applicant

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

expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

The applicant shall ensure that the personal particulars of the applicant as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical, otherwise the applicant's Internet Share Application is liable to be rejected. The notification letter on successful allotment will be sent to the applicant's address last registered with Bursa Depository. It is the responsibility of the applicant to notify the Internet Participating Financial Institution and Bursa Depository of any changes in the applicant's personal particulars that may occur from time to time.

- (xii) By making and completing an Internet Share Application, the applicant is deemed to have agreed that:-
- (a) In consideration of our Company making available the Internet Share Application facility to the applicant, through the Internet Participating Financial Institution acting as agents of our Company, the Internet Share Application is irrevocable;
 - (b) The applicant has irrevocably requested and authorised our Company to register the IPO Shares allotted to the applicant for deposit into the applicant's CDS Account;
 - (c) Neither our Company nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to MIDFCCS or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or any cause beyond their control;
 - (d) 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 applicant's Internet Share Application by MIDFCCS, our Company 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;
 - (e) The acceptance of the offer made by the applicant to subscribe for the IPO Shares for which the applicant's Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by or on behalf of our Company and not otherwise, notwithstanding the receipt of any payment by or on behalf of our Company;
 - (f) The applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of the applicant's Internet Share Application by our Company;
 - (g) In making the Internet Share Application, the applicant has relied solely on the information contained in this Prospectus. Our Company, the Underwriter, the Adviser and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied on by the applicant in making the Internet Share Application;

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

- (h) The acceptance of an applicant's Internet Share Application by our Company and the contract resulting therefrom under the IPO shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.
- (xiii) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:-
 - (a) CIMB Investment Bank Berhad - RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
 - (b) CIMB Bank Berhad - RM2.00 for applicants with CDS accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - (c) Malayan Banking Berhad - RM1.00.; and
 - (d) RHB Bank Berhad - RM2.50.

No fee will be charged by Affin Bank Berhad for applications by their account holders

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

13.8 APPLICATION AND ACCEPTANCE

MIDFCCS on the authority of the Board reserves the right not to accept any Application which does not strictly comply with the instructions or to accept any Application in part only without assigning any reason therefore.

The submission of an Application Form, the completion of the Electronic Share Application or the completion of the Internet Share Application, does not necessarily mean that the Application will be successful.

ALL APPLICATIONS MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

In the event of an over-subscription, acceptance of Applications by Malaysian public shall be subject to ballot to be conducted in the manner approved by the Directors of our Company and on a fair and equitable basis. Due consideration will be given to the desirability of distributing the Shares, to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the shares of our Company. Pursuant to the listing requirements of Bursa Securities, at least 25% of the enlarged issued and paid-up share capital of our Company must be held by a minimum number of 1000 public shareholders holding not less than 100 shares each upon completion of the IPO and at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, 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 without interest if the said permission for listing and quotation is not granted. Applicants will be selected in a manner to be determined by the Directors of our Company.

In the event of an under-subscription by our eligible Directors, employees and/or business associates, such shares will be re-offered to other eligible Directors, employees and/or business associates. Subsequently, any of such shares re-offered which are not taken up will be made available for application by the Malaysian public and/or private placement to selected investors.

Directors and employees of MIDFCCS and their immediate families are strictly prohibited from applying for the Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED BY ORDINARY POST OR REGISTERED POST RESPECTIVELY TO THE APPLICANT WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT THE ADDRESS REGISTERED WITH THE BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.

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

MIDFCCS RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICANTS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL BUMIPUTERA APPLICANTS WHOSE MONIES HAVE BEEN BANKED-IN AND PARTIALLY SUCCESSFUL APPLICANTS WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION BY REGISTERED POST AT THE ADDRESS REGISTERED WITH THE BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.

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

13.9 CDS ACCOUNTS

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the securities of our Company as Prescribed Securities. In consequence thereof, the Share issued through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with aforesaid Act and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in Shares will be by book entries through CDS accounts. No share certificates will be issued to successful applicants.

Only an applicant who has a CDS account can make an Application by way of an Application Form. An applicant should state his CDS account number in the space provided on the Application Form and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to MIDFCCS/our Company. Where an applicant does not presently have a CDS account, he/she should open a CDS account at an ADA prior to making an Application for the Shares.

In the case of an Application by way of Electronic Share Application, only an applicant who has a CDS Account can make an Electronic Share Application. The applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application require him to do so.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS Account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, the applicant's CDS account number would automatically appear in the e-IPO online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from use of invalid, third party or nominee accounts, may result in the Application being rejected. If a successful applicant fails to state his/her CDS account number, MIDFCCS on the authority of our Company will reject the Application. MIDFCCS on the authority of the Directors of our Company also reserves the right to reject any incomplete and inaccurate Application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

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

13.10 NOTICE OF ALLOTMENT

The Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. A notice of allotment will be despatched to the successful or partially successful applicant at his address last maintained with Bursa Depository at the applicant's own risk prior to the Listing of our Company. For Electronic Share Application or Internet Share Application, the notice of allotment will be despatched to the successful or partially successful applicant at his address last maintained with Bursa Depository at the applicant's own risk prior to the Listing of our Company. This is the only acknowledgement of acceptance of the Application.

All applicants must inform Bursa Depository of his/her updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which, the notification letter on successful allotment shall be sent to the applicant's address last maintained with Bursa Depository.

Applicants may also check the status of their application by logging on to the MIDFCCS website at www.midf.com.my or by calling their respective ADAs at the telephone number as stated in Section 13.11 of this Prospectus or MIDFCCS Enquiry Services Telephone at 03-21738657, 03-21738658 & 03-21738659, between 5 to 10 Market Days (during office hours only) after the balloting date.

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13. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**13.11 LIST OF AUTHORISED DEPOSITORY AGENTS**

The list of the ADAs and their respective Broker codes are as follows:-

Name	Address and Telephone Number	Broker Code
<u>KUALA LUMPUR</u>		
A.A. ANTHONY SECURITIES SDN BHD	N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No: 03-62011155	078-004
AFFIN INVESTMENT BANK BERHAD	3rd Floor, Chulan Tower No. 3 Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-21438668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.:03-26976333	076-001
AmINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2078 2788	086-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor, Podium Block AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No.: 03-4043 3533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3 rd , Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor , Bangunan Avenue 8 Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.:03-2089 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 Tel No.: 03-2168 1168	066-001

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

Name	Address and Telephone Number	Broker Code
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 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 Tel No.: 03-91303399	068-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 7-03, 7th Floor Suite 12-02 & Part of Suite 12-01 12th Floor, Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-27112775	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square, No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-21171888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No.: 03-79847796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak Shell Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No.: 03-79818811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-20341888	055-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-21649080	073-001
KENANGA INVESTMENT BANK BERHAD	No.57-10, Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Tel No.: 03-22871799	073-015

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

Name	Address and Telephone Number	Broker Code
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th - 14th Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No: 03-21688800	053-001
M & A SECURITIES SDN BHD	Level G-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-22821820	057-002
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	Level 8, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-22978888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No.: 03-62037227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11 th & 12 th Floor, Menara MIDF 82 Jalan Raja Chulan 50400 Kuala Lumpur Tel No.: 03-21738888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288 Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-26928899	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	056-001
OSK INVESTMENT BANK BERHAD	62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-62575869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No. 03-42804798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No. 03-90587222	056-058

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

Name	Address and Telephone Number	Broker Code
PUBLIC INVESTMENT BANK BERHAD	27 th Floor, Public Bank Building No.6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-20313011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-92873888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13, 15-18, 20, 23, 28-30, 34 & 35 Menara TA One, No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-20721277	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 Tel No.: 03-3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 7729 8016	028-003
AmINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 7710 6613	086-003
HWANGDBS INVESTMENT BANK BERHAD	16 th , 18 th -20 th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002
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 Tel No.: 03-5635 6688	068-010

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

Name	Address and Telephone Number	Broker Code
JF APEX SECURITIES BERHAD	6 th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BERHAD	15 th & 16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	13 th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7956 2169	073-005
KENANGA INVESTMENT BANK BERHAD	1 st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Room 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	056-045

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 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 Tel No.: 03-3343 9180	056-048
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy, Lot 72 Persiaran Jubli Perak Seksyen 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-51920202	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 Tel No.: 03-8025 1880	058-005

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

Name	Address and Telephone Number	Broker Code
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-289 8800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-288 1720	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 Tel No.: 06-337 1533	012-001
MERCURY SECURITIES SDN BHD	No. 81B & 83B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-292 1898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-282 5211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No.: 06-286 6008	064-006
RHB INVESTMENT BANK BERHAD	Lot 9 & 10, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No.: 06-283 3622	087-002
PERAK DARUL RIDZUAN		
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-242 2828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-622 2828	052-006
HWANGDBS INVESTMENT BANK BERHAD	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No.: 05-806 0888	068-003

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

Name	Address and Telephone Number	Broker Code
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-255 9988	068-015
ALLIANCE INVESTMENT BANK BERHAD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-691 0910	076-008
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-241 9800	057-001
MAYBAN INVESTMENT BANK BERHAD	B-G-04 (Ground Floor) Level 1 & 2 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-245 3400	098-002
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-241 5100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 6498	056-014
OSK INVESTMENT BANK BERHAD	1st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-692 1228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-808 8229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-467 1801	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-717 0888	056-052

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

Name	Address and Telephone Number	Broker Code
SBB SECURITIES SDN BHD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-253 0888	090-001
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-253 1313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st Floor, Heng Guan Building 171, Jalan Burmah 10050 Pulau Pinang Tel No.: 04-229 9318	078-002
A.A. ANTHONY SECURITIES SDN BHD	No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-554 1388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No.25, Lebu Light 10200 Penang Tel No.: 04-261 1688	076-015
AmINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-226 1818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor, Suite 1.01, Menara PCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-291 1833	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No.: 04-228 1868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7 th & 8 th Floor, Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-228 3355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-263 6996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-537 2882	068-006

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

Name	Address and Telephone Number	Broker Code
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8 th Floor Bangunan Mayban Trust 3, Penang Street 10200 Pulau Pinang Tel No.: 04-269 0888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-210 6666	073-013
MERCURY SECURITIES SDN BHD	2 nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No.: 04-263 9118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No.: 04-263 4222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No.: 04-390 0022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-540 2888	056-015
OSK INVESTMENT BANK BERHAD	834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-583 1888	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 Tel No.: 04-640 4888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-227 3000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No.: 04-976 5200	076-003

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No.: 04-979 3888	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1 st Floor EMUM 55 No.55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-732 2111	078-007
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-425 6666	068-011
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-731 7088	076-004
OSK INVESTMENT BANK BERHAD	No.112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-420 4888	056-017
OSK INVESTMENT BANK BERHAD	No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim, Kedah Darul Aman Tel No.: 04-496 4888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-720 9888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1 C-G & 1 D-G Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-765 5998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-761 2288	068-007

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

Name	Address and Telephone Number	Broker Code
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-764 1641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-442 1000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3011	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-646 1234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-762 3131	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 Tel No.: 07-333 2000	078-001
A. A. ANTHONY SECURITIES SDN BHD	42-8, Main Road, Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-663 6658	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Tel No.: 07-351 3218	078-006

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

Name	Address and Telephone Number	Broker Code
AmINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-434 2282	086-002
AmINVESTMENT BANK BERHAD	18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-334 3855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 2222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor, No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 06-467 8885	052-005
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-223 1211	054-004
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 2692	068-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-333 3600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No.: 06-954 2711	073-008
KENANGA INVESTMENT BANK BERHAD	No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-933 3515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-777 1161	073-010
KENANGA INVESTMENT BANK BERHAD	No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim	073-011

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

Name	Address and Telephone Number	Broker Code
	Tel No.: 06-978 2292	
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-771 7922	076-006
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi No. 1, Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-331 6992	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 Tel No.: 07-222 7388	061-002
OSK INVESTMENT BANK BERHAD	6 th Floor, Wisma Tiong-Hua 8, Jalan Keris Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-278 8821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-438 0288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 8262	056-025
OSK INVESTMENT BANK BERHAD	Tingkat Bawah & Satu No. 119 dan 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-557 7628	056-029
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 28 Jalan Tengku Ahmad 85000 Segamat Johor Darul Takzim Tel No.: 07-932 1543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17 Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No.: 07-776 9655	056-031

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-662 6288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 7180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-925 6881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 1 & 1-01, Jalan Rosmerah 2/11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-352 2293	056-043
PM SECURITIES SDN BHD	No.41 Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-278 1813	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre Johor Darul Takzim Tel No.: 07-433 3608	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 Tel No.: 09-566 0800	076-002
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19 Lorong Tun Ismail 8, Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-513 3289	052-007
OSK INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 9 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-516 3811	056-007

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-223 4943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-491 4913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	No. 3953-H, Ground & 1st Floor Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 0077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 2288	058-004
TERENGGANU DARUL IMAN		
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-623 8128	021-001
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-631 7922	076-009
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor, 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-850 2730	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-626 1816	056-055
SARAWAK		
AmINVESTMENT BANK BERHAD	No. 164, 166 & 168 1 st 2 nd & 3 rd Floor Jalan Abell 93100 Kuching Sarawak	086-005

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

Name	Address and Telephone Number	Broker Code
	Tel No.: 082-244 791	
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 606	065-004
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No.: 082-236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	282, 1 st Floor Park City Commercial Centre Phase 4 Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	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 Tel No.: 082-422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1 st & 2 nd Floor Lot 1269, 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98008 Miri Sarawak Tel No.: 085-422788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	056-013

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Tel No.: 086-311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I, Jalan Kampung Datu 96000 Sibul Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2 nd Floor Central Building No.28 Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9 th Floor CPS Tower Centre Point Sabah No.1 Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	056-010

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-222 275	056-057

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