

10. HISTORICAL FINANCIAL INFORMATION (Cont'd)**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)****6.10 Receivables, deposits and prepayments (Cont'd)**

	Note	Proforma Group 2009 RM'000
Non-trade		
Other receivables		94
Deposits		2,575
Prepayments		2,365
		5,034
		<u>61,923</u>

6.10.1 Amount due from associate

The trade receivables due from associate are subject to normal trade terms.

6.10.2 Analysis of foreign currency exposure for significant receivables

Significant trade receivables outstanding at year end that are not in the functional currencies of the Proforma Group entities are as follows:

Foreign currency	Proforma Group 2009 RM'000
US Dollar ("USD")	659
Singapore Dollar ("SGD")	490
	<u> </u>



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)

6.11 Asset classified as held for sale

Asset held for sale comprise the following:

	Proforma Group 2009 RM'000
Building :	
Cost	759
Accumulated depreciation	(25)
	<u>734</u>

On 16 November 2009, a subsidiary entered into a Sale and Purchase Agreement for the disposal of a building for a total cash consideration of RM870,000. The subsidiary has collected a deposit of RM87,000 at balance sheet date.

6.12 Cash and cash equivalents

	Proforma Group 2009 RM'000
Cash and bank balances	18,656
Fixed deposits with licensed banks	9,262
	<u>27,918</u>

The fixed deposits with licensed banks are pledged to banks as collateral for borrowings granted to the Proforma Group.

Fixed deposits with licensed banks of RM5,980,000 of the Proforma Group are held in trust by certain Directors.

Included in cash and bank balances of the Proforma Group is RM105,000 denominated in US Dollar.



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)****6.13 Share capital**

	Proforma Group 2009	
	Number of shares	Amount RM'000
Ordinary shares of RM0.50 each :		
Authorised	<u>80,000</u>	<u>160,000</u>
Issued and fully paid	<u>77,552</u>	<u>155,104</u>

6.14 Reserves

	Proforma Group 2009 RM'000
Non-distributable	
Share premium	4,413
Revaluation reserve	47,587
Reverse acquisition reserve	(93,809)
Distributable	
Retained earnings	88,396
	<u>46,587</u>

6.14.1 Revaluation reserve

The revaluation reserve of the Proforma Group represents surplus arising from the revaluation of freehold land, leasehold land, buildings and plant and machinery.

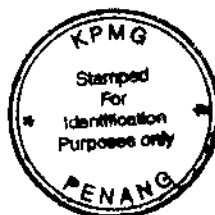


10. HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)

6.15 Borrowings

	Proforma Group 2009 RM'000
Current	
<i>Secured</i>	
Bank overdrafts	4,435
Bankers' acceptances	104,775
Trust receipts	13,848
Term loans	5,487
Finance lease obligations	3,337
	<u>131,882</u>
<i>Unsecured</i>	
Bankers' acceptances	9,226
Trust receipts	14,352
	<u>23,578</u>
	<u><u>155,460</u></u>
Non-current	
<i>Secured</i>	
Term loans	20,964
Finance lease obligations	3,742
	<u>24,706</u>



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)****6.15 Borrowings (Cont'd)****6.15.1 Interest rates**

The bankers' acceptances of the Proforma Group bear interest at rates ranging from 1.00% to 1.50% above the lenders' cost of funds. The bank overdrafts, trust receipts and term loans of the Proforma Group bear interest at rates ranging from 0.60% to 2.00% above the banks' base lending rates.

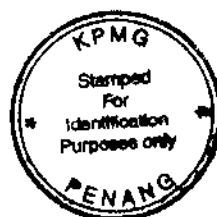
Finance lease obligations of the Proforma Group are subject to fixed interest rates ranging from 2.26% to 4.70% per annum respectively.

6.15.2 Securities

The secured borrowings are secured by legal charges over the freehold and leasehold land, buildings and plant and machinery of the Proforma Group, collateralised by pledged fixed deposits and corporate guarantee by TGH and are jointly and severally guaranteed by certain Directors of the Company.

Terms and repayment schedule

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
2009						
Bank overdrafts		4,435	4,435	-	-	-
Bankers' acceptances	2010	114,001	114,001	-	-	-
Trust receipts	2010	28,200	28,200	-	-	-
Term loans	2010-2016	26,451	5,487	6,078	14,886	-
Finance lease obligations	2010-2013	7,079	3,337	2,752	990	-
		180,166	155,460	8,830	15,876	-



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)****6.16 Deferred tax liabilities**

The recognised deferred tax liabilities are as follows:

	Proforma Group 2009 RM
Property, plant and equipment	
- capital allowance	1,795
- revaluation surplus	17,435
Other temporary differences	(23)
	<u>19,207</u>

Movements in temporary differences during the year

Proforma Group	At 1.1.2009 RM'000	Revaluation reserve RM'000	Income statement RM'000	At 31.12.09 RM'000
Property, plant and equipment				
- capital allowance	1,287	-	508	1,795
- revaluation surplus	5,874	11,561	-	17,435
Unabsorbed capital allowance	(24)	-	24	-
Provisions	-	-	(23)	(23)
	<u>7,137</u>	<u>11,561</u>	<u>509</u>	<u>19,207</u>

No deferred tax has been recognised for the following items:

	Proforma Group 2009 RM'000
Unutilised tax losses	2,537
Unabsorbed capital allowances	23,003
Taxable temporary differences	(19,853)
	<u>5,687</u>



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (Cont'd)

6.16 Deferred tax liabilities (Cont'd)

The unutilised tax losses, unabsorbed capital allowances and taxable temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries concerned can utilise the benefits.

6.17 Payables and accruals

	Proforma Group 2009 RM'000
Trade	
- Associate	1
- External parties	44,583
	<hr/> 44,584
Non-trade	
- Other payables	10,764
- Accrued expenses	977
	<hr/> 11,741
	<hr/> <hr/> 56,325

6.17.1 Analysis of foreign currency exposure for significant payables

Significant trade payables outstanding at year end that are not in the functional currencies of the Proforma Group entities are as follows:

Foreign currency	Proforma Group 2009 RM
USD	<hr/> 373,172



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)**7. STATEMENT OF ADJUSTMENTS**

As TGG has not prepared any audited consolidated financial statements during the periods being reported on, the proforma consolidated financial information as set out therein therefore reflects the net adjustments assuming the Proforma Group has been in place from the beginning of the periods being reported on.

8. PROFORMA NTA PER ORDINARY SHARE

Based on the statement of assets and liabilities of the proforma TGG Group as at 31 December 2009, the proforma NTA per ordinary share after the TGH Acquisition, TGO Acquisition, Nippon EGalv Dilution, Public Issue, utilisation of proceeds from the Public Issue, estimated share issue expenses of RM2,500,000 and full conversion of TGG ICULS is calculated as follows :-

	Proforma Group RM'000
NTA	123,158
Total no. of ordinary shares in issue ('000)	155,103
NTA per share (RM)	0.79

9. BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION

- 9.1 The proforma consolidated financial information has been prepared for illustrative purposes only and after making certain adjustments to illustrate what:
- a) the financial results of TGG Group for the financial years ended 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009 would have been if the group structure as of the date of lodgement of the Prospectus had been in place since the beginning of the periods being reported on;
 - b) the financial position of TGG Group as of the date of the balance sheet as at 31 December 2009 would have been if the group structure as of the date of lodgement of the Prospectus had been in place on that date, adjusted for the Nippon EGalv Dilution, proceeds of the Public Issue, utilisation of funds and full conversion of TGG ICULS; and



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)

9. BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

c) the cash flows of TGG Group for the year ended 31 December 2009 would have been if the group structure as of the date of lodgement of the Prospectus had been in place since the beginning of the financial year ended 31 December 2009 adjusted for the proceeds of the Public Issue and utilisation of funds.

9.2 The proforma consolidated financial information has been prepared based on the audited financial statements of the respective companies within the TGG Group for the financial years ended 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009, after giving effect to the proforma adjustments considered appropriate as set out in the proforma consolidated financial information.

9.3 For illustrative purposes, it was assumed that the following events took place on 31 December 2009 in arriving at the proforma consolidated balance sheets as at 31 December 2009:

- a) TGH Acquisition and TGO Acquisition as detailed in Sections 2.2 and 2.3 of this report respectively;
- b) Nippon EGalv Dilution as detailed in Sections 2.4 of this report; and
- c) Public Issue and Listing as detailed in Sections 2.5 to 2.7 of this report respectively.

The TGH Acquisition has been reflected in the proforma consolidated balance sheets as at 31 December 2009 using the reverse acquisition method of accounting and the TGO Acquisition is accounted for using the purchase method of accounting.

9.4 For illustrative purposes, it was assumed that the events stated in Sections 2.1 to 2.7 of this report including the utilisation of funds took place since the beginning of the periods being reported on in arriving at the proforma consolidated income statements for each of the five (5) years ended 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009.

9.5 The proforma consolidated financial information has been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the actual financial position, results of operations and cash flows of TGG Group.

9.6 The proforma consolidated financial information has been prepared in accordance with the accounting policies and format of the financial statements to be adopted by the Company, which are similar to those of its subsidiaries, as set out in the audited financial statements of its subsidiaries.



10. HISTORICAL FINANCIAL INFORMATION (Cont'd)

9. BASIS OF PREPARATION OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

- 9.7 For the purpose of inclusion in the proforma consolidated financial information, the statutory audited financial statements of all TGG's subsidiaries for the five (5) years ended 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009 have been prepared in accordance with Financial Reporting Standards in Malaysia and were audited in accordance with approved standards on auditing in Malaysia

The audit reports in respect of the statutory financial statements of all TGG's subsidiaries for the financial years ended 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009 were not subject to any qualifications.

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II. CAPITALISATION AND INDEBTEDNESS

II.1 Capitalisation and Indebtedness

The table set out below should be read in conjunction with the “Reporting Accountants’ Letter on the Proforma Consolidated Financial Information” as set out in Section 10.4 of this Prospectus.

Our capitalisation and indebtedness as at 31 December 2009 on a proforma and adjusted basis were as follows:

	As at 31 December 2009 (Proforma) RM'000	After adjusting for the Listing Scheme and utilisation of proceeds RM'000
Cash and cash equivalents	27,918	27,918
Current		
<u>Secured</u>		
Bank overdrafts	4,435	4,435
Bankers’ acceptance	104,775	104,775
Term loans	5,487	5,487
Trust receipts	13,848	13,848
Finance lease and hire purchase obligations	3,337	3,337
	131,882	131,882
<u>Unsecured</u>		
Bank overdrafts	-	-
Bankers’ acceptance	9,226	9,226
Trust receipts	14,352	14,352
	23,578	23,578
Non-current		
<u>Secured</u>		
Term loans	26,908	20,964
TGG ICULS – liability component	2,807	2,806
Finance lease	3,742	3,742
	33,457	27,512
Total indebtedness	188,917	182,972
Shareholders’ equity		
Share capital	43,720	51,000
TGG ICULS	27,993	27,993
Reserves	43,674	42,339
	115,387	121,332
Total capitalisation and indebtedness	304,304	304,304

11. CAPITALISATION AND INDEBTEDNESS (Cont'd)

The secured borrowings are secured by legal charges over the freehold, leasehold land, buildings and plant and machinery of our Group, pledged fixed deposits, jointly and severally guaranteed by certain of our Directors and TGH as corporate guarantee.

The bank overdrafts, trust receipts and term loans bear interest at rates ranging from 0.60% to 2.00% per annum above the banks' base lending rates.

The bankers' acceptances bear interest rates ranging from 1.00% to 1.50% per annum above the lenders' cost of funds.

As at the Latest Practicable Date, there were no material changes in our capitalisation and indebtedness as disclosed above, save for the changes in our retained earnings arising from the day-to-day operations in the ordinary course of business.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Proforma Consolidated Financial Information as set out in Section 10.4 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

12.1 OVERVIEW

TGG is principally an investment holding company and the revenue of our Group is derived through our subsidiary companies, which are mainly involved in steel processing, steel distribution activities and manufacturing of stainless steel tubes and pipes and EG steel coils.

Please refer to Section 5 of this Prospectus for details on our Group and subsidiary companies.

12.2 DIRECTORS' ANALYSIS AND COMMENTARY ON THE PROFORMA CONSOLIDATED INCOME STATEMENTS

12.2.1 Segmental Analysis

(i) Analysis of Revenue by Activity/Company

	Proforma Group									
	FYE 31.12.05		FYE 31.12.06		FYE 31.12.07		FYE 31.12.08		FYE 31.12.09	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trading										
TGH	77,449	43.45	84,785	40.20	85,887	35.84	95,613	35.10	71,334	31.65
TGPM	175	0.10	96	0.05	42	0.02	95	0.03	62	0.03
SPI	1,139	0.64	22,501	10.67	36,756	15.34	31,998	11.73	30,731	13.64
SI	-	-	-	-	4,099	1.71	15,306	5.61	7,519	3.34
	78,763	44.19	107,382	50.91	126,784	52.91	143,012	52.47	109,646	48.65
Manufacturing										
TGSC (Pipes Division)	1,116	0.63	22,051	10.46	40,038	16.71	46,358	17.01	37,485	16.63
TGMI	3,729	2.09	3,866	1.83	1,304	0.54	2,594	0.95	762	0.34
Nippon EGalv	-	-	-	-	-	-	-	-	37,416	16.60
TGO	2,573	1.44	3,587	1.70	8,568	3.58	13,314	4.88	10,857	4.82
	7,418	4.16	29,504	13.99	49,910	20.83	62,266	22.84	86,520	38.39
Processing										
TGSC (Service Centre)	132,030	74.07	142,123	67.39	145,297	77.33	155,322	73.98	116,742	51.80
Investment holding										
TGG	-	-	-	-	-	-	-	-	-	-
FI	90	0.05	90	0.04	90	0.04	108	0.04	108	0.05
	90	0.05	90	0.04	90	0.04	108	0.04	108	0.05
Sub-total	218,301	122.48	279,099	132.33	322,081	134.40	360,707	132.32	313,016	138.89
Less: Elimination	(40,061)	(22.48)	(68,192)	(32.33)	(82,419)	(34.40)	(88,104)	(32.32)	(87,648)	(38.89)
Total	178,240	100.00	210,907	100.00	239,662	100.00	272,603	100.00	225,368	100.00

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Analysis of Revenue by Geographical Location

	FYE 31.12.05		FYE 31.12.06		Proforma Group FYE 31.12.07		FYE 31.12.08		FYE 31.12.09	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local										
Trading	217,120	121.81	278,465	132.03	312,495	130.39	345,401	126.71	305,497	135.55
	217,120	121.81	278,465	132.03	312,495	130.39	345,401	126.71	305,497	135.55
Export										
Trading	1,181	0.66	634	0.30	9,586	4.00	15,306	5.61	7,519	3.34
	1,181	0.66	634	0.30	9,586	4.00	15,306	5.61	7,519	3.34
Sub-total	218,301	122.48	279,099	132.33	322,081	134.40	360,707	132.32	313,016	138.89
Less:	(40,061)	(22.48)	(68,192)	(32.33)	(82,419)	(34.40)	(88,104)	(32.32)	(87,648)	(38.89)
Elimination										
Total	178,240	100.00	210,907	100.00	239,662	100.00	272,603	100.00	225,368	100.00

(iii) Analysis of Revenue by Material

	FYE 31.12.05		FYE 31.12.06		Proforma Group FYE 31.12.07		FYE 31.12.08		FYE 31.12.09	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue										
Cold-rolled steel	50,948	28.58	51,594	24.46	55,430	23.13	66,640	24.45	39,327	17.45
EG steel	6,243	3.50	11,559	5.48	18,508	7.72	4,568	1.68	55,619	24.68
G1 steel	55,834	31.33	57,252	27.15	55,167	23.02	34,379	12.61	23,752	10.54
Hot-rolled steel	43,195	24.23	39,669	18.81	46,243	19.30	95,037	34.86	60,176	26.70
Stainless steel	60,482	33.93	116,197	55.09	137,732	57.47	155,948	57.21	123,826	54.94
Others	1,599	0.90	2,828	1.34	9,001	3.76	4,135	1.52	10,316	4.58
	218,301	122.48	279,099	132.33	322,081	134.39	360,707	132.32	313,016	138.89
Less:	(40,061)	(22.48)	(68,192)	(32.33)	(82,419)	(34.39)	(88,104)	(32.32)	(87,648)	(38.89)
Elimination										
Total	178,240	100.00	210,907	100.00	239,662	100.00	272,603	100.00	225,368	100.00

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
(iv) Analysis of Gross Profit by Activity/Company

	FYE 31.12.05		FYE 31.12.06		Proforma Group FYE 31.12.07		FYE 31.12.08		FYE 31.12.09	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trading										
TGH	6,683	33.85	8,906	34.88	9,802	33.10	6,170	21.15	10,170	30.46
TGPM	9	0.05	6	0.02	2	0.01	12	0.04	5	0.01
SPI	11	0.06	405	1.59	745	2.52	821	2.81	1,137	3.41
SI	-	-	-	-	430	1.45	408	1.40	136	0.41
	6,703	33.96	9,317	36.49	10,979	37.07	7,411	25.41	11,448	34.29
TGSC (Pipes Division)	174	0.87	3,375	13.22	6,128	20.69	7,096	24.33	5,738	17.18
TGMI	404	2.05	282	1.10	15	0.05	294	1.01	60	0.18
Nippon EGalv	-	-	-	-	-	-	-	-	1,523	4.56
TGO	79	0.40	114	0.45	387	1.31	293	1.00	721	2.16
	654	3.31	3,771	14.77	6,530	22.05	7,682	26.34	8,042	24.08
Processing										
TGSC (Service Centre)	12,283	62.22	12,352	48.38	11,818	39.90	13,789	47.28	11,451	34.30
Investment holding										
TGG	-	-	-	-	-	-	-	-	-	-
FI	90	0.46	90	0.35	90	0.30	108	0.37	108	0.32
	90	0.46	90	0.35	90	0.30	108	0.37	108	0.32
Sub-total	19,730	99.94	25,530	100.00	29,417	99.33	28,990	99.39	31,048	92.99
Less: Elimination	12	0.06	-	-	198	0.67	177	0.61	2,340	7.01
Total	19,742	100.00	25,530	100.00	29,615	100.00	29,167	100.00	33,388	100.00

Segmental analysis for gross profit by geographical location and material are not available as the breakdown of gross profit by geographical location and materials are not readily available for our Group.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)
(iv) Analysis of PBT by Activity/Company

	←----- Proforma Group ----->									
	FYE 31.12.05		FYE 31.12.06		FYE 31.12.07		FYE 31.12.08		FYE 31.12.09	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trading										
TGH	1,761	22.57	2,942	27.80	5,806	48.37	549	6.86	4,217	40.19
TGPM	1	0.01	(1)	(0.01)	(36)	(0.30)	4	0.05	(1)	(0.01)
SPI	(7)	(0.09)	190	1.80	123	1.02	47	0.59	15	0.14
SI	-	-	-	-	234	1.95	(163)	(2.04)	(236)	(2.25)
	1,755	22.49	3,131	29.58	6,126	51.03	437	5.46	3,995	38.07
Manufacturing										
TGSC (Pipes Division)	48	0.61	911	8.61	940	8.24	2,377	29.72	1,961	18.72
TGMI	90	1.15	(190)	(1.80)	(411)	(3.42)	(78)	(0.97)	(149)	(1.42)
Nippon EGalv	-	-	(14)	(0.13)	(71)	(0.59)	(2,509)	(31.37)	(2,397)	(22.85)
TGO	83	1.06	190	1.80	90	0.75	(582)	(7.28)	(202)	(1.93)
	221	2.83	897	8.47	548	4.80	(792)	(9.90)	(787)	(7.51)
Processing										
TGSC (Service Centre)	5,626	72.11	5,871	55.47	3,409	29.89	7,965	99.58	6,108	58.29
Investment holding										
TGG	-	-	(12)	(0.11)	(21)	(0.17)	(58)	(0.73)	(58)	(0.56)
F1	26	0.33	25	0.24	26	0.22	45	0.56	4	0.04
	26	0.33	13	0.12	5	0.05	(14)	(0.17)	(54)	(0.51)
Sub-total	7,628	97.76	9,912	93.65	10,088	84.05	7,597	94.98	9,577	91.28
Share of results of associate	444	5.69	1,034	9.77	1,615	13.45	279	3.48	(155)	(1.48)
Less: Elimination/ Adjustment	(269)	(3.45)	(362)	(3.42)	(297)	15.95	122	1.54	1,070	10.20
Total	7,803	100.00	10,584	100.00	11,406	100.00	7,998	100.00	10,492	100.00

Segmental analysis for PBT by geographical location and material are not available as the breakdown of PBT by geographical location and materials are not readily available for our Group.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2.2 Commentary on Past Proforma Operating Results**(i) FYE 31 December 2005**Revenue

During the FYE 31 December 2005, our Group's revenue increased by 15.49% from RM154.3 million recorded in the FYE 31 December 2004 to RM178.2 million. This is in tandem with the growth in the manufacturing and construction industry. TGH and TGSC contributed RM18.00 (net of inter-company sales) million and RM4.82 (net of inter-company sales) million respectively to the revenue of the Group. During the year, we also commenced the manufacturing and sale of stainless steel tubes and pipes under the trade mark of Superinox™ through TGSC and SP1, respectively. Our diversification into stainless steel tubes and pipes enables the Group to enhance the gross profit margin as our Management regards stainless steel to be a niche market that could eventually provide further downstream diversification opportunities. Our manufacturing of stainless steel pipes and tubes contributed RM1.14 (net of inter-company sales) million to the Group's revenue.

Gross Profit

There is a decrease in the gross profit for the FYE 31 December 2005 to RM19.74 million as compared to RM21.59 million in the previous financial year. The gross profit margin was lower at 11.08% as compared to FYE 31 December 2004 of 14.00% as a result of the market correction of the selling price after the situation of excess demand over supply of steel products noted in 2004 was partly mitigated.

Operating Expenses

For the FYE 31 December 2005, our operating cost amounted to RM9.47 million as compared to RM8.44 million of FYE 31 December 2004. This is mainly a result of increases in distribution costs due to higher sales and also partly due to the increase in transportation costs caused by higher petrol price. Financing cost increased from RM2.33 million to RM3.72 million mainly attributable to higher utilisation of borrowings

PAT

Our PAT decreased from RM9.14 million to RM6.19 million in the FYE 31 December 2005. This decrease was due to dropped in gross profit. Our effective tax rate for the FYE 31 December 2005 of 20.70% is lower than the statutory tax rate of 28% mainly due to availability of reinvestment allowances to our Group.

(ii) FYE 31 December 2006Revenue

During the FYE 31 December 2006, our Group's revenue increased by 18.33% from RM178.24 million recorded in the FYE 31 December 2006 to RM210.91 million. This is mainly because we enjoy full year's worth of sales of stainless steel pipes and tubes under the Superinox™ brand. The revenue contributed from this division is about RM21.36 (net of inter-company sales) million. In addition, sales volume also increased due to the strong demand for steel products boosted by robust property development projects in most parts of the country as well as the region. As a result, TGH revenue is increase by RM6.44 (net of inter-company sales) million and TGSC's sales to third parties of processed products has also increase by RM3.97 (net of inter-company sales) million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Gross Profit

There is a corresponding increase in the gross profit for the FYE 31 December 2006 to RM25.53 million as compared to RM19.74 million in the previous financial year. The gross profit margin was 12.11% as compared to the gross profit margin for the FYE 31 December 2005 of 11.08%.

Operating Expenses

For the FYE 31 December 2006, our operating cost amounted to RM11.51 million as compared to RM9.47 million of FYE 31 December 2005. This is mainly a result of allowance for doubtful debts of RM0.85 million and listing expenses of RM0.63 million written off during the year. Financing cost rose from RM3.72 million to RM5.57 million mainly due to increase in interest expenses as a result of bank borrowings draw down to finance the acquisition of land and factory building by TGSC, acquisition of plant and machinery by our Group and purchase of raw materials.

PAT

Our PAT increased from RM6.19 million to RM8.72 million in the FYE 31 December 2006. This increase was due to increase in gross profit and lower offsets by increases in operating cost and interest expense as compared to the increased level of sales and gross profits. Our effective tax rate for the FYE 31 December 2006 of 17.67% is lower than the statutory tax rate of 28% mainly due to availability of reinvestment allowances to our Group.

(iii) FYE 31 December 2007Revenue

During the FYE 31 December 2007, our Group's revenue increased by 13.63% from RM210.91 million recorded in the FYE 31 December 2006 to RM239.66 million. This is attributable to the increase in sales of stainless steel tubes and pipes during the financial year from RM22.50 million to RM40.86 million which is attributable to our venture into overseas market and support from local customers. Our export sales to Vietnam and Indonesia amounted to RM9.50 million and an additional new local customer has contributed RM9.00 million to our revenue. Furthermore, TGO also began manufacturing cold drawn and polished stainless steel bar in the financial year and the manufacturing of steel bar contributed RM8.57 million to the Group's revenue.

Gross Profit

There is a corresponding increase in the gross profit for the FYE 31 December 2007 to RM29.61 million as compared to RM25.53 million in the previous financial year. The gross profit margin was 12.36% is akin the gross profit margin for the FYE 31 December 2006 of 12.11%. The higher gross profit margin in the financial year was achieved due to economies of scale production for our stainless steel pipes production.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Operating Expenses

For the FYE 31 December 2007, our operating cost amounted to RM12.52 million as compared to RM11.83 million of FYE 31 December 2006. This is mainly a result of foreign exchange losses incurred in the year which amounted to RM0.45 million coupled with the loss on dilution of interest in NIMS (from 40% to 25%) of RM0.32 million. Financing cost increased from RM5.56 million to RM8.21 million mainly attributable to the increase in interest cost of stainless steel machinery being charged (which were capitalised prior to the completion of the setup of the machinery) and additional interest incurred for the borrowings raised for the acquisition of our headquarters.

PAT

Our PAT increased from RM8.73 million to RM9.08 million in the FYE 31 December 2007. This marginal increase was due to increase in gross profit but was thereafter set off by higher financing costs. Our effective tax rate for the FYE 31 December 2007 of 20.38% is lower than the statutory tax rate of 27% mainly due to availability of reinvestment allowances to our Group.

(iv) FYE 31 December 2008Revenue

For the FYE 31 December 2008, our Group's revenue increased by RM32.94 million or 13.74% to RM272.60 million. The increase in revenue was mainly attributable to favourable steel prices which contributed to the increase in sales value generated in the first half of the financial year. As a result, the revenue of TGH, TGSC and TGO has shown increment of RM12.19 (net of inter-company sales) million, RM9.56 (net of inter-company sales) million and RM0.14 million respectively. Our overseas market for stainless steel tubes and pipes has also increase by RM5.94 million mainly from export to United States of America and Australia. This new market is an addition to our existing exports within the South East Asian region.

Gross Profit

The gross profit generated for the FYE 31 December 2008 remained flattish at RM29.17 million as compared to the previous financial year. The increase in steel prices has directly increased the cost of production and to maintain our profitability, most of these cost hikes were passed on to our customers. Additionally, our Group experienced an exceptional write down in the carrying amount of our inventories, in particular, stainless steel products due to the fall in stainless steel prices in the final quarter of the financial year. The write down involved an amount approximating RM3.3 million. As a result of the write down, our gross profit margin decreased from 12.36% in FYE 31 December 2007 to 10.70% in the current year under review.

Operating Expenses

Our operating expenses for the FYE 31 December 2008 amounted to RM15.15 million which is mainly due to pre-operating expenses incurred by Nippon EGalv amounting to RM1.8 million. Administrative expenses and distribution costs remained in line with the expenses allocation in the FYE 31 December 2007. The base lending rate has decreased in the financial year and hence only resulting in a marginal increase in the financing cost from RM8.21 million to RM8.23 million despite higher trade financing incurred.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

PAT

Despite an increase in revenue, the FYE 31 December 2008 saw an increase in steel prices in the first half of the financial year and coupled with the exceptional write down of inventories in the second half of the financial year, the PAT for the FYE 31 December 2008 decreased from RM9.08 million to RM3.89 million. The Group's PAT was also affected by the lower share in the profits of associated companies which decreased by approximately 87.42%. Our effective tax rate for the FYE 31 December 2008 is 51.36% and is higher than the statutory tax rate of 26% mainly due to the RM1.56 million of income taxes incurred for prior years upon the completion of the tax audit and pre-operating expenses of Nippon EGalv not allowable for tax deductions.

(v) FYE 31 December 2009Revenue

In the FYE 31 December 2009, our Group experienced lower revenue generated which amounted to RM225.37 million or a decrease of 17.33% from the previous financial year under review. The decrease in revenue was mainly attributable to lower steel prices as compared to the higher prices recorded in 2008. As a result, TGSC's revenue generated from processing activities reduced by RM48.61 (net of inter-company sales) million, whilst TGH's revenue dropped RM24.59 (net of inter-company sales) million. In addition, sales from our stainless steel tubes and pipes division decreased by RM9.05 million and TGO's revenue decreased by RM2.46 million. However, the decreases has been offset by contribution from the Group's new manufacturing division which is the manufacturing of Electro-Galvanised coils which contributed RM37.42 million to the Group's revenue.

Gross Profit

Nonetheless, the gross profit generated for the FYE 31 December 2009 improved from RM29.17 million to RM33.39 million represented by an increase of 14.47% from FYE 31 December 2008. This is attributable to the contribution of approximately RM1.5 million from Nippon EGalv which commenced operation during the year and there was no exceptional write-down during the year. As such, the Group was able to achieve higher gross profit margin of 14.81% as compared to 10.70% in the previous financial year.

Operating Expenses

Our operating expenses for the FYE 31 December 2009 amounted to RM16.36 million which is mainly a resultant of depreciation of software and renovation costs amounting to approximately RM0.6 million in addition to the expense incurred in relation to the Listing. Financing cost increased from RM8.23 million to RM8.39 million mainly attributable to higher interest expenses incurred as a result of expensed (rather than capitalised) interest incurred by Nippon EGalv during the financial year.

PAT

The PAT for the FYE 31 December 2009 increased by 76.61% from RM3.89 million to RM6.87 million due to the higher gross profit margin enjoyed by the Group. Our effective tax rate for the FYE 31 December 2009 is 34.42% and is higher than the statutory tax rate of 25% due to deferred tax assets not recognised.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

(vi) General information for the FYE 31 December 2005 to 31 December 2009

Impact from foreign currency exposure

We are exposed to foreign exchange fluctuation risks as approximately 34% of our raw materials are mainly transacted in USD. As such, we are exposed to foreign currency exchange losses or gains arising from timing differences. Any appreciation or depreciation of USD against the RM will result in our Group incurring foreign currency exchange losses or gains due to revaluation of these foreign currencies.

The foreign exchange gains recorded in the financial statements for the FYE 31 December 2005 to 2009 are as follows:

	< --- Proforma Group for the FYE 31 December --- >				
	2005	2006	2007	2008	2009
	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain, net	39	363	138	361	448

Impact from interest rates fluctuations

We have a gearing of 1.64 times as at 31 December 2009 and all our borrowings are interest bearing obligations with approximately 99% of these borrowings on variable rates. The Bank Negara Malaysia has raised the Overnight Policy Rate by 0.25% to 2.25% so far this year and is expected to raise it further to be able to curb the economy from overheating. Any interest rate hikes will affect businesses and in light of this, we will monitor and plan our capital expenditure and financing options accordingly and weigh our viable options for each funding requirement at any point in time. In addition, we will be using proceeds raised from the Public Issue to reduce our borrowing as explained in Section 3.10 of this Prospectus.

Please also refer to Section 12.4.3 of this Prospectus for further information on our Group's borrowings.

Save as mentioned above, there was no material impact of fluctuations in foreign currency exchange rates and interest rates on operating profits of our Group in the relevant financial years under review.

Impact from commodity prices

For the FYE 31 December 2007 to 2009, our Group's financial performances were affected by the string of price fluctuation of steel and crude oil prices. Steel which forms a major part of our inventory and cost of production rose quite substantially from RM2,100 per tonne in 3rd quarter of 2007 and reached a high of about RM3,800 per tonne by 3rd quarter of 2008. Steel prices experienced a massive surge in the beginning of 2008 but suffered a sharp price correction in the 2nd half of the year. Steel prices dropped to a low of about USD900 per tonne in 1st quarter of 2009 and hovered at around USD600 per tonne at the end of 2009. In the FYE 31 December 2008, our Group experienced a write down of steel related inventories to its net realisable value which had cost us approximately RM3.3 million decrease in our operating profits for FYE 31 December 2008.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Impact of Inflation

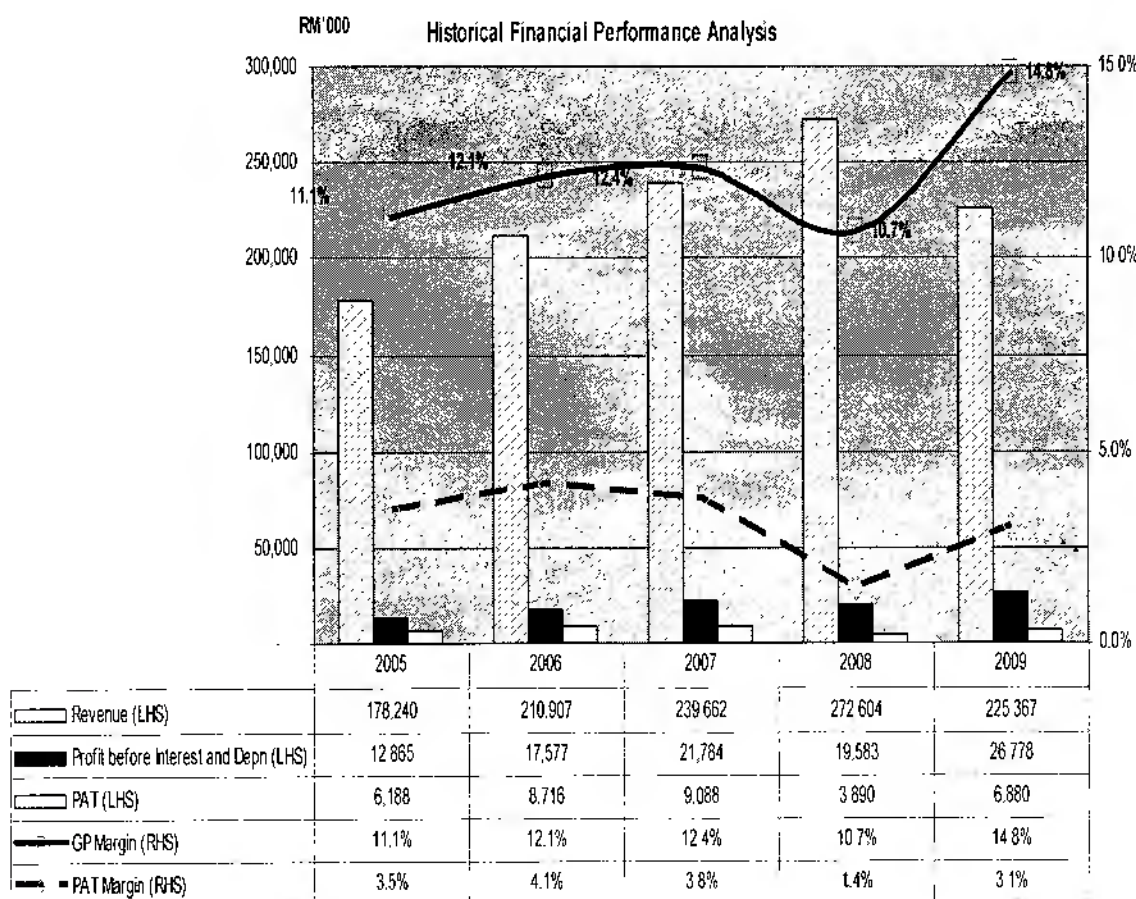
There was no material impact of inflation on operating profits of our Group in the relevant financial years under review as most cost increases are passed through to our customers.

Government, Economic, Fiscal or Monetary Policies

There is no government, economic, fiscal or monetary policies or factors that have materially affect the Group's operations and financial performance. There are risks relating to political, economic, governmental and regulatory policies which may affect our business and financial performance and these risks are set out in Section 4.1.11 of this Prospectus.

Save for the potential increases in interest rates as set out above, there are no other material impact from monetary policy that could affect the Group's operations and financial performance.

12.2.3 Significant Trends

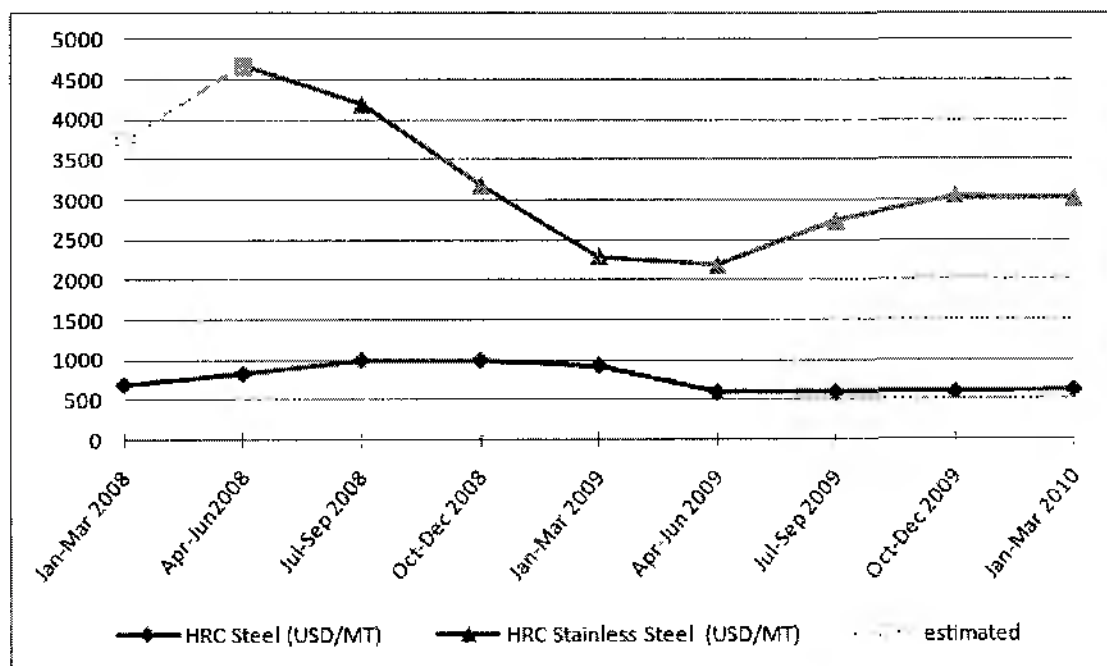


Revenue and Business and Financial Prospects

Our revenue as depicted above increased substantially in FYE 31 December 2008 as a result of the increase in steel and stainless steel prices in the financial year. The following are the general prices of hot rolled coil ("HRC") steel and HRC stainless steel for the past three (3) years:

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Estimated HRC and HRC Stainless Steel Prices (Global), 2008 – 1st quarter of 2010



(Source: Frost and Sullivan)

Additionally, the commencement of Nippon EGalv's operation in 2009 producing new products such as EG steel coils as well as the introduction of 16 inches stainless steel pipes by TGSC has increased the overall production output by the Group in the year. Further, the global economy began to improve in 2009 which saw the return of the construction and manufacturing sectors which increased the output of steel and stainless steel products being produced. However, revenue was lower than that in FYE 31 December 2008 as a result of lower steel prices which fell in the fourth quarter of 2008 depicted by the chart above.

According to the demand and supply conditions set out in Section 6.8 and 6.9 of this Prospectus, our Board believes that the demand for our products and services continues to be promising with increasing awareness of our Group's products and services as well as the anticipation of increase in the demand of steel products. In view of the industry outlook and our Group's future plans, we expect our business to expand further in the future and venture into the various industries which utilise our products and services such as automotive, building and construction and E & E industry. Please refer to Section 5.10 of this Prospectus on our Group's future plans, strategies and prospects and Section 16 of this Prospectus for the summary of the Independent Market Research report for further information.

Cost and Selling Price

For the past five (5) financial years up to the FYE 31 December 2009, the prices of steel raw materials have accelerated in the FYE 31 December 2008 but thereafter, have decreased in the later part of FYE 31 December 2008 as shown in the chart above. In the FYE 31 December 2009, prices of steel have increased again but not to the peak level achieved in 2007. The selling prices of our products for the past five (5) financial years up to FYE 31 December 2009 have been adjusted frequently to take into consideration the fluctuations in the prices of raw materials which were increased due to shortage as well as various other factors such as increase in prices of crude oil over the period under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Production

Our Group has spent approximately RM134.18 million in the past five (5) financial years for the purchase of a full set of manufacturing facilities for the manufacturing of cold drawn/polished carbon steel/ stainless steel bars and the installation of the electro galvanising line.

The overall production capacity for cold drawn/polished carbon steel/ stainless steel bars is approximately 8,700 mt per annum. In addition, our Group's electro-galvanising line has a capacity of approximately 120,000 mt of EG steel coils per annum.

We have not experienced any production incapacity for the past five (5) FYE 31 December 2009.

Please refer to Section 5.5.8 of this Prospectus for further information on our production capacity.

Inventory

Our Group's inventories had increased significantly in the FYE 31 December 2007 and 2008 due to bulk purchases made towards year end to hedge against the anticipated further increase in steel price and in anticipation of the commencement of production by Nippon EGalv. However, there was an exceptional write down in inventories in FYE 31 December 2008 due to an overall lower price for steel in the financial year. In the FYE 31 December 2009, the level of inventories increased as a result of lower inventories write down recorded for the financial year as compared to FYE 31 December 2008. Our inventory turnover periods were in the range of four (4) to six (6) months from the FYE 31 December 2005 to 2009.

Please refer to Section 12.5.3 of this Prospectus for further information on our inventory.

State of Order Book

As at the Latest Practicable Date, the order book of our Group is approximately RM50.59 million.

Going forward, we are confident that our Group's order book will remain strong as we have earned the confidence and recognition of customers due to our track record of delivering products that are of consistent high quality in a prompt manner as well as satisfying the stringent requirements of our customers.

12.3 DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE OF OUR GROUP

Save as disclosed in this Prospectus, the Directors of TGG are of the view that the financial performance, position and operations of our Group are not affected by any of the following:

- (i) unusual, infrequent events or transactions or significant economic changes that have materially affected the financial performance, position and operations of our Group;
- (ii) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group; and
- (iii) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

Our Group generally finances its growth and operations mainly through a combination of shareholders' equity, internally generated funds and banking facilities provided by its principal bankers. The principal uses of our working capital are to purchase raw materials as well as to meet operational expenses. Our Group typically maintains a positive working capital balance.

As at the Latest Practicable Date, our Group's total current assets amounted to approximately RM180.91 million comprising of inventories, trade receivables and cash and bank balances. In addition, the total banking facilities available to our Group as at the Latest Practicable Date is approximately RM210.79 million of which RM169.35 million have been utilised. Further details of our Group's borrowing are set out in Section 12.4.3 below.

The Directors of TGG are of the opinion that, after taking into account the cash flow position of our Group, banking facilities available and the proceeds to be raised from the Public Issue to ease our cashflow towards financing charges, our Group will have adequate working capital for our present and foreseeable requirements for a period of twelve (12) months from the date of this Prospectus.

12.4.2 Proforma Group Cash Flow Summary

A summary of the proforma Group cash flow, based on our Group's proforma consolidated cash flow statement for the FYE 31 December 2009, is set out below:

Proforma Group	FYE 31 December 2009 RM'000
Net cash generated from operating activities	26,803
Net cash used in investing activities	(31,503)
Net cash generated from financing activities	22,771
Net increase in cash and cash equivalents	18,071
Cash and cash equivalents brought forward	(3,850)
Cash and cash equivalents carried forward	14,221

Note:

Cash and cash equivalents (excluding pledged fixed deposits of RM9.26 million) comprise cash and bank balances and bank overdrafts of RM18.66 million and RM4.44 million, respectively.

Net cash generated from operating activities

For the FYE 31 December 2009, we generated net cash inflow of approximately RM26.80 million from operating activities, comprised mainly receipts from customers. Included in the operating cash flows were income tax paid during the year, amounted to RM2.86 million.

Net cash used in investing activities

Net cash outflow of approximately RM31.50 million used in investing activities was mainly due to the purchase of property, plant and equipment.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Net cash generated from financing activities

Net cash inflow of approximately RM22.77 million generated from financing activities was mainly attributable to the proceeds from the sale of approximately 25% of Nippon EGalv to minority shareholders of RM16.50 million and the drawdown of short term borrowing amounting to RM15.21 million.

Further details pertaining to the proforma Group cash flow are set out in Section 10.3 of this Prospectus.

12.4.3 Borrowings

As at the Latest Practicable, the total outstanding interest-bearing borrowings of our Group (all of which are local) are as follows:

	Note	Proforma Group		Total RM'000
		Payable within twelve (12) months RM'000	Payable after twelve (12) months RM'000	
Secured				
Bank overdrafts	(i)	3,268	-	3,268
Bankers' acceptances	(ii)	87,723	-	87,723
Trust receipts	(iii)	13,653	-	13,653
Term loans	(iv)	4,185	30,021	34,206
Finance leases	(v)	2,692	4,409	7,101
		111,521	34,430	145,951
Unsecured				
Bank overdrafts	(i)	920	-	920
Bankers' acceptances	(ii)	26,315	-	26,315
Trust receipts	(iii)	11,688	-	11,688
		38,923	-	38,923
Total		150,444	34,430	184,874

Notes:

- (i) Bank overdraft obtained for working capital purposes.
- (ii) Banker's acceptance obtained for working capital purposes.
- (v) Trust receipt obtained for working capital purposes.
- (vi) Term loan was obtained to finance the acquisition of plant and machinery as well as factory building.

As at the Latest Practicable Date, our Group does not have any non-interest bearing borrowings or foreign borrowings.

There has not been any default by our Group on payments of either interest and/or principal sums in respect of its borrowings throughout the FYE 31 December 2009 and the subsequent period up to the Latest Practicable Date.

To the best of our Directors' knowledge, as at the Latest Practicable Date, neither we nor our subsidiary companies are in breach of any terms and conditions or covenants associated with credit arrangements or bank loans, which can materially affect our financial position and results or business operations, or the investment by holders of our securities.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The proforma Group's gearing ratio for the past five (5) FYE 31 December 2005 to 31 December 2009 are as follows:

	Proforma Group				
	FYE	FYE	FYE	FYE	FYE
	31.12.05	31.12.06	31.12.07	31.12.08	31.12.09
	RM'000	RM'000	RM'000	RM'000	RM'000
Total borrowings	96,817	110,826	149,185	171,822	188,917
Shareholders' funds	71,713	71,713	72,140	75,730	115,387
Gearing ratio (times)	1.35	1.55	2.07	2.27	1.64

12.5 KEY FINANCIAL RATIOS

12.5.1 Trade Receivables

A summary of trade receivables of the proforma Group for the past five (5) FYE 31 December 2005 to 31 December 2009 is set out below:

	Proforma Group				
	FYE	FYE	FYE	FYE	FYE
	31.12.05	31.12.06	31.12.07	31.12.08	31.12.09
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	50,764	56,128	57,744	53,908	56,889
Turnover	178,240	210,907	239,662	272,603	225,368
Percentage of trade receivables to turnover (%)	28.48	26.61	24.09	19.78	25.24
Trade receivables turnover period (months)	3.42	3.19	2.89	2.37	3.03

Generally, the normal credit period granted by our Group to its customers is between 2 to 3 months. However, in practice, most customers took up to approximately 3 months to remit payment. Our net trade receivables turnover periods for the financial years under review had increased to 3.03 months which is in line with our Group's credit period granted to customers.

Our Board is of the opinion that the trade receivables turnover periods are reasonable. We have not experienced any instances of significant bad debts for the financial years under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

As at 31 December 2009, the trade receivables of our Group amounted to approximately RM56.89 million which can be analysed as follows:

	Within credit period			Exceeding credit period Over 91 days	Total
	0 – 30 days	31 – 60 days	61 – 90 days		
Trade receivables (RM'000)	20,234	14,841	14,434	7,380	56,889
% of total trade receivables	35.57	26.09	25.37	12.97	100.00

As at the Latest Practicable Date, approximately RM5.24 million of the total outstanding trade receivables exceeding the credit period of over 91 days as at 31 December 2009 has been collected.

12.5.2 Trade Payables

A summary of trade payables of the proforma Group for the past five (5) FYE 31 December 2005 to 31 December 2009 is set out below:

	Proforma Group				
	FYE 31.12.05 RM'000	FYE 31.12.06 RM'000	FYE 31.12.07 RM'000	FYE 31.12.08 RM'000	FYE 31.12.09 RM'000
Trade payables	30,538	23,308	20,947	28,324	44,584
Cost of sales	158,499	185,377	210,047	243,437	191,979
Percentage of trade payables to cost of sales (%)	19.27	12.57	9.97	11.64	23.22
Trade payables turnover period (months)	2.31	1.51	1.20	1.40	2.79

Generally, the normal credit period granted to us by our suppliers is between 2 to 3 months. The net trade payables turnover periods for the financial years under review increased to 2.79 months but remains within the credit period granted to us by our suppliers.

Trade payables closed on 31 December 2009 with a balance of RM44.58 million. The increase in the amount of trade payables over the financial years under review was a result of higher credit period granted by suppliers such as Acerinox (M) Sdn Bhd and Viray Profile Ltd which has changed their credit terms from document at sight to document against payment at 90 days.

Our Board is of the opinion that the trade payables turnover periods are reasonable.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

As at 31 December 2009, the trade payables of our Group amounted to approximately RM44.58 million which can be analysed as follows:

	< --- Within credit period --- >			Exceeding	Total
	0 – 30 days	31 – 60 days	61 – 90 days	credit period Over 91 days	
Trade payables (RM'000)	14,361	13,695	12,732	3,796	44,584
% of total trade payables	32.21	30.72	28.55	8.52	100.00

As at the Latest Practicable Date, approximately RM3.80 million of the total outstanding trade payables exceeding the credit period of over 91 days as at 31 December 2009. This is a result of good working relationships between TGH and its suppliers which have granted additional grace period of 30 days in addition to the normal credit period granted by these suppliers.

12.5.3 Inventories

A summary of inventories of the Proforma Group for the past five (5) FYE 31 December 2005 to 31 December 2009 is set out below:

	-----Proforma Group-----				
	FYE 31.12.05 RM'000	FYE 31.12.06 RM'000	FYE 31.12.07 RM'000	FYE 31.12.08 RM'000	FYE 31.12.09 RM'000
Raw materials and consumables	27,667	30,375	36,414	42,929	46,886
Manufacturing inventories	15,534	14,247	18,291	27,075	38,210
Trading inventories	11,621	9,547	16,927	15,478	12,955
	54,822	54,169	71,632	85,482	98,051
Cost of sales	158,499	185,377	210,047	243,437	191,979
Percentage of inventories to cost of sales (%)	34.59	29.22	34.10	35.11	51.07
Inventories turnover period (months)	4.15	3.51	4.09	4.21	6.13

Generally, the normal inventories turnover period of our Group is between 2 to 3 months. The net inventories turnover periods for the financial years under review increased from 3.51 months to 6.13 months, mainly due to the recovery of the selling price of stainless steel in the second half of 2009 which increased the value of inventories held at the end of the FYE 31 December 2009. Additionally, there was a reduction of the cost of sales in FYE 31 December 2009 by approximately 21.14% resulting from the sales of inventories which were impaired in the previous financial year. Higher level of stainless steel materials amounting to approximately RM9.70 million were also purchased for supply to projects in 2010.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Our Board is of the opinion that our inventories turnover periods are reasonable. We manufacture our products based on the orders and contracts secured from its customers. Accordingly, there are no slow moving inventories and obsolete inventories that need to be written down.

12.6 FINANCIAL INSTRUMENTS FOR HEDGING

As at the Latest Practicable Date, our Group does not use any financial instrument for hedging purposes.

12.7 MATERIAL LITIGATION, MATERIAL CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

12.7.1 Material Litigation

Save as disclosed in Section 17.4 of this Prospectus, neither the TGG nor its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the TGG and/or its subsidiary companies upon becoming enforceable and the Directors of TGG do not have any knowledge of any proceedings pending or threatened against TGG and/or its subsidiary companies or any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of TGG and/or its subsidiary companies.

12.7.2 Material Capital Commitments

Saved as disclosed below, as at the Latest Practicable Date, our Board is not aware of any material capital commitments incurred or known to be incurred by our Group, which upon become enforceable, may have a material impact on our financial position:

Company	Purpose	Outstanding Amount RM'000
TGSC	Purchase of a stainless steel forming machine for diameter 10 inch to 16 inch in 2008	1,276*
TOTAL		1,276

Note:

* Representing the final 10% of the purchase price of the financed acquisition of the machinery stated above.

The aforesaid commitment shall be financed using bank borrowings.

12.7.3 Contingent Liabilities

As at the Latest Practicable Date, our Group does not have any contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of our Group.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.8 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. Upon Listing, our Board may adopt a stable and sustainable dividend policy to allow our shareholders to participate in the profits of our Group while maintaining an optimal capital structure and ensuring sufficient funds for our future growth.

Investors should take note that the intention to have a dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which are subject to modification (including reduction or non-declaration) at our Board's absolute discretion.

Our ability to pay future dividends to our shareholders is subject to various factors including but are not limited to our financial performance, cash flow requirements, availability of distributable reserves, and capital expenditure plans.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends and other distributions that we receive from our subsidiary companies. The payment of dividends or other distributions by our subsidiary companies will depend on their operation results, financial condition, capital expenditure plans, loan covenants and other factors that their respective board of directors deem relevant.

12.9 FUTURE FINANCIAL INFORMATION

There will be no future financial information for the FYE 31 December 2010 which has been prepared for inclusion into this Prospectus.

Our Board is not aware of any material information or known facts with regards to our liquidity, capital resources and future results of operations that would reasonably have any material adverse effect on the financial condition and results of our Group which would make the historical information herein irrelevant to investors' evaluation.

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13. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

The Board of Directors
Tatt Giap Group Berhad
1617, Lorong Perusahaan Maju 6
Prai Industrial Estate 4
13600 Prai
Penang

Date : 22 JUN 2010

Dear Sirs,

TATT GIAP GROUP BERHAD ("TGG" or "The Company") ACCOUNTANTS' REPORT

1. INTRODUCTION

This report has been prepared by Messrs KPMG, an approved company auditor, for inclusion in the Prospectus of TGG in connection with the listing of TGG on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

2. GENERAL INFORMATION

2.1 COMPANY'S BACKGROUND

TGG was incorporated in Malaysia on 3 May 2006 under the Companies Act, 1965 as a private limited company under the name of Tatt Giap Group Sdn Bhd ("TGGSB"). On 4 May 2006, TGGSB was converted into a public limited liability company and assumed its present name.

TGG was incorporated as an investment holding company in conjunction with the listing of TGG and its subsidiaries and associate company (collectively known as "TGG Group" or "the Group") on the Main Market of Bursa Securities.

2.2 RESTRUCTURING AND LISTING

As an integral part of the listing of and quotation for the entire issued and paid-up capital of TGG on the Main Market of Bursa Securities, the Company undertook a listing scheme which was approved by the relevant authorities and entails the following :

2.2.1 Share Split

TGG sub-divided its issued and paid-up share capital of RM2 comprising two (2) ordinary shares of RM1 each into RM2 comprising four (4) ordinary shares of RM0.50 each.

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)



2.2 RESTRUCTURING AND LISTING (Cont'd)

2.2.2 Acquisitions

a) Tatt Giap Hardware Sdn. Bhd. ("TGH") Acquisition

Acquisition by TGG of the entire issued and paid-up share capital of TGH comprising 20,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM73,299,998 fully satisfied by the following:

- (i) RM42,499,998 fully satisfied by the issue of 84,999,996 new TGG Shares at RM0.50 per TGG Share; and
- (ii) RM30,800,000 fully satisfied by the issuance of 30,800,000 TGG nominal value of Irredeemable Convertible Unsecure Loan Stocks ("TGG ICULS") at 100% of its nominal value.

b) TG Oriental Steel Sdn. Bhd. ("TGO") Acquisition

Acquisition by TGG of the entire issued and paid-up share capital of TGO comprising 1,500,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,220,000 fully satisfied by the issue of 2,440,000 new TGG Shares at RM0.50 per TGG Share.

The TGH Acquisition and TGO Acquisition are collectively known as the Acquisitions.

The Acquisitions were completed on

2.2.3 Public Issue

Public issue of 14,560,000 new TGG Shares representing approximately 14.27% of the enlarged issued and paid-up share capital of TGG (prior to the conversion of the TGG ICULS), at the issue price of RM0.58 per TGG Share allocated and allotted in the following manner:

(a) Malaysian Public

6,000,000 new TGG Shares, representing approximately 5.88% of the enlarged issued and paid-up share capital of TGG (prior to the conversion of TGG ICULS), to be made available for application by the public, of which, to the extent possible, at least 50% is to be set aside for Bumiputera investors;

(b) Directors and employees of TGG and its subsidiaries

2,000,000 new TGG Shares, representing approximately 1.96% of the enlarged issued and paid-up share capital of TGG (prior to the conversion of TGG ICULS), to be reserved for the eligible Directors and employees of TGG and its subsidiaries; and

(c) Private placement

6,560,000 new TGG Shares, representing approximately 6.43% of the enlarged issued and paid-up share capital of TGG (prior to the conversion of TGG ICULS), to be placed by way of private placement to identified investors.

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)



2.2 RESTRUCTURING AND LISTING (Cont'd)

2.2.4 Offer for Sale

The Offer for Sale of 14,200,000 TGG Shares representing approximately 13.92% of the enlarged issued and paid-up share capital of TGG (prior to the conversion of TGG ICULS) at an offer price of RM0.58 per TGG Share reserved for Bumiputera and non-Bumiputera investors nominated by TGG and/or MITI and approved by the MITI, the breakdown of which are as follows:

- (i) 4,000,000 TGG Shares to be offered to identified investors;
- (ii) 10,200,000 TGG Shares to be offered to Bumiputera investors nominated by TGG and/or MITI and approved by the MITI; and
- (iii) RM10,000 nominal value of TGG ICULS at an offer price of 100% of the nominal value to the Malaysian public.

2.2.5 Listing

Admission of TGG to the Official List on the Main Market of Bursa Securities and listing of and quotation for the following on the Main Market of Bursa Securities :

- (i) the entire enlarged issued and paid-up share capital of TGG of RM51,000,000 comprising 102,000,000 TGG Shares;
- (iv) RM30,800,000 TGG ICULS; and
- (v) 53,103,448 new TGG Shares to be issued upon conversion of the TGG ICULS.

The above exercises were approved by the Securities Commission on 10 May 2010.

3. FINANCIAL STATEMENTS AND AUDITORS

The auditors of TGG Group for the financial years/period under review in this report are as follows :

Company	Financial year	Auditors
TGG	Financial years ended 31 December 2007 to 2009	KPMG
TGH and its subsidiaries	Financial years ended 31 December 2005 to 2009	KPMG
TGO	Financial years ended 31 December 2007 to 2009	KPMG
TGO	Financial years ended 31 December 2005 to 2006	Looi Soo Wah & Co.

13. ACCOUNTANTS' REPORT (*Cont'd*)

(Prepared for inclusion in this Prospectus)



3. FINANCIAL STATEMENTS AND AUDITORS (*Cont'd*)

For the purpose of this report, the audited financial statements of TGG, TGH and TGH and its subsidiaries ("TGH Group"), being the consolidated financial statements of TGH and its subsidiaries, namely Tatt Giap Steel Centre Sdn Bhd, Formosa Industries Sdn Bhd, Tatt Giap Perforated Metals Sdn Bhd, TGMI Industries Sdn Bhd, Superinox Pipe Industry Sdn Bhd, Superinox International Sdn Bhd and Nippon EGalv Steel Sdn Bhd (formerly known as E-Galv Steel Industry Sdn Bhd), for the financial years ended 31 December 2005 to 2009 are presented. The audited financial statements of the subsidiaries are not shown separately as the results of TGH Group itself formed more than 75% of the Proforma Group's profit before taxation for the financial years ended 31 December 2005 to 2009.

The auditors' reports of all the subsidiaries for the financial years under review were not subject to any qualification.

4. ACCOUNTING POLICIES AND STANDARDS

This report is prepared in accordance with applicable approved accounting standards in Malaysia and consistent with the accounting policies adopted by TGH Group for the financial year ended 31 December 2009, a summary of which is set out in Section 5 of this report.

There will be no significant changes in the accounting policies adopted by the TGH Group.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of preparation

(a) Statement of compliance

The Proforma Consolidated Statement of Assets and Liabilities of TGG Group has been prepared under the historical cost basis except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards ("FRS") and accounting principles generally accepted in Malaysia.

The Proforma Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Proforma Group:

FRS effective for annual periods beginning on or after 1 July 2009

- FRS 8, Operating Segments

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, Insurance Contracts *
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements
- FRS 123, Borrowing Costs (revised)
- FRS 139, Financial Instruments: Recognition and Measurement

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 Basis of preparation (*Cont'd*)

(a) Statement of compliance (*Cont'd*)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate *
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations *
- Amendments to FRS 132, Financial Instruments: Presentation and FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation *
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
- 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 *

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, First-time Adoption of Financial Reporting Standards (revised) #
- FRS 3, Business Combinations (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
- Amendments to FRS 2, Share-based Payment #
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 12, Service Concession Agreements
- 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, Distribution of Non-cash Assets to Owners #
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

The Proforma Group and the Company plan to apply the abovementioned standards, amendments and interpretations :

- from the annual period beginning 1 January 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, except for those marked “*” which are not applicable to the Proforma Group and the Company; and

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010, except for those marked “#” which are not applicable to the Proforma Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed below.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency.

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the inventories written down in the financial years ended 31 December 2008 and 31 December 2009.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Proforma Group entities.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Proforma Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

(b) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Proforma Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

(ii) *Associates*

Associates are entities, including unincorporated entities, in which the Proforma Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method. The consolidated financial statements include the Proforma Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Proforma Group, from the date that significant influence commences until the date that significant influence ceases.

When the Proforma Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Proforma Group has an obligation or has made payments on behalf of the investee. Investments in associates are stated in the Company's balance sheet at cost less any impairment losses.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (*Cont'd*)

(iii) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Proforma Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Proforma Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Proforma Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Proforma Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Proforma Group reserves.

(iv) *Minority interest*

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Company.

Minority interest in the results of the Proforma Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Proforma Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Proforma Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Proforma Group has been recovered.

(v) *Transactions eliminated on consolidation*

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

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses. During the financial year ended 31 December 2009, the Proforma Group and the Company changed their accounting policy to state plant and equipment at valuation. Prior to 2009, only land and buildings of the Proforma Group and the Company were carried at valuation.

The Proforma Group and the Company revalue their properties, plant and equipment every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Proforma Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other operating income" or "other operating expenses" respectively in the income statements. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Proforma Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Proforma Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The principal annual rates used for the current and comparative periods are as follows :

	%
Buildings	2 - 10
Plant, machinery, tools and moulds	3 - 20
Furniture, fittings and equipment	10 - 40
Motor vehicles	20
Renovation	10

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(d) Leased assets

(i) Finance lease

Leases in terms of which the Proforma Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leased assets (*Cont'd*)

(ii) *Operating lease*

Leases, where the Proforma Group does not assume substantially all the risks and rewards of the ownership are classified as operating lease and the leased assets are not recognised on the Proforma Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Leasehold land were revalued on 31 December 2007 and the Proforma Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when it first adopted FRS 117, *leases in 2005*.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(e) **Intangible assets**

(i) *Goodwill*

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

With the adoption of FRS 3 by the Proforma Group and the Company in financial year 2008, goodwill arising on business acquisitions after the adoption of FRS 3 represents the excess of the cost of the acquisition over the Proforma Group's interest in the net fair value of the identifiable assets, liabilities and *contingent liabilities of the acquiree*.

Any excess of the Proforma Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

For acquisitions prior to the adoption of FRS 3, goodwill represents the excess of the cost of the acquisition over the Proforma Group's interest in the fair values of the net identifiable assets and liabilities.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible assets (Cont'd)

(ii) Software costs

Software costs acquired separately are measured on initial recognition at cost. Following initial recognition, software costs are carried at cost less any accumulated amortisation and any accumulated impairment losses. Software costs are assessed to have a finite life and are amortised on a straight-line basis over the estimated economic useful life of 2.5 years.

(f) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition :

- Investments in non-current equity securities other than investments in subsidiaries and associate, are stated at cost less allowance for diminution in value, and
- All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries and associate, the allowance for diminution in value is recognised as an expense in the financial period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- a) the recognition of an asset on the day it is received by the entity, and
- b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of assets

The carrying amount of assets, other than inventories and financial assets (other than investments in subsidiaries and associate), 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. For goodwill that has indefinite useful lives, the recoverable amount is estimated usually at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the period in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus.

Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. 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) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(l) Provisions

A provision is recognised if, as a result of a past event, the Proforma Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Proforma Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Proforma Group recognises any impairment loss on the assets associated with that contract.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) **Contingent liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(n) **Loans and borrowings**

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

(o) **Revenue recognition**

(i) ***Goods sold***

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) ***Dividend income***

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

(iii) ***Rental income***

Rental income from investment property is recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(q) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

Unutilised reinvestment allowance is treated as tax base of assets and is recognised as a reduction of tax expense as and when they are utilised.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)



5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits

Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus plans if the Proforma Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Proforma Group's contributions to statutory pension funds are charged to the income statements in the period to which they relate. Once the contributions have been paid, the Proforma Group has no further payment obligations.

(s) Segment report

A segment is a distinguishable component of the Proforma Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(t) Non-current assets classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that is expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Proforma Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Proforma Group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



6. INCOME STATEMENTS

The income statements of TGG, TGH Group, TGH and TGO, based on the audited financial statements for the relevant financial years under review, are set out below :

TGG

	2006	2007	2008	2009
	RM	RM	RM	RM
Revenue	-	-	-	-
Administrative expenses	(11,867)	(20,674)	(58,428)	(12,843)
Loss before tax	<u>(11,867)</u>	<u>(20,674)</u>	<u>(58,428)</u>	<u>(12,843)</u>
Tax expense	-	-	-	-
Loss for the year	<u>(11,867)</u>	<u>(20,674)</u>	<u>(58,428)</u>	<u>(12,843)</u>
Dividend per ordinary share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of shares in issue	2	2	2	2
Gross loss per share (sen) ⁽¹⁾	(593,350)	(1,033,700)	(2,921,400)	(642,150)
Net loss per share (sen) ⁽²⁾	(593,350)	(1,033,700)	(2,921,400)	(642,150)
Gross profit margin (%)	*	*	*	*
Net profit margin (%)	*	*	*	*
Debtors' turnover period (months)	*	*	*	*
Creditors' turnover period (months)	*	*	*	*
Inventory turnover period (months)	*	*	*	*

* Not presented by virtue of TGG being an investment holding company

⁽¹⁾ Loss before tax over weighted average number of shares in issue

⁽²⁾ Loss for the year over weighted average number of shares in issue

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



6. INCOME STATEMENTS (Cont'd)

TGH Group

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Revenue	180,458,283	213,960,164	234,812,052	266,187,898	220,087,398
Cost of sales	(160,796,087)	(188,543,666)	(205,584,364)	(237,314,138)	(187,420,440)
Gross profit	19,662,196	25,416,498	29,227,688	28,873,760	32,666,958
Distribution costs	(2,963,030)	(3,851,099)	(3,853,539)	(4,099,685)	(3,840,051)
Administrative expenses	(6,286,972)	(6,705,275)	(7,014,066)	(7,773,237)	(8,935,468)
Other operating expenses	(405,524)	(1,097,733)	(1,233,097)	(2,460,245)	(2,705,225)
Other operating income	804,212	1,091,264	577,772	1,575,958	1,813,023
Results from operating activities	10,810,882	14,853,655	17,704,758	16,116,551	18,999,237
Finance costs	(3,641,799)	(5,480,852)	(8,003,779)	(7,815,602)	(8,150,618)
Operating profit	7,169,083	(9,372,803)	9,700,979	8,300,949	10,848,619
Share of profit/(loss) after tax and minority interest of equity accounted associate	616,624	1,436,088	1,614,566	278,913	(154,673)
Profit before tax	7,785,707	10,808,891	11,315,545	8,579,862	10,693,946
Tax expense	(1,769,631)	(2,215,400)	(2,265,191)	(4,066,364)	(3,542,703)
Profit for the year	6,016,076	8,593,491	9,050,354	4,513,498	7,151,243
Attributable to :					
Shareholders of the Company	6,016,076	8,593,491	9,050,354	4,795,453	7,384,443
Minority interest	-	-	-	(281,955)	(233,200)
Profit for the year	6,016,076	8,593,491	9,050,354	4,513,498	7,151,243
Weighted average number of ordinary share in issue	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Gross earnings per share (sen) ⁽¹⁾	38.93	54.04	56.58	42.90	53.47
Net earnings per share (sen) ⁽²⁾	30.08	42.97	45.25	23.98	36.92

⁽¹⁾ Profit before tax over weighted average number of shares in issue

⁽²⁾ Profit attributable to shareholders of the Company over weighted average number of shares in issue

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



6. INCOME STATEMENTS (Cont'd)

TGH (Company level)

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Revenue	77,447,501	84,784,920	85,887,398	95,613,082	71,334,048
Cost of sales	(70,764,396)	(75,879,095)	(76,085,404)	(89,443,382)	(61,164,115)
Gross profit	<u>6,683,105</u>	<u>8,905,825</u>	<u>9,801,994</u>	<u>6,169,700</u>	<u>10,169,933</u>
Distribution costs	(790,123)	(1,082,856)	(901,432)	(894,599)	(1,036,234)
Administrative expenses	(3,176,927)	(3,262,673)	(3,442,989)	(3,732,029)	(4,252,175)
Other operating expenses	(268,950)	(950,188)	(442,635)	(335,400)	(445,047)
Other operating income	778,971	756,166	2,386,306	1,021,065	1,148,356
Operating profit	<u>3,226,076</u>	<u>4,366,274</u>	<u>7,401,244</u>	<u>2,228,737</u>	<u>5,584,833</u>
Finance costs	(1,464,615)	(1,424,707)	(1,595,461)	(1,679,761)	(1,367,923)
Profit before tax	<u>1,761,461</u>	<u>2,941,567</u>	<u>5,805,783</u>	<u>548,976</u>	<u>4,216,910</u>
Tax expense	(536,940)	(1,020,556)	(1,261,066)	(840,136)	(1,512,064)
Profit/(Loss) for the year	<u>1,224,521</u>	<u>1,921,011</u>	<u>4,544,717</u>	<u>(291,160)</u>	<u>2,704,846</u>
Weighted average number of ordinary share in issue	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Gross earnings per share (sen) ⁽¹⁾	8.81	14.71	29.03	2.74	21.08
Net earnings per share (sen) ⁽²⁾	6.12	9.61	22.72	(1.46)	13.52

⁽¹⁾ Profit before tax over weighted average number of shares in issue

⁽²⁾ Profit/(Loss) for the year over weighted average number of shares in issue

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



6. INCOME STATEMENTS (Cont'd)

TGO

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Revenue	2,573,212	3,587,264	8,567,511	13,314,063	10,856,613
Cost of sales	(2,493,890)	(3,473,376)	(8,180,205)	(13,021,187)	(10,135,433)
Gross profit	<u>79,322</u>	<u>113,888</u>	<u>387,306</u>	<u>292,876</u>	<u>721,180</u>
Distribution costs	-	-	(31,499)	(15,305)	(20,658)
Administrative expenses	(155,054)	(175,171)	(391,846)	(803,749)	(856,751)
Other operating income	236,000	336,000	336,000	358,312	538,819
Operating profit/(loss)	<u>160,268</u>	<u>274,717</u>	<u>299,961</u>	<u>(167,866)</u>	<u>382,590</u>
Finance costs	(77,073)	(84,533)	(209,861)	(413,784)	(584,311)
Profit/(Loss) before tax	<u>83,195</u>	<u>190,184</u>	<u>90,100</u>	<u>(581,650)</u>	<u>(201,721)</u>
Tax expense	(18,215)	(56,227)	(59,566)	(41,160)	(68,623)
Profit/(Loss) for the year	<u>64,980</u>	<u>133,957</u>	<u>30,534</u>	<u>(622,810)</u>	<u>(270,344)</u>
Weighted average number of ordinary share in issue	650,000	650,000	883,333	1,500,000	1,500,000
Gross earnings/(loss) per share (sen) ⁽¹⁾	12.80	29.26	10.20	(38.78)	(13.45)
Net earnings/(loss) per share (sen) ⁽²⁾	10.00	20.61	3.46	(41.52)	(18.02)

⁽¹⁾ Profit/(Loss) before tax over weighted average number of shares in issue

⁽²⁾ Profit/(Loss) for the year over weighted average number of shares in issue

13. ACCOUNTANTS' REPORT (Cont'd)
 (Prepared for inclusion in this Prospectus)



7. DIVIDENDS

The dividends paid or declared by TGH for the years under review were as follows :

Financial year ended	Type of dividend	Gross dividend rate (%)	Gross dividend RM	Tax rate (%)	Net dividend RM
2005	Interim	2	400,000	28	288,000
2006	Interim	3	600,000	28	432,000
2007	Final	4	800,000	26	592,000
2008	Nil	-	-	-	-
2009	Final	2	300,000	25	225,000

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13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS

The balance sheets of TGG, TGH Group, TGH and TGO, based on the audited financial statements for the relevant financial years/period under review, are set out below:

TGG

	Note	2006 RM	2007 RM	2008 RM	2009 RM
Asset					
Prepayment		-	-	5,000	2,500
Cash at bank		2	193	153	113
Total current asset		<u>2</u>	<u>193</u>	<u>5,153</u>	<u>2,613</u>
Total asset		<u>2</u>	<u>193</u>	<u>5,153</u>	<u>2,613</u>
Equity					
Share capital	a	2	2	2	2
Accumulated losses		(11,867)	(32,541)	(90,969)	(103,812)
Total equity		<u>(11,865)</u>	<u>(32,539)</u>	<u>(90,967)</u>	<u>(103,810)</u>
Liability					
Payables and accruals	b	11,867	32,732	96,120	106,423
Total current liability		<u>11,867</u>	<u>32,732</u>	<u>96,120</u>	<u>106,423</u>
Total liability		<u>11,867</u>	<u>32,732</u>	<u>96,120</u>	<u>106,423</u>
Total equity and liability		<u>2</u>	<u>193</u>	<u>5,153</u>	<u>2,613</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGG (Cont'd)

Notes to balance sheet

a. *Share capital*

	2006	2007	2008	2009
	RM	RM	RM	RM
Ordinary shares of RM1.00 each				
Authorised	100,000	100,000	100,000	100,000
Issued and fully paid	2	2	2	2

b. *Payables and accruals*

	2006	2007	2008	2009
	RM	RM	RM	RM
Other payables	6,565	1,801	50,118	60,421
Accrued expenses	5,302	30,931	46,002	46,002
	11,867	32,732	96,120	106,423

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13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

		2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Assets						
Property, plant and equipment	a	33,723,002	38,462,239	84,021,254	109,686,749	181,480,008
Intangible assets	b	1,320,089	1,073,023	825,948	1,213,524	980,950
Prepaid lease payments	c	8,056,641	7,919,589	13,722,501	13,482,870	13,207,626
Investment in an associate	d	6,251,276	7,207,499	5,430,836	5,626,499	5,387,451
Other investments	e	198,400	198,400	198,400	198,400	198,400
Total non-current assets		49,549,408	54,860,750	104,198,939	130,208,042	201,254,435
Inventories	f	54,821,824	54,168,692	69,005,695	77,519,748	92,403,650
Receivables, deposits and prepayments	g	51,601,953	61,301,734	59,352,573	64,238,082	67,928,982
Current tax assets		109,485	25,485	369,144	1,058,182	662,060
Asset classified as held for sale	h	-	-	-	-	733,936
Cash and cash equivalents	i	9,044,943	10,375,106	10,986,186	10,519,757	10,900,283
Total current assets		115,578,205	125,871,017	139,713,598	153,335,769	172,628,911
Total assets		165,127,613	180,731,767	243,912,537	283,543,811	373,883,346
Equity						
Share capital	j	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Reserves	k	17,743,448	25,904,939	50,347,079	54,560,146	93,808,747
Total equity attributable to equity holders of the Company		37,743,448	45,904,939	70,347,079	74,560,146	113,808,747
Minority interest		-	-	-	1,708,431	4,044,905
Total equity		37,743,448	45,904,939	70,347,079	76,268,577	117,853,652
Liabilities						
Borrowings	l	13,857,741	15,604,970	31,594,173	29,966,595	29,503,678
Deferred tax liabilities	m	2,070,821	1,736,265	6,935,650	7,137,105	19,207,172
Total non-current liabilities		15,928,562	17,341,235	38,529,823	37,103,700	48,710,850
Payables and accruals	n	32,381,349	25,108,577	23,673,660	35,638,133	57,227,814
Borrowings	l	78,984,186	91,504,376	111,156,811	133,757,000	149,526,066
Current tax liabilities		90,068	872,640	205,164	776,401	564,964
Total current liabilities		111,455,603	117,485,593	135,035,635	170,171,534	207,318,844
Total liabilities		127,384,165	134,826,828	173,565,458	207,275,234	256,029,694
Total equity and liabilities		165,127,613	180,731,767	243,912,537	283,543,811	373,883,346

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet

a. Property, plant and equipment

	Valuation/ Cost RM	Accumulated depreciation RM	Impairment losses RM	Net book Value RM	Depreciation charge for the year RM
2005					
<i>At valuation</i>					
Freehold land	1,101,261	-	-	1,101,261	-
Buildings	19,838,795	1,592,412	-	18,246,383	276,436
<i>At cost</i>					
Plant, machinery, tools and moulds	17,685,314	6,396,750	84,666	11,203,898	1,313,772
Furniture, fittings and equipment	2,395,826	1,465,540	-	930,286	275,380
Motor vehicles	3,588,933	2,135,788	-	1,453,145	513,610
Renovation	883,582	95,553	-	788,029	35,254
Capital work-in-progress	-	-	-	-	-
	45,493,711	11,686,043	84,666	33,723,002	2,414,452

	Valuation/ Cost RM	Accumulated depreciation RM	Impairment losses RM	Net book Value RM	Depreciation charge for the year RM
2006					
<i>At valuation</i>					
Freehold land	1,101,261	-	-	1,101,261	-
Buildings	20,681,384	1,983,885	-	18,697,499	391,473
<i>At cost</i>					
Plant, machinery, tools and moulds	23,689,630	8,534,897	84,666	15,070,067	2,165,860
Furniture, fittings and equipment	2,542,115	1,624,651	-	917,464	178,922
Motor vehicles	3,982,125	2,643,208	-	1,338,917	507,420
Renovation	891,582	185,328	-	706,254	89,775
Capital work-in-progress	630,777	-	-	630,777	-
	53,518,874	14,971,969	84,666	38,462,269	3,333,450

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

a. Property, plant and equipment (Cont'd)

	Valuation/ Cost RM	Accumulated depreciation RM	Impairment losses RM	Net book Value RM	Depreciation charge for the year RM	Revaluation adjustment RM
2007						
<i>At valuation</i>						
Freehold land	1,296,000	-	-	1,296,000	-	-
Buildings	32,749,449	-	-	32,749,449	518,048	(1,467,386)
<i>At cost</i>						
Plant, machinery, tools and moulds	26,642,852	11,038,492	84,666	15,519,694	2,503,595	-
Furniture, fittings and equipment	5,453,402	1,801,889	-	3,651,513	177,238	-
Motor vehicles	5,051,564	3,092,063	-	1,959,501	664,289	-
Renovation	1,064,076	187,064	-	877,012	1,736	-
Capital work-in-progress	27,968,085	-	-	27,968,085	-	-
	100,225,428	16,119,508	84,666	84,021,254	3,864,906	(1,467,386)

	Valuation/ Cost RM	Accumulated depreciation RM	Impairment losses RM	Net book Value RM	Depreciation charge for the year RM
2008					
<i>At valuation</i>					
Freehold land	1,296,000	-	-	1,296,000	-
Buildings	32,749,449	670,785	-	32,078,664	670,785
<i>At cost</i>					
Plant, machinery, tools and moulds	27,458,724	13,636,915	84,666	13,737,143	2,598,423
Furniture, fittings and equipment	6,549,131	2,179,443	-	4,369,688	377,554
Motor vehicles	5,511,931	2,995,155	-	2,516,776	850,270
Renovation	1,236,026	300,870	-	935,156	113,806
Capital work-in-progress	54,753,322	-	-	54,753,322	-
	129,554,583	19,783,168	84,666	109,686,749	4,610,838

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGH Group****Notes to balance sheet (Cont'd)****a. Property, plant and equipment (Cont'd)**

	Valuation/ Cost RM	Accumulated depreciation RM	Impairment losses RM	Net book Value RM	Depreciation charge for the year RM
2009					
<i>At valuation</i>					
Freehold land	4,296,000	-	-	4,296,000	-
Buildings	31,990,027	1,289,813	-	30,700,214	644,514
Plant and equipment	112,617,137	3,052,500	-	109,564,637	3,052,500
<i>At cost</i>					
Plant, machinery, tools and moulds	7,622,427	1,758,724	84,666	5,779,037	3,097,076
Furniture, fittings and equipment	7,131,283	2,893,175	-	4,238,108	769,133
Motor vehicles	5,431,931	3,698,633	-	1,733,298	783,478
Renovation	3,561,267	699,849	-	2,861,418	343,578
Capital work-in-progress	22,307,296	-	-	22,307,296	-
	<u>194,957,368</u>	<u>13,392,694</u>	<u>84,666</u>	<u>181,480,008</u>	<u>8,690,279</u>

Property, plant and equipment under the revaluation model

The freehold land, buildings and plant and equipment of TGH Group was shown at Directors' valuation based on professional valuations carried out in April 2006, September 2008 and December 2009 respectively based on the open market value basis. The revaluation of the freehold land and buildings was effected on 31 December 2007 while the revaluation of the plant and equipment was effected on 31 December 2009.

Subsequent additions are shown at cost whilst disposals are at valuation or cost as appropriate.

Had the freehold land, buildings and plant and equipment been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued properties and plant and equipment that would have been included in the financial statements at the end of the year are RM 82,618,992 (2008: RM15,995,455; 2007: RM16,325,609; 2006: RM5,841,005; 2005: RM6,020,332).

Security

The freehold land, buildings, plant and equipment and capital work-in-progress of the Group with an aggregate carrying amount of RM169,065,770 (2008 : RM101,865,129; 2007: 52,674,218; 2006: RM25,083,618; 2005: RM10,819,815) are charged to banks for borrowings granted to TGH Group.

Leased plant and machinery

The net book value of plant, machinery, tools and moulds, motor vehicles and capital-in-progress includes an amount of RM9,293,706, RM1,385,345 and RM Nil (2008: RM8,416,490; RM2,379,690 and RM862,735; 2007: RM10,036,847; RM1,760,623 and RM Nil; 2006: RM10,194,275; RM1,253,435 RM Nil; 2005: RM5,965,465; RM1,330,319 and RM Nil) respectively representing assets acquired under finance lease instalments plans.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

b. Intangible assets

Cost	Goodwill RM	Software costs RM	Total RM
At 1 January 2005	2,243,697	-	2,243,697
Effect of adopting FRS 3	226,982	-	226,982
At January 2005 restated /31 December 2005 /31 December 2006	<u>2,470,679</u>	<u>-</u>	<u>2,470,679</u>
At 1 January 2007	2,470,679	-	2,470,679
Additions	-	581,436	581,436
Reclassification	(1,644,731)	-	(1,644,731)
At 31 December 2007/ 2008/ 2009	<u>825,948</u>	<u>581,436</u>	<u>1,407,384</u>
Amortisation			
At 1 January 2005	903,524	-	903,524
Amortisation	247,066	-	247,066
At 31 December 2005/ 1 January 2006	<u>1,150,590</u>	<u>-</u>	<u>1,150,590</u>
Amortisation	247,066	-	247,066
At 31 December 2006/ 1 January 2007	<u>1,397,656</u>	<u>-</u>	<u>1,397,656</u>
Amortisation	247,075	-	247,075
Reclassification	(1,644,731)	-	(1,644,731)
At 31 December 2007/ 1 January 2008	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation for the year	-	193,860	193,860
At 31 December 2008	<u>-</u>	<u>193,860</u>	<u>193,860</u>
Amortisation for the year	-	232,574	232,574
At 31 December 2009	<u>-</u>	<u>426,434</u>	<u>426,434</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

<i>b. Intangible assets</i>	Goodwill RM	Software cost RM	Total RM
Carrying amounts			
At 31 December 2005	1,320,089	-	1,320,089
At 31 December 2006	1,073,023	-	1,073,023
At 31 December 2007	825,948	-	825,948
At 31 December 2008	825,948	387,576	1,213,524
At 31 December 2009	825,948	155,002	980,950

Impairment testing for goodwill

The Group has determined the recoverable amount of the goodwill based on value in use calculations. The calculations were determined using the financial budgets and projected cash flows based on management's assessment of future trends.

In determining the recoverable amount of the goodwill, the projected cash flows were discounted using a pre-tax discount rate of 7%.

Assets under finance lease

The software costs are acquired under finance lease arrangements.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

c. Prepaid lease payments

	Leasehold land Unexpired period less than 50 years RM	Unexpired period than 50 years RM	Total RM
Cost			
At 1 January 2005	-	-	-
Effect of adopting FRS 117	5,765,282	2,875,500	8,640,782
At 1 January 2005, restated/ 31 December 2005/31 December 2006	<u>5,765,282</u>	<u>2,875,500</u>	<u>8,640,782</u>
At 1 January 2007	5,765,282	2,875,500	8,640,782
Addition	-	5,670	5,670
Revaluation	457,219	4,618,830	5,076,049
At 31 December 2007/ 2008/2009	<u>6,222,501</u>	<u>7,500,000</u>	<u>13,722,501</u>
Amortisation			
At 1 January 2005	-	-	-
Effect of adopting FRS 117	265,379	226,915	492,294
At 1 January 2005, restated	<u>265,379</u>	<u>226,915</u>	<u>492,294</u>
Amortisation for the year	49,511	42,336	91,847
At 31 December 2005/1 January 2006	<u>314,890</u>	<u>269,251</u>	<u>584,141</u>
Amortisation for the year	73,880	63,172	137,052
At 31 December 2006/1 January 2007	<u>388,770</u>	<u>332,423</u>	<u>721,193</u>
Amortisation for the year	37,754	148,238	185,992
Revaluation	(426,524)	(480,661)	(907,185)
At 31 December 2007/1 January 2008	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation for the year	70,935	168,696	239,631
At 31 December 2008/1 January 2009	<u>70,935</u>	<u>168,696</u>	<u>239,631</u>
Amortisation for the year	106,548	168,696	275,244
At 31 December 2009	<u>177,483</u>	<u>337,392</u>	<u>514,875</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

c. Prepaid lease payments (Cont'd)

	Leasehold land Unexpired period less than 50 years RM	Unexpired period than 50 years RM	Total RM
Carrying amounts			
At 31 December 2005/ 1 January 2006	5,450,392	2,606,249	8,056,641
At 31 December 2006/ 1 January 2007	5,376,512	2,543,077	7,919,589
At 31 December 2007/ 1 January 2008	6,222,501	7,500,000	13,722,501
At 31 December 2008/ 1 January 2009	6,151,566	7,331,304	13,482,870
At 31 December 2009	6,045,018	7,162,608	13,207,626

The leasehold land were shown at Directors' valuation based on professional valuations conducted in April 2006 based on the open market value basis. The revaluation was effected on 31 December 2007.

On adoption of FRS 117, Leases in 2005, TGH Group has retained the unamortised revalued amounts as the surrogate carrying amounts of the leasehold land in accordance with the transitional provision in FRS 117.67A.

Security

The leasehold land are charged to banks as security for borrowings granted to TGH Group.

d. Investment in an associate

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
At cost					
Quoted shares in Malaysia	3,600,000	3,600,000	2,250,000	2,250,000	2,250,000
Share of post-acquisition reserves	2,651,276	3,607,499	3,180,836	3,376,499	3,137,451
	<u>6,251,276</u>	<u>7,207,499</u>	<u>5,430,836</u>	<u>5,626,499</u>	<u>5,387,451</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

e. Other investments

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
At cost					
Quoted shares in Malaysia	<u>198,400</u>	<u>198,400</u>	<u>198,400</u>	<u>198,400</u>	<u>198,400</u>
Market value of quoted share	<u>100,000</u>	<u>201,000</u>	<u>175,000</u>	<u>174,000</u>	<u>149,900</u>

f. Inventories

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
At cost					
Raw materials	27,667,217	30,374,504	35,550,107	39,560,938	44,972,140
Consumables	-	-	-	925,457	-
Work-in-progress	-	-	-	54,108	-
Manufactured inventories	15,533,792	14,247,056	16,528,216	21,501,610	34,475,277
Trading inventories	11,620,815	9,547,132	16,927,372	15,477,635	12,956,233
	<u>54,821,824</u>	<u>54,168,692</u>	<u>69,005,695</u>	<u>77,519,748</u>	<u>92,403,650</u>

g. Receivables, deposits and prepayments

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Trade receivables					
- Associate	109,076	3,861	97,900	259,315	161,818
- Company in which certain Directors have a substantial financial interest	707,076	1,603,798	-	14,712	14,034
- External parties	50,009,791	55,511,487	55,846,162	52,778,801	56,232,812
	<u>50,825,943</u>	<u>57,119,146</u>	<u>55,944,062</u>	<u>53,052,828</u>	<u>56,408,664</u>
Amount due to from a company in which a Director has a substantial financial interest	-	-	1,372,856	8,536,325	6,797,985
Other receivables, deposits and prepayments	776,010	4,182,588	2,035,655	2,648,929	4,722,333
	<u>776,010</u>	<u>4,182,588</u>	<u>3,408,511</u>	<u>11,185,254</u>	<u>11,520,318</u>
	<u>51,601,953</u>	<u>61,301,734</u>	<u>59,352,573</u>	<u>64,238,082</u>	<u>67,928,982</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

g. Receivables, deposits and prepayments (Cont'd)

The non-trade amount due from a company in which a Director has a substantial financial interest is unsecured and repayable on demand and comprise of amongst others, amounts collected upfront for the sale of inventories and payments made on behalf by TGH Group. The amount outstanding for 2009 bears interest at 4.00% per annum while the amounts outstanding for 2008, 2007, 2006 and 2005 were interest-free.

h. Asset classified as held for sale

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
Building :					
Cost	-	-	-	-	759,422
Accumulated depreciation	-	-	-	-	(25,486)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733,936</u>

On 16 November 2009, a subsidiary entered into a Sale and Purchase Agreement for the disposal of a building for a total cash consideration of RM870,000. The subsidiary has collected a deposit of RM87,000 at balance sheet date.

i. Cash and cash equivalents

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
At cost					
Cash and bank balance	1,123,145	2,171,646	2,128,127	1,346,182	2,156,178
Fixed deposits with licensed banks	7,921,798	8,203,460	8,858,059	9,173,575	8,744,105
	<u>9,044,943</u>	<u>10,375,106</u>	<u>10,986,186</u>	<u>10,519,757</u>	<u>10,900,283</u>

The fixed deposits with licensed banks are pledged to banks as collateral for borrowings granted to the TGH Group.

Fixed deposits with licensed banks amounting to RM5,979,752 (2008 : RM6,468,638; 2007 : RM6,254,558; 2006 : RM5,259,626) of TGH Group is held in trust by certain Directors.

Included in cash and bank balances of TGH Group is RM104,834 (2008 : RM6,360; 2007 : Nil) denominated in US Dollar.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

j. Share capital

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Ordinary shares of RM1.00 each :					
Authorised	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Issued and fully paid	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>

k. Reserves

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
<i>Non-distributable:</i>					
Revaluation reserve	-	-	15,391,786	15,391,786	43,676,063
<i>Distributable</i>					
Retained profits	17,743,448	25,904,939	34,955,293	39,168,360	50,132,684
	<u>17,743,448</u>	<u>25,904,939</u>	<u>50,347,079</u>	<u>54,560,146</u>	<u>93,808,747</u>

Revaluation reserve represents surplus arising from the revaluation of freehold land, leasehold land, buildings and plant and machinery of TGH Group.

l. Borrowings

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
<u>Current</u>					
<i>Secured</i>					
Bank overdrafts	1,704,501	1,983,971	946,410	3,517,920	3,447,137
Bankers' acceptances	58,145,000	58,222,000	74,539,000	71,068,083	101,476,172
Trust receipts	13,182,105	9,555,993	8,090,483	10,978,622	12,888,223
Term loans	2,567,431	1,361,449	1,826,768	3,288,572	4,969,481
Finance lease	1,385,149	2,441,386	2,876,836	3,580,775	3,166,696
	<u>76,984,186</u>	<u>73,564,799</u>	<u>88,279,497</u>	<u>92,433,972</u>	<u>125,947,709</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

1. Borrowings (Cont'd)

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
<u>Current</u>					
<i>Unsecured</i>					
Bank overdrafts	-	496,049	463,845	868,430	-
Bankers' acceptances	2,000,000	12,114,377	13,694,000	32,053,306	9,226,000
Trust receipts	-	5,329,151	8,719,469	8,401,292	14,352,357
	2,000,000	17,939,577	22,877,314	41,323,028	23,578,357
	<u>78,984,186</u>	<u>91,504,376</u>	<u>111,156,811</u>	<u>133,757,000</u>	<u>149,526,066</u>
<u>Non-current</u>					
Term loans	9,567,360	9,069,531	25,500,110	24,294,991	26,206,766
Finance lease obligations	4,290,381	6,535,439	6,094,063	5,671,604	3,296,912
	<u>13,857,741</u>	<u>15,604,970</u>	<u>31,594,173</u>	<u>29,966,595</u>	<u>29,503,678</u>

Interest rates

The bankers' acceptances of TGH Group bear interest at rates ranging from 1.00% to 1.50% (2008 : 1.00% to 1.25%; 2007 : 1.00% to 2.00%; 2006 : 1.00% to 2.00%; 2005 : 1.00% to 2.00%) above the lenders' cost of funds

The bank overdrafts, trust receipts and term loans of TGH Group bears interest at rates ranging from 0.75% to 2.00% (2008 : 0.75% to 2.00%; 2007 : 0.60% to 2.00%; 2006 : 1.00% to 2.00%; 2005 : 1.00% to 2.25%) per annum above the banks' base lending rates.

Finance lease obligations of TGH Group is subject to fixed interest rates ranging from 2.26% to 4.70% (2008 : 2.30% to 4.70%; 2007 : 2.26% to 5.03%; 2006 : Nil; 2005 : Nil) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

i. Borrowings (Cont'd)

Securities

The secured borrowings are secured by legal charges over the freehold and leasehold land, buildings and plant and machinery of TGH Group, collateralised by pledged fixed deposits of TGH Group, collateralized by corporate guarantee from TGH and are jointly and severally guaranteed by certain Directors of TGH Group.

Terms and debt repayment schedule

The term loans are repayable as follows :

	Total RM	Under 1 year RM	1 -2 year RM	2 -5 year RM	Over 5 years RM
31 December 2005	12,134,791	2,567,431	1,277,322	2,954,208	5,335,830
31 December 2006	10,430,980	1,361,449	949,688	3,183,515	4,936,328
31 December 2007	27,326,878	1,826,768	3,068,596	18,254,534	4,176,980
31 December 2008	27,583,563	3,288,572	3,512,992	11,778,611	9,003,388
31 December 2009	31,176,247	4,969,481	5,536,538	17,309,860	3,360,368

Finance lease and hire purchase obligations

Finance lease and hire purchase obligations are payable as follows :

	← 2005 →			← 2006 →		
	Payment RM	Interest RM	Principal RM	Payment RM	Interest RM	Principal RM
Within 1 year	1,640,411	255,262	1,385,149	2,895,911	454,525	2,441,386
Between 1 and 5 years	5,081,810	791,429	4,290,381	7,310,199	1,144,870	6,165,329
Over 5 years	-	-	-	440,302	70,192	370,110
	6,722,221	1,046,691	5,675,530	10,646,412	1,669,587	8,976,825

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

1. *Borrowings (Cont'd)*

Finance lease and hire purchase obligations

	← 2007 →			← 2008 →		
	Payment RM	Interest RM	Principal RM	Payment RM	Interest RM	Principal RM
Within 1 year	3,372,616	495,780	2,876,836	4,082,243	501,468	3,580,775
Between 1 and 5 years	6,563,198	469,135	6,094,063	6,121,546	449,942	5,671,604
	<u>9,935,814</u>	<u>964,915</u>	<u>8,970,899</u>	<u>10,203,789</u>	<u>951,410</u>	<u>9,252,379</u>
				← 2009 →		
				Payment RM	Interest RM	Principal RM
Within 1 year				3,493,603	326,907	3,166,696
Between 1 and 5 years				3,530,742	233,830	3,296,912
				<u>7,024,345</u>	<u>560,737</u>	<u>6,463,608</u>

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGH Group****Notes to balance sheet (Cont'd)*****m. Deferred tax liabilities***

The recognised deferred tax liabilities are as follows :

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
Property, plant and equipment					
- capital allowance	1,687,000	1,120,000	972,000	1,287,442	1,795,231
- revaluation	734,821	718,265	6,051,650	5,873,663	17,434,941
Unabsorbed capital allowance	(351,000)	(82,000)	(24,000)	(24,000)	-
Unutilised tax losses	-	(20,000)	(64,000)	-	-
Other temporary differences	-	-	-	-	(23,000)
	<u>2,070,821</u>	<u>1,736,265</u>	<u>6,935,650</u>	<u>7,137,105</u>	<u>19,207,172</u>

No deferred tax has been recognised for the following items :

Unutilised tax losses	2,199,000	2,205,000	2,334,000	2,231,000	2,537,000
Unabsorbed capital allowance	1,954,000	2,118,000	2,018,000	2,555,000	23,003,000
Taxable temporary differences	-	-	-	(440,000)	(19,853,000)
	<u>4,153,000</u>	<u>4,323,000</u>	<u>4,352,000</u>	<u>4,346,000</u>	<u>5,687,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

m. Deferred tax liabilities (Cont'd)

Movements in temporary differences during the year

Group	At	Revaluation	Income	At	Revaluation	Income	At
	31.12.2005/ 1.1.2006	reserve	statement	31.12.2006	reserve	statement	31.12.2007
	RM	RM	RM	RM	RM	RM	RM
Property, plant and equipment							
- capital allowance	1,687,000	-	(567,000)	1,120,000	-	(148,000)	972,000
- revaluation surplus	734,821	(16,556)	-	718,265	5,333,385	-	6,051,650
Unabsorbed capital allowance	(351,000)	-	269,000	(82,000)	-	58,000	(24,000)
Provisions	-	-	(20,000)	(20,000)	-	(44,000)	(64,000)
	2,070,821	(16,556)	(318,000)	1,736,265	5,333,385	(134,000)	6,935,650

Group	At	Income	At	Revaluation	Income	At
	1.1.2008	statement	31.12.2008	reserve	statement	31.12.2009
	RM	RM	RM	RM	RM	RM
Property, plant and equipment						
- capital allowance	972,000	315,442	1,287,442	-	507,789	1,795,231
- revaluation surplus	6,051,650	(177,987)	5,873,663	11,561,278	-	17,434,941
Unabsorbed capital allowance	(24,000)	-	(24,000)	-	24,000	-
Provisions	(64,000)	64,000	-	-	(23,000)	(23,000)
	6,935,650	201,455	7,137,105	11,561,278	508,789	19,207,172

The unutilised tax losses, unabsorbed capital allowance and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which TGH Group can utilise the benefits therefrom.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH Group

Notes to balance sheet (Cont'd)

n. Payables and accruals

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
Trade payables					
- Associate	127,630	44,496	9,350	8,135	1,479
- Company in which a Director has a substantial financial interest	166,896	712,178	318,592	1,301,062	2,355,242
- External parties	29,446,819	21,659,045	19,966,777	28,315,484	41,686,584
	<u>29,741,345</u>	<u>22,415,719</u>	<u>20,294,719</u>	<u>29,624,681</u>	<u>44,043,305</u>
- Other payables and accrued expenses	2,640,004	2,692,858	3,378,941	6,013,452	13,184,509
	<u>32,381,349</u>	<u>25,108,577</u>	<u>23,673,660</u>	<u>35,638,133</u>	<u>57,227,814</u>

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13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGH (Company level)**

	Note	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Assets						
Property, plant and equipment	a	12,298,595	11,773,366	13,345,753	13,875,756	16,418,723
Investments in subsidiaries	b	10,956,268	10,956,268	10,956,268	10,956,268	10,956,268
Investment in an associate	c	3,600,000	3,600,000	2,250,000	2,250,000	2,250,000
Other investments	d	10,400	10,400	10,400	10,400	10,400
Amount due from a subsidiary	e	2,526,306	2,475,654	2,425,008	2,356,357	2,296,354
Total non-current assets		29,391,569	28,815,688	28,987,429	29,448,781	31,931,745
Current assets						
Trading inventories		11,620,815	9,547,132	16,927,371	15,477,635	12,598,656
Receivables, deposits and prepayments	f	26,844,922	26,919,161	26,506,240	29,300,219	44,685,836
Current tax assets		84,000	-	-	977,284	639,384
Cash and cash equivalents	g	5,928,636	6,290,450	7,107,960	6,536,610	6,297,686
Total current assets		44,478,373	42,756,743	50,541,571	52,291,748	64,221,562
Total assets		73,869,942	71,572,431	79,529,000	81,740,529	96,153,307
Financed by:						
Equity						
Share capital	h	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Reserves	i	2,352,141	3,841,152	9,952,705	9,069,545	11,774,391
Total equity		22,352,141	23,841,152	29,952,705	29,069,545	31,774,391
Long term and deferred liabilities						
Borrowings	j	1,312,245	631,532	418,461	823,974	465,037
Deferred tax liabilities	k	796,821	761,264	1,229,235	1,727,677	2,002,466
Total non-current liabilities		2,109,066	1,392,796	1,647,696	2,551,651	2,467,503
Current liabilities						
Payables and accruals	l	12,289,555	10,411,765	13,019,081	17,273,709	27,794,960
Borrowings	j	37,119,180	35,654,605	34,720,399	32,845,624	34,116,453
Current tax liabilities		-	272,113	189,119	-	-
Total current liabilities		49,408,735	46,338,483	47,928,599	50,119,333	61,911,413
Total liabilities		51,517,801	47,731,279	49,576,295	52,670,984	64,378,916
Total equity and liabilities		73,869,942	71,572,431	79,529,000	81,740,529	96,153,307

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company level)

Notes to balance sheet

a. Property, plant and equipment

	Valuation/ Cost RM	Accumulated depreciation RM	Net book Value RM	Depreciation charge for the year RM
2005				
At valuation				
Freehold land	1,101,261	-	1,101,261	-
Buildings	11,176,318	1,265,684	9,910,634	191,405
At cost				
Plant, machinery, tools and moulds	123,720	41,920	81,800	6,095
Furniture, fittings and equipment	1,352,288	867,148	485,140	162,169
Motor vehicles	1,929,321	1,209,561	719,760	260,869
	<u>15,682,908</u>	<u>3,384,313</u>	<u>12,298,595</u>	<u>620,538</u>

	Valuation/ Cost RM	Accumulated depreciation RM	Net book Value RM	Depreciation charge for the year RM
2006				
At valuation				
Freehold land	1,101,261	-	1,101,261	-
Buildings	11,176,318	1,457,764	9,718,554	192,080
At cost				
Plant, machinery, tools and moulds	127,770	53,858	73,912	11,938
Furniture, fittings and equipment	1,336,482	923,189	413,293	75,852
Motor vehicles	1,929,321	1,462,975	466,346	253,414
	<u>15,671,152</u>	<u>3,897,786</u>	<u>11,773,366</u>	<u>533,284</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company level)

Notes to balance sheet

a. Property, plant and equipment (Cont'd)

	Valuation/ Cost RM	Accumulated depreciation RM	Net book Value RM	Depreciation charge for the year RM
2007				
At valuation				
Freehold land	1,296,000	-	1,296,000	-
Buildings	11,339,449	-	11,339,449	185,985
At cost				
Plant, machinery, tools and moulds	127,770	66,133	61,637	12,275
Furniture, fittings and equipment	1,392,671	967,868	424,803	44,679
Motor vehicles	1,923,775	1,699,911	223,864	242,482
	16,079,665	2,733,912	13,345,753	485,421
2008				
At valuation				
Freehold land	1,296,000	-	1,296,000	-
Buildings	11,339,449	227,025	11,112,424	227,025
At cost				
Renovation	164,043	55,401	108,642	14,662
Plant, machinery, tools and moulds	131,750	75,417	56,333	9,284
Furniture, fittings and equipment	1,274,153	975,817	298,336	48,688
Motor vehicles	2,138,869	1,134,848	1,004,021	283,279
	16,344,264	2,468,508	13,875,756	582,938

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)**

TGH (Company level)

Notes to balance sheet (Cont'd)**a. Property, plant and equipment (Cont'd)**

	Valuation/ Cost RM	Accumulated depreciation RM	Net book Value RM	Depreciation charge for the year RM
2009				
<i>At valuation</i>				
Freehold land	4,296,000	-	4,296,000	-
Buildings	11,339,449	454,050	10,885,399	227,025
<i>At cost</i>				
Renovation	164,043	70,906	93,137	15,505
Plant, machinery, tools and moulds	131,750	84,900	46,850	9,483
Furniture, fittings and equipment	1,471,079	1,085,527	385,552	109,710
Motor vehicles	2,138,869	1,427,084	711,785	292,236
	19,541,190	3,122,467	16,418,723	653,959

Property, plant and equipment under the revaluation model

The freehold land and buildings and plant and equipment of TGH was shown at Directors' valuation based on professional valuations carried out in April 2006, September 2008 and December 2009 respectively based on the open market value basis. The revaluation of the freehold land and buildings was effected on 31 December 2007 while the revaluation of the plant and equipment was effected on 31 January 2009.

Subsequent additions are shown at cost whilst disposals are at valuation or cost as appropriate.

Had the freehold land, buildings and plant and equipment been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued properties and plant and equipment that would have been included in the financial statements at the end of the year is RM7,253,245 (2008: RM7,392,841; 2007: RM7,532,437; 2006: RM5,814,005; 2005: RM6,020,332).

Security

The freehold land, buildings, plant and equipment and capital work-in-progress of TGH with an aggregate carrying amount of RM12,228,249 (2008 : RM12,464,757; 2007: RM12,506,720; 2006: RM10,819,815; 2005: RM11,011,895) is charged to banks for borrowings granted to TGH.

Leased plant and machinery

The net book value of motor vehicles includes an amount of RM698,818 (2008 : RM999,771; 2007 : RM216,615; 2006 : RM456,099; 2005 : RM706,513) representing assets acquired under finance lease instalments plans.

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGH (Company level)****Notes to balance sheet (Cont'd)*****b. Investments in subsidiaries***

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
Unquoted shares, at cost	<u>10,956,268</u>	<u>10,956,268</u>	<u>10,956,268</u>	<u>10,956,268</u>	<u>10,956,268</u>

Details of the subsidiaries are as follows :

Name of company	Principal activities	Percentage of equity held				
		2005	2006	2007	2008	2009
		%	%	%	%	%
TGSC	Manufacturing and trading of stainless steel tubes and pipes and other ferrous and non ferrous metal products	100	100	100	100	100
F1	Investment in properties	100	100	100	100	100
<i>Subsidiaries of TGSC</i>						
TGPM	Trading of metal products	100	100	100	100	100
TGMI	Manufacturing and trading of perforated metal products	100	100	100	100	100
SPI	Distributor of Superinox TM stainless steel pipes and tubes	100	100	100	100	100
EGalv	Manufacturing of electro-galvanised steel	-	100	100	88.8	92.2
SISB	Exporter of Superinox TM stainless steel pipes and tubes	-	-	100	100	100

All the above subsidiaries are incorporated in Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company level)

Notes to balance sheet (Cont'd)

c. Investment in an associate

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
At cost :					
Unquoted shares	<u>3,600,000</u>	<u>3,600,000</u>	<u>2,250,000</u>	<u>2,250,000</u>	<u>2,250,000</u>

Details of the associate are as follows :

Name of associate	Place of incorporation	Principal activities	Percentage of equity held					Financial year end
			2005	2006	2007	2008	2009	
			%	%	%	%	%	
Nippon Metal Services (M) Sdn. Bhd.	Malaysia	Shearing, slitting, polishing and trading of stainless steel	40	40	25	25	25	31-Mar

d. Other investments

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
At cost :					
- Quoted shares in Malaysia	<u>10,400</u>	<u>10,400</u>	<u>10,400</u>	<u>10,400</u>	<u>10,400</u>
Market value of quoted shares	<u>8,000</u>	<u>14,000</u>	<u>11,000</u>	<u>10,000</u>	<u>9,000</u>

e. Amount due from a subsidiary

The amount due from a subsidiary represents long term advance extended to the subsidiary and is unsecured, interest-free and not repayable within the next twelve months except to the extent where such repayment will not adversely affect the ability of the subsidiary to meet its liabilities as and when due.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company level)

Notes to balance sheet (Cont'd)

f. Receivables, deposits and prepayments

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Trade receivables					
- Subsidiaries	205,978	147,756	243,695	375,774	44,122
- Associate	109,076	3,861	97,900	259,315	161,818
- Company in which a Director has a substantial financial interest	-	-	-	14,712	620
- External parties	18,807,754	20,157,188	18,532,842	16,392,999	14,601,743
	<u>19,122,808</u>	<u>20,308,805</u>	<u>18,874,437</u>	<u>17,042,800</u>	<u>14,808,303</u>
Other receivables					
- Subsidiaries	7,434,164	6,298,021	5,863,021	8,499,977	24,078,142
- Company in which certain Directors have a substantial financial interest	-	-	1,372,856	2,762,811	5,252,645
- Other receivables, deposits and prepayments	287,950	312,335	395,926	994,631	546,746
	<u>7,722,114</u>	<u>6,610,356</u>	<u>7,631,803</u>	<u>12,257,419</u>	<u>29,877,533</u>
	<u>26,844,922</u>	<u>26,919,161</u>	<u>26,506,240</u>	<u>29,300,219</u>	<u>44,685,836</u>

Amount due from subsidiaries and associate

The trade receivables due from subsidiaries and associate are subject to normal trade terms.

The non-trade receivables due from subsidiaries are unsecured, interest free and repayable on demand except for RM4,766,051 (2008 : RM Nil; 2007 : RM Nil; 2006 : RM Nil; 2005 : RM Nil) which carries interest at 4% (2008 : Nil; 2007 : Nil; 2006 : Nil; 2005 : Nil) per annum. The non-trade receivables due from a subsidiary of up to RM11.0 million (2008 : RM Nil; 2007 : RM Nil; 2006 : RM Nil; 2005 : RM Nil) is subordinated to the borrowings payable by the said subsidiary to one of its banks via a supplementary letter of offer signed between the Company, subsidiary and the bank during the year.

Amount due from a company in which a Director has a substantial financial interest

The non trade amount due from a company in which a Director has a substantial financial interest is unsecured, carries interest at 4% per annum (2008 : Nil; 2007 : Nil; 2006 : Nil; 2005 : Nil) and repayable on demand. The amount comprise of, amongst others, upfront payments collected for the sale of inventories and payments made on behalf by the Company.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company level)

Notes to balance sheet (Cont'd)

g. Cash and cash equivalents

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Cash and bank balances	625,915	802,973	1,446,364	665,719	911,816
Fixed deposits with licensed banks	5,302,721	5,487,477	5,661,596	5,870,891	5,385,870
	<u>5,928,636</u>	<u>6,290,450</u>	<u>7,107,960</u>	<u>6,536,610</u>	<u>6,297,686</u>

The fixed deposits with licensed banks are pledged to banks as collateral for borrowings granted to the TGH.

Fixed deposits with licensed banks of RM2,621,517 (2008 : RM3,165,954; 2007 : RM3,058,095; 2006 : RM 2,943,643) are held in trust by certain Directors.

h. Share capital

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Ordinary shares of RM1 each					
Authorised	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Issued and fully paid	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>

i. Reserves

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
<i>Non-distributable:</i>					
Revaluation reserve	-	-	1,566,836	1,566,836	1,566,836
<i>Distributable:</i>					
Retained profits	2,352,141	3,841,152	8,385,869	7,502,709	10,207,555
	<u>2,352,141</u>	<u>3,841,152</u>	<u>9,952,705</u>	<u>9,069,545</u>	<u>11,774,391</u>

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGH (Company level)****Notes to balance sheet (Cont'd)*****i. Reserves (Cont'd)******Revaluation reserve***

The revaluation reserve of TGH represents surplus arising from the revaluation of freehold land, leasehold land, buildings and plant and equipment.

Retained earnings

Subject to the agreement with the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt account to frank/distribute its entire retained earnings at 31 December 2009 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. Effective 1 January 2008, TGH is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution. TGH has not made this election. As such, the Section 108 tax credit as at 31 December 2009 will be available to TGH until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

j. Borrowings

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
<u>Current</u>					
<i>Secured</i>					
Bank overdrafts	1,555,572	1,807,382	759,808	1,674,110	1,785,127
Bankers' acceptances	31,948,000	30,090,000	30,953,000	29,041,000	30,016,000
Term loans	1,175,622	489,767	115,992	126,691	122,888
Trust receipts	233,981	1,071,463	880,681	-	-
Finance lease	206,005	195,993	113,918	191,823	192,438
	<u>35,119,180</u>	<u>33,654,605</u>	<u>32,823,399</u>	<u>31,033,624</u>	<u>32,116,453</u>
<i>Unsecured</i>					
Bankers' acceptances	2,000,000	2,000,000	1,897,000	1,812,000	2,000,000
	<u>37,119,180</u>	<u>35,654,605</u>	<u>34,720,399</u>	<u>32,845,624</u>	<u>34,116,453</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company)

Notes to balance sheet (Cont'd)

j. Borrowings

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
<u>Non-current</u>					
Term loans	917,178	432,037	317,561	190,705	55,349
Finance lease	395,067	199,495	100,900	633,269	409,688
	<u>1,312,245</u>	<u>631,532</u>	<u>418,461</u>	<u>823,974</u>	<u>465,037</u>

Interest rates

TGH's bankers' acceptances bear interest at rates ranging from 1.00% to 1.50% (2008 : 1.00% to 1.50%; 2007 : 1.00% to 2.00%; 2006 : 1.00% to 2.00%; 2005 : 1.00% to 2.00%) per annum above the lenders' cost of funds.

The bank overdrafts, trust receipts and term loans of the Company bear interest at rates ranging from 1.00% to 2.00% (2008 : 1.00% to 2.00%; 2007 : 1.00% to 2.00%; 2006 : 1.00% to 2.00%; 2005 : 1.00% to 2.25%) per annum above the banks' base lending rates.

Finance lease obligations of the Company are subject to fixed interest rates ranging from 2.30% to 3.30% (2008 : 2.30% to 3.30%; 2007 : 2.45% to 5.03%; 2006 : 2.45% to 5.03; 2005 : 2.45% to 5.03) per annum.

Terms and debt repayment schedule

The term loans are repayable as follows :

	Total RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
At 31 December 2005	<u>2,092,800</u>	<u>1,175,622</u>	<u>491,354</u>	<u>425,824</u>	-
At 31 December 2006	<u>921,804</u>	<u>489,767</u>	<u>115,992</u>	<u>316,045</u>	-
At 31 December 2007	<u>433,553</u>	<u>115,992</u>	<u>115,038</u>	<u>202,523</u>	-
At 31 December 2008	<u>317,396</u>	<u>126,691</u>	<u>137,206</u>	<u>53,499</u>	-
At 31 December 2009	<u>178,237</u>	<u>122,888</u>	<u>55,349</u>	-	-

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGH (Company level)****Notes to balance sheet (Cont'd)*****j. Borrowings (Cont'd)******Finance lease and hire purchase obligations***

Finance lease and hire purchase obligations are payable as follows :

	← 2005 →			← 2006 →		
	Payment RM	Interest RM	Principal RM	Payment RM	Interest RM	Principal RM
Within 1 year	238,920	32,915	206,005	226,391	30,398	195,993
Between 1 and 5 years	452,026	56,959	395,067	225,634	26,139	199,495
	<u>690,946</u>	<u>89,874</u>	<u>601,072</u>	<u>452,025</u>	<u>56,537</u>	<u>395,488</u>

	← 2007 →			← 2008 →		
	Payment RM	Interest RM	Principal RM	Payment RM	Interest RM	Principal RM
Within 1 year	120,688	6,770	113,918	218,160	26,337	191,823
Between 1 and 5 years	104,944	4,044	100,900	696,261	62,992	633,269
	<u>225,632</u>	<u>10,814</u>	<u>214,818</u>	<u>914,421</u>	<u>89,329</u>	<u>825,092</u>

	← 2009 →		
	Payment RM	Interest RM	Principal RM
Within 1 year	218,044	25,606	192,438
Between 1 and 5 years	435,278	25,590	409,688
	<u>653,322</u>	<u>51,196</u>	<u>602,126</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGH (Company level)

Notes to balance sheet (Cont'd)

k. Deferred tax liabilities

The recognised deferred tax liabilities are as follows :

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Property, plant and equipment					
- capital allowance	62,000	43,000	35,000	533,442	808,231
- revaluation	734,821	718,264	1,194,235	1,194,235	1,194,235
	<u>796,821</u>	<u>761,264</u>	<u>1,229,235</u>	<u>1,727,677</u>	<u>2,002,466</u>

l. Payables and accruals

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Trade payables					
- Subsidiaries	3,750,894	2,605,878	2,934,643	2,376,984	3,624,681
- Associate	127,630	44,496	9,350	8,135	1,479
- Company in which certain Directors have a substantial financial interest	166,896	712,178	189,913	386,905	1,259,599
- External parties	7,467,719	6,273,621	9,395,257	12,125,832	19,136,961
	<u>11,513,139</u>	<u>9,636,173</u>	<u>12,529,163</u>	<u>14,897,856</u>	<u>24,022,720</u>
Other payables					
- Subsidiaries	-	-	71,222	1,348,147	2,821,472
- Other payables and accrued expenses	776,416	775,592	418,696	1,027,706	950,768
	<u>12,289,555</u>	<u>10,411,765</u>	<u>13,019,081</u>	<u>17,273,709</u>	<u>27,794,960</u>

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGO**

	Note	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Assets						
Property, plant and equipment	a	328,858	261,277	3,901,553	5,196,114	4,837,843
Investment properties	b	2,136,424	2,121,388	2,106,352	2,091,316	2,076,276
Total non-current assets		<u>2,465,282</u>	<u>2,382,665</u>	<u>6,007,905</u>	<u>7,287,430</u>	<u>6,914,119</u>
Current assets						
Inventories	c	169	169	2,626,361	7,961,202	5,647,658
Receivables, deposits and prepayments	d	700,364	1,339,696	2,385,979	2,419,347	4,094,950
Cash and cash equivalents	e	3,859	12,931	11,372	587,478	517,506
Total current assets		<u>704,392</u>	<u>1,352,796</u>	<u>5,023,712</u>	<u>10,968,027</u>	<u>10,260,114</u>
Total assets		<u>3,169,674</u>	<u>3,735,461</u>	<u>11,031,617</u>	<u>18,255,457</u>	<u>17,174,233</u>
Financed by:						
Equity						
Share capital	f	650,000	650,000	1,500,000	1,500,000	1,500,000
Reserves		219,064	353,021	383,555	(239,255)	(509,599)
Total equity		<u>869,064</u>	<u>1,003,021</u>	<u>1,883,555</u>	<u>1,260,745</u>	<u>990,401</u>
Long term and deferred liabilities						
Borrowings	g	831,920	529,840	1,983,384	1,840,089	1,146,718
Total non-current liabilities		<u>831,920</u>	<u>529,840</u>	<u>1,983,384</u>	<u>1,840,089</u>	<u>1,146,718</u>
Current liabilities						
Payables and accruals	h	1,072,031	1,789,575	2,676,220	8,891,851	9,094,494
Borrowings	g	381,659	381,659	4,450,958	6,258,772	5,933,833
Current tax liabilities		15,000	31,366	37,500	4,000	8,787
Total current liabilities		<u>1,468,690</u>	<u>2,202,600</u>	<u>7,164,678</u>	<u>15,154,623</u>	<u>15,037,114</u>
Total liabilities		<u>2,300,610</u>	<u>2,732,440</u>	<u>9,148,062</u>	<u>16,994,712</u>	<u>16,183,832</u>
Total equity and liabilities		<u>3,169,674</u>	<u>3,735,461</u>	<u>11,031,617</u>	<u>18,255,457</u>	<u>17,174,233</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

a. *Property, plant and equipment*

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2005				
Plant, machinery, tools and moulds	140,000	21,000	119,000	14,000
Furniture, fittings and equipment	7,280	7,280	-	-
Motor vehicles	267,904	58,046	209,858	53,581
	<u>415,184</u>	<u>86,326</u>	<u>328,858</u>	<u>67,581</u>

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2006				
Plant, machinery, tools and moulds	140,000	35,000	105,000	14,000
Furniture, fittings and equipment	7,280	7,280	-	-
Motor vehicles	267,904	111,627	156,277	53,581
	<u>415,184</u>	<u>153,907</u>	<u>261,277</u>	<u>67,581</u>

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2007				
Plant, machinery, tools and moulds	4,003,769	286,257	3,717,512	251,257
Furniture, fittings and equipment	70,777	11,424	59,353	4,144
Motor vehicles	285,904	167,608	118,296	55,981
Renovation	6,500	108	6,392	108
	<u>4,366,950</u>	<u>465,397</u>	<u>3,901,553</u>	<u>311,490</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

a. *Property, plant and equipment (Cont'd)*

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2008				
Plant, machinery, tools and moulds	4,385,589	723,362	3,662,227	437,105
Furniture, fittings and equipment	90,651	27,652	62,999	16,228
Motor vehicles	435,903	237,288	198,615	69,680
Renovation	16,040	1,266	14,774	1,158
Capital work in progress	1,257,499	-	1,257,499	-
	<u>6,185,682</u>	<u>989,568</u>	<u>5,196,114</u>	<u>524,171</u>

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2009				
Plant, machinery, tools and moulds	4,450,479	1,175,257	3,275,222	451,895
Furniture, fittings and equipment	95,448	43,980	51,468	16,328
Motor vehicles	435,903	317,503	118,400	80,215
Renovation	16,040	2,771	13,269	1,505
Capital work in progress	1,379,484	-	1,379,484	-
	<u>6,377,354</u>	<u>1,539,511</u>	<u>4,837,843</u>	<u>549,943</u>

Security

Plant and equipment with carrying amount of RM4,353,137 (2008 : RM4,905,152; 2007 : RM4,905,152; 2006 : RM2,121,388) are charged to banks for bank facilities granted to the Company.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

a. *Property, plant and equipment (Cont'd)*

Leased plant and machinery

Included in plant and equipment are motor vehicles, machinery and equipment acquired under finance lease with a total carrying amount of RM716,485 (2008 : RM1,444,114; 2007 : RM102,696; 2006 : RM156,277; 2005 : RM209,858). A motor vehicle is registered in the name of a Director and held in trust of the Company.

b. *Investment properties*

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2005				
Freehold land	1,392,148	-	1,392,148	-
Building	751,785	7,509	744,276	7,509
	<u>2,143,933</u>	<u>7,509</u>	<u>2,136,424</u>	<u>7,509</u>
2006				
Freehold land	1,392,148	-	1,392,148	-
Building	751,785	22,545	729,240	15,036
	<u>2,143,933</u>	<u>22,545</u>	<u>2,121,388</u>	<u>15,036</u>
2007				
Freehold land	1,392,148	-	1,392,148	-
Building	751,785	37,581	714,204	15,036
	<u>2,143,933</u>	<u>37,581</u>	<u>2,106,352</u>	<u>15,036</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

b. Investment properties (Cont'd)

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2008				
Freehold land	1,392,148	-	1,392,148	-
Building	751,785	52,617	699,168	15,036
	<u>2,143,933</u>	<u>52,617</u>	<u>2,091,316</u>	<u>15,036</u>

	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge for the year RM
2009				
Freehold land	1,392,148	-	1,392,148	-
Building	751,785	67,657	684,128	15,040
	<u>2,143,933</u>	<u>67,657</u>	<u>2,076,276</u>	<u>15,040</u>

Investment properties comprise of a freehold land and warehouse which is leased to generate rental income. The fair value of the investment properties is estimated at approximately RM1,980,000 (2008 : RM1,980,000; 2007 : RM1,980,000) based on Directors' valuation.

The following are recognised in the income statement in respect of investment properties :

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Rental income	224,000	336,000	336,000	336,000	336,000
Direct operating expenses	-	-	24,895	35,921	2,226

The investment properties are charged to a bank for banking facilities granted to the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)**

TGO

Notes to balance sheet (Cont'd)**c. Inventories**

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Goods in transits	-	-	-	472,657	-
Raw materials	-	-	863,422	1,969,863	1,914,138
Manufactured inventories	-	-	1,762,939	5,518,682	3,733,520
Trading inventories	169	169	-	-	-
	<u>169</u>	<u>169</u>	<u>2,626,361</u>	<u>7,961,202</u>	<u>5,647,658</u>

The write-down of inventories to net realisable value amounted to RM351,295 (2008 : RM850,000; 2007 : RM Nil; 2006 : RM Nil; 2005 : RM Nil) and are included in cost of sales. The write down is based on management's estimate of the net realisable values after having considered the selling price subsequent to the balance sheet date and developments in the industry in which the Company operates.

d. Receivables, deposits and prepayments

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Trade receivables					
- Companies in which a Director has a substantial financial interest	-	712,178	344,770	1,301,062	1,495,863
- External parties	645,784	612,835	1,799,595	870,222	1,340,128
	<u>645,784</u>	<u>1,325,013</u>	<u>2,144,365</u>	<u>2,171,284</u>	<u>2,835,991</u>
Other receivables					
- Companies in which a Director has a substantial financial interest	-	-	-	181,000	949,403
- Other receivables, deposits and prepayments	54,580	14,683	241,614	67,063	309,556
	<u>54,580</u>	<u>14,683</u>	<u>241,614</u>	<u>248,063</u>	<u>1,258,959</u>
	<u>700,364</u>	<u>1,339,696</u>	<u>2,385,979</u>	<u>2,419,347</u>	<u>4,094,950</u>

Amount due from companies in which a Director has a substantial financial interest

The trade receivables due from companies in which a Director has a substantial financial interest is subject to normal trade terms.

The non-trade receivables due from companies in which a Director has a substantial financial interest is unsecured, carries interest at 4% (2008 : Nil; 2007 : Nil; 2006 : Nil; 2005 : Nil) per annum and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)
 (Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

e. Cash and cash equivalents

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Cash and bank balances	3,859	12,931	11,372	87,478	6
Fixed deposits with licensed banks	-	-	-	500,000	517,500
	<u>3,859</u>	<u>12,931</u>	<u>11,372</u>	<u>587,478</u>	<u>517,506</u>

The fixed deposit with a licensed bank is pledged to the bank for borrowings granted to the Company.

f. Share capital

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Ordinary shares of RM1 each					
Authorised	<u>1,000,000</u>	<u>1,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid	<u>650,000</u>	<u>650,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

g. Borrowings

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
<u>Current</u>					
<i>Secured</i>					
Term loans	337,655	337,655	731,658	652,538	517,959
Bankers' acceptances	-	-	3,257,000	1,668,000	3,299,000
Bank overdrafts	-	-	415,959	896,997	987,974
Finance lease obligations	44,004	44,004	46,341	218,970	169,174
Trust receipts	-	-	-	2,822,267	959,726
	<u>381,659</u>	<u>381,659</u>	<u>4,450,958</u>	<u>6,258,772</u>	<u>5,933,833</u>
<u>Non-current</u>					
<i>Secured</i>					
Term loans	699,928	441,852	1,941,737	1,225,456	701,259
Finance lease obligations	131,992	87,988	41,647	614,633	445,459
	<u>831,920</u>	<u>529,840</u>	<u>1,983,384</u>	<u>1,840,089</u>	<u>1,146,718</u>

Security

The borrowings are secured by a legal charge over certain plant and machinery, investment properties and pledged fixed deposit of the Company and are jointly and severally guaranteed by certain Directors of the Company.

Interest rates

The bank overdrafts and term loans are subject to interest at variable rates ranging from 6.25% to 8.00% (2008 : 7.75% to 8.00%; 2007 : 7.75% to 8.00%; 2006 : 7.90%) per annum.

The bankers' acceptances and trust receipts are subject to interest at variable rates ranging from 4.03% to 6.93% (2008 : 3.75% to 5.00%; 2007 : 3.75% to 5.00%; 2006 : Nil; 2005 : Nil) per annum.

Finance lease liabilities of the Company are subject to fixed interest rates at 2.31% to 3.50% (2008 : 2.31 to 3.50%; 2007 : 2.70%; 2006 : 2.70%; 2005 : 2.70%) per annum

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

TGO

Notes to balance sheet (Cont'd)

g. Borrowings (Cont'd)

Terms and debt repayment schedule

	Total RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
At 31 December 2005	1,037,083	337,655	337,655	362,273	-
At 31 December 2006	779,507	337,655	306,717	135,135	-
At 31 December 2007	2,673,395	731,658	630,080	1,311,657	-
At 31 December 2008	1,877,994	652,538	504,171	721,285	-
At 31 December 2009	1,219,218	517,959	540,939	160,320	-

Finance lease and hire purchase obligations

Finance lease and hire purchase obligations are payable as follows :

	← 2005 →			← 2006 →		
	Payment RM	Interest RM	Principal RM	Payment RM	Interest RM	Principal RM
Within 1 year	49,944	5,940	44,004	49,944	5,940	44,004
Between 1 and 5 years	149,812	17,820	131,992	99,868	11,880	87,988
	199,756	23,760	175,996	149,812	17,820	131,992

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

**8. BALANCE SHEETS (Cont'd)****TGO****Notes to balance sheet (Cont'd)****g. Borrowings (Cont'd)****Finance lease and hire purchase obligations (Cont'd)**

	← 2007 →			← 2008 →		
	Payment RM	Interest RM	Principal RM	Payment RM	Interest RM	Principal RM
Within 1 year	49,944	3,603	46,341	253,936	34,966	218,970
Between 1 and 5 years	49,924	8,277	41,647	716,485	101,852	614,633
	<u>99,868</u>	<u>11,880</u>	<u>87,988</u>	<u>970,421</u>	<u>136,818</u>	<u>833,603</u>
				← 2009 →		
Within 1 year				204,012	34,838	169,174
Between 1 and 5 years				512,473	67,014	445,459
				<u>716,485</u>	<u>101,852</u>	<u>614,633</u>

h. Payables and accruals

	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Trade					
- Company in which certain Directors have a substantial financial interest	-	64,238	26,177	14,713	620
- External parties	963,827	1,603,797	970,560	-	2,896,683
	<u>963,827</u>	<u>1,668,035</u>	<u>996,737</u>	<u>14,713</u>	<u>2,897,303</u>
Non-trade					
- Companies in which certain Directors have a substantial financial interest	71,340	8,409	1,372,856	8,516,148	5,981,036
- Other payables and accrued expenses	36,864	113,131	306,627	360,990	216,155
	<u>1,072,031</u>	<u>1,789,575</u>	<u>2,676,220</u>	<u>8,891,851</u>	<u>9,094,494</u>

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



8. BALANCE SHEETS (Cont'd)

Notes to balance sheet (Cont'd)

h. Payables and accruals (Cont'd)

Amount due from companies in which a Director has a substantial financial interest

The trade amount payable to a company in which certain Directors have a substantial financial interest is subject to normal trade terms.

The non-trade amount payable to companies in which certain Directors have a substantial financial interest is unsecured, bears interest at 4% (2008 : Nil; 2007 : Nil; 2006 : Nil; 2005 : Nil) per annum and payable on demand.

i. Deferred tax liabilities

No deferred tax has been recognised for the following items :

	2005	2006	2007	2008	2009
	RM	RM	RM	RM	RM
Provisions	-	-	-	189,000	429,000
Unabsorbed capital allowances	-	-	-	1,140,000	1,360,000
Other taxable temporary differences	-	-	-	(1,425,000)	(1,613,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,000)</u>	<u>176,000</u>

The unabsorbed capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it was not probable that future taxable profits will be available against which the Company can utilise the benefits therefrom.

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13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



9. SUMMARISED CASH FLOWS STATEMENTS

The summarised consolidated cash flow statements of TGG, TGH Group, TGH and TGO, based on the audited financial statements for the relevant financial years/period under review, are set out below :

TGG

	Financial year ended 31 December		
	2007 RM	2008 RM	2009 RM
Net cash from/(used in) operating activities	191	(40)	(40)
Net cash used in investing activities	-	-	-
Net cash from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	191	(40)	(40)
Cash and cash equivalents at date of incorporation/beginning of period/year	2	193	153
Cash and cash equivalents at end of period/year	193	153	113

TGH (Group)

	Financial year ended 31 December				
	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Net cash (used in) / from operating activities	(15,108,044)	534,878	4,525,110	15,097,810	25,231,389
Net cash used in investing activities	(13,743,685)	(2,301,935)	(28,198,204)	(26,209,179)	(31,016,296)
Net cash from financing activities	27,490,223	2,040,039	24,699,340	7,353,329	7,534,116
Net increase/(decrease) in cash and cash equivalents	(1,361,506)	272,982	1,026,246	(3,758,040)	1,749,209
Cash and cash equivalents at beginning of year	780,150	(581,356)	(308,374)	717,872	(3,040,168)
Cash and cash equivalents at end of year	(581,356)	(308,374)	717,872	(3,040,168)	(1,290,959)

Note : For the purpose of the cash flow statements, cash and cash equivalents exclude pledged deposits and are netted off against bank overdrafts, where applicable.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



9. SUMMARISED CASH FLOWS STATEMENTS (Cont'd)

TGH (Company level)

	Financial year ended 31 December				
	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Net cash from operating activities	2,683,009	3,905,372	471,778	3,650,587	2,836,367
Net cash generated from/(used in) investing activities	(480,736)	314,437	3,520,470	239,406	(2,619,260)
Net cash used in financing activities	(3,239,718)	(4,294,561)	(2,301,283)	(5,584,940)	(82,027)
Net increase/(decrease) in cash and cash equivalents	(1,037,445)	(74,752)	1,690,965	(1,694,947)	135,080
Cash and cash equivalents at beginning of year	107,788	(929,657)	(1,004,409)	686,556	(1,008,391)
Cash and cash equivalents at end of year	(929,657)	(1,004,409)	686,556	(1,008,391)	(873,311)

TGO

	Financial year ended 31 December				
	2005 RM	2006 RM	2007 RM	2008 RM	2009 RM
Net cash (used in)/from operating	512,472	395,595	(2,212,775)	1,144,103	1,724,321
Net cash used in investing activities	(711,785)	-	(3,951,766)	(943,852)	(191,672)
Net cash from/(used in) financing activities	175,105	(386,523)	5,747,023	(605,183)	(1,711,098)
Net increase/(decrease) in cash and cash equivalents	(24,208)	9,072	(417,518)	(404,932)	(178,449)
Cash and cash equivalents at beginning of year	28,067	3,859	12,931	(404,587)	(809,519)
Cash and cash equivalents at end of year	3,859	12,931	(404,587)	(809,519)	(987,968)

Note : For the purpose of the cash flow statements, cash and cash equivalents exclude pledged deposits and are netted off against bank overdrafts, where applicable.

13. ACCOUNTANTS' REPORT (Cont'd)
 (Prepared for inclusion in this Prospectus)



10. STATEMENTS OF CHANGES IN EQUITY

TGG

	Share capital RM	Losses carried forward RM	Total equity RM
At 31 December 2006	2	(11,867)	(11,865)
Loss for the year	-	(20,674)	(20,674)
At 31 December 2007	<u>2</u>	<u>(32,541)</u>	<u>(32,539)</u>
Loss for the year	-	(58,428)	(58,428)
At 31 December 2008	<u>2</u>	<u>(90,969)</u>	<u>(90,967)</u>
Loss for the year	-	(12,843)	(12,843)
At 31 December 2009	<u><u>2</u></u>	<u><u>(103,812)</u></u>	<u><u>(103,810)</u></u>

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13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



10. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

TGH (Group)

	<i>Non-distributable</i>		<i>Distributable</i>	Total	Minority interest	Total equity
	Share capital	Revaluation reserve	Retained earnings			
	RM	RM	RM	RM	RM	RM
At 31 December 2005	20,000,000	-	17,516,466	37,516,466	-	37,516,466
Effect of Adopting FRS 3	-	-	226,982	226,982	-	226,982
At 31 December 2005, restated	20,000,000	-	17,743,448	37,743,448	-	37,743,448
Profit for the year	-	-	8,593,491	8,593,491	-	8,593,491
Dividend	-	-	(432,000)	(432,000)	-	(432,000)
At 31 December 2006	20,000,000	-	25,904,939	45,904,939	-	45,904,939
Profit for the year	-	-	9,050,354	9,050,354	-	9,050,354
Revaluation of Properties	-	15,391,786	-	15,391,786	-	15,391,786
At 31 December 2007	20,000,000	15,391,786	34,955,293	70,347,079	-	70,347,079
Effect of additional shares issued by a subsidiary to minority interest	-	-	9,614	9,614	1,990,386	2,000,000
Profit for the year	-	-	4,795,453	4,795,453	(281,955)	4,513,498
Dividend	-	-	(592,000)	(592,000)	-	(592,000)
At 31 December 2008	20,000,000	15,391,786	39,168,360	74,560,146	1,708,431	76,268,577

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



10. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

TGH (Group) (Con't)

	<i>Non- distributable</i>	<i>Distributable</i>				
	Share capital	Revaluation reserve	Retained earnings	Total	Minority interest	Total equity
	RM	RM	RM	RM	RM	RM
At 1 January 2009	20,000,000	15,391,786	39,168,360	74,560,146	1,708,431	76,268,577
Surplus on revaluation of plant and equipment	-	28,284,277	-	28,284,277	6,399,555	34,683,832
Acquisition of shares from minority interest	-	-	-	-	(250,000)	(250,000)
Effect of acquiring additional interest from minority interest	-	-	3,579,881	3,579,881	(3,579,881)	-
Net gains recognised directly in equity	-	28,284,277	3,579,881	31,864,158	2,569,674	34,433,832
Profit for the year	-	-	7,384,443	7,384,443	(233,200)	7,151,243
At 31 December 2009	20,000,000	43,676,063	50,132,684	113,808,747	4,044,905	117,853,652

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



10. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

TGH (Company level)

	Share capital	<i>Non- distributable</i> Revaluation reserve	<i>Distributable</i> Retained earnings	Total equity
	RM	RM	RM	RM
At 31 December 2005	20,000,000	172,698	2,352,141	22,524,839
Effect of Adopting FRS 127	-	(172,698)	-	(172,698)
At 31 December 2005, restated	20,000,000	-	2,352,141	22,352,141
Profit for the year	-	-	1,921,011	1,921,011
Dividend	-	-	(432,000)	(432,000)
At 31 December 2006	20,000,000	-	3,841,152	23,841,152
Profit for the year	-	-	4,544,717	4,544,717
Revaluation of Properties	-	1,566,836	-	1,566,836
At 31 December 2007	20,000,000	1,566,836	8,385,869	29,952,705
Loss for the year	-	-	(291,160)	(291,160)
Dividend	-	-	(592,000)	(592,000)
At 31 December 2008	20,000,000	1,566,836	7,502,709	29,069,545
Profit for the year	-	-	2,704,846	2,704,846
At 31 December 2009	20,000,000	1,566,836	10,207,555	31,774,391

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



10. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

TGO

	Share capital	Retained earnings/ (Accumulated losses)	Total equity
	RM	RM	RM
At 31 December 2005	650,000	219,064	869,064
Profit for the year	-	133,957	133,957
At 31 December 2006	650,000	353,021	1,003,021
Issue at par	850,000	-	850,000
Profit for the year	-	30,534	30,534
At 31 December 2007	1,500,000	383,555	1,883,555
Loss for the year	-	(622,810)	(622,810)
At 31 December 2008	1,500,000	(239,255)	1,260,745
Loss for the year	-	(270,344)	(270,344)
At 31 December 2009	1,500,000	(509,599)	990,401

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)



11. FINANCIAL STATEMENTS

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2009.

12. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

(a) The listing of and quotation on the Main Market of the Securities Exchange for the following:

- (i) the entire enlarged issued and paid-up share capital of TGG of RM51,000,000 comprising 102,000,000 TGG Shares; and
- (ii) the 30,800,000 TGG ICULS and up to 53,103,448 new TGG Shares upon conversion of the TGG ICULS.

(b) Subsequent to the balance sheet date, TGSC completed the disposal of 5,625,000 ordinary shares in Nippon EGalv for a total consideration of RM16,500,000 fully satisfied in cash. The disposal resulted in the dilution of TGSC's interest in Nippon EGalv from 92.2% to 67.2%.

Yours faithfully,

KPMG
Firm Number: AF 0758
Chartered Accountants

Lee Kean Teong
Partner
Approval Number: 1857/02/12 (J)

13. ACCOUNTANTS' REPORT (*Cont'd*)

(Prepared for inclusion in this Prospectus)

Appendix 1 (a)

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KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

Independent auditors' report to the members of Tatt Giap Group Berhad

(Company No. 732294 - W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tatt Giap Group Berhad, which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 14.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

Appendix 1 (a)



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Company No. 732294 - W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2009 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Lee Kean Teong
1857/02/12 (J)
Chartered Accountant

Date : 10 March 2010

Penang

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (b)



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

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Independent auditors' report to the members of Tatt Giap Group Berhad

(Company No. 732294 - W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tatt Giap Group Berhad, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 13.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (b)

17



Company No. 732294 - W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2008 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose.

We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Lee Kean Teong
1857/02/10 (J)
Chartered Accountant

Date : 12 May 2009

Penang

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

Appendix 1 (c)

6



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Report of the auditors to the members of
Tatt Giap Group Berhad**

(Company No. 732294 - W)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 7 to 14. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion :

- a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of :
 - i) the state of affairs of the Company at 31 December 2007 and its results and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company;

and

- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

KPMG
Firm Number : AF 0758
Chartered Accountants

Lee Kean Teong
Partner
Approval Number : 1857/02/10 (J)

Penang,

Date : 18 April 2008

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

Appendix 1 (d)

6



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Report of the auditors to the members of
Tatt Giap Group Berhad**

(Company No. 732294 - W)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 7 to 14. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion :

- a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of :
 - i) the state of affairs of the Company at 31 December 2006 and its results and cash flows for the period ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company;
- and
- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

KPMG
Firm Number : AF 0758
Chartered Accountants

Penang,

Date : 15 June 2007

Lee Kean Teong
Partner

Approval Number : 1857/02/08 (J)

13. **ACCOUNTANTS' REPORT (Cont'd)**
(Prepared for inclusion in this Prospectus)

Appendix 1 (d)

67



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Independent auditors' report to the members of
Tatt Giap Hardware Sdn Bhd**

(Company No. 39286 X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tatt Giap Hardware Sdn Bhd, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 64.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (e)



68

Company No. 39286 X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Lee Kean Teong
1857/02/12 (J)
Chartered Accountant

Date : 10 March 2010

Penang

13. **ACCOUNTANTS' REPORT (Cont'd)**
(Prepared for inclusion in this Prospectus)

Appendix 1 (f)

66



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Independent auditors' report to the members of
Tatt Giap Hardware Sdn Bhd**

(Company No. 39286 X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tatt Giap Hardware Sdn Bhd, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 63.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (f)

67



Company No. 39286 X

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Lee Kean Teong
857/02/10 (J)
Chartered Accountant

Date : 12 May 2009

Penang

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (g)

6



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Report of the auditors to the members of
Tatt Giap Hardware Sdn Bhd**

(Company No. 39286 X)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 8 to 46. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:

- i) the state of affairs of the Group and of the Company at 31 December 2007 and the results of their operations and cash flows for the year ended on that date; and
- ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

Appendix 1 (g)

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Company No. 39286 X

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.



KPMG
Firm Number : AF 0758
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Lee Kean Teong'.

Lee Kean Teong
Partner
Approval Number : 1857/02/10 (J)

Penang,

Date : 18 April 2008

13. ACCOUNTANTS' REPORT (*Cont'd*)

(Prepared for inclusion in this Prospectus)

Appendix 1 (h)

7



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Report of the auditors to the members of
Tatt Giap Hardware Sdn Bhd**

(Company No. 39286 X)

(Incorporated in Malaysia)

We have audited the financial statements set out on pages 9 to 43. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:

- i) the state of affairs of the Group and of the Company at 31 December 2006 and the results of their operations and cash flows for the year ended on that date; and
- ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

Appendix 1 (h)



8

Company No. 39286 X

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number : AF 0758
Chartered Accountants

Lee Kean Teong
Partner
Approval Number : 1857/02/08 (J)

Penang,

Date : 23 April 2007

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (i)

7



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Report of the auditors to the members of
Tatt Giap Hardware Sdn Bhd**
(Company No. 39286 X)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 9 to 44. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2005 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

13. ACCOUNTANTS' REPORT (*Cont'd*)
(Prepared for inclusion in this Prospectus)

Appendix 1 (i)

8



Company No. 39286 X

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

A handwritten signature in black ink, appearing to be 'KPMG'.

KPMG
Firm Number : AF 0758
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Lee Kean Teong'.

Lee Kean Teong
Partner
Approval Number : 1857/02/08 (J)

Penang,

Date : 19 MAY 2006

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

Appendix 1 (j)

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KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

Independent auditors' report to the members of TG Oriental Steel Sdn. Bhd.

(Company No. 42683 - P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TG Oriental Steel Sdn. Bhd., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 33.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

Appendix 1 (j)

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Company No. 42683 - P

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2009 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

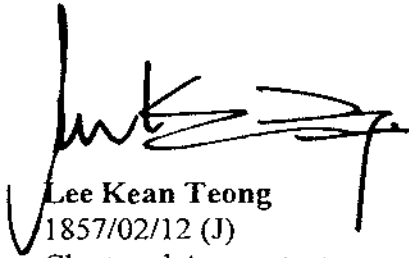
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KPMG
AF 0758
Chartered Accountants



Lee Kean Teong
1857/02/12 (J)
Chartered Accountant

Date : 10 March 2010

Penang

13. ACCOUNTANTS' REPORT (*Cont'd*)

(Prepared for inclusion in this Prospectus)

Appendix 1 (k)



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

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**Independent auditors' report to the members of
TG Oriental Steel Sdn. Bhd.**

(Company No. 42683 - P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TG Oriental Steel Sdn. Bhd., which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 33.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

13. ACCOUNTANTS' REPORT (*Cont'd*)

(Prepared for inclusion in this Prospectus)

Appendix 1 (k)



37

Company No. 42683 - P

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2008 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Lee Kean Teong
1857/02/10 (J)
Chartered Accountant

Date : 12 May 2009

Penang

13. ACCOUNTANTS' REPORT (Cont'd)
(Prepared for inclusion in this Prospectus)

Appendix 1 (I)

6



KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

Telephone +60 (4) 227 2288
Fax +60 (4) 227 1888
Internet www.kpmg.com.my

**Report of the auditors to the members of
TG Oriental Steel Sdn. Bhd.**

(Formerly known as TG Engineering Sdn. Bhd.)
(Company No. 42683 - P)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 7 to 25. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of :
- i) the state of affairs of the Company at 31 December 2007 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

The financial statements of the preceding year were audited by another firm of auditors whose report dated on 15 June 2007, expressed an unqualified opinion on those financial statements.

KPMG
Firm Number : AF 0758
Chartered Accountants

Lee Kean Teong
Partner
Approval Number : 1857/02/10 (J)

Penang,

Date : 18 April 2008

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

COMPANY NO

42683-P

Appendix 1 (m)

REPORT OF THE AUDITORS

TO THE MEMBERS OF TG ENGINEERING SDN. BHD.
(Incorporated in Malaysia)

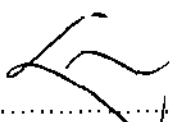
We have audited the financial statements set out on pages 7 to 17. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.


We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary, to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements which have been prepared in accordance with the provisions of the Companies Act, 1965, the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
 - (ii) the state of affairs of the Company as at 31 December, 2006 and of the result of the operations, changes in equity and cash flows of the company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

PENANG: Dated 15 June 2007


.....
LOOI SOO WAH & CO.,
CHARTERED ACCOUNTANTS (MALAYSIA)
AUDITORS.
NO. AF - 0433


.....
LOOI SOO WAH
APPROVAL NO. 78/4/08 (J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)

(Prepared for inclusion in this Prospectus)

COMPANY NO

42683-P

Appendix 1 (n)

REPORT OF THE AUDITORS

TO THE MEMBERS OF TG ENGINEERING SDN. BHD.
(Incorporated in Malaysia)

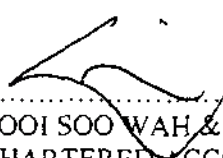
We have audited the financial statements set out on pages 7 to 17. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

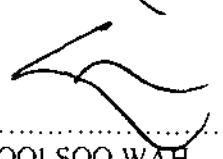
We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary, to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements which have been prepared in accordance with the provisions of the Companies Act, 1965, the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
 - (ii) the state of affairs of the Company as at 31 December 2005 and of the result of the operations, changes in equity and cash flows of the company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

PENANG: Dated 10 June 2006


.....
LOOI SOO WAH & CO.,
CHARTERED ACCOUNTANTS (MALAYSIA)
AUDITORS.
NO. AF - 0433


.....
LOOI SOO WAH
APPROVAL NO. 78/4/08 (J/PH)

14. DIRECTORS' REPORT



TATT GIAP GROUP BERHAD (732294-W)

REGISTERED OFFICE:

Suite 2-1, 2nd Floor
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang

22 JUN 2010

THE SHAREHOLDERS OF TATT GIAP GROUP BERHAD

Dear Sir/Madam

On behalf of the Board of Directors of Tatt Giap Group Berhad ("TGG" or "Company"), I report that, after making due enquiries in relation to the interval between 31 December 2009, being the date to which the last audited financial statements of the Company and its subsidiary and associated companies ("TGG Group") have been made up, and the date hereof, being a date not earlier than fourteen (14) days before the issue of this Prospectus:

- (a) the business of the TGG Group has, in the opinion of the Board of Directors of TGG, been satisfactorily maintained;
- (b) in the opinion of the Board of Directors of TGG, no circumstances have arisen since the last audited financial statements of the TGG Group which have adversely affected the trading or the value of the assets of the TGG Group;
- (c) the current assets of the TGG Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities by reason of any guarantees or indemnities given by the TGG Group;
- (e) the Board of Directors of TGG are not aware of any default or any known event that could give rise to a default situation in respect of payments of either interest and/or principal sums in relation to any borrowings of the TGG Group since the last audited financial statements of the TGG Group; and
- (f) save as disclosed in this Prospectus, there have been no material changes in the published reserves or unusual factors affecting the profits of the TGG Group since the last audited financial statements of the TGG Group.

Yours faithfully
For and on behalf of the Board of Directors of
TATT GIAP GROUP BERHAD


DATO' SIAH KOK POAY
Chairman/President

15. VALUATION CERTIFICATES

(Prepared for inclusion in this Prospectus)

Date: 11th May 2010

Our Ref: VPG-SC-12/33/2007

Tatt Giap Group Berhad
 Plot 33, Jalan Perusahaan Bukit Minyak
 Bukit Minyak Industrial Park
 14000 Bukit Mertajam
 Pulau Pinang

Raine&Horne 

**Raine & Horne International
 Zaki + Partners Sdn. Bhd.**
 (Company No. 99440-T)
 14, Penang Street, 10200 Penang.
 G.P.O. Box 142, 10710 Penang, Malaysia.
 Real Estate Sales : +604-262 4816
 Valuation Dept : +604-262 6688
 Accounts Dept : +604-262 6683
 Fax : +604-261 2032
 E-mail : rhzppg@po.jaring.my

Dear Sirs,

***VALUATION CERTIFICATE FOR PLOT 33, JALAN PERINDUSTRIAN BUKIT
 MINYAK, KAWASAN PERINDUSTRIAN BUKIT MINYAK, 14000 BUKIT MERTAJAM,
 PULAU PINANG.***

This letter has been prepared for the purpose of inclusion in this Prospectus dated 28.06.10, in relation to the listing of Tatt Giap Group Berhad on the main market of Bursa Malaysia Securities Berhad.

In accordance with the instructions of the Board of Directors of Tatt Giap Group Berhad, we have valued the abovementioned property vide our valuation report bearing reference No. VPG-SC-12/33/2007 dated 8th January 2008.

The Valuation Report as set out herein has been prepared based on the "Asset Valuation Guidelines" issued by the Securities Commission and the Malaysian Valuation Standards prescribed by the Board Of Valuers, Appraisal and Estate Agents with the necessary professional responsibility and due diligence.

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

Where it is stated in the Valuation report that information has been supplied by the source listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so. The Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility and any event, unless such full disclosure has been made.



(Property, Plant & Machinery Valuation)

Perunding Harta Tanah Antarabangsa • International Property Consultants

Dato Sr Zaki Hj Said DPTJ, JP, Bsc (London), FISM, Sr Wong Yin Fook Bsc (London), Sr Chou Yee Seng Bsc (Singapore), MISM, Sr Boek Chek Hai FISM, FRICS, IRRV, Sr Tajul Ariffin Mohd Idris MBS (Dubai) Adv Dip Est Mgt (UITM), MISM, MRICS, Sr Jacob Lim Hoeng Teong MBA (UK), MISM, MRICS, Sr Ganesh Chinnappan B Sc (Hons) Prop. Mgt Real Estate (Reading) MISM, Sr Lim Lian Hong B. Land Econ (UK) FISM, MRICS, Sr Ho Sek Chimen Assoc. Dip. Valuation (Austl.), FISM, Sr Michael Goh Thian Peng B Sc (Valuation & Land Econ) FISM, MRICS, Sr Azmi Omar Bsc (Hons) Land Mgt (Reading), MISM, MRICS, Sr Ramli Osman ADK, MBA (Edith Cowan), Bsc (Hons) Land Mgt (Reading), FISM, MRICS, Sr Stephen Ng Kho Vni MISM.

KUALA LUMPUR	PULAU PINANG	BUTTERWORTH	IPDH	KLANG	PETALING JAYA	SUBANG JAYA
SEREMBAN	MELAKA	KUANTAN	JOHOR BAHRU	KUCHING	K. KINABALU	



Representative offices throughout Asia, Australia, New Zealand, Europe, Americas & Africa

Raine&Horne 

www.rainehornepg.com

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

**Description Of The Subject Property**

The subject property comprises a three-storey office building and annexed single-storey factory. It is located at Jalan Perusahaan Bukit Minyak, Kawasan Perindustrian Bukit Minyak, Pulau Pinang. Further details of the title are as follows:-

Title No	H.S (D) 16499
PT No	169
Mukim	13
Daerah	Seberang Perai Tengah
State	Pulau Pinang
Tenure	60 Years Leasehold (expiring on 26 th December 2056) - unexpired term of 46 years
Category of Land Use	"Perusahaan"
Land Area	217,800.87 square feet
Registered Proprietor	Formosa Industries Sdn. Bhd.

Building

The three-storey office building is annexed to the factory at the front portion. The building is constructed of reinforced concrete framework with plastered brickwalls and aluminium frameless tinted glass wall, supporting reinforced concrete flat roof with steel trusses. The ceilings are generally of suspended gypsum board panels whilst the floor finishes are generally of ceramic tiles, vinyl and cement screed.

The factory building is constructed of steel portal framework, partly plastered brickwalls and metal deck claddings, supported a pitched metal deck roof on steel trusses. The total built-up area of the subject property is as follows:-

	Floor Area (sq. ft.)
Three-storey Office	15,600.00
Factory	135,300.00
Guard house	140.00
Total	151,040

The Certificate Of Fitness was issued on 27th October 1998.

Valuation Approaches

We valued the subject property by adopting the "Comparison and Cost Methods" of Valuation. This method of valuation seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity.

This approach seeks to ascertain the value of the property through the summation of the value components of the land and cost of building. In determining the value of the land, the analyzed apportioned value attributable to the land is adopted as described in the foregoing approach, whilst making due allowances to factors of location, plot size, accessibility and other relevant factors.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Raine & Horne
Raine & Horne International Zaki + Partners Sdn. Bhd.

In determining the cost of the building, current estimates on construction costs to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of size, construction, finishes contractor's overheads, fees and profits. Appropriate adjustments are then made to the factors of obsolescence and existing physical condition of the building.

DETAILS	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Address	PT 180, Mukim 13, Seberang Perai Tengah, Pulau Pinang	PT 249, Lorong Perusahaan Maju 2, Kawasan Perusahaan Perai	PT 340, Lorong Perusahaan Maju 4, Kawasan Perusahaan Perai	PT 258, Lorong Perusahaan Maju 7, Kawasan Perusahaan Perai
Tenure	Leasehold	Leasehold	Leasehold	Leasehold
Property type	A Single-storey detached factory with an annexed two storey office.	A Single-storey detached factory with an annexed two storey office.	Vacant industrial land.	Vacant industrial land.
Transacted	RM4,400,000.00	RM3,000,000.00	RM1,347,812.00	RM2,203,680.00
Date	16 th January 2006	18 th October 2006	12 th April 2006	29 th May 2006
Land area	174,241.71 Square Feet	174,260.73 Square Feet	134,785.56 Square Feet	154,103.53 Square Feet
Estimated building cost	RM2,373,440.00	RM1,002,932.00	-	-
Adjusted land value	RM14.16 psf	RM13.18 psf	RM11.00 psf	RM15.73 psf
Analysis	RM12.46 psf	RM11.60 psf	RM12.65 psf	RM13.37 psf
Remarks	Downward adjustment is given for size.	Downward adjustment is given for size.	Downward adjustment is given for size while Upward adjustments for location and accessibility.	Downward adjustment is given for size.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)



We have adopted the land value of RM12.50 per square foot after studying through the four comparables selected. From these four comparables we have concluded that the total average land value of the comparables would be a reasonable benchmark.

For the Cost Method, we have derived a building value of RM9,288,224. The breakdown values of the building cost and depreciation rate are as follows:-

Type	Adjusted Value (RM/psf)	Remarks
Three-storey Office	83.60	Depreciated at 12% based on building age and condition
Factory	59.00	Depreciated at 12% based on building age and condition
Guard house	48.00	Depreciated at 12% based on building age and condition

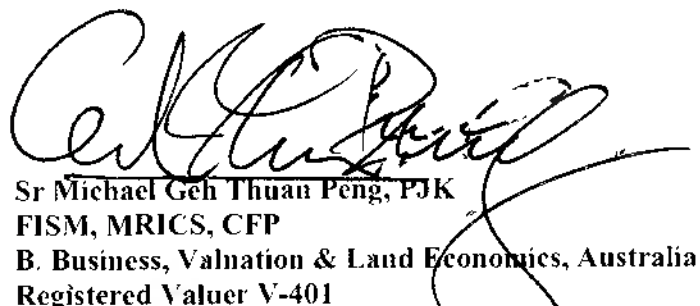
Value computation : Land Value RM 2,722,501.00
 Building Value RM 9,288,224.00
 Market Value RM12,010,725.00

Say **RM12,000,000.00**

Having regard to the foregoing and taking into consideration of all the relevant factors, we are of the opinion that the Market Value of property known as **Plot 33, Jalan Perindustrian Bukit Minyak, 14000 Bukit Mertajam, Pulau Pinang** with a certificate of fitness issued, with vacant possession, Leasehold Interest expiring on 26th December 2056 (unexpired term of 46 years) and subject to the individual title being free from all encumbrances, good, marketable and registrable as at 8th January 2008 is **RM12,000,000.00 (Ringgit Malaysia Twelve Million Only)**.

Yours faithfully,

for and on behalf of
**RAINE & HORNE INTERNATIONAL
 ZAKI + PARTNERS SDN. BHD.**


 Sr Michael Geh Thuan Peng, PJK
 FISM, MRICS, CFP
 B. Business, Valuation & Land Economics, Australia
 Registered Valuer V-401

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Date: 11th May 2010

Our Ref: VPG-SC-12/32/2007

Tatt Giap Group Berhad
 Plot 33, Jalan Perusahaan Bukit Minyak
 Bukit Minyak Industrial Park
 14000 Bukit Mertajam
 Pulau Pinang

Dear Sirs,

VALUATION CERTIFICATE FOR NO. 1617, LORONG PERUSAHAAN MAJU 6, PRAI INDUSTRIAL ESTATE, SEBERANG PERAI TENGAH, PULAU PINANG.

This letter has been prepared for the purpose of inclusion in this Prospectus dated 28.06.10, in relation to the listing of Tatt Giap Group Berhad on the main market of Bursa Malaysia Securities Berhad.

In accordance with the instructions of the Board of Directors of Tatt Giap Group Berhad, we have valued the abovementioned property vide our valuation report bearing reference No. VPG-SC-12/32/2007 dated 8th January 2008.

The Valuation Report as set out herein has been prepared based on the "Asset Valuation Guidelines" issued by the Securities Commission and the Malaysian Valuation Standards prescribed by the Board Of Valuers, Appraisal and Estate Agents with the necessary professional responsibility and due diligence.

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

Where it is stated in the Valuation report that information has been supplied by the source listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so. The Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility and any event, unless such full disclosure has been made.



Perunding Harta Tanah Antarabangsa • International Property Consultants

Date Sr Zaki Hj Said DPTJ, JP Bsc (London), FISM, Sr Wong Yin Fook Bsc (London), Sr Cheu Yee Sang Bsc (Singapore), MISM, Sr Boek Chak Hai FISM, FRICS, IRRV, Sr Tajul Ariffin Mohd Idris MBS (Dubai) Adv Dip. Est. Mgt (UTM), MISM, MRICS, Sr Jacob Lim Noong Teong MBA (UK), MISM, MRICS, Sr Ganesh Chinnappan B.Surv. (Hons) Prop. Mgt. Real Estate (Reading) MISM, Sr Lim Lian Hong B Land Econ (UK), FISM MRICS, Sr Ho Sak Chuen Assoc. Dip. Valuation (Aust.), FISM, Sr Michael Geh Thuan Peng B Bsc (Valuation & Land Econ) FISM, MRICS, Sr Azmi Omar Bsc (Hons) Land Mgt. (Reading) MISM, MRICS, Sr RamR Camen ADK MBA (Erith Cowan), Bsc (Hons) Land Mgt (Reading), FISM, MRICS, Sr Stephen Ng Kho Yut MISM

KUALA LUMPUR	PULAU PINANG	BUTTERWORTH	IPON	KLANG	PETALING JAYA	SUBANG JAYA
SEREMBAN	MELAKA	KUANTAN	JOHOR BAHRU	KUCHING	K. KINABALU	



Representative offices throughout Asia, Australia, New Zealand, Europe, Americas & Africa



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15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

**Description Of The Subject Property**

The subject property comprises a three-storey office building and annexed single-storey factory. It is located at Lorong Perusahaan Maju 6, Prai Industrial Estate, Pulau Pinang. Further details of the title are as follows:

Title No	H.S. (D) Nas.14942 & 14941
P.T Nas.	PT 2960 & 2961
Mukim	11
Daerah	Seberang Perai Tengah
State	Pulau Pinang
Tenure	60 years Leaschald Interest (Expiring on 6 th December 2052) - unexpired term of 42 years
Category Of Land Use	"Perusahaan"
Land Area	10.47140 acres
Registered Proprietor	Tatt Giap Steel Centre Sdn. Bhd.

Building

The three-storey office building is annexed to the factory at the front portion. The building is constructed of reinforced concrete framework with plastered brickwalls, supporting reinforced concrete flat roof with steel trusses. The ceilings are generally of decorative plastered ceiling incorporating concealed lighting and suspended fibre board panels whilst the floor finishes are generally of ceramic tiles, carpet, vinyl and cement screed.

The factory building is constructed of steel portal frameworks, partly plastered brickwalls and metal deck claddings and supported a pitched metal deck roof on steel trusses, insulated with wire mesh. The total built-up area of the subject property is as follows:-

	Floor Area (Sq. ft.)
Three-storey Office	36,812,538
Factory	254,705,530
Guard house	2,002,090
Total	293,520,158

The Certificate Of Fitness was issued on 6th August 1997.

Valuation Approaches

We valued the subject property by adopting the "Comparison and Cost Methods" of Valuation. This method of valuation seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity.

This approach seeks to ascertain the value of the property through the summation of the value components of the land and cost of building. In determining the value of the land, the analyzed apportioned value attributable to the land is adopted as described in the foregoing approach, whilst making due allowances to factors of location, plot size, accessibility and other relevant factors.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Raine & Horne

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In determining the cost of the building, current estimates on construction costs to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of size, construction, finishes contractor's overheads, fees and profits. Appropriate adjustments are then made to the factors of obsolescence and existing physical condition of the building.

DETAILS	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Address	Plot 8, Lorong Perusahaan Maju 2, Kawasan Perusahaan Perai	Plot 576, Lorong Perusahaan Maju 2, Kawasan Perusahaan Perai	1445, Lorong Perusahaan Maju 4, Kawasan Perusahaan Perai	Plot 35, Lorong Perusahaan Maju 7, Kawasan Perusahaan Perai	Plot 2, Lorong Perusahaan Maju 8, Kawasan Perusahaan Perai
Tenure	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold
Property type	A Single-storey detached factory with an annexed two storey office.	A Single-storey detached factory with an annexed two storey office.	A Single-storey detached factory with an annexed two storey office.	A Single-storey detached factory with an annexed two storey office.	A Single-storey detached factory with an annexed two storey office.
Transacted	RM1,850,000.00	RM1,660,000.00	RM1,300,000.00	RM3,050,000.00	RM9,500,000.00
Date	25 th February 2005	12 th July 2006	26 th September 2007	5 th February 2007	28 th January 2005
Land area	45,994.145 Square Feet	31,495.171 Square Feet	435,604.269 Square Feet	88,508.966 Square Feet	221,861.965 Square Feet
Estimated building cost	RM1,000,633.00	RM920,368.00	RM7,119,173.00	RM1,234,289.00	RM5,471,955.00
Adjusted land value	RM22.49 psf	RM27.70 psf	RM13.50 psf	RM20.51 psf	RM22.44 psf
Analysis	RM19.12 psf	RM18.01 psf	RM13.50 psf	RM16.41 psf	RM20.19 psf
Remarks	Downward adjustment is given for size.	Downward adjustments are given for size and shape.	No adjustment.	Downward adjustment is given for size.	Downward adjustment is given for size.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Raine & Horne
Raine & Horne International Zaki + Partners Sdn. Bhd.

We have adopted the land value of RM17.00 per square foot after studying through the five comparables selected. From these five comparables we have concluded that the total average land value of the comparables would be a reasonable benchmark.

For the Cost Method, we have derived a building value of RM18,153,026. The breakdown values of the building cost and depreciation rate are as follows:-

Type	Adjustment (RM/psf)	Remarks
Three-storey Office	84.00	Depreciated at 16% based on building age and condition
Factory	58.80	Depreciated at 16% based on building age and condition
Guard house	42.00	Depreciated at 16% based on building age and condition

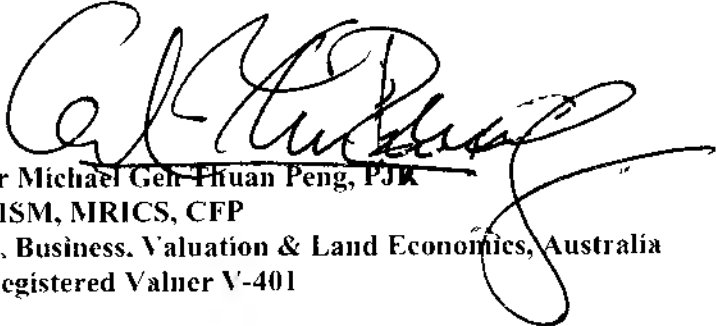
Value computation : Land Value RM 7,754,281.00
 Building Value RM18,153,026.00
 Market Value RM25,907,307.00

Say RM26,000,000.00

Having regard to the foregoing and taking into consideration of all the relevant factors, we are of the opinion that the Market Value of property known as **No. 1617, Lorong Perusahaan Maju 6, Prai Industrial Estate, 13600 Prai, Pulau Pinang** with a certificate of fitness issued, with vacant possession, Leasehold Interest expiring on 6th December 2052 (unexpired term of 42 years) and subject to the individual title being free from all encumbrances, good, marketable and registrable as at 8th January 2008 is **RM26,000,000.00 (Ringgit Malaysia Twenty Six Million Only)**.

Yours faithfully,

for and on behalf of
**RAINE & HORNE INTERNATIONAL
 ZAKI + PARTNERS SDN. BHD.**


 Sr Michael Gen Phuan Peng, PJK
 FISM, MRICS, CFP
 B. Business, Valuation & Land Economics, Australia
 Registered Valuer V-401

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)



Date: 11th May 2010

Our Ref: VPG-SC-12/34/2007

Tatt Giap Group Berhad
 Plot 33, Jalan Perusahaan Bukit Minyak
 Bukit Minyak Industrial Park
 14000 Bukit Mertajam
 Pulau Pinang

**Raine & Horne International
 Zaki + Partners Sdn. Bhd.**
 (Company No. 99440-T)
 14, Penang Street, 10200 Penang,
 G.P.O. Box 142, 10710 Penang, Malaysia.
 Real Estate Sales : +604-262 4919
 Valuation Dept : +604-262 6666
 Accounts Dept : +604-262 6693
 Fax : +604-261 2032
 E-mail : rhizppg@po.jaring.my

Dear Sirs,

**VALUATION CERTIFICATE FOR NOS. 1067, 1068 & 1069, JALAN BAGAN
 LALLANG, 13400 BUTTERWORTH, PULAU PINANG.**

This letter has been prepared for the purpose of inclusion in this Prospectus dated 28.06.10, in relation to the listing of Tatt Giap Group Berhad on the main market of Bursa Malaysia Securities Berhad.

In accordance with the instructions of the Board of Directors of Tatt Giap Group Berhad, we have valued the abovementioned property vide our valuation report bearing reference No. VPG-SC-12/34/2007 dated 8th January 2008.

The Valuation Report as set out herein has been prepared based on the "Asset Valuation Guidelines" issued by the Securities Commission and the Malaysian Valuation Standards prescribed by the Board Of Valuers, Appraisal and Estate Agents with the necessary professional responsibility and due diligence.

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

Where it is stated in the Valuation report that information has been supplied by the source listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so. The Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility and any event, unless such full disclosure has been made.



Perunding Harta Tanah Antarabangsa • International Property Consultants

Date Sr Zaki Hj Said DPTJ, JP, Bac (London), FISM, Sr Wong Yin Fook Bsc (London), Sr Chou Yee Seng Bsc (Singapore), MISM, Sr Boock Chek Hal FISM, FRICS, IRRV, Sr Tejal Ariffin Mohd Idris MBS (Dubai) Adv Dip. Est. Mgt (UITM), MISM, MRICS, Sr Jacob Lim Hoong Teong MBA (UK), MISM, MRICS, Sr Ganesh Chinnappa B Surv. (Hons) Prop. Mgt. Real Estate (Reading) MISM, Sr Lim Lian Hong B Land Econ (UK), FISM, MRICS, Sr Ho Sek Chuen Assoc. Dip. Valuation (Aust.), FISM, Sr Michael Goh Thuen Peng B.Ba (Valuation & Land Econ) FISM, MRICS, Sr Azmi Omar Bsc (Hons) Land Mgt. (Reading), MISM, MRICS, Sr Ramli Osman ADK MBA (Edith Cowan), Bac (Hons) Land Mgt (Reading), FISM, MRICS, Sr Stephen Ng Kho Yul MISM

KUALA LUMPUR	PULAU PINANG	BUTTERWORTH	IPOH	KLANG	PETALING JAYA	SUBANG JAYA
SEREMBAN	MELAKA	KUANTAN	JOHOR BAHRU	KUCHING	K. KINABALU	



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15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Description Of The Subject Property

The subject property comprises with 3 units of 2 ½ -storey terrace shop/office annexed single-storey warehouse. It is located at Jalan Bagan Lallang, Pulau Pinang. Further details of the title are as follows:-

Title No	Geran 262
Lot No	681
Mukim	16
Daerah	Seberang Perai Utara
State	Pulau Pinang
Tenure	Freehold
Category Of Land Use	Nil
Land Area	38,114.96 square feet
Registered Proprietor	Tatt Giap Hardware Sdn. Bhd.

Building

The 3 units of 2 ½ storey terrace shop/office is constructed of reinforced concrete framework with plastered brickwalls supporting a flat roof on steel trusses. The ceilings are plastered and asbestos sheets. The floor finishes are mainly ceramic tiles, non-slip tiles and cement screed.

The single-storey warehouse is constructed of steel portal frameworks with metal deck claddings, supporting a pitched metal deck roofing on steel trusses.

Building	Total floor Area (Sq. Ft.)
Shop/office (Nos. 1067 & 1068)	6,768
Shop/office (No.1069)	3,696
Warehouse	16,300
Total	26,764

The Certificates Of Fitness were issued on 15th August 2006.

Valuation Approaches

We valued the subject property by adopting the "Comparison and Cost Methods" of Valuation. This method of valuation seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity.

This approach seeks to ascertain the value of the property through the summation of the value components of the land and cost of building. In determining the value of the land, the analyzed apportioned value attributable to the land is adopted as described in the foregoing approach, whilst making due allowances to factors of location, plot size, accessibility and other relevant factors.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Raine & Horne

Raine & Horne International Zaki + Partners Sdn. Bhd.

In determining the cost of the building, current estimates on construction costs to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of size, construction, finishes contractor's overheads, fees and profits. Appropriate adjustments are then made to the factors of obsolescence and existing physical condition of the building.

DETAILS	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Address	Lot 58, Jalan Bagan Lallang, Pulau Pinang	Lot 3112 (Parent Lot No. 670), Off Jalan Bagan Lallang	Lot 679, Mukim 16, Jalan Bagan Lallang, Pulau Pinang	Lot Nos. 82 & 83, Jalan Bagan Lallang, Pulau Pinang
Tenure	Freehold	Freehold	Freehold	Freehold
Property type	Vacant land	Vacant land	Vacant land	Vacant land
Transacted	RM877,708.00	RM1,126,292.00	RM1,318,474.00	RM1,102,068.00
Date	16 th May 2003	2 nd January 2004	4 th August 2003	11 th November 2003
Land area	33,758.916 Square Feet	40,224.694 Square Feet	47,088.306 Square Feet	50,093.953 Square Feet
Estimated building cost	-	-	-	-
Adjusted land value	RM29.12 psf	RM30.8 psf	RM31.36 psf	RM24.64 psf
Analysis	RM29.12 psf	RM41.58 psf	RM32.93 psf	RM29.57 psf
Remarks	No adjustment.	Upward adjustments are given for first layer lot, shape and accessibility.	Upward adjustment is given for size.	Upward adjustment is given for size.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)



We have adopted the land value of RM34.00 per square foot after studying through the four comparables selected. From these four comparables we have concluded that the total average and value of the comparables would be a reasonable benchmark.

For the Cost Method, we have derived a building value of RM1,880,601. The breakdown values of the building cost and depreciation rate are as follows:-

Type	Adjusted Value (RM/psf)	Remarks
Shop/office (Nos. 1067 & 1068)	90.00	Depreciated at 5% based on building age and condition
Shop/office (No. 1069)	90.00	Depreciated at 5% based on building age and condition
Warehouse	64.60	Depreciated at 5% based on building age and condition

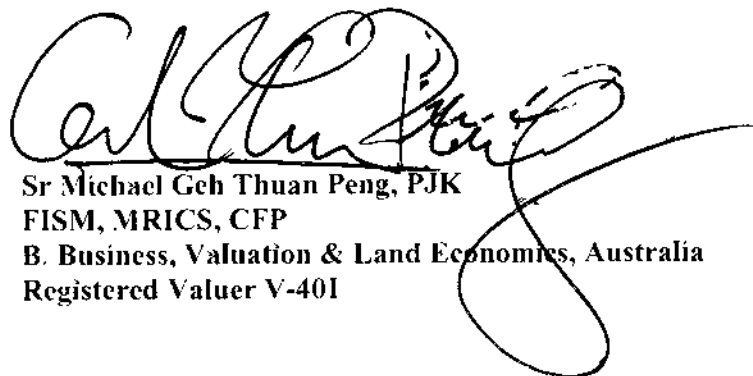
Value computation : Land Value RM1,295,910.00
 Building Value RM1,880,601.00
 Market Value RM3,176,511.00

Say **RM3,200,000.00**

Having regard to the foregoing and taking into consideration of all the relevant factors, we are of the opinion that the Market Value of property known as **Nos. 1067, 1068 & 1069, Jalan Bagan Lallang, 13400 Butterworth, Pulau Pinang** with a certificate of fitness issued with vacant possession, Freehold Interest and subject to the individual title being free from all encumbrances, good, marketable and registrable as at 8th January 2008 is **RM3,200,000.00 (Ringgit Malaysia Three Million and Two Hundred Thousand Only)**.

Yours faithfully,

for and on behalf of
**RAINE & HORNE INTERNATIONAL
 ZAKI + PARTNERS SDN. BHD.**



Sr Michael Geh Thuan Peng, PJK
 FISM, MRICS, CFP
 B. Business, Valuation & Land Economics, Australia
 Registered Valuer V-401

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Date: 11th May 2010

Our Ref: VPG-SC-12/35/2007

Tatt Giap Group Berhad
Plot 33, Jalan Perusahaan Bukit Minyak
Bukit Minyak Industrial Park
14000 Bukit Mertajam
Pulau Pinang

Dear Sirs,

VALUATION CERTIFICATE NO. 6, JALAN PERUSAHAAN 5, KAWASAN PERINDUSTRIAN BERANANG, 43700 SEMENYIH, SELANGOR DARUL EHSAN.

This letter has been prepared for the purpose of inclusion in this Prospectus dated 28.06.10, in relation to the listing of Tatt Giap Group Berhad on the main market of Bursa Malaysia Securities Berhad.

In accordance with the instructions of the Board of Directors of Tatt Giap Group Berhad, we have valued the abovementioned property vide our valuation report bearing reference No. VPG-SC-12/35/2007 dated 8th January 2008.

The Valuation Report as set out herein has been prepared based on the "Asset Valuation Guidelines" issued by the Securities Commission and the Malaysian Valuation Standards prescribed by the Board Of Valuers, Appraisal and Estate Agents with the necessary professional responsibility and due diligence.

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

Where it is stated in the Valuation report that information has been supplied by the source listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so. The Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility and any event, unless such full disclosure has been made.



(Property Plant & Machinery Valuation)

Perunding Harta Tanah Antarabangsa • International Property Consultants

Dato Sr Zaki Hj Said DPTJ, JP, Bsc (London), FISM, Sr Wong Yin Feok Bsc (London), Sr Chou Yee Sang Bsc (Singapore), MISM, Sr Bock Chek Hai FISM, FRICS, IRRV, Sr Tajul Ariffin Mohd Idris MBS (Dubai) Adv Dip. Est Mgt (UITM), MISM, MRICS, Sr Jacob Lim Hoong Teong MBA (UK), MISM, MRICS, Sr Ganesh Chinnappan B Surv (Hons) Prop Mgt, Real Estate (Reading) MISM, Sr Lim Lian Hong B Land Econ (UK), FISM, MRICS, Sr Ho Sak Chuan Assoc. Dip. Valuation (Aust), FISM, Sr Michael Goh Thuan Pang B Bsc (Valuation & Land Econ) FISM, MRICS, Sr Azmi Omar Bsc (Hons) Land Mgt (Reading), MISM, MRICS, Sr Ramli Osman ADP, MBA (Edith Cowan), Bsc (Hons) Land Mgt (Reading), FISM, MRICS, Sr Stephen Ng Kho Yui MISM

KUALA LUMPUR PULAU PINANG BUTTERWORTH IPOH KLANG PETALING JAYA SUBANG JAYA
SEREMBAN MELAKA KUANTAN JOHOR BAHRU KUCHING K. KINABALU



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15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

**Description Of The Subject Property**

The subject property comprises double-storey office with an annexed *single-storey* factory. It is located at Jalan Perusahaan 5, Kawasan Perusahaan Beranang, Selangor Darul Ehsan. Further details of the title are as follows:-

Title No	HSD 59007
PT No.	PT 51
Bandar	Bandar Batu 26 Beranang
Daerah	Hulu Langat
State	Selangor
Tenure	99 years leasehold Interest (expiring on 9 th October 2099) - unexpired term of 89 years
Category of Land Use	"Perusahaan"
Land Area	207,958,548 square feet
Registered Proprietor	Tatt Giap Steel Centre Sdn. Bhd.

Building

The three-storey office building is annexed to the factory at the front portion. The building is constructed of reinforced concrete framework with plastered brickwalls, supporting reinforced concrete flat roof with steel trusses. The ceilings are generally of decorative plastered ceiling incorporating concealed lighting and suspended fibre board panels whilst the floor finishes are generally of ceramic tiles, non slip tiles and cement screed.

The factory building is constructed of steel portal framework, partly plastered brickwalls and metal deck cladding and supported a pitched metal deck roof on steel trusses, insulated with wire mesh. The total built-up area of the subject property is as follows:-

	Floor Area (Sq. ft.)
Two-storey Office	5,909.38
Factory	26,586.83
Guard house	100.00
Total	32,596.21

The Certificate Of Fitness was issued on 23rd March 1998.

Valuation Approaches

We valued the subject property by adopting the "Comparison and Cost Methods" of Valuation. This method of valuation seeks to determine the value of the property being valued by comparing and adapting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity.

This approach seeks to ascertain the value of the property through the summation of the value components of the land and cost of building. In determining the value of the land, the analyzed apportioned value attributable to the land is adopted as described in the foregoing approach, whilst making due allowances to factors of location, plot size, accessibility and other relevant factors.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)

Raine & Horne
Raine & Horne International Zaki + Partners Sdn. Bhd.

In determining the cost of the building, current estimates on construction costs to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of size, construction, finishes, contractor's overheads, fees and profits. Appropriate adjustments are then made to the factors of obsolescence and existing physical condition of the building.

DETAILS	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Address	Lot 29951, Jalan Bangi	Lot 29953, Off Jalan Nilai	Lot 1550, Jalan Semenyih / Sungai Purun	Lot 1542, Jalan Semenyih / Sungai Purun
Tenure	Freehold	Freehold	Freehold	Freehold
Property type	Vacant Industrial Land	Vacant Industrial Land	Vacant Industrial Land	Vacant Industrial Land
Transacted	RM1,200,000.00	RM1,164,228.00	RM1,627,053.00	RM1,256,880.00
Date	20 th January 2007	20 th April 2007	10 th August 2007	26 th December 2006
Land area	87,078.539 Square Feet	65,766.050 Square Feet	70,741.428 Square Feet	69,856.257 Square Feet
Estimated building cost				
Adjusted land value	RM15.16 psf	RM18.76 psf	RM24.15 psf	RM20.15 psf
Analysis	RM15.16 psf	RM17.83 psf	RM15.70 psf	RM13.10 psf
Remarks	No adjustment.	Downward adjustments are given for size and tenure.	Downward adjustments are given for size and tenure.	Downward adjustments are given for size and tenure.

15. VALUATION CERTIFICATES (Cont'd)

(Prepared for inclusion in this Prospectus)



We have adopted the land value of RM15.45 per square foot after studying through the four comparables selected. From these four comparables we have concluded that the total average land value of the comparables would be a reasonable benchmark.

For the Cost Method, we have derived a building value of RM18,153,026. The breakdown values of the building cost and depreciation rate are as follows:-

Type	Adjusted Value (RM/psf)	Remarks
Two-storey Office	90.25	Depreciated at 5% based on building age and condition
Factory	71.25	Depreciated at 5% based on building age and condition
Guard house	52.00	Depreciated at 5% based on building age and condition

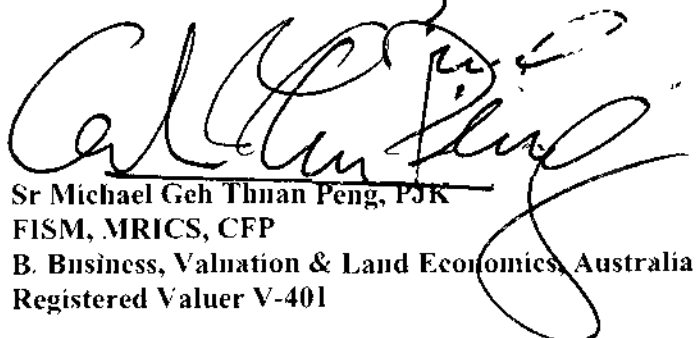
Value computation : Land Value RM3,212,959.57
 Building Value RM2,432,858.18
 Market Value RM5,645,817.75

Say **RM5,650,000.00**

Having regard to the foregoing and taking into consideration of all the relevant factors, we are of the opinion that the Market Value of property known as **No. 6, Jalan Perusahaan 5, Kawasan Perindustrian Beranang, 43700 Semenyih, Selangor Darul Ehsan** with a certificate of fitness issued, with vacant possession, Leasehold Interest expiring on 9th October 2099 (unexpired term of 89 years) and subject to the individual title being free from all encumbrances, good, marketable and registrable as at 8th January 2008 is **RM5,650,000.00 (Ringgit Malaysia Five Million Six Hundred and Fifty Thousand Only)**.

Yours faithfully,

for and on behalf of
**RAINE & HORNE INTERNATIONAL
 ZAKI + PARTNERS SDN. BHD.**


**Sr Michael Geh Thuan Peng, FJK
 FISM, MRICS, CFP
 B. Business, Valuation & Land Economics, Australia
 Registered Valuer V-401**

16. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE
STEEL PROCESSING MARKET (MALAYSIA)**

(Prepared for inclusion in this Prospectus)

**Independent Market Research on the
Steel Processing Market (MALAYSIA)**


May 2010

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16. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)**

(Prepared for inclusion in this Prospectus)

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The market research process for this study has been undertaken through detailed primary research which involves discussing the status of the industry with leading industry participants and industry experts. The methodology used is the Expert Opinion Consensus Methodology. Quantitative market information is based primarily on such interviews and therefore could be subject to fluctuation.

The market research was completed in May 2010.

Frost & Sullivan reports are for our customers' internal use and not for general publication or disclosure to third parties.

This report is prepared for submission to the Securities Commission and the relevant parties; and for inclusion in the Prospectus.

For information regarding permission, write to:

Frost & Sullivan (M) Sdn Bhd
Suite E-08-15, Block E, Plaza Mont' Kiara,
2, Jalan Kiara, Mont' Kiara,
50480 Kuala Lumpur.

Authorized signatory:



Dennis Tan
Associate Director

16. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)**

(Prepared for inclusion in this Prospectus)


F R O S T & S U L L I V A N

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16. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont 'd)**

(Prepared for inclusion in this Prospectus)

F R O S T  S U L L I V A N

DEFINITIONS


Unless otherwise indicated or required by the context, the following abbreviations, words and expressions shall bear the following respective meanings throughout this report.

General Abbreviations:

Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
CAGR	Compound Annual Growth Rate
CCM	Companies Commission of Malaysia
EG	Electro Galvanised
GDP	Gross Domestic Product
mt	Metric Tonne
RM	Ringgit Malaysia
USD	United States Dollar

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

(Prepared for inclusion in this Prospectus)

F R O S T  S U L L I V A N

Executive Summary

STEEL PROCESSING MARKET (MALAYSIA)

1 Industry / Market Segmentation

Value of the Steel Processing Industry

Steel processing is an important and integral component in the steel industry value chain. Without steel processors, steel raw materials would remain in unusable form for consumers of steel materials such as the automotive industry, electrical and electronic industry, oil and gas industry, and so on. The health of the steel processing industry is directly reflected by the health of steel consumption as a whole. So long as steel consumption remains strong, then demand for steel processing services will continue to exist.

End-users in the steel industry act as a significant driving force in the Malaysian economy. They contribute substantially to the GDP and employment, and attract substantial investment contributions. The manufacturing industry contributes about 30% to Malaysia's annual GDP, and continues to enjoy a growth rate of about 7%, contributing about 80% to the nation's total exports.

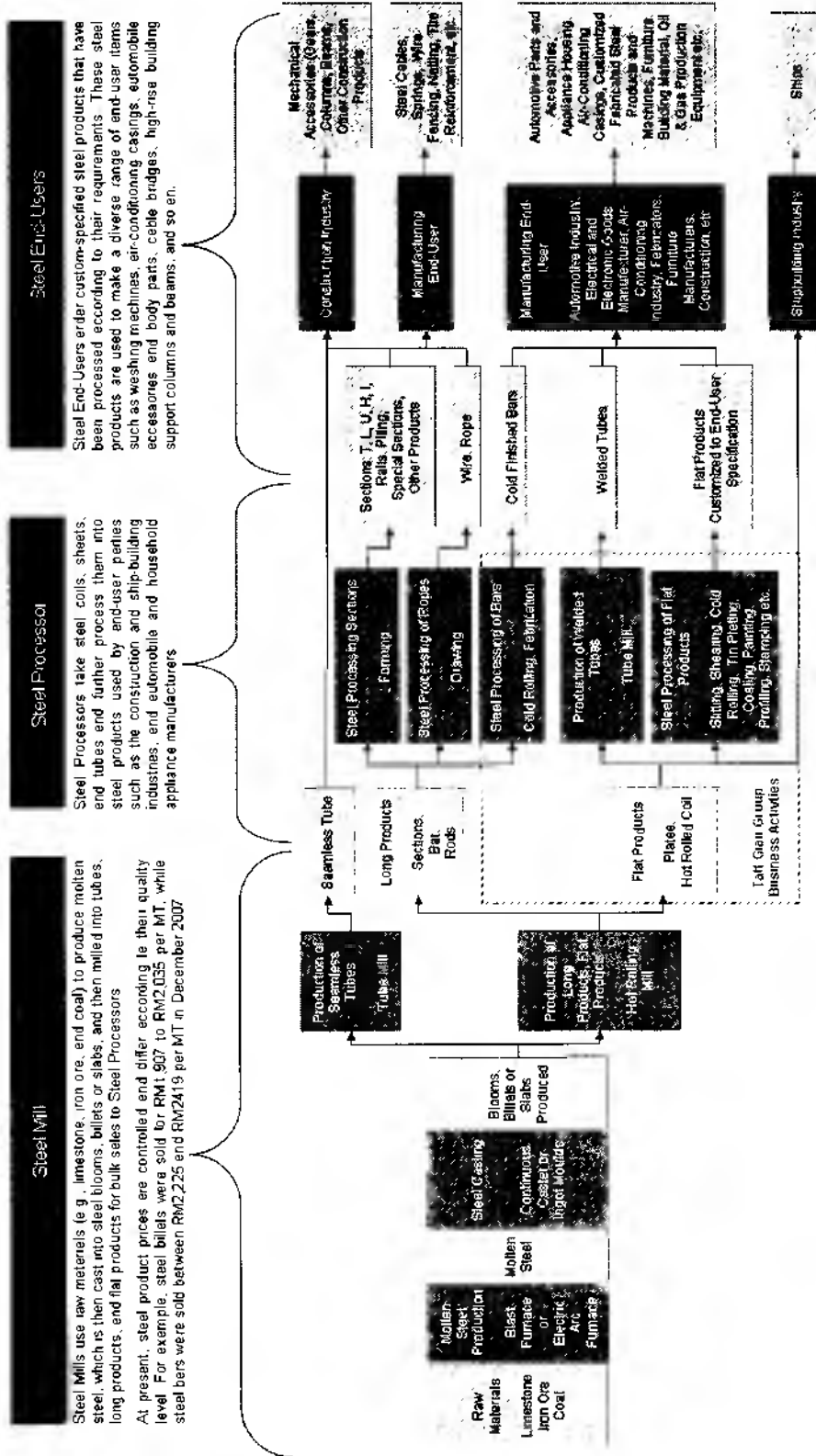
The steel industry attracts foreign investments into the country. MIDA reported that in 2007, the manufacturing sector as a whole attracted RM59.9 billion (USD 16.5 billion), in foreign investments. In terms of foreign and domestic investments, the basic metal products industry attracted about RM12.2 billion, while the electronics and electrical industry received a total of RM15.1 billion.

All in all, end-users play an extremely important role in the Malaysian economy. End-users are supported by steel processors who provide these end-users with the necessary raw materials to manufacture their products. Therefore, while the profit margins achieved by steel service centres may appear to be on the low side, **their continued presence is critical to support the health of the national economy** via their contributions to the manufacture of end-user products.

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

(Prepared for inclusion in this Prospectus)

An Illustration of the Steel Industry Value Chain.



16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont 'd)

(Prepared for inclusion in this Prospectus)

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Without the steel service centres, end-users would need to procure and setup the necessary machinery and equipment to process steel coils and sheets by themselves. If service centres did not exist in the steel industry value chain, it would be a highly expensive overhead for each end-user to invest in these machinery and equipment just to process the steel, when in fact the main goal of their production line is to re-shape these materials into other products such as office furniture or automobile components. Additionally, end-users would be hard-pressed to negotiate making small purchases directly from steel mills because mills sell to their customers in bulk by the tonnes.

Thus, steel processors are absolutely critical to the entire value chain of the steel industry and its various end-user sectors, as they provide useable products to steel end-users.

Market Segmentation

Frost & Sullivan identifies the steel processing market as consisting of essentially all steel products produced by steel mills that need to be processed before it reaches the steel end-user. This includes products made from commercial-grade steel, stainless steel, and special steel.

Commercial-grade or commodity-grade steel is defined as steel of lower carbon content (i.e., carbon content between 0.05-0.35% compared to high quality steel with a carbon content between 0.50-1.00%). Commercial grade steel can also be produced from scrap metals that have residual alloys in amounts that are high, and which again reduces its purity content for the purposes of producing high-quality steel. This low-grade steel is often sold at cheaper prices compared to other types of steel. Commercial-grade steel can be galvanized to improve its characteristics, for example tin-plating to improve its corrosion resistance.

Stainless steel is defined as a ferrous alloy containing a minimum of 10.5% chromium. Stainless steel is sought out for its resistance to rust and stains, and used in automobile components, chemical processing plants, petroleum refineries, marine and shipbuilding, and more.

Special steel is defined as a type of alloy steel with various elements added to achieve different performance characteristics. For example, hot-rolled steel coils with additional carbon content increases hardness in the steel, additional chromium or copper in hot-rolled steel coils increases corrosion resistance, and molybdenum increases high temperature strength in steel.

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

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The Tatt Giap Group is a diversified player in the Malaysian steel processing industry. It offers a full range of processing capabilities to process finished steel products. The Tatt Giap Group processes commercial, special, and stainless steel. Some of their services include:

1. processing hot and cold rolled steel coils;
2. processing galvanized coils, be it commercial grade or special, and manufacturing Pre-Painted Electro Galvanized Steel (PPEG) and tin-plates;
3. processing cold drawn and polished carbon steel and stainless steel bars; and
4. manufacturing of stainless steel pipes and tubes under the trademark of Superinox™.

The Group's core business is processing hot, cold-rolled, and stainless steel coils, and therefore, for this report, we focus on the steel processing market of flat-rolled steel and different types of special steel, with an overview of EG steel coils and stainless steel pipes.

2 Market Size and Growth Forecast

2.1 Global Economic Overview

The economic slowdown in the United States (US) that began in 2008 due to weaknesses in the housing market forced the US economy into a recession. Dubbed as the worst crisis since the 'Great Depression,' financial markets went into turmoil with some of the largest financial institutions being forced to close business and the majority receiving financial aid and support by the US government.

In 2009, the economic slowdown spread to various regions around the globe with both advanced and emerging economies experiencing a recession. The World Bank estimates a modest recovery moving forward into 2010 after the recent economic crisis. The global GDP was 3.9 percent in 2007, 1.7 percent in 2008, -1.0 percent in 2009 (-3.2 percent for advanced nations and 2.3 percent for emerging nations). The World Bank has recorded a gradual recovery in 2010 with a forecast of about 2.7 percent in 2010 and 3.2 percent in 2011. The Chinese GDP performance as recorded by the World Bank was much stronger than global performance at about 6.8 percent in 2009 and is expected to rise to 9 percent in 2010. Reports in April 2010 from the People's Republic of China's National Bureau of Statistics indicate that the Chinese GDP may be stronger, with an estimated GDP growth in Q1 2010 being as high as 11 to 12 percent. Growth in East Asia (excluding China) was more modest at about 1.3 percent in 2009 and forecast to be 4.7 percent by 2011.

While recovery is still under way, with international production and trade recovering, many economists still expect that the recovery is fragile.

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2.2 Overview of the Global Steel Industry

Steel is essential for economic growth, given its wide use and application in infrastructure, transportation, housing and construction, and key consumer goods. The steel industry follows relatively closely to GDP growth, particularly that of emerging economies where the level of manufacturing, construction and building activity is high.

Between 2006 and 2008, world steel consumption grew from 1,233 million tonnes to 1,302 million tonnes at a growth rate of around 5.6%. Growth in world consumption was underpinned by overall strong global demand, driven largely by economic growth and expansion in China and other emerging economies.

Estimated Steel Consumption (Global), 2006-2010.

	2006	2007	2008	2009	2010 (e)
World Steel Consumption (million tonne)	1,233	1,326	1,302	1,121	1,241
Growth (%)	9.8	7.6	(1.8)	(13.9)	10.7

(e) = expected

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

However, world steel consumption in 2008 declined by 1.8% over 2007, as the economic slowdown which began in the US spread to other regions of the world. In 2009, world steel consumption declined further by 13.9%. Steel production was equally effected with an 8% decline down to 1.22 billion metric tons in 2009. As the global economy recovers, steel production is expected to rise by approximately 11% this year in 2010.

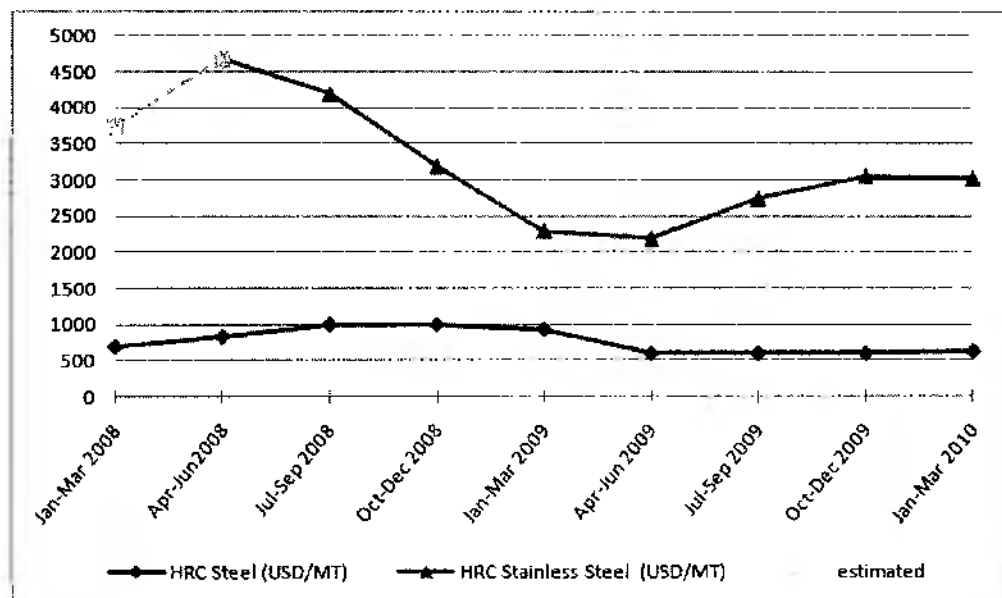
In line with the fluctuation in consumption, steel price also dropped significantly but is slowly rising again. The figure depicts world prices of hot rolled coil (HRC) steel and stainless steel from 2008 to Q1 2010.

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Estimated HRC and HRC Stainless Steel Prices (Global), 2008 – Q1 2010.



Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

After hitting record highs of around USD1,100 per tonne in July 2008, international HRC prices fell drastically to around USD600 per tonne between April to December 2009. In Q1 2010, HRC prices have increased to an average of about USD625 signalling a recovery in the market, with March 2010 HRC prices at USD675 per tonne. The global steel industry has been affected by the global economic downturn, and 2009 has proven to be a difficult year for steel companies in terms of profitability.

Stainless steel prices tend to lead HRC price patterns by several months. For example, stainless steel prices started falling between July and September 2008 from about USD4,199 per tonne to a trough of about USD2,183 per tonne by April to June 2009. The drop in HRC prices only began between January and March 2009, which is about half a year behind the start of the fall of stainless steel prices in July 2008. Stainless steel prices have since strengthened from the trough between April and June 2009 to exceed USD3,000 per tonne by October and December 2009. The price of HRC has only started recovering between January and March 2010.

Performance in the global steel demand in Q1 2010 has shown signs of recovery, and along with it rising steel prices. Provided that steel prices do not increase too aggressively to inhibit steel demand, then an improvement in revenues for steel industry players should be recorded by the end of 2010. The recent announcement of a proposed significant increase of iron ore

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prices in 2010 (up to a 90% increase) by the world's leading producers of iron ore is expected to result in a sharp rise in global steel prices as well.

2.3 Overview of the Malaysian Steel Industry

In May 2008, the Government introduced measures to liberalise the domestic steel industry. These included removing the domestic ceiling price for steel bars and billets, and lifting restrictions on imports and exports of long steel products.

More recently in mid-2009, the Government introduced a policy review of the Malaysian steel industry which took effect on 1 August 2009. The liberalization policies involve manufacturing licences, import and export licenses (AP), import duties and exemptions, and implementation of mandatory standards for imported and locally produced 'long' and 'flat' steel products. Some of the key highlights of the liberalization measures include:

- Manufacturing licences will be granted without restriction to meet the demand for domestic and export markets for long and flat products.
- Whilst there is no need for a licence to import flat products, the issuance of it will be continued for monitoring and data collection purposes, while export licences are not required on flat products.
- Import control for products of Hot-Rolled Coils (HRC), Cold-Rolled Coils (CRC) and Electro-Galvanised Iron (EGI) through fixing the ratio between locally sourced and imported products will be abolished.
- The determination of HRC base price implemented by MITI will be abolished, so as to allow HRC prices to be determined based on domestic and international market forces.

Apparent steel consumption grew from 6,779,458 tonnes in 2006 to 8,275,984 tonnes in 2008, representing growth of 22 percent supported by expansion in the manufacturing and construction sectors.

Estimated Apparent Steel Consumption* (Malaysia), 2006-2010.

	2006	2007	2008	2009 (e)	2010 (f)
Apparent Steel Consumption (Malaysia)	6,779,458	7,694,494	8,275,984	6,206,988	7,448,386 (f)
Growth (%)	n/a	13.5	7.56	(25)	20

Note:

(e) Estimated by Malaysian Iron and Steel Industry Federation (MISIF). Actual data will only be available in H2, 2010.

(f) Forecast

* Apparent Steel Consumption is a standard steel industry terminology used globally to denote steel consumption. It is derived from the formula:

Steel production + steel imports – steel exports = apparent steel consumption

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Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

In 2009, the Malaysian economy contracted by 6.2%, following growth of 0.1% in Q4 2008. In line with the global economic slowdown, demand for steel has dropped significantly and the Malaysian Iron and Steel Industry Federation (MISIF) estimated a contraction of 25% in steel demand in 2009, followed by a recovery of between 5 to 10% in 2010. According to South East Asia Iron and Steel Institute (SEAISI), the total apparent steel consumption in ASEAN peaked in H2 2009, but this was not enough to counter the 8% decline in H1 2009 to 42.2 million tonnes. Total flat product consumption in ASEAN in H2 2009 was 13.3 million tonnes, which was a 15% decline in demand in H1 2009.

Steel prices in Malaysia was recorded at about RM2,100 per tonne in Q3 2007, and reached a high of about RM3,800 per tonne by Q3 2008. Steel prices experienced a massive surge in the beginning of 2008 but suffered a sharp price correction in the second half of the year. Steel prices dropped to a low of about RM1,600 per tonne in Q1 2009 and hovered at around RM2,000 per tonne at the end of 2009.

In line with this volatility, steel processing companies in Malaysia recorded high profits in the first half of 2008, before it faced a challenging period in the industry when steel consumption heavily contracted due to conditions imposed by the global economic crisis.

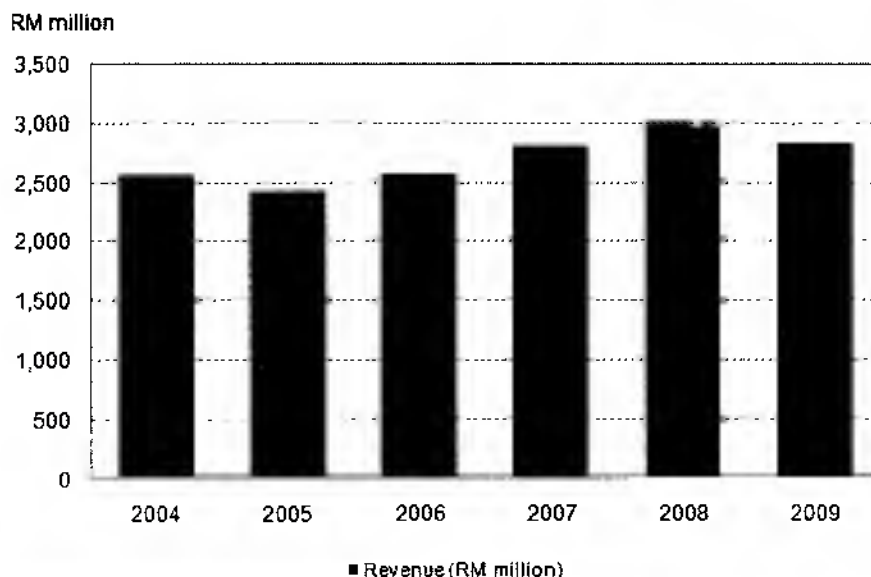
As indicated earlier, stainless steel consumption tends to lead HRC steel consumption, and it should be noted that companies that consumed or processed stainless steel were hit earlier in the economic crisis compared to companies that consumed or processed HRC. Likewise, recovery in companies that use or process stainless steel should recover sooner as manufacturing demand for stainless steel products improves moving forward in 2010.

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Estimated Size of the Steel Processing Market (Malaysia), 2004-2009.



Year	RM million	Growth (%)
2004	2,558.2	--
2005	2,422.2	(5.3)
2006	2,581.1	6.6
2007	2,799.5	8.5
2008	2,977.3	6.4
2009	2,828.4	(5.0)

CAGR (2004–2009): 2.0%

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

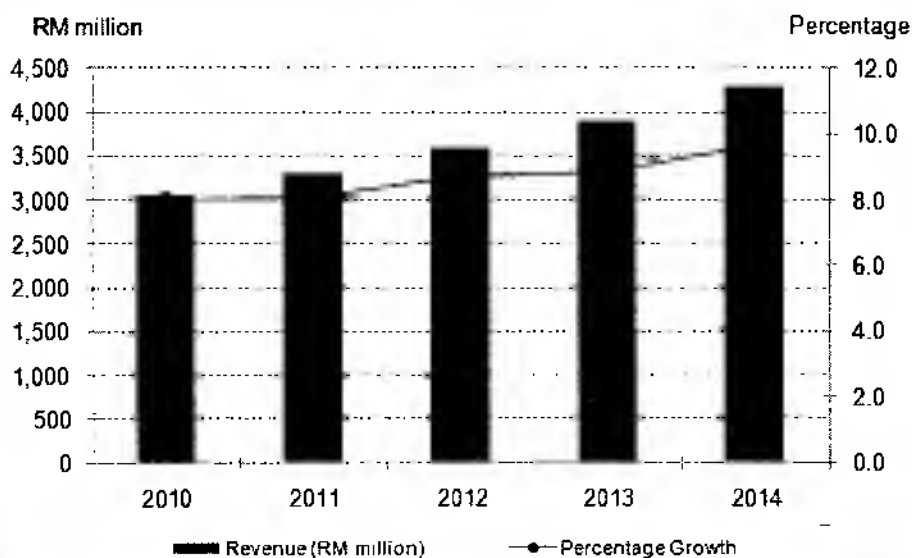
The steel processing market in 2004 was worth about RM2.5 billion, and grew to about RM2.8 billion in 2009 with a CAGR (2004-2009) of about 2.0%. The forecast for the steel processing market size between 2010 and 2014 is expected to grow with a CAGR of 7.3% between 2010 and 2014 from an estimated RM3.1 billion in 2010 to approximately RM4.1 billion by 2014.

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Forecast of the Steel Processing Market (Malaysia), 2010-2014.



Year	RM million	Growth (%)
2010	3,055.3	8.0
2011	3,261.5	6.8
2012	3,490.0	7.0
2013	3,753.4	7.5
2014	4,051.4	7.9

CAGR 2010-2014: 7.3%

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

3 Key Industry Participants

The major steel processors in the Malaysian steel industry are listed below. There are an estimated 10-15 other smaller players not listed and contribute less than 10% to the estimated size of the market. Steel processing services provided by these companies include slitting, shearing surface treatment, stamping, perforation and other processes.

There is currently no directly comparable flat product steel processing service centres listed on Bursa Securities. While these service centres are currently not listed themselves, many are subsidiaries of parent companies that are listed. Bright Steel Service Centre Sdn. Bhd., Anshin Steel Service Centre Sdn. Bhd., SMPC Industries Sdn. Bhd., and Tashin Steel Sdn. Bhd. are under Lion Corporation Berhad, Ann Joo Resources Berhad, SMPC Corporation

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Berhad, and Prestar Resources Berhad respectively, all of which are listed on Bursa Securities. Other service centres that have shareholders who are listed are OYL Steel Centre Sdn. Bhd. under Toyota Tsusho Corporation, JFE Shoji Steel Malaysia Sdn. Bhd. under JFE Corporation, and Sumiputeh Steel Centre Sdn. Bhd. under both Matsushita Corporation and Sumitomo Corporation. The Tatt Giap Group's intention to list as a Group would leverage themselves as a significant player in the steel industry.

List of Key Players in the Steel Processing Industry (Malaysia), 2009.

Company


Anshin Steel Service Centre Sdn. Bhd.
Bright Steel Service Centre Sdn. Bhd.
Japmas Steel Sdn. Bhd.
JFE Shoji Steel Malaysia Sdn. Bhd.
Macglo Steel Service Centre Sdn. Bhd.
Nicom Steel Centre (Malaysia) Sdn. Bhd.
Northern Steel Centre Sdn. Bhd.
OYL Steel Centre Sdn. Bhd.
PCM Steel Processing (M) Sdn. Bhd.
Posco-MKPC Sdn. Bhd. (f.k.a. Posmmit Steel Centre Sdn. Bhd.)
SMPC Industries Sdn. Bhd.
Steel Centre (M) Sdn. Bhd.
Sumiputeh Steel Centre Sdn. Bhd.
Tashin Steel Sdn. Bhd.
Tatt Giap Group

* Some companies above are subsidiaries of or associate companies to larger groups of companies (e.g., Bright Steel Service Centre Sdn Bhd is related to Lion Corporation Berhad, Anshin Steel Service Centre Sdn Bhd is related to Ann Joo Resources Berhad). As such, these companies might sell their services to parent or associated companies within their group of companies.

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

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4 Market Share Analysis

The pie chart below illustrates the market share of key industry players according to revenue. Companies whose operating revenues are estimated to be below RM100 million are aggregated into the "Other" category. The Tatt Giap Group is ranked a highly respectable fifth out of about 30 companies in Malaysia by revenue, with an estimated 8.2% market share. The four companies ranked higher than the Tatt Giap Group capture about 9.7%, 10.8%, 11.6% and 17.5% of the market share respectively. The three companies ranked immediately below the Tatt Giap Group capture about 7.0%, 6.4% and 6.2% respectively. These seven companies that are ranked above and below Tatt Giap Group are listed alphabetically as follows:

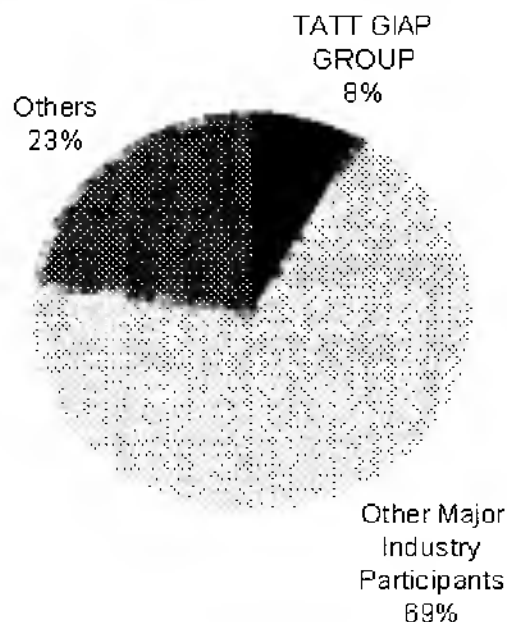
- JFE Shoji Steel Malaysia Sdn. Bhd.
- Macglo Steel Service Centre Sdn. Bhd.
- Nicom Steel Centre (Malaysia) Sdn. Bhd.
- Posco-MKPC Sdn. Bhd.
- Steel Centre (M) Sdn. Bhd.
- Sumiputeh Steel Centre Sdn. Bhd.
- Tashin Steel Sdn. Bhd.

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Market Share in the Steel Processing Industry (Malaysia), 2008.



Note :

- "Other Major Industry Participants" include industry players with revenues greater than approximately RM100 million, and "Others" are the estimated 10-15 smaller industry players
- Market share is based on revenues reported to CCM by major domestic players

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

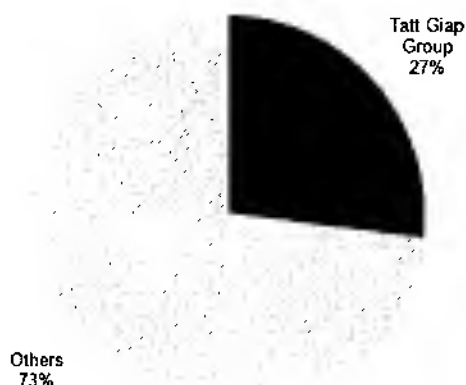
Many major players in the Malaysian steel processing industry are supported by foreign shareholders, not only from Japan, but also from Korea and Singapore. These major companies control about 69% of the market share, while the remaining 31% are companies wholly owned by local stakeholders.

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Market Share of Key Malaysian-owned Players in the Steel Processing Industry (Malaysia), 2008.



Note:

- "Other Malaysian Players" include but are not limited to Japmas Steel Sdn. Bhd., Tashin Steel Sdn. Bhd., and Macglo Steel Service Centre Sdn. Bhd.
- Market share is based on revenues reported to CCM by major domestic players

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

Within the domestic steel processing industry (comprising Malaysian-owned players only) the Tatt Giap Group was the leading wholly Malaysian-owned steel processing company with a market share of approximately 27% based on revenues in 2008. This was an increase over its market share in 2007 which stood at around 25%.

5 Industry Challenges

Industry Protection

In early 2002, the government increased import duties on flat steel products in order to promote flat products from local steel mills¹. Along with the increasing tax structures, legislation was also introduced to encourage companies to buy locally produced steel whenever the end-user's steel specification is met by locally produced flat products, even if the local prices are higher than global market prices. These measures may project a less attractive image to investors partaking in the steel industry.

¹ To date, this remains the case, and does not change with the recently announced liberalization policy which applies only to steel bars and billets.

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To continue projecting a positive image for investors in the steel value chain, the Government of Malaysia should continue improving its administrative processes to support steel related industries, for example, by streamlining its mechanisms to process licenses and obtain tax exemptions to demonstrate the acceptance of a free-flow market mechanism from national and international forces and to heighten the industry viability. With these measures, Malaysia should remain a competitive nation for steel processing and other steel related industries, especially when compared against other nations such as Vietnam and Thailand.

Steel Stockists Moving into the Market Space

The steel processing industry is maturing with over 6% growth rates. Many steel hardware stockists have entered the steel processing industry in order to participate in this industry which provides stable and potential growth. A common challenge faced by new steel processors is the provision of a wide breadth of services to clients. Many of these new stockists cum processors have only recently expanded into the processing business, and as such, the scope and volume of their services is still fairly limited, largely due to their restricted presence and reputation in the market, as well as the high capital costs involved in the setting up of large-scale processing centers.

The Tatt Giap Group with its full-range of steel processing services and well-established reputation and client portfolio should be able to maintain the performance gap between these new entrants and themselves sufficiently for many years to come.

Increasing Operating Costs and Relocation of End-Users

Industry players have noted a rise in operation costs and, more alarmingly, a slow trend among end-users to relocate their operations to a different country to take advantage of the lower operating costs, for example to Vietnam and Thailand.

In order to remain attractive to end-users, industry players need to continuously optimize their operations and improve efficiency (e.g., reducing material wastage, improving delivery and collection periods, securing friendly financial terms from financial institutions, etc.), in order to control their rising costs and avoid losing customers to other countries.

6 Barriers to Entry

High Cost of Machinery and Stockpiling

Premium steel processing machinery that produces accurate cutting edges, with minimum burr strip edges and straight-line cuts is generally imported and is relatively

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expensive. The average cost of a slitting machine from Taiwan may cost about RM3 million. A Japanese machine with higher specifications may cost about RM5 million to RM9 million. The price of one leveller to shear steel coils would cost another RM3 million to RM9 million depending on the machine's specification. Full-fledged steel processing centres usually have more than one set of slitting and shearing equipment which increases installation costs and land and building costs to set up additional space for these equipment. A recently formed stainless steel processor reported that they had invested between RM25 million and RM30 million on machinery and working capital.

In addition to machinery, steel processors also stockpile several thousand mt worth of steel in preparation for customer orders. It is common practice to stockpile several months' worth of raw materials, and prepare adequate cashflow to extend credit terms to clients, and other related working capital. For example, a steel processor typically stockpiles between three to six months' worth of inventory. Assuming a 10,000 mt per month output and taking the average price of hot-rolled steel coils at RM3,700 per mt in June 2008 just when prices for coils were rising, this translates to between RM111 million and RM222 million worth of steel coils stored in the stockpile floor waiting to be processed. Additionally, this amount does not include the capital requirements for land, building and machinery.

To enter the steel processing industry, a new entrant would have to invest heavily in machinery, stockpiling and other capital in order to run basic operations. This is certainly a high barrier to enter the industry which would likely discourage new entrants from entering the industry.

7 Relevant Laws and Regulations

The following legislation and regulations apply to all trade practices involving the import and export of steel products and would be relevant to all players in the steel industry, including steel processors. Industry players wishing to import steel products from abroad are required to:

- Seek approved permits (AP) from the Ministry of International Trade and Industry; and
- Obtain no-objection letters (NOLs) from local upstream steel mills.

For companies who wish to export more than 80% of their products, they are also required to apply for a Licensed Manufacturing Warehouse from the Royal Malaysian Customs.

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In 2002, import duties for most foreign flat steel products were raised to 50%, with just a few selected products enjoying lower duties. For example, the following items enjoy the following duty values:

- 25% for flat hot-rolled non-alloy steel with a thickness of 0.170mm or less,
- 15% for plated or tin-coated flat products of a thickness of 0.5mm or more and containing less than 0.6% carbon by weight;
- 15% for hot-rolled bars and rods in irregularly wound coils of free-cutting steel; and
- No duty for flat-rolled stainless steel products of a width of less than 600mm and thickness exceeding 10mm.

8 Supply Conditions

Malaysian steel processors obtain their steel supply locally and abroad. Steel processors import steel from abroad when the grade and type of steel are not available locally. There is no shortage of steel suppliers globally, and in Malaysia, the key suppliers of hot and cold rolled steel coils to the steel processors include Megasteel Sdn Bhd, Mycron Steel Bhd and Omasteel Holdings Bhd.

9 Demand Conditions

9.1 Market Drivers

Growing Existing Demand from Malaysian Manufacturing Sector

The manufacturing sector continues to grow steadily in Malaysia. Some examples of manufacturing sub-sectors that use steel in their products are the residential air-conditioning sub-sector and the automotive sub-sector.

In Malaysia, the market revenues for building construction reached approximately RM6.67 billion in 2009, and it will potentially reach RM9.00 billion by 2015. The Heating Ventilating and Air-Conditioning (HVAC) market, which is a subsector of the growing building construction sector, has also been growing, recording between 6 to 7 percent growth annually with an increase use of air-conditioning units in the residential sector.

Frost & Sullivan expects Malaysia's total automotive industry volume in 2009 to end 3.1 percent lower year-on-year at 531,000 units which expected to rebound in 2010 with a 4.5 percent growth to a historic high of 555,000 units due to an improved economic outlook and rising consumer sentiment.

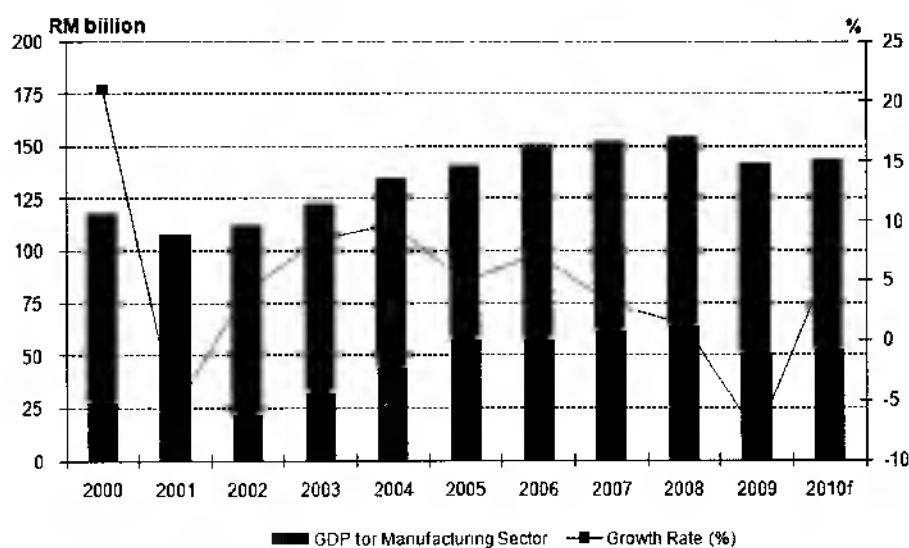
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The manufacturing sector in Malaysia has been steadily contributing to the Malaysian GDP. Despite fluctuating growth rates between 2000 and 2010, the GDP for manufacturing sector has grown from RM118 billion in 2000 to a high of RM152 billion in 2007, and is forecasted to be approximately RM142 billion in 2010.

Manufacturing Sector Growth (Malaysia), 2000-2010.



Manufacturing Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^f
Growth Rate (%)	21.0	(5.8)	4.0	8.4	9.8	4.9	7.1	3.1	1.3	(8.0)	6.5
GDP for Manufacturing Sector	118.0	107.2	111.4	121.7	134.1	140.6	147.5	152.1	154.2	141.9	142.8
Contribution to Overall GDP (%)	33.4	30.2	30.1	30.9	31.6	31.4	31.0	30.1	29.2	27.3	27.4
Total GDP (RM billion)	353.2	355.0	370.2	393.8	424.4	447.6	475.2	505.4	528.8	519.2	521.8
Total GDP Growth (%)	-	0.5	4.1	6.0	7.2	5.2	5.8	6.3	4.6	-	-

Note: GDP 2006-2009, real GDP at 2000 prices

Note: GDP 2001-2005, real GDP at 1987 prices

f: forecast

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

Collectively, the global and Malaysian manufacturing sector was affected by the global economic crisis. Nevertheless, with the economic recovery forthcoming, the domestic steel

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consumption, and therefore a need for steel processing services in Malaysia for manufacturing would continue to drive the industry.

Improving Supply from Local Steel Producers

The Malaysian government has been promoting local steel mills with the intention of overcoming the current need to import many high quality steel products currently unavailable in Malaysia. Acerinox SA, (a public listed Spanish stainless steel manufacturing conglomerate with the world's second largest worldwide production capacity) and its partner Nisshin Steel Co. Ltd. (the Japanese pioneer in large scale stainless steel production since the 1959), recently announced that they would be opening a cold-rolled steel coil and stainless steel mill in Johor. This new mill will join other producers such as Megasteel Sdn Bhd, Mycron Steel Berhad and Omasteel Holdings Berhad to further complete the range of comprehensive steel products in Malaysia.

As an overall, Malaysia is moving towards completing its ability to produce a full range of semi-finished steel products to supply local steel end-users, in the quantity and quality required. Once a full range of flat products with varying specifications can be produced locally, steel processors and end-users will benefit greatly due to a reduction in transportations costs, delivery times, legislation procedure, and import taxes.

South East Asian Growth in Manufacturing Increases Exports of Processed Steel


Malaysian steel processors have serviced manufacturers especially Japanese manufacturers which have been based in Malaysia for many years. These end-users often require a high level of quality precision processing for their products. Noting that other countries in the region are starting to show an increase in the number of manufacturing plants being established but not necessarily served by good local steel processing centres, Malaysian steel processors will benefit by exporting their processed steel products to those manufacturing locations that are poorly served by local steel processing centres.

Integrated Trade Zone

Multinational manufacturing companies are highly invested in improving their value chain management. They strategically carry out research and development, procurement, assembly and marketing activities in different locations to take advantage of the different resources and incentives at various locations. The ASEAN Free Trade Agreement (AFTA) and Closer Economic Partnership (CEP) agreements support Malaysia's participation in this value chain by strengthening trade in the region by lowering tariffs, removing national barriers, and shortening customs clearances across all ASEAN countries. The electronics industry cluster in Penang is one successful example of how Malaysia has successfully created conducive investment conditions to become an integral part of this value chain

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

(Prepared for inclusion in this Prospectus)

F R O S T  S U L L I V A N

This regional economic base with its free flow of products and services has increased Malaysian trade abroad. Between 2001 and 2007, imports between Malaysia and ASEAN countries almost doubled from RM6 Billion to RM11 Billion, while exports to ASEAN countries doubled from RM7 Billion to RM14.5 Billion. Steel processors who increase regional trading, and provide high end processed flat products that are priced competitively, will be able take advantage of this growing trading market between Malaysia and ASEAN countries.

9.2 Market Restraints

Potential for Steel End-users to Choose Regional Neighbors as Manufacturing Sites instead of Malaysia

As the connecting node between steel mills and steel end-users, the steel processing service will suffer if demand for steel processing services reduce or cease. Several manufacturers have chosen to open new steel end-user facilities in neighbouring countries instead of Malaysia and this will restrain the steel processing market from growing. While steel end-users who already have a presence in Malaysia are unlikely to relocate by the masses, the continuing stimulation of the manufacturing sector is needed to ensure a healthy and sustainable growth in the Malaysian steel end-user consumption and to continue to attract steel end-users to remain in Malaysia.

Slowed Construction Sector


The construction sector was gravely compromised by the 1997-1998 financial crisis. In 2005, the GDP for this sector still showed a negative growth. The completion of mega-projects in the country and an oversupply of commercial construction projects have reduced demand for building industry steel products. Although this sector is recovering, it has still shown slow growth rates in recent years. Construction projects listed may boost this sector soon with many projects that have been on-hold over the 2008 – 2009 period is now being recommenced.

10 Reliance and Vulnerability to Imports

The steel processing industry is not reliant on imports Malaysian steel processors can process foreign and local steel. Raw materials are imported for processing only when end-users specifically require special grade type of steel that are not available in Malaysia to be processed for their manufacturing facilities in Malaysia.

16. **EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont 'd)**

(Prepared for inclusion in this Prospectus)

F R O S T  S U L L I V A N

Steel processing is not vulnerable to imports because end-users based in Malaysia require service providers that are able to serve them at the lowest cost possible, which of course, includes reducing delivery costs of processed steel products to manufacturing facilities.

11 Product Substitution

While there is indeed a threat of product substitutions for steel, the actual steel processing industry itself, is not under any threat. As long as steel mills continue to produce steel in bulk and sell them as steel coils and sheets, end-users will still need steel processors to provide services to process these steel into the sizes and shapes required by the end-user. The closest product substitute to steel would be aluminium, although aluminium cannot be a substitute in all applications where steel is used, and aluminium is not an economically viable option over steel as it is a more expensive material than steel.

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16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

(Prepared for inclusion in this Prospectus)

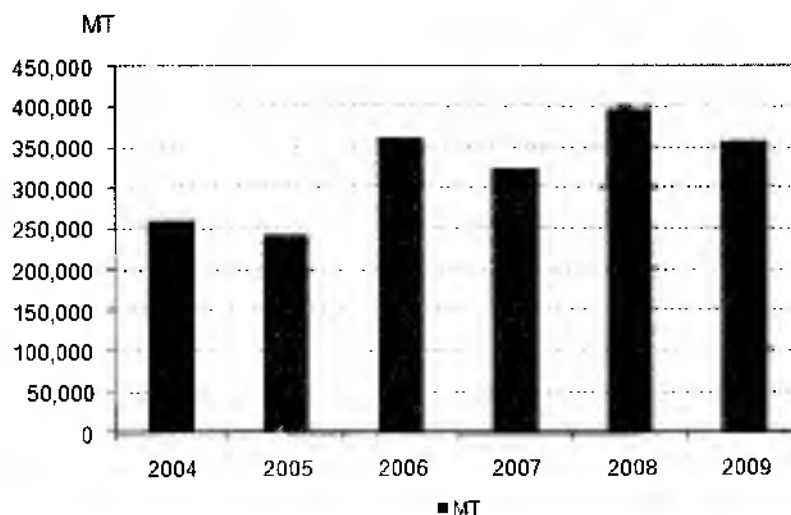
F R O S T & S U L L I V A N

STAINLESS STEEL PIPES AND TUBES MARKET

12 Market Size of Stainless Steel Pipes and Tubes in Malaysia

The figure below estimates the market size of the consumption of stainless steel pipes and tubes in Malaysia between 2004 and 2009. Consumption in 2004 was about 24,000 mt and is estimated to be about 21,000 mt in 2009. Examining the consumption trend in the graph below, consumption jumped to a high of approximately 35,000 mt in 2005, compared to the other years which are between 25,000 to 28,000 mt. This one-year spike was related to the expansion and upgrading works carried out at several local oil fields in 2005 whereby stainless steel materials were extensively used.

Estimated Stainless Steel Pipes and Tubes Consumption (Malaysia), 2004-2009.



Year	Mt	Growth (%)
2004	24,485.0	53.8
2005	34,998.3	42.9
2006	24,918.8	(28.8)
2007	20,766.6	(16.7)
2008	20,570.1	(0.9)
2009	20,748.7	0.9

CAGR (2004– 2009): -3.3%

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

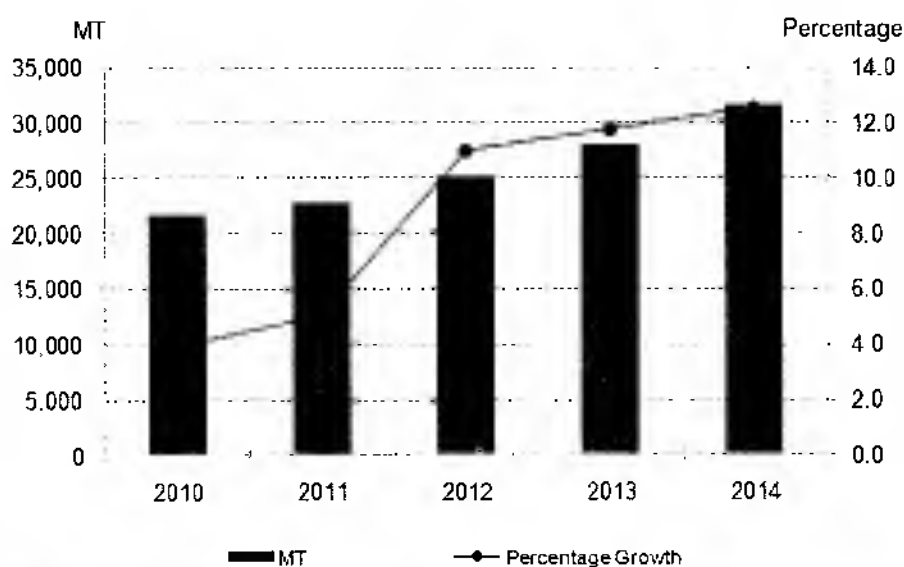
(Prepared for inclusion in this Prospectus)

F R O S T & S U L L I V A N

13 Forecast of Stainless Steel Pipes and Tubes Market Size in Malaysia

The figure below estimates the market size of the consumption of stainless steel pipes and tubes in Malaysia between 2010 and 2014. Consumption is expected to grow from about 22,000 mt in 2010 to about 32,000 mt by 2014 with the roll-out of the new stainless steel production plant expected in 2011 with an estimated CAGR of about 10.0% between 2010 and 2014.

Forecast Stainless Steel Pipes and Tubes Consumption (Malaysia), 2010-2014.



Year	Mt	Growth (%)
2010	21,566.8	3.9
2011	22,654.6	5.0
2012	25,139.9	11.0
2013	28,092.4	11.7
2014	31,609.2	12.5

CAGR (2010– 2014): 10.0%

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

TGG started producing stainless steel pipes and tubes in 2009, recording a total production of 3,118.6 mt. In Q1 2010, TGG has already recorded a total production of 1,044 mt. The estimated TGG market share of this sector is estimated to be about 15.0% of the market in 2009 based on estimated total industry consumption of stainless steel pipes and tubes in 2009 of 20,748 mt.

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

(Prepared for inclusion in this Prospectus)

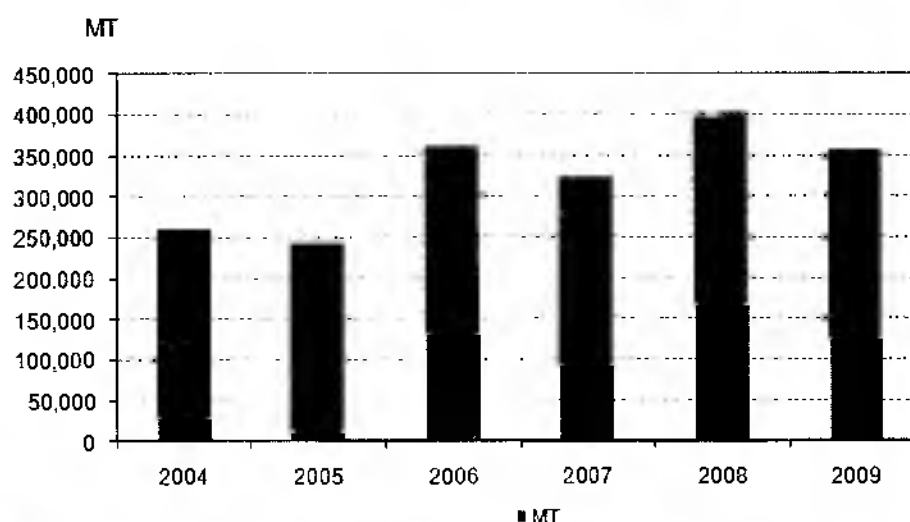
F R O S T & S U L L I V A N

ELECTRO GALVANISED STEEL COILS MARKET

14 Market Size of Electro Galvanised Steel Coils in Malaysia

The figure below estimates the market size of the consumption of EG steel coils in Malaysia between 2004 and 2009. Consumption in 2004 was about 260,000 mt and is estimated to be about 356,000 mt in 2009. EG steel coils consumption fluctuates from one year to the next, but the general CAGR between this period is estimated at about 6.6%.

Estimated EG Steel Coils Consumption (Malaysia), 2004-2009.



Year	Mt	Growth (%)
2004	259,233.0	
2005	241,696.0	(6.8)
2006	362,267.0	49.9
2007	323,471.0	(10.7)
2008	396,021.0	22.4
2009	356,418.9	(10.0)

CAGR (2004–2009): 6.6%

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

15 Forecast of Electro Galvanised Steel Coils Market Size in Malaysia

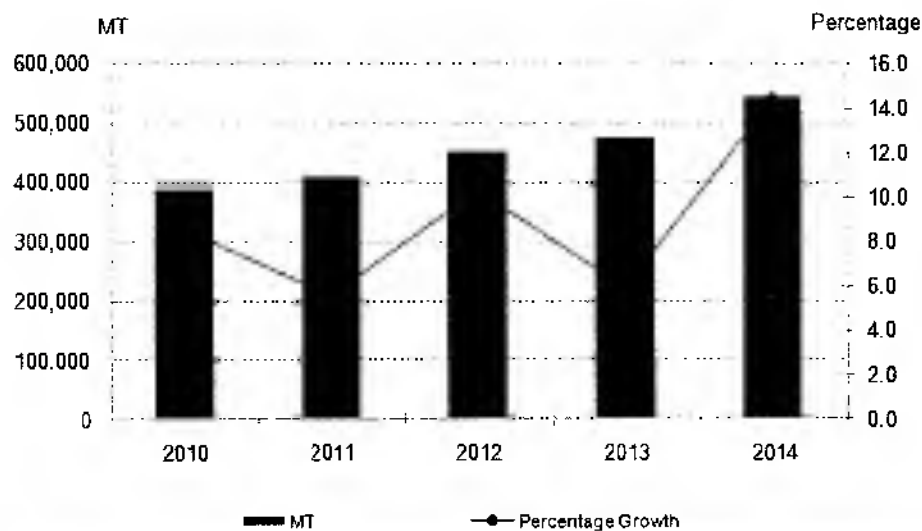
The figure below estimates the market size of EG steel coils consumption in Malaysia between 2010 and 2014. Consumption is expected to grow from about 387,000 mt in 2010 to about 545,000 mt by 2014 with an expected CAGR of about 8.9%.

16. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH ON THE STEEL PROCESSING MARKET (MALAYSIA) (Cont'd)

(Prepared for inclusion in this Prospectus)

F R O S T & S U L L I V A N

Forecast EG Steel Coils Consumption (Malaysia), 2010-2014.



Year	Mt	Growth (%)
2010	386,765.4	8.5
2011	408,170.1	5.5
2012	449,989.3	10.2
2013	476,426.5	5.9
2014	544,844.9	14.4

CACAGR (2010– 2014): 8.9%

Source: Extracted from the Independent Market Research Report prepared by Frost & Sullivan

16 Market Share Analysis of Electro Galvanised Steel Coils

According to MISIF, the Malaysian consumption of EG steel coils was about 259,000 mt in 2004 and grew to about 356,000 mt in 2009. Production capabilities in Malaysia however, only began in 2006, with just 900 mt being produced in locally while the remaining EG steel coils were imported. In 2008, production of EG steel coils in Malaysia reached about 70,000 mt, and is estimated to be about 77,839 mt in 2009.

TGG started producing EG steel coils in 2008, with a total production of 924.7 mt in 2008 and 15,800 mt in 2009. TGG is estimated to capture about 20% of the market in 2009, based on local production of EG coils, and 4.4% of the market based on consumption.

17. ADDITIONAL INFORMATION

17.1 SHARE CAPITAL

- (i) No TGG Shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) As at the Latest Practicable Date, other than the 2,000,000 Public Issue Shares reserved for the eligible Directors and employees of TGG and its subsidiary companies, there are no share schemes involving the Group's employees.
- (iii) Save as disclosed below, no capital of the Company or any of our subsidiary companies and associated company is under option or agreed conditionally or unconditionally to be put under option:

Pursuant to a shareholders agreement dated 9 December 2009 ("Shareholders Agreement") between TGH, TGSC, Cbai Yin Chong, Nippon Steel Corporation ("NSC"), Hanwa Co. Ltd. ("Hanwa") and E-Galv Steel Industry Sdn Bhd (now known as Nippon EGalv), TGSC grants to NSC and Hanwa the right to require TGSC to purchase from NSC and Hanwa, all of NSC's and Hanwa's shares in the Company ("the Put Option Shares") at the price determined in accordance with Clause 10(D) of the Shareholders Agreement ("the Put Option"). TGSC agrees that each NSC and Hanwa shall be entitled to exercise the Put Option independently and at different times or same time as NSC and Hanwa shall respectively deem fit. The Put Option shall be capable of being exercised at any time upon the occurrence of any of the following events:

- (i) if there is a Change of Control in TGSC. "Change of Control" with respect to TGSC means any transaction or other event or a sale of voting securities or a similar transaction, whether direct or indirect, upon which (in any such case) a person which (i) together with its related corporations (including its holding company, subsidiary company or subsidiary company of its holding company, if any) hold more than fifty percent (50%) of the issued share capital or voting securities of TGSC immediately prior to the transaction or other event no longer, together with its related corporations (including its holding company, subsidiary company or subsidiary company of its holding company, if any), continues to hold more than fifty percent (50%) of such share capital or securities or (ii), together with its related corporations (including its holding company, subsidiary company or subsidiary company of its holding company, if any), has the right to appoint or nominate more than half of the members of the TGSC's board of directors or similar governing body immediately prior to the transaction or other event no longer, together with its related corporations (including its holding company, subsidiary company or subsidiary company of its holding company, if any), has such right;
- (ii) Nippon EGalv's accumulated losses or deficit exceeds seventy five per cent (75%) of the paid-up capital of Nippon EGalv at any time; or
- (iii) NSC is unable to supply steel substrates to Nippon EGalv in Malaysia due to governmental trade policy for a continuous period of five (5) years.
- (iv) There is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by the applicable Malaysian law or by our Memorandum and Articles of Association.

17. ADDITIONAL INFORMATION (Cont'd)

17.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association ("Articles"). The words and expressions appearing in the following provisions shall bear the same meaning used in the Articles unless they are otherwise defined here or the context otherwise requires:

(i) **Transfer of Securities**

Article 42

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), shares in the Company which have been deposited with the Central Depository shall be transferable but every transfer shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Act, but subject to sub-section 107C(2) of the Act and any exemption that may be made from the compliance with sub-section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

Article 43

The transfer of any listed securities or class of listed securities of the Company shall be effected in accordance with the Act, the Central Depositories Act and the Rules and for such deposited securities, these Articles shall not be applicable to the extent that they are inconsistent with the relevant provisions of the Act, the Central Depositories Act and the Rules. Subject to the Act, the Central Depositories Act and the Rules and these Articles, any member may transfer all or any of his securities in such manner or form as may from time to time be approved by the Exchange.

Article 44

The Central Depository may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

Article 45

The Company may at the Directors' discretion require the Central Depository to suspend the registration of transfer at such times and for such periods as the Directors may from time to time determine, not exceeding in the whole thirty (30) days in any calendar year. At least ten (10) clear Market Days' notice of such closure or such other relevant time period as may be required by the Exchange shall be given to the Exchange stating the period and the purpose of such closure. In this respect, the Company shall give notice in accordance with the Rules to the Central Depository to enable the Central Depository to prepare the appropriate Records of Depositors.

Article 46

There shall be no restriction on the transfer of fully paid securities except where required by law.

17. ADDITIONAL INFORMATION (Cont'd)

Article 47

Subject to the Act, the Company may charge a fee not exceeding RM3.00 or such other amount as the law may allow the Company to charge (excluding any stamp duty and other charges payable) on the registration of each:

- (a) probate or letter of administration;*
- (b) certificate of death;*
- (c) stop notice;*
- (d) power of attorney; or*
- (e) other document relating to or affecting the title to any shares or other securities,*

or otherwise for making any entry in the Register or any other register affecting the title to any shares or other securities.

Article 48

No share shall be transferred to any partnership or unincorporated association or body, minor, bankrupt or person of unsound mind.

Article 49

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.

Article 50

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 thirty (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 ten (10) clear market days or such other relevant time period as may be required by the Exchange 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 to prepare the appropriate Record of Depositors.

Article 52

Subject to the Act, every entry in the Register, purporting to have been made on the basis of an instrument of transfer or other document in good faith by the Company shall be conclusively deemed to have been duly and properly made including (without limitation) where:

- (a) the instrument of transfer or other document is obtained or created fraudulently or is otherwise void, voidable or otherwise unenforceable;*
- (b) the Company or any of its Directors or officers may have notice that such instrument of transfer was signed, executed and/or delivered by the transferor or other authorised person in blank as to the name of the transferee or the particulars of the shares transferred or otherwise made defectively;*

17. ADDITIONAL INFORMATION (Cont'd)

and any person who becomes the registered holder of any shares by reason of any such entry shall be entitled to be recognised as the registered holder of such shares, and the Company, its Directors and/or other officers shall not be liable to any person by reason of any such entry being made.

Article 53

The Directors may (before registering any transfer tendered for registration) give the registered holder notice in writing sent by ordinary post that such instrument of transfer has been lodged and unless such holder objects, the transfer will be registered. If such holder does not lodge an objection in writing at the Office within seven (7) days from the posting of such notice to him, he shall be deemed to have accepted the validity of the transfer.

(ii) Transmission of Securities

Article 60

Where:

- (a) the securities of the Company are listed on another stock exchange; and*
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities,*

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

(iii) Remuneration of Directors

Article 115

The fees of the Directors shall from time to time be determined by the Company in General Meeting but the remuneration of the executive Directors shall from time to time be determined by the Board of Directors. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting when notice of the proposed increase has been given in the notice convening the meeting. The fees payable to non-executive Directors' shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to executive Directors may not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

Article 116

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

17. **ADDITIONAL INFORMATION (Cont'd)**

Article 117

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:

- (a) render any special or extra services to the Company; or*
- (b) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.*

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

(iv) Voting and Borrowing Powers of Directors

Article 129

The Directors may exercise all the powers of the Company to borrow any sum or sums of money from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, and 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 wholly owned subsidiaries or of any related corporation. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or of any subsidiary corporation.

Article 130

The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 149

Subject to these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall (subject to Article 152) not have a second or casting vote.

Article 150

The quorum for the transaction of the business of the Directors or of a committee of Directors may be fixed by the Directors or the members of the committee (as the case may be) and unless so fixed at any other number shall be two (2). A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.

17. ADDITIONAL INFORMATION (Cont'd)

Article 151

The Directors may appoint one of their numbers to be Chairman of the board of Directors. In a Directors' meeting, the Directors shall appoint one of their numbers present to preside as Chairman of the meeting. The Chairman of the meeting need not be the Chairman of the board of Directors. Neither the Chairman of the board of Directors nor the Chairman of a Directors' meeting shall have a casting vote.

Article 152

When two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

Article 153

All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

Article 154

Directors or members of a committee of Directors (as the case may be) may participate in a meeting of Directors or a committee of Directors (as the case may be) by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

Article 155

A resolution in writing signed by a majority of the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or a committee of Directors (as the case may be) duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointer and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate Director in that capacity. All resolutions may be transmitted by facsimile transmission to the Company Secretary provided that the original of the written resolution shall as soon as practicable be delivered to the Company Secretary.

Article 156

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (a) *any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its Subsidiaries;*

17. **ADDITIONAL INFORMATION (Cont'd)**

- (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 or any of its Subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Article 157

Where proposals are under consideration concerning or relating to the terms of employment, consultancy or other services of or to be provided by Directors to or with the Company or any body corporate in which the Company is interested or other related matters, the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own.

Article 158

If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

(v) **Changes in Capital and Variation of Class Rights**

Article 11

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (a) *the consent in writing of the holders of three-fourths of the issued shares of that class;*
or
- (b) *the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.*

To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

Article 12

*Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect *pari passu* with that class.*

17. ADDITIONAL INFORMATION (Cont'd)

Article 71

The Company may by ordinary resolution:

- (a) *consolidate and divide all or any of its share capital into shares of larger amount;*
- (b) *(subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;*
- (c) *cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.*

Article 72

Subject to any direction by the Company in general meeting, if any consolidation or subdivision and consolidation of shares results in Members being entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they may determine including (without limitation), selling the shares to which Members are so entitled for such price as the Directors may determine and paying and distributing to the Members entitled to such shares in due proportions the net proceeds of such sale.

Article 73

The Directors may (to give effect to such sale referred to in Article 72):-

- (a) *nominate any person to execute a transfer of the shares sold on behalf of the Members so entitled to or in accordance with the directions of the purchaser;*
- (b) *enter or have entered the name of the transferee in the Register as the holder of the shares to which such transfer relates;*

and the purchaser shall not be concerned to ensure that the purchase consideration is properly applied nor shall title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

Article 74

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law.

Article 75

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies.

Article 76

All new shares shall be subject to the same provisions as to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the existing share capital.

17. ADDITIONAL INFORMATION (Cont'd)

17.3 PROMOTER, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of our Directors are set out under the "Corporate Directory" section of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in our Company unless otherwise so fixed by our Company in general meeting.
- (iii) Save as disclosed in Sections 5.3.1, 5.3.2 and 7.2.4 of this Prospectus and other than remuneration in the normal course of employment, no amount or benefit has been paid or intended to be paid or given by our Company to any Promoters, substantial shareholders or Directors within the two (2) years preceding the date of this Prospectus.
- (iv) Save as disclosed in Section 9.2 of this Prospectus, none of our Directors or substantial shareholders has any interest in any contract or arrangement subsisting as at the date of this Prospectus, which is significant in relation to the business of our Company or our Group taken as a whole.
- (v) Save as disclosed in Section 7.1.1 of this Prospectus, our Directors are not aware of any person who is able to, directly or indirectly, jointly or severally, exercise control over our Group.

17.4 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the Latest Practicable Date, save as disclosed below, neither our Company nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the Company and/or our subsidiary companies upon becoming enforceable and our Directors do not have any knowledge of any proceedings pending or threatened against our Company and/or our subsidiary companies or any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Company and/or our subsidiary companies:

- (i) Nippon EGalv had filed a civil suit (Suit No. 22-538-2009) at the Penang High Court on 17 August 2009, against Gana Jaan Machinery Co Ltd ("Defendant") claiming for the Defendant's breach of implied conditions of a contract to supply and provide plant, machineries and equipment, to provide certain services to procure the establishment and setup of Nippon EGalv's commercial manufacturing electro galvanising line, of short supply of several parts of equipment and the subsequent refusal by the Defendant to reimburse Nippon EGalv for costs and expenses incurred. The claim is for an amount of RM4.22 million, further damages to be assessed and interest thereon. The solicitors acting on behalf of Nippon EGalv informed us that they are in the process of effecting service of the Writ out of jurisdiction through judicial assistance.

The solicitors acting on behalf of Nippon EGalv are of the opinion that the case has a fair chance of success.

17. ADDITIONAL INFORMATION (Cont'd)

17.5 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) that have been entered into by the Company and its subsidiary and associated companies within the two (2) years immediately prior to the date of this Prospectus:

- (i) Sale and Purchase Agreement dated 4 June 2008 between TGG and GSB, Tan Guat Choo, Cheah Chin Eng, Cheah Chin Wooi and PNS (collectively "the Vendors") wherein TGG has agreed to purchase and the Vendors have agreed to dispose of the entire share capital of TGH comprising of 20,000,000 ordinary shares of RM1.00 each for a purchase price of RM78,521,131 to be satisfied in the following manner:
 - (a) RM56,616,996 was fully satisfied by the issue of 43,551,536 new ordinary shares of RM1.00 each in TGG at RM1.30 per ordinary shares of RM1.00 each in TGG; and
 - (b) RM21,904,135 was fully satisfied by the issue of 21,904,135 TGG 1CULS at 100% of its nominal value.
- (ii) Sale and Purchase Agreement dated 4 June 2008 between TGG and Dato' Siah Kok Poay, Tan Lu Eng and SRSB (collectively "the Vendors") wherein TGG has agreed to purchase and the Vendors have agreed to dispose of the entire share capital of TGO comprising of 1,500,000 ordinary shares of RM1.00 each for a purchase price of RM1,883,000 to be satisfied by the issue of 1,448,462 new ordinary shares of RM1.00 each in TGG at RM1.30 per ordinary shares of RM1.00 each in TGG.
- (iii) Sale and purchase agreement dated 16 November 2009 between TGSC and Lim Yee Giap and Chin Choon Hwa (collectively "the Purchasers"), TGSC agreed to sell and the Purchasers agreed to purchase two (2) properties as follows:
 - (a) land situated on P.T. No. 33025 Pekan Penaga, Daerah Petaling, Negeri Selangor and held under Surat Hakmilik Sementara No. H.S. (D) 255342 together with a one and a half storey terrace light industrial factory erected thereon bearing the address No. 7, Jalan USJ 1/5, Taman Perindustrian Subang Mewah, USJ 1, 47600 Subang Jaya, Selangor; and
 - (b) land situated on P.T. No. 33026 Pekan Penaga, Daerah Petaling, Negeri Selangor and held under Surat Hakmilik Sementara No. H.S. (D) 255343 together with a one and a half storey terrace light industrial factory erected thereon bearing the address No. 9, Jalan USJ 1/5, Taman Perindustrian, Suhang Mewah, USJ 1, 47600 Subang Jaya, Selangor,

at a combined cash consideration of RM870,000.
- (iv) Sale and Purchase Agreement dated 9 December 2009 between TGSC and Nippon Steel Corporation ("NSC") and Hanwa Co Ltd ("Hanwa") and TGH for the acquisition of 2,250,000 ordinary shares of RM1.00 each in Nippon EGalv from TGSC by NSC and 3,375,000 ordinary shares of RM1.00 each in Nippon EGalv from TGSC by Hanwa representing 25% of the issued and paid up ordinary share capital of Nippon EGalv for the cash consideration of RM16,500,000 based on the terms and conditions of the agreement.

17. ADDITIONAL INFORMATION (Cont'd)

- (v) Shareholders Agreement dated 9 December 2009 between TGSC, Chai Yin Chong, NSC, Hanwa, Nippon EGalv and TGH. TGSC, Chai Yin Chong, NSC and Hanwa, are shareholders of the Nippon EGalv and have agreed to enter into this agreement to regulate their relationship as shareholders in Nippon EGalv and the conduct of the business and affairs of Nippon EGalv with effect from the completion of the purchase of shares by NSC and Hanwa. The parties agree that so long as NSC holds shares in Nippon EGalv, Nippon EGalv shall grant NSC the preferential right for NSC (or if NSC designates a steel mill of which 15% or more of the voting securities are owned directly or indirectly by NSC) to supply at least 50% of the total steel substrate products required by Nippon EGalv and its related corporations (i.e. its holding company, subsidiary company or subsidiary of its holding company) provided the terms of supply are equal to or better than terms offered by other suppliers.
- (vi) Underwriting Agreement dated 13 May 2010 entered into between the Company and Alliance for the underwriting of up to 6,000,000 Public Issue Shares reserved for application by the Malaysian Public for an underwriting commission at the rate of 2.0% of the IPO price of RM0.58 per Share.
- (vii) Supplemental Agreement dated 27 May 2010 between TGG and Dato' Siah Kok Poay, Tan Lu Eng and Sixis Resources Sdn Bhd (collectively "the Vendors") wherein TGG has agreed to purchase and the Vendors have agreed to dispose of the entire share capital of TGO comprising of 1,500,000 ordinary shares of RM1.00 each for a purchase price of RM1,220,000 to be satisfied by the issue of 2,440,000 new TGG Shares at RM0.50 per TGG Share.
- (viii) Trust Deed dated 2 June 2010 entered into between the Company and Mayban Trustees Berhad containing the terms and conditions relating to the TGG ICULS.
- (ix) Supplemental Agreement dated 2 June 2010 between TGG and GSB, Tan Guat Choo, Cheah Chin Eng, Cheah Chin Wooi and PNS (collectively "the Vendors") wherein TGG has agreed to purchase and the Vendors have agreed to dispose of the entire share capital of TGH comprising of 20,000,000 ordinary shares of RM1.00 each for a purchase price of RM73,299,998 to be satisfied in the following manner:
- (a) RM42,499,998 was fully satisfied by the issue of 84,999,996 new TGG Shares at RM0.50 per TGG Share; and
- (b) RM30,800,000 was fully satisfied by the issue of 30,800,000 TGG ICULS at 100% of its nominal value.

17.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As our Group does not physically operate in other countries, there is no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group.

17.7 PUBLIC TAKE-OVER OFFERS

None of the following has occurred in the last financial year and/or the current financial year up to the date of this Prospectus:

- (i) Public take-over offers by third parties for our Shares; or
- (ii) Public take-over offers by our Company for other companies' shares.

17. ADDITIONAL INFORMATION (Cont'd)

17.8 CONSENTS

The written consents of the Adviser, Sole Underwriter and Sole Placement Agent of the Company and GSB, Joint Placement Agents of PNS, the Solicitors, the Principal Bankers, the Issuing House, the Registrar, the Paying Agent, the Independent Property Valuer, the Company Secretary and Trustee to the inclusion in this Prospectus of their names and all references thereto in the manner, form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report and the Reporting Accountants' letter on Proforma Consolidated Financial Information of TGG and all references thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Market Research Consultant to the inclusion in this Prospectus of its name and Executive Summary of the Independent Market Research report and all reference thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

17.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office during office hours for a period of twelve (12) months from the date of this Prospectus.

- (i) The Memorandum and Articles of Association;
- (ii) The Accountants' Report as included in Section 13 of this Prospectus;
- (iii) The Directors' Report as included in Section 14 of this Prospectus;
- (iv) Independent Market Research Report referred to in this Prospectus and the Executive Summary thereof as included in Section 6 of this Prospectus;
- (v) The Reporting Accountants' letter relating to the proforma financial information as included in Section 10.4 of this Prospectus;
- (vi) The audited financial statements of the subsidiary companies and associated company of TGG for the past five (5) FYE 31 December 2005 to 2009;
- (vii) The material contracts referred to under Section 17.5 of this Prospectus;
- (viii) The service contracts referred to under Section 7.2.6 and 7.3.3 of this Prospectus;
- (ix) The relevant cause papers in relation to the material litigations referred to under Section 17.4 of this Prospectus;
- (x) Trust Deed of the TGG ICULS referred to under Section 5.4 of this Prospectus;
- (xi) The letters of consent referred to under Section 17.8 of this Prospectus; and
- (xii) Valuation reports dated 8 January 2008.

17. ADDITIONAL INFORMATION (Cont'd)

17.10 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors have seen and approved this Prospectus 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 best of our knowledge and belief there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Alliance, being our Adviser, Sole Underwriter and Sole Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

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18. PROCEDURES FOR APPLICATION AND ACCEPTANCE

18.1 OPENING AND CLOSING OF APPLICATIONS

Applications for the IPO Shares and Offer for Sale of ICULS will be accepted from 10.00 a.m. on 28 June 2010 and will remain open until 5.00 p.m. on 12 July 2010 or for such further period or periods as our Directors and Offerors together with Alliance in their absolute discretion may mutually decide. Any extension of the abovementioned dates will be published in widely circulated Bahasa Malaysia and English newspapers within Malaysia. **Late applications will not be accepted.**

18.2 ELIGIBILITY

You can only apply for our IPO Shares and Offer for Sale of ICULS if you fulfil all of the following:-

- (i) You must have a CDS account. If you do not have a CDS account, you may open one by contacting any of the ADAs listed in Section 18.11;
- (ii) You must be **one** of the following:
 - (a) A Malaysian citizen who is at least 18 years old as at the closing date of the Malaysian public portion i.e. Public Tranche with a Malaysian address; or
 - (b) A corporation / institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors / trustee and if you have a share capital, more than half of your issued share capital, excluding preferred share capital, is held by Malaysian citizens; or
 - (c) A superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations / institutions referred to in 18.2(ii)(b) and 18.2(ii)(c) above.

- (iii) You are not a director or employee of Issuing House or their immediate family members.

18.3 CATEGORY OF INVESTORS

Applications for the IPO Shares and Offer for Sale of ICULS must be made using the method designated for each of the four (4) category of investors identified as follows:

Category of investors	Application Method
Malaysian public (for individuals)	White Application Form or Electronic Share Application ¹
Malaysian public (for non-individuals, for example corporations, institutions etc)	White Application Form
Eligible Directors and employees of TGG and its subsidiary companies	Pink Application Form
Identified investors and identified Bumiputera investors	Yellow Application Form
Malaysian public (for individuals wishing to apply for the Offer for Sale of ICULS)	Green Application Form only and not Electronic Share Application

Note:

- (1) A surcharge of RM2.50 per ESA will be charged by the Participating Financial Institution.

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

18.4 PROCEDURES FOR APPLICATION

18.4.1 Procedures for application by way of an Application Form

The Malaysian Public, the identified Bumiputera investors and other investors should follow the following procedures in making an application:

Step 1: Obtain application documents

Obtain the Application Form together with the Official "A" and "B" envelopes and this Prospectus. These documents can be obtained subject to availability from the following parties:

- (a) Alliance;
- (b) participating organisations of Bursa Securities;
- (c) members of the Association of Banks in Malaysia;
- (d) members of the Malaysian Investment Banking Association; and
- (e) Issuing House.

Step 2: Read the Prospectus

In accordance with Section 232(2) of the CMS Act, the Application Forms are accompanied by this Prospectus. You are advised to read and understand the Prospectus before making your application.

Step 3: Complete the Application Form

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

(i) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. Please inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, your name and national registration identity card ("NRIC") number must be the same as:

- (a) your NRIC;
- (b) any valid temporary identity document issued by the National Registration Department from time to time; or
- (c) your "Resit Pengenalan Sementara (JPN KP09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be must be exactly as that stated in your authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**(ii) CDS account number**

You must state your CDS account number in the space provided in the White Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

(iii) Details of payment

You must state the details of your payment in the appropriate boxes provided in the White Application Form.

Step 4: Prepare appropriate form of payment

Prepare the correct form of payment in RM for the FULL amount payable for the IPO Shares based on the IPO Price, which is RM0.58 per Share and 100% of the nominal value of ICULS of RM1.00 each in TGG.

Your application must be for at least 100 Shares or multiples thereof or RM100 nominal value of ICULS. **Multiple applications for Shares will not be accepted. However, an applicant applying for Shares under the Public Issue and Offer for Sale can make an application for ICULS under the Offer for Sale. Multiple applications for ICULS will not be accepted.**

Payment must be made out in favour of "MIH SHARE ISSUE ACCOUNT NO. 495" and crossed "A/C PAYEE ONLY" (excluding ATM statements) and endorsed on the reverse side with your name and address. We only accept the following forms of payment:

- (i) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
 - AFFIN BANK BERHAD;
 - ALLIANCE BANK MALAYSIA BERHAD;
 - AMBANK (M) BERHAD;
 - CIMB BANK BERHAD;
 - EON BANK BERHAD;
 - HONG LEONG BANK BERHAD;
 - MALAYAN BANKING BERHAD;
 - PUBLIC BANK BERHAD; OR
 - RHB BANK BERHAD

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5: Finalise application

Insert the Application Form with payment and a legible photocopy of your identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP09)"/authority card/certificate of incorporation) into the Official "A" envelope and seal it. Write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/ "Resit Pengenalan Sementara (JPN KP09)"/authority card/valid temporary identity document

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

issued by the National Registration Department/certificate of incorporation. Affix a stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

Step 6: Submit application

You can submit your application in the Official envelope "B" by either one of the following methods:

- (a) despatch by **ORDINARY POST** to:

Malaysian Issuing House Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
P.O. Box 13269
50804 Kuala Lumpur

- (b) **DELIVERY BY HAND** and deposit in the Drop-in-Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor so as to arrive not later than 5.00 p.m. on 12 July 2010; or

18.4.2 *Procedures for application by way of an Electronic Share Application (for individual Malaysian public only)*

Application by way of Electronic Share Application at ATMs is not applicable for the Offer for Sale ICULS.

Applications for our IPO Shares by way of ESA are only applicable to Malaysian Public who are individuals. Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for ESA and the procedures set out in the ATM screens of the Participating Financial Institution before making an ESA.

- (i) **Steps for Electronic Share Application through a Participating Financial Institution's ATM**
- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) You must have a CDS Account; and
- (c) You are to apply for the IPO Shares *via* the ATM of the Participating Financial Institution by choosing the ESA option. Mandatory statements required in the application are set out in the terms and conditions for ESA (see Section 18.4.3 below). You are to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your ESA requires you to do so:
- Personal Identification Number ("PIN");
 - **MIH Share Issue Account Number 495;**
 - CDS Account Number;
 - Number of IPO Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**(ii) Participating Financial Institutions**

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

- AFFIN BANK BERHAD;
- AMBANK (M) BERHAD;
- BANK MUAMALAT MALAYSIA BERHAD;
- CIMB BANK BERHAD ;
- EON BANK BERHAD;
- HSBC BANK MALAYSIA BERHAD;
- MALAYAN BANKING BERHAD;
- OCBC BANK (MALAYSIA) BERHAD;
- RHB BANK BERHAD; OR
- STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

18.4.3 Terms and Conditions of Electronic Share Application

Application by way of Electronic Share Application at ATMs is not applicable for the Offer for Sale ICULS.

The procedures for ESA at ATMs of Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustration purposes, the procedures for ESA at ATMs are set out in Section 18.4.2(i) "Steps for ESA through a Participating Financial Institution's ATM". The Steps set out the actions that you must take at the ATM to complete an ESA. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for ESA set out below before making an ESA.

You must have a CDS Account to be eligible to utilise the facility. You must have an existing account with, and be an ATM cardholder of, one of the Participating Financial Institutions before you can make an ESA at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your ESA transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your ESA. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the ESA or any data relating to such an ESA by our Company or Issuing House. You must retain the Transaction Record and should not submit the Transaction Record with any Application Form.

Upon the closing of the Public Issue for the application for the IPO Shares on 12 July 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 IPO Shares to Issuing House as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

You will be allowed to make an ESA for IPO Shares *via* an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account at one of its branches, subject to you making only one application.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ESA. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

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

The ESA shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The ESA shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (ii) You are required to confirm the following statements (by depressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - You have attained 18 years of age as at the closing date of the share application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the Prospectus and understood and agreed with the terms and conditions of the application;
 - This is the only application that you are submitting; and
 - You hereby give consent to the Participating Financial Institution and the Bursa Depository to disclose information pertaining to you and your account with the Participating Financial Institution and the Bursa Depository to Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 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 the Bursa Depository, as the case may be, of any of your particulars to Issuing House, or any relevant regulatory bodies.

- (iii) You confirm that you are not applying for the IPO Shares as nominee of any other person and that any ESA that you make is made by you as beneficial owner. You shall only make one (1) ESA and shall not make any other application for the IPO Shares, whether at the ATMs of any Participating Financial Institution or on the prescribed Application Forms.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your ESA, failing which your ESA will not be completed. Any ESA, which does not strictly conform to the instructions set out on the screens of the ATM through which the ESA is being made, will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your ESA. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your ESA is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) Issuing House, acting under the authority of our Directors and/or Offerors, reserves the right to reject any ESA or accept any ESA 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 IPO Shares.

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

- (vii) Where an ESA is not accepted or accepted in part only, the relevant Participating Financial Institutions will be informed of the non-successful or partially successful applications. Where an ESA is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. You may check your account on our listing day.

If your ESA is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to you by Issuing House by way of cheques issued by Issuing House. The cheques will be issued to the applicants not later than ten (10) Market Days from the date of the final ballot of the application lists.

Should you encounter any problems with your application, you may refer to the Participating Financial Institutions.

- (viii) You request and authorise us:
- (a) to credit the IPO Shares allotted or allocated to you into your CDS account; and
 - (b) to issue share certificate(s) representing such IPO Shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (ix) You, acknowledging that your ESA is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control, Issuing House or the Participating Financial Institution, irrevocably agree that if:
- (a) Our Company or Issuing House does not receive your ESA; and
 - (b) Data relating to your ESA is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or Issuing House,

you shall be deemed not to have made an ESA and you shall not claim whatsoever against our Company, Issuing House or the Participating Financial Institution for the IPO Shares applied for or for any compensation, loss or damage.

- (x) All your particulars in the records of the relevant Participating Financial Institution at the time you make your ESA shall be deemed to be true and correct and we, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.

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

- (xii) By making and completing an ESA, you agree that:
- (a) In consideration of our Company agreeing to allow and accept the making of any application for the IPO Shares *via* the ESA facility established by the Participating Financial Institution at their respective ATMs, your ESA is irrevocable;
 - (b) Our Company, the Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your ESA 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 our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your ESA has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said IPO Shares;
 - (d) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the IPO Shares allocated to you; and
 - (e) We agree that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the ESA scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that we irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiii) If you are successful in your application, our Directors and/or Offerors reserve the right to require you to appear in person at the registered office of the Issuing House within fourteen (14) days from the date of the notice issued to you ascertain the regularity or propriety of your application. Our Directors and/or Offerors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xiv) Issuing House, acting under the authority of our Directors and/or Offerors reserves the rights to reject any application, which does not conform to these instructions.
- (xv) A surcharge of RM2.50 per ESA will be charged by the respective Participating Financial Institution.

18.5 AUTHORITY OF OUR DIRECTORS AND/OR OFFERORS AND THE ISSUING HOUSE

If you are successful in your application, our Directors and/or Offerors reserve the right to require you to appear in person at the registered office of the Issuing House within fourteen (14) days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors and/or Offerors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors and/or Offerors. Due consideration will be given to the desirability of allotting or allocating our Shares and ICULS to a reasonable number of applicants with a view to establish an adequate market for our Shares and ICULS.

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

The Issuing House on the authority of our Directors and/or Offerors reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (iii) bank in all application monies from unsuccessful/ partially successful Bumiputera applicants which would subsequently be refunded without interest by registered post.

18.6 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors and/or Offerors to determine acceptance of applications. In determining the manner of balloting, our Directors and/or Offerors will consider the desirability of distributing the IPO Shares and ICULS in a fair and equitable manner to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares and ICULS. Pursuant to the Listing Requirements, we need to have a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon Listing, a minimum of one hundred (100) holders holding not less than one (1) hoard lot of the TGG ICULS and the completion of this IPO. We expect to achieve this at the point of Listing. In the event that the above requirement is not met, we 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.

Any Public Issue Shares reserved under the Public Tranche which are not fully subscribed for by the Malaysian Public (save for Excluded Parties) will be made available for subscription by our eligible employees of TGG and its subsidiary companies (save for Excluded Parties). Any shares remaining subsequently will be made available for subscription by the identified placees under the Placement Tranche as described in Section 3.5.1(iii) of this Prospectus and if undersubscribed, such Public Issue Shares will be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

Any Offer for Sale Shares which are not fully subscribed for by Bumiputera investors shall be made available for application by the Bumiputera public as part of the IPO balloting process. Thereafter, any Offer for Sale Shares that were reallocated to the Bumiputera public (as part of the IPO balloting process) not subscribed for by Bumiputera public, shall be made available for application by Malaysian Public. Subsequently, any unsubscribed Offer for Sale Shares by the Malaysian Public (save for Excluded Parties) will be made available for subscription by identified investors. Should the Offer for Sale Shares is still undersubscribed thereafter, the Offerors will retain the Offer for Sale Shares.

Any Offer for Sale Shares which are not fully subscribed for by identified investors shall be made available for application by other identified investors. Thereafter, any Offer for Sale Shares that were reallocated to the other identified investors not subscribed for, shall be made available for application by Malaysian Public (save for Excluded Parties). Should the Offer for Sale Shares is still undersubscribed thereafter, the Offerors will retain the Offer for Sale Shares.

Any Offer for Sale ICULS reserved under the Offer for Sale which are not fully subscribed for by the Malaysian Public (save for Excluded Parties) shall be made available for application by identified investors. The Offer for Sale ICULS is carried out by GSB for the purpose of meeting the public spread requirements pursuant to the Listing Requirements as detailed in Section 3.1 of this Prospectus.

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

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

18.7 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your application, we will return your application monies without interest in the following manner:

18.7.1 For applications by way of Application Form

- (i) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (JPN KP09)" or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful Bumiputera applicants. These monies will be refunded by registered post to your last address maintained with Bursa Depository or as per item (ii) above (as the case may be) at your own risk within ten (10) Market Days from the date of the final ballot.

18.7.2 For applications by way of Electronic Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited into your account with the Participating Financial Institution without interest within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by way of cheques by registered post or ordinary post. The cheques will be issued not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within ten (10) Market Days from the date of the final ballot.

18.8 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) Our Shares and ICULS allocated to you will be credited into your CDS account. We will not be issuing any share certificates to you.
- (ii) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository where you have an existing CDS account at your own risk prior to the Listing. This is your only acknowledgement of acceptance of the application.

18. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

18.9 CDS ACCOUNTS

Pursuant to Section 14(I) of Central Depositories Act, Bursa Securities has prescribed our Shares and ICULS as "Prescribed Securities". Therefore, the IPO Shares and ICULS offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares and ICULS will be carried out in accordance with the aforesaid Act and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the Central Depositories Act, all dealings in the our securities including the IPO Shares and ICULS will be by book entries through CDS accounts. No share certificates will be issued but notices of allotment or transfer shall be despatched.

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 shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to the Issuing House/ our Company. Where an applicant does not presently have a CDS account, he should open a CDS account at an ADA prior to making an application for our Shares and ICULS.

In the case of an application by way of ESA, only an applicant who has a CDS Account can make an ESA. 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 enter his ESA require him to do so. **Application by way of Electronic Share Application at ATMs is not applicable for the Offer for Sale ICULS.**

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, the Issuing House on the authority of our Company will reject the application. The Issuing House on the authority of our Directors and/or Offerors also reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicant's particulars provided in the Application Forms, or in the case of ESA, if the records of the Participating Financial Institutions at the time of making the ESA as the case may be, differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

18.10 ENQUIRIES

You may contact the Issuing House if you have any queries on the Application Form at (603) 7841 8000 or (603) 7841 8289. If you have any enquiry with regards to your ESA, you may refer to the relevant Participating Financial Institution.

If you are applying for the IPO Shares and ICULS as a Malaysian public under the Public Issue, you may check the status of your application by logging into Issuing House's website at www.mih.com.com.my or by calling your ADA at the telephone number as stated in Section 18.11 between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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18. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**18.11 LIST OF ADAS**

Name	Address and Telephone Number	Broker Code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas I Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62011155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine 3rd Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17 th 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 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788	086-001
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	5-13 Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No : 03-40433533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : 03-20849999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20891800	052-009

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

Name	Address and Telephone Number	Broker Code
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 : 03-21681168	066-001
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	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	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-27116888	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 Entreprenuer Park 58200 Kuala Lumpur Tel No : 03-79818811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21688800	053-001

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

Name	Address and Telephone Number	Broker Code
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 Lingkarang Syed Putra 59000 Kuala Lumpur Tel No : 03-22871799	073-015
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkarang Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002
MERCURY SECURITIES SDN BHD	L-7-2, No. 2, Jalan Solaris Solaris Mon't Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82, Jalan Raja Chulan 50200 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 : 03-26910200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-23338333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	056-054

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

Name	Address and Telephone Number	Broker Code
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
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PM1 No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001
RHB INVESTMENT BANK BERHAD	Level 10, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-9285223	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 : 03-33439999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-003

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

Name	Address and Telephone Number	Broker Code
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	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 : 03-56356688	068-010
INTER-PACIFIC SECURITIES SDN BHD	No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Tel No : 03-61371888	054-006
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002
KENANGA INVESTMENT BANK BERHAD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No : 03-79562169	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : 03-80241682	073-006

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

Name	Address and Telephone Number	Broker Code
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 : 03-30057550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	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 : 03-78736366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	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 : 03-33439180	056-048
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007

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

Name	Address and Telephone Number	Broker Code
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	Ist, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77246888	066-002
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma synergy Lot 72, Persiaran Jubli Perak Section 22, 40200 Shah Alam Selangor 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 : 03-80251880	058-005
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No :06-2898800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	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 : 06-3371533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006

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

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No : 06-2833622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No :05-6232328	078-009
ALLIANCE INVESTMENT BANK BERHAD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6910910	076-008
MAYBANK INVESTMENT BANK BERHAD (formerly known as Aseambankers Malaysia Berhad)	B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453400	098-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	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 : 05-6222828	052-006
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8060888	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015

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

Name	Address and Telephone Number	Broker Code
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	056-052
HONG LEONG INVESTMENT BANK BERHAD (formerly known as HLG Securities Sdn Bhd)	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001

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

Name	Address and Telephone Number	Broker Code
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1 st , 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuhraya 10200 Pulau Pinang Tel No : 04-2611688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No : 04-2281868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006

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

Name	Address and Telephone Number	Broker Code
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2106666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No : 04-3322123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No : 04-2634222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No : 04-3900022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	056-015
OSK INVESTMENT BANK BERHAD	834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	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 : 04-6404888	056-042

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

Name	Address and Telephone Number	Broker Code
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No : 04-9765200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793888	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A Tingkat 1EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman No Tel :04-7322111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	056-017

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	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 : 04-7209888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Tel No : 06-7655998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. I68, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553011	056-040

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	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 : 07-3332000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6636658	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002

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

Name	Address and Telephone Number	Broker Code
AMINVESTMENT BANK BERHAD	18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No :07-3343855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9532222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : 06-9542711	073-008
KENANGA INVESTMENT BANK BERHAD	No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	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 : 07-7771161	073-010

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

Name	Address and Telephone Number	Broker Code
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011
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 : 07-3316992	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 : 07-2227388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	056-030

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17 Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	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 : 07-3522293	056-043
PM SECURITIES SDN BHD	No. 41 Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	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 : 09-5660800	076-002

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

Name	Address and Telephone Number	Broker Code
ECM LIBRA INVESTMENT BANK BERHAD	B62, Ground Floor Lorong Tun Ismail 8, Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5133289	052-007
OSK INVESTMENT BANK BERHAD	B-2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5163811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001

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

Name	Address and Telephone Number	Broker Code
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-004
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No : 082-236999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002
KENANGA INVESTMENT BANK BERHAD	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003

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

Name	Address and Telephone Number	Broker Code
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	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 : 082-422252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	056-013
OSK INVESTMENT BANK BERHAD	Ground Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Tel No : 086-311770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & 1 Jalan Kampung Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No : 082-236333	058-006

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

Name	Address and Telephone Number	Broker Code
SABAH		
CIMB INVESTMENT BANK BERHAD	1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No :088-328878	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, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-311688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229286	056-057