

13. FINANCIAL INFORMATION (Cont'd)**PBT**

As a result of the foregoing factors, our Group's PBT for FYE 2009 was consequently significantly higher by 148.22% or approximately RM11.229 million more to RM18.805 million (FYE 2008: RM7.576 million).

Taxation

For FYE 2009, our Group registered an increase in income tax expense by RM4.750 million to RM3.457 million in line with higher profits and partly due to a tax credit of RM1.293 million recorded in FYE 2008 arising from the recognition of unutilised reinvestment allowances. Consequently, the effective tax rate for FYE 2009 of 18.38% is lower than the statutory rate of 25%.

PAT

Based on the aforesaid factors, our Group's PAT consequently increased significantly by 73.05% or approximately RM6.479 million for FYE 2009, i.e. from RM8.869 million in FYE 2008 to RM15.348 million in FYE 2009.

FPE 2010 compared to unaudited FPE 2009**Revenue**

Our Group recorded total revenue of approximately RM77.355 million in the 3 months FPE 2010 as compared to RM51.533 million in the 3 months FPE 2009, representing an increase of approximately RM25.822 million or 50.11%.

The increase in Group revenue was due to a combination of higher unit selling price for our products, arising from the cost push effect of higher cost of plastic resins in the FPE 2010 as well as higher sales volume and higher value added products.

Cost of sales

Our Group's cost of sales totalled RM68.430 million or 88.46% of our Group's revenue for FPE 2010. Cost of sales increased by 66.44% in FPE 2010 compared to FPE 2009, or approximately RM27.316 million. This was in line with the increase in revenue recorded in FPE 2010 versus that of FPE 2009 as a result of higher cost of plastic resins during the period.

Gross profit

Our Group's gross profit declined by 14.34% or approximately RM1.494 million, from RM10.419 million in FPE 2009 to RM8.925 million in FPE 2010 despite recording higher turnover. Consequently, our Group's gross profit margin for the period decreased from 20.22% in FPE 2009 to 11.54% in FPE 2010. The much higher gross profit margin recorded in FPE 2009 was mainly due to the substantially lower cost of plastic resins during FPE 2009 as compared to FPE 2010. Plastic resins prices plunged during the last quarter of FYE 2008 due to the global recession. The effect of depressed plastic resins prices were being carried through into the first quarter of FPE 2009.

Gross profit contribution to the Group from GW Plastic increased from 73.42% in FPE 2009 to 84.64% in FPE 2010 mainly due to an increase in value added products. Consequently, GW Packaging's gross profit contribution to the Group decreased from 26.58% in FPE 2009 to 15.36% in FPE 2010.

13. FINANCIAL INFORMATION (Cont'd)**Operating costs**

Our operating costs which consist of distribution costs, administrative and other expenses decreased by 17.84% or approximately RM0.837 million, from RM4.692 million in FPE 2009 to RM3.855 million in FPE 2010. This was mainly due to lower administration cost of RM1.907 million in FPE 2010 compared to RM3.016 million in FPE 2009 as a result of a foreign exchange gain of RM0.020 million recorded in FPE 2010, in contrast to the foreign exchange losses of RM1.280 million incurred in FPE 2009.

Other items of income

In FPE 2010, the Group recorded a higher total of RM0.223 million in other items of income, compared to RM13,987 in FPE 2009. This was mainly due to a higher gain on disposal of plant and machinery.

Finance costs

From FPE 2009 to FPE 2010, interest expenses decreased by about 42.57% from RM0.249 million to RM0.143 million. This was mainly due to the reduction in interest expense for term loan as our Group reduced its total outstanding bank borrowings during the period.

PBT

As a result of the foregoing factors, our Group's PBT declined by 6.23% or approximately RM0.342 million, i.e. from RM5.492 million in FPE 2009 to RM5.150 million in FPE 2010.

Taxation

Our Group registered a decrease in income tax expense by RM0.615 million to RM0.817 million in FPE 2010 mainly due to the recognition of tax credit in respect of unutilised reinvestment allowances and partly due to lower profits.

PAT

Based on the foregoing factors, our Group's PAT consequently increased by 6.72% or approximately RM0.273 million, i.e. from RM4.060 million in FPE 2009 to RM4.333 million in FPE 2010.

13.2.5 Liquidity and capital resources**(i) Working capital**

Our business has been financed via a combination of internal and external sources of funds. The former comprises our shareholders' equity and cash generated from our operations. The latter mainly comprises bank borrowings.

Our principal utilisations of funds have been for working capital, capital expenditure, repayment of bank borrowings and payment of dividends. As at 31 March 2010, we had cash and cash equivalents of RM8.573 million and bank borrowings of RM20.522 million. Further, as at 31 March 2010, the total trade lines and loan facilities available to our Group amounted to RM103.495 million, out of which RM23.544 million has been utilised. On 14 May 2010, the Dividend Payment of RM20.200 million was made and was financed by a revolving credit facility of RM20 million which has since been fully repaid. As such, our Group shall have available banking facilities to utilise should it need additional funds to finance its working capital. Based on the total borrowings and cash and bank balances as at 31 March 2010, our total net borrowings amounted to RM11.949 million, which translates to a net gearing of 0.065 times. The cash and cash equivalent of our Group after the Rights Issue and Dividend Payment was RM8.340 million.

13. FINANCIAL INFORMATION (Cont'd)

The various credit facilities from the financial institutions comprise mainly term loan, banker's acceptance, revolving credit and foreign currency trade loan.

Our Directors are of the opinion that, after taking into consideration the cash and cash equivalents, the expected funds to be generated from operating activities and amounts available under our existing banking facilities, our Group will have adequate working capital to meet our present and foreseeable requirements for a period of 12 months from the date of this Prospectus.

(ii) **Cash flow**

A summary of our Group's pro forma cash flow position for FPE 2010 based on the consolidated statement of cash flow as set out in Section 13.1.3 of this Prospectus is as follows:

FPE 2010	RM'000
Net cash used in operating activities	(12,263)
Net cash used in investing activities	(840)
Net cash generated from financing activities	5,010
Net decrease in cash and cash equivalents	(8,093)
Opening balance of cash and cash equivalents	16,295
Cash and cash equivalents at end of financial period *	8,202
Current ratio (times)^	1.23

Notes:

* *Components of cash and cash equivalents as at 31 March 2010:*

	<i>RM'000</i>
<i>Cash on hand and at banks</i>	<i>8,573</i>
<i>Bank overdraft</i>	<i>(371)</i>
	<u><i>8,202</i></u>

^ *Computed based on current assets divided by current liabilities.*

Brief commentaries on our Group's consolidated statement of cash flow for FPE 2010 are as follows:

Net cash flow used in operating activities

For FPE 2010, our Group's net cash flow before working capital changes was RM7.861 million. For the same period, we registered a negative cash flow of RM12.263 million from operating activities. This was mainly attributed to the payment of trade payables which was reduced by RM15.436 million during the period, from RM46.930 million in FYE 2009 to RM31.494 million in FPE 2010.

The net differential in the payment of trade payables is attributable to the substantial increase in our Group's purchases during the last quarter of 2009. Our Group made a decision to increase our level of inventories in December 2009 as a result of strong orders received as well as in anticipation of further increases in the prices of plastic resins for the 1st quarter of 2010, considering that the prices of plastic resins were on the uptrend then. Consequently, our trade payables had correspondingly increased, where these trade payables were due for payment in FPE 2010. Hence, the level of payments for its trade creditors was correspondingly higher for FPE 2010.

13. FINANCIAL INFORMATION (Cont'd)

Our Board is of the opinion that the increase in the level of inventories is not expected to continue in the near term given that the prices of the plastic resins are expected to moderate towards the end of 2010 and hence our Group is not expected to hold more inventories as compared to the last quarter of 2009. Further, as at 31 March 2010, our total credit facilities available is approximately RM103.5 million (31 December 2009: RM85.6 million), out of which RM23.5 million (31 December 2009: RM18.4 million) has been utilised. As such, we should have available banking facilities to utilise should we need additional funds to finance our working capital.

Net cash flow used in investing activities

For FPE 2010, the net cash used in investing activities amounted to RM0.840 million. This was mainly due to a total of RM0.975 million utilised during the financial year to purchase new plant and machinery.

Net cash flow generated from financing activities

For FPE 2010, the net cash generated from financing activities amounted to RM5.010 million. Our Group utilised banking facilities to finance our operations whereby an amount of RM6.0 million of a revolving credit facility was drawn down during the financial period for the purchase of machinery. In addition, a foreign currency trade loan amounting to RM1.155 million was also drawn down during the same period. Our Group also repaid term loans amounting to RM2.145 million during FPE 2010.

There are no specific legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet the cash obligations of our Company.

(iii) Reinvestment Allowance

Our Group currently enjoys reinvestment allowance ("RA") tax incentive under the Schedule 7A of the Income Tax Act 1967 in respect of the qualifying capital expenditure incurred for the purchase of plant & machinery and construction of factory building. RA is given at the rate equivalent to 60% of the amount capital expenditure incurred in relation to the qualifying project. Subject to the agreement by the Inland Revenue Board, our Group has an unabsorbed RA of approximately RM92.6 million as at 31 March 2010. RA is allowed to be deducted against our statutory business income, therefore can be applied to reduce our future tax expenses. Hence, the utilisation of the RA will enable our Group to enjoy a lower effective tax rate than the prevailing statutory tax rate and this will correspondingly improve our cash flow and liquidity position.

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13. FINANCIAL INFORMATION (Cont'd)

(iv) Borrowings

As at 31 March 2010, our Group had total outstanding bank borrowings of RM20.522 million, all of which are interest-bearing and denominated in RM, the details of which are set out below:

Outstanding bank borrowings as at 31 March 2010	RM'000
Long term borrowings (interest-bearing):	
• Term loan	5,174
	5,174
Short term borrowings (interest-bearing):	
• Revolving credit	6,000
• Bank overdraft	372
• Term loan	7,821
• Foreign currency trade loan	1,155
	15,348
Total borrowings	20,522
Gearing ratio (times) ^	0.11

Note:

^ Computed based on total interest-bearing borrowings over our total shareholders' funds attributable to our Group as at 31 March 2010 of RM184.427 million

As at 31 March 2010, our Group's short term borrowings consist of revolving credit, bank overdraft, term loan and foreign currency trade loan while our Group's long term borrowing is a term loan.

As at 31 March 2010, our Group did not have any fixed rate borrowings while the amount for floating rate borrowings amounted to RM20.522 million (Cash and cash equivalents amounted to RM8.573 million as at the same date). For FYE 2009 and up to LPD, the weighted average effective interest rate for bank borrowings ranged from 0.90% to 6.55%.

There was no default on payments of either interest and/or principal sums in respect of any borrowings throughout FYE 2009 and up to LPD. Our Group is not in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations, or the investments by holders of securities in us.

Currently, our Group does not have any interest rate hedging policy or any foreign borrowings. We will monitor the interest rate movement and will take the necessary steps to minimise interest rate risk whenever deemed appropriate such as implementing a hedge policy. We will endeavour to manage our interest rate risk by maintaining a mix of fixed and floating rate borrowings where necessary. However, no assurance can be given that any future significant movement in interest rate will not have a material adverse impact on our business, operating results and financial position.

(v) Treasury policies and objectives

Our Group has been funding our operations through cash generated from our operations and external source of funds. Our external sources of funds consist of credit terms granted by our suppliers and borrowings from financial institutions. Our funding policy is to obtain the most suitable type of financing and favourable cost of funding whereas our treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from operational expenditure and financial liabilities.

13. FINANCIAL INFORMATION (Cont'd)

The normal credit terms granted to our Group by our suppliers ranges from 30 to 90 days due to the good relationship which we have established with our suppliers. Our Group's borrowings from financial institutions consist of short term and long term credit facilities. Our short term borrowings are mainly term loan, revolving credit facilities, banker's acceptance and foreign currency trade loan which are mainly used for purchases of raw materials. The interest rates for these short term borrowings are based on the prevailing market rates at the dates of the respective transactions.

Our long term borrowings are mainly term loan drawn down to finance the acquisition of capital goods such as plant and machineries and for the construction of buildings. The interest rates for these long term borrowings are based on the prevailing cost of funds plus a margin agreed upon by our bankers when the respective term loans were granted.

Our Group will constantly endeavour to manage and review our debt portfolio, taking into account the investment holding period and nature of our assets and will ensure prompt repayments of interest and principal.

(vi) Financial instruments for hedging purposes

The functional and reporting currency of our Group is in RM.

For FYE 2009, approximately 51.8% of our Group's revenue came from the export market. For FPE 2010, the export market contributed 57.2% of our Group's revenue. These exports are denominated in USD and SGD. Therefore, our Group is subject to fluctuating currency exchange risk.

Our foreign currency risk is mitigated through the operation of foreign currency accounts ("FCAs") maintained with local banking institutions. Export proceeds are deposited into these FCAs when collected to facilitate the payment of imported purchases which are mainly denominated in USD. This would therefore provide a natural hedge that reduces the undesired risk to the extent of the amount paid is matched with the amount received. In situations where unhedged proceeds or payments arise, we will endeavour to manage this foreign currency exposure by entering into forward foreign currency contracts.

As at LPD, our Group did not have any forward foreign exchange contract. Our Group will endeavour to regularly monitor foreign currency exposures and review the need to enter into any forward foreign exchange contract.

Our Group has not entered into any interest rates swap to hedge against the adverse fluctuations in the interest rates. Our Group will endeavour to manage our interest rate exposure by maintaining a mix of fixed and floating rate borrowings where necessary.

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13. FINANCIAL INFORMATION (Cont'd)

(vii) Capital expenditure

Our Group's capital expenditure for the past 3 FYE 2007 to FYE 2009 and FPE 2010 is as follows:

	←-----Audited-----→			
	FYE 2007 RM'000	FYE 2008 RM'000	FYE 2009 RM'000	FPE 2010 RM'000
Factory, office buildings and warehouse	736	2,140	10	11
Office equipment, furniture and fittings	78	58	22	2
Computers	14	11	76	8
Motor vehicles	-	-	300	-
Plant, machinery and equipment	27,048	19,881	10,351	954
	27,876	22,090	10,759	975

For the financial years and financial period under review, our capital expenditure was mainly concentrated on acquisitions of plant, machinery and equipment which is in line with our efforts to expand our business operations and increase production capacity to meet the increase in demand for our products.

Save as disclosed in Sections 7.5 and 7.19 of this Prospectus, we do not have any material plan on capital expenditure as at LPD.

(viii) Material capital commitments

As at LPD, save as disclosed in the table below, our Board is not aware of any material capital commitments incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on our financial results/ position.

Approved and contracted for:	RM'000
Purchase of machineries ^	11,408
Approved and not contracted for:	
Factory building (estimated)	9,000
Total capital commitments	20,408

Note:

^ As at LPD, 1 EURO = RM4.02.

The above said capital expenditure will be financed via proceeds from IPO, internally generated funds and/or bank borrowings.

13. FINANCIAL INFORMATION (Cont'd)**(ix) Contingent liabilities**

As at LPD and save as disclosed below, our Board is not aware of any contingent liability, which in the opinion of our Board, will or may substantially affect our financial results or position upon becoming enforceable.

RM'000

Unsecured:

Corporate guarantee given by GW Plastic to banks for credit facilities granted to GW Packaging	28,715
Corporate guarantee given by GW Plastic in favour of suppliers granted to GW Packaging	29,208

(x) Material litigation, claims or arbitration

As at LPD, neither our Company nor our Group is engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our Group and our Board has no knowledge of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Company or our Group.

(xi) Key financial ratios

The key financial ratios of our Group for the past 3 FYE 2007 to FYE 2009 and FPE 2010 are as follows:

	FYE			FPE 2010
	2007	2008	2009	
Trade receivables turnover ratio (days) ⁽¹⁾	53.59	36.58	50.13	41.95
Trade payables turnover ratio (days) ⁽²⁾	86.56	30.10	78.27	41.42
Inventory turnover ratio (days) ⁽³⁾	58.25	37.70	65.79	48.66

Notes:

- (1) Trade receivables as at respective statement of financial position date over revenue.
- (2) Trade payables as at respective statement of financial position date over cost of goods sold.
- (3) Inventory as at respective statement of financial position date over cost of goods sold.

Trade receivables turnover

Our Group's normal credit period granted to our customers ranges from 60 to 90 days. Other credit terms are assessed and approved on a case-to-case basis.

Generally, over the past 3 FYE 2007 to FYE 2009 and FPE 2010, our Group's trade receivables turnover period is within the specified credit period. For FYE 2008, the trade receivable turnover ratio was lower as compared to the other years under review due to lower sales in the last quarter of FYE 2008 as a result of the global recession.

13. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our Group's trade receivables as at 31 March 2010 is as follows:

As at 31 March 2010	Within credit period		Exceeding credit period		Total (RM'000)
	0-30 days RM'000	31-90 days RM'000	91-180 days RM'000	>180 days RM'000	
Trade receivables	19,025	14,163	2,631	598	36,417
<i>Less:</i> Allowance for doubtful debts	-	-	-	(361)	(361)
Total	19,025	14,163	2,631	237	36,056
<i>% of total trade receivables</i>	<i>52.77</i>	<i>39.28</i>	<i>7.30</i>	<i>0.65</i>	<i>100.00</i>

Subsequent to 31 March 2010 and as at LPD, more than 90% of the amount exceeding the credit period of 90 days have been collected.

Trade payables turnover

Our Group's normal payment credit period granted by our suppliers ranges from 30 to 90 days. Our Group believes that the timely settlement of our trade payables will benefit our Group for more favourable pricings from our suppliers. The timely settlement also enhances our good relationship with these suppliers.

Generally, over the past 3 FYE 2007 to FYE 2009 and FPE 2010, our Group's payables turnover period is within the specified credit period. For FYE 2008, the trade payables turnover ratio was lower as compared to the other years under review because of accelerated payment of payables coupled with our decision to reduce our inventories in view of the volatility of the prices of plastic resins then, in anticipation of lower sales arising from the global recession. The decision to accelerate the payments of our payables was to benefit from early payment discounts offered by our suppliers.

The ageing analysis of our Group's trade payables as at 31 March 2010 is as follows:

As at 31 March 2010	Within credit period		Exceeding credit period		Total RM'000
	0-30 days RM'000	31-90 days RM'000	91-180 days RM'000	>180 days RM'000	
Trade payables	19,978	11,516	-	-	31,494
<i>% of total trade payables</i>	<i>63.43</i>	<i>36.57</i>	<i>-</i>	<i>-</i>	<i>100.00</i>

As at LPD, all the outstanding trade payables are within the credit period granted by our suppliers.

13. FINANCIAL INFORMATION (Cont'd)**Inventory turnover**

Our inventories consist of consumable goods, raw materials, work-in-progress and finished goods. Our Group's practice is to maintain a sustainable level of inventories to support our production operations, to reduce lead time for production and prevent shortages of raw materials and work-in-progress in our production. The inventory period ranged between 38 days and 66 days for the last 3 FYEs and up to FPE 2010. For FYE 2008, the inventory level was lower as compared to FYE 2007 as we ran down our inventories in view of the volatility of the prices of plastic resins then. For FYE 2009, the inventory levels were higher mainly due to a higher level of raw materials purchased by our Group to cater for the expected increase in demand for our products for FYE 2010.

13.2.6 Trend analysis

The following discussion regarding industry trends includes forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those projected in these forward-looking statements.

For the financial years under review up to LPD, our Board has observed the following trends based on the sales and operations of our Group:

(i) Raw materials

The main raw material used by our Group in the production of our FPP products is plastic resins. As mentioned in the D&B Report, prices of plastic resins shot up in mid-2004 due to a combination of high crude oil prices and inadequate petrochemical processing capacity to make these products. The prices of plastic resins were at record high levels and peaked in the third quarter of 2008, before declining substantially due to the global economic crisis and the sharp drop in the price of crude oil.

Refer to Section 7.9 of this Prospectus for details on procedures for managing inventory and raw materials costs, in particular plastic resins and the rationale for not hedging our Group's exposure to the fluctuation in the prices of plastic resins.

Despite periods of tight supplies experienced from 2004 to 2008 during which suppliers resorted to "rationing" the supply by allocations, we were allocated with sufficient supply of plastic resins for our production requirements and have not experienced any shortage. We believe sufficient supplies were allocated to us due to our long-standing good relationships with our suppliers and our good credit rating.

Following the period of tight supplies, many petrochemical companies have committed to new capacities particularly in the Middle East and Asia. The new plants in the Middle East are expected to benefit from the availability of cheaper feedstock from ethane gas compared to other plants that rely on more expensive naphtha that are cracked from crude oil. All these factors are expected to result in the increase of the supply of plastic resins by the fourth quarter of 2010 and in 2011.

Plastic resins are now readily available in the market and we source our supplies from our regular suppliers such as Exxon Mobil Chemical Asia Pacific, Titan Petchem (M) Sdn Bhd, Polyethylene (M) Sdn Bhd and Dow Chemical Pacific (S) PL.

13. FINANCIAL INFORMATION (Cont'd)

(ii) Selling price of our products

Inevitably, the selling price of our products will be determined by the cost of raw materials purchased, particularly that of plastic resins. The prices of plastic resins have generally fluctuated in tandem with the prices of crude oil. As explained in Section 5(i) of this Prospectus, the prices of plastic resins are expected to moderate from the fourth quarter of 2010 and are envisaged to drop even further in 2011 onwards, in view of additional new capacities coming on-stream. This is expected to augur well for our business as we have more options in deciding on passing savings arising from lower raw material cost to our customers compared to having to pass an increase in cost to our customers in a scenario where prices of resins are on an uptrend. In view of this scenario, our Board believes that we would be able to generally maintain our selling prices, particularly for the value added products, through our established name and recognition as well as the high quality of our products in line with international standards.

(iii) Our production capacity

We experienced a period of lower demand in the first half of 2009, as a result of the global economic recession. In this connection, our production capacity utilisation was inevitably lower. However, demand picked up in the second half of 2009 and has since continued to be strong. Our Board expects the demand for our products to be equally strong in 2010 and 2011. Hence, our Group has committed on an acquisition of a new W&H blown extruder machine and a W&H flexographic printer, both of which are expected to be commissioned by the end of the third quarter of 2010. In addition, we have also committed to purchase a cast stretch film extruder, which is expected to be commissioned in 2011 and 2 wicketed bags making machines, the first of which has been installed and commissioned in May 2010, and the second is expected to be commissioned by end 2010.

(iv) Our business

As mentioned in Section 7 of this Prospectus, our Group has been in the business of manufacturing FPP products for 39 years. Our products are sold in the domestic market as well as exported to many different countries. We do not experience any distinctive peak or off-peak season in view of the fact that our customers are in a wide variety of industries. However, we do experience slightly better sales in the F&B industry during the second half of the year due to festive seasons.

Save as disclosed above, our Directors are not aware of any circumstances which would result in significant adverse fluctuations of our gross profit margins.

As at LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) other known trends, demands, commitments, events or uncertainties that have had or that we expect to have, a material favourable or unfavourable impact on our Group's financial performance, position, operations and liquidity and capital resources other than those discussed in this section, Sections 5 and 7 of this Prospectus;
- (ii) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position;

13. FINANCIAL INFORMATION *(Cont'd)*

- (iii) material commitments for capital expenditure; and
- (iv) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, positions and operations of our Group.

13.3 Capitalisation and indebtedness

The following information shall be read in conjunction with the Reporting Accountants' Letter on Pro Forma Financial Information and Accountants' Report set out in Sections 13.8 and 14 of this Prospectus.

The following table shows our Group's cash and bank balances, capitalisation and indebtedness:

- (i) based on our pro forma financial position as at 31 March 2010; and
- (ii) as adjusted for the proceeds arising from our IPO.

	Audited As at 31 March 2010 RM'000	After Dividend Payment and Public Issue RM'000
Deposits, cash and bank balances	8,573	9,300
Indebtedness		
<i>Current</i>		
Term loans	7,821	7,821
Revolving credit	6,000	26,000
Bank overdraft	372	372
Foreign currency trade loan	1,155	1,155
<i>Non-current</i>		
Term loan	5,174	5,174
Total indebtedness	20,522	40,522
Shareholders' equity	184,427	174,147
Total capitalisation and indebtedness	204,949	214,669

13.4 Order book

In general, we do not commit to long-term orders with our customers. The orders captured change fairly quickly at any particular point in time as a result of additions, cancellations, deferrals or rescheduling. Cancellations seldom occur and any deferrals or rescheduling occurs only when there is a constraint in capacity. Accordingly, our order book as at any date may not be indicative of our revenue for any succeeding period.

13.5 Impact of inflation

Our Group's financial performances for the past 3 FYE 2007 to FYE 2009 and FPE 2010 were not materially affected by the impact of inflation. Although we believe that we will be able to pass on any future increase in the price of raw materials to our customers, we cannot assure you that any future increase in inflation rates will not have an impact on our business and performance.

13. FINANCIAL INFORMATION (Cont'd)

13.6 Government/ economic/ fiscal/ monetary policies

Risks relating to government, economic, fiscal or monetary policies, which may materially affect our operations, are set out in Section 5 of this Prospectus. Save for the risks disclosed in Section 5 of this Prospectus and to the best of our knowledge, there is no government, economic, fiscal or monetary policies or factors that have had a material impact on our profitability and financial position.

13.7 Dividend policy

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to declare dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

Our Board will consider the following factors that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- (i) the level of cash and level of indebtedness;
- (ii) required and expected interest expense, cash flow, our profits and return on equity and retained earnings;
- (iii) our expected results of operations and future level of operations; and
- (iv) our projected levels of capital expenditure and other investment plans.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board and will depend on factors stated above. There can be no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

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13. FINANCIAL INFORMATION (Cont'd)

13.8 Reporting Accountants' Letter on the Pro Forma Financial Information



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6 September 2010

The Board Directors
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**GW Plastics Holdings Berhad ("GW Holdings" or "the Company")
Pro forma financial information**

We report on the pro forma financial information of GW Holdings and its subsidiaries ("GW Holdings Group" or "the Group") as set out in Section 13.1 of the Prospectus to be dated 23 September 2010, which has been prepared on the basis described in accompanying notes, for illustrative purposes only.

The flotation exercise comprises the following transactions:

(i) Acquisitions

(i) Acquisition of GW Plastic

GW Holdings had on 6 May 2010 entered into a conditional sale and purchase agreement with GW Plastic's shareholders for the acquisition of the entire issued and paid-up share capital of GW Plastic comprising 88,004,400 GW Plastic Shares, for a total purchase consideration of RM136,252,000, which was satisfied via the issuance of 219,999,996 new GW Holdings Shares at an issue price of approximately RM0.62 each.

13. FINANCIAL INFORMATION (Cont'd)



GW Plastics Holdings Berhad
Pro forma financial information (Contd.)

(i) Acquisitions (Contd.)

(ii) Acquisition of GW Packaging

GW Holdings had on 6 May 2010 entered into a conditional sale and purchase agreement with GW Plastic for the acquisition of the entire issued and paid-up share capital of GW Packaging comprising 6,000,002 GW Packaging Shares, for a cash consideration of RM10,000,000, which is reflected as an amount owing from GW Holdings to GW Plastic.

(ii) Public Issue and Listing

GW Holdings proposes to undertake a public issue of 16,000,000 new shares, representing 6.78% of the enlarged issued and paid-up share capital of GW Holdings, at an issue price of RM0.76 per share, payable in full upon application. The total proceeds of RM12,160,000 will be generated from the public issue. The proceeds will be used to settle the building of new factory block of RM9,000,000, estimated listing expenses of RM2,200,000 and the remainder of the proceeds will be utilised as working capital.

This letter is required by and is given for the purpose of complying with the Prospectus Guidelines - Equity and Debt issued by Securities Commission ("the Guidelines") and for no other purpose.

Responsibilities

It is solely the responsibility of the Board of Directors of GW Holdings to prepare the pro forma financial information in accordance with the Guidelines.

It is our responsibility to form an opinion, as required by the Guidelines as to the proper compilation of the pro forma financial information, and to report our opinion to you.

In providing this opinion, we are not responsible in updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

13. FINANCIAL INFORMATION (Cont'd)



GW Plastics Holdings Berhad
Pro forma financial information (Contd.)

Basis of opinion

We conducted our work in accordance with Malaysian Approved Standard on Assurance, ISAE 3000 - Assurance Engagements Other Than Audit or Review of Historical Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of GW Holdings.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information have been properly prepared on the basis stated using financial statements prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of GW Holdings. Our work also involves assessing whether each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purposes of preparing the pro forma financial information.

Opinion

In our opinion:

- i. the pro forma financial information which have been prepared by the directors of GW Holdings have been properly prepared on the basis stated using the financial statements prepared in accordance with the Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by GW Holdings; and
- ii. each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purposes of preparing the pro forma financial information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ernst & Young', written over a horizontal line.

Ernst & Young
AF: 0039
Chartered Accountants
Kuala Lumpur

13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information
Abbreviations

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

FYE	Financial year(s) ended 31 December
FPE	Financial period ended 31 March
GW Holdings	GW Plastics Holdings Berhad
GW Holdings Group	GW Holdings and its subsidiaries namely, GW Plastic and GW Packaging, collectively
GW Holdings Share(s)	Ordinary share(s) of RM0.50 each in GW Holdings
GW Plastic	Great Wall Plastic Industries Berhad
GW Plastic Group	Great Wall Plastic Industries Berhad and its subsidiary
GW Plastic Share(s)	Ordinary share(s) of RM1 each in GW Plastic
GW Packaging	GW Packaging Sdn Bhd
GW Packaging Share(s)	Ordinary share(s) of RM1 each in GW Packaging
Rights Share(s)	New GW Plastic Share(s) issued pursuant to the Rights issue

Introductions

The pro forma financial information provided deal with the following:

- The consolidated statement of comprehensive income of the pro forma group for the years ended 31 December 2007 to 31 December 2009 and three (3) months period ended 31 March 2010;
- The consolidated statement of financial position of the pro forma group as at 31 March 2010; and
- The consolidated statement of cash flow of the pro forma group for the period ended 31 March 2010.

The above pro forma financial information have been prepared on the basis stated below using the audited financial statements of GW Holdings and GW Plastic Group prepared in accordance with the Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by GW Holdings and GW Plastic Group.

For the purposes of the pro forma consolidated statement of comprehensive income for the years ended 31 December 2007 to 31 December 2009 and three (3) months period ended 31 March 2010 and the pro forma consolidated statement of cash flow for the period ended 31 March 2010, the group structure is assumed to have been in existence throughout the years under review.

13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)
Introductions (Contd.)

The pro forma consolidated statement of financial position as at 31 March 2010 are prepared for illustrative purposes only to show the effects of the Flotation Exercise, as described below, with the assumption that these transactions were completed on 31 March 2010.

Subsequent completed events
(i) Rights issue

On 23 April 2010, GW Plastic completed a two-call rights issue of 8,000,400 Rights Shares on the basis of 1 Rights Share for each 10 existing GW Plastic Shares held by the entitled shareholders of GW Plastic on 16 April 2010 at an issue price of RM1 each, of which the first call of RM0.001 for each Rights Share was paid in cash on application and the second call of RM0.999 for each Rights Share was capitalised from GW Plastic's share premium account.

(ii) Dividend payment

GW Plastic had on 10 April 2010, declared a final dividend in respect of the financial year ended 31 December 2009, which comprise:-

- (i) tax exempt dividend of 17%; and
- (ii) 8% less 25% taxation dividend,

The dividend was paid to shareholders on 14 May 2010, based on the issued and paid-up share capital of GW Plastic of RM88,004,400. The dividend payment was financed by a borrowing of RM20,000,000 and the remaining balance of RM241,012 was disbursed through cash and bank balances.


The audited consolidated statement of financial position of GW Holdings Group as at 31 March 2010 is adjusted with the effects of the above subsequent completed events for the purpose of illustration to show the effects of the aforementioned events on the Flotation Exercise.

1. Pro forma I – Acquisitions

Pro forma I includes the effects of subsequent completed events and the following:

(i) Acquisition of GW Plastic

GW Holdings had on 6 May 2010 entered into a conditional sale and purchase agreement with GW Plastic's shareholders for the acquisition of the entire issued and paid-up share capital of GW Plastic comprising 88,004,400 GW Plastic Shares, for a total purchase consideration of RM136,252,000, which was satisfied via the issuance of 219,999,996 new GW Holdings Shares at an issue price of approximately RM0.62 each.


ERNST & YOUNG (AF: 0039)

Chartered Accountants, Kuala Lumpur
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13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)

1. Pro forma I – Acquisitions (Contd.)

(ii) Acquisition of GW Packaging

GW Holdings had on 6 May 2010 entered into a conditional sale and purchase agreement with GW Plastic for the acquisition of the entire issued and paid-up share capital of GW Packaging comprising 6,000,002 GW Packaging Shares, for a cash consideration of RM10,000,000, which is reflected as an amount owing from GW Holdings to GW Plastic.

The Acquisitions were completed on 11 August 2010.

2. Pro forma II – Public Issue and Listing

Pro forma II includes the effects of the subsequent completed events, transactions in Pro forma I and the effects of the Public Issue and Listing as described below.

GW Holdings proposes to undertake a public issue of 16,000,000 new shares, representing 6.78% of the enlarged issued and paid-up share capital of GW Holdings, at an issue price of RM0.76 per share, payable in full upon application. The total proceeds of RM12,160,000 will be generated from the public issue. The proceeds will be used to settle the building of new factory block of RM9,000,000, estimated listing expenses of RM2,200,000 and the remainder of the proceeds will be utilised as working capital as follow:

	Amount of total proceeds raised
	RM
Building of new factory block	9,000,000
Working capital	960,000
Estimated listing expenses *	
- Professional fees	1,145,000
- Underwriting commission and brokerage fee	370,000
- Fees payable to authorities	168,000
- Advertisement and printing expenses	400,000
- Issuing House's fees	100,000
- Contingencies	17,000
	<u>12,160,000</u>

* The estimated listing expenses will be set off against share premium.

Upon completion of all the above, GW Holdings will seek a listing of and quotation for its entire enlarged issued and paid-up share capital of RM118,000,000 comprising 236,000,000 GW Holdings Shares on the Main Market of Bursa Malaysia Securities Berhad.

13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)

Pro forma consolidated statement of financial position of GW Holdings Group

	Audited Consolidated Balance Sheet of GW Plastics as at 31 March 2010 RM	Right issue and dividend payment RM	Adjusted Consolidated Balance Sheet of GW Plastics as at 31 March 2010 RM	Audited Balance Sheet of GW Holdings as at 31 March 2010 RM	Acquisitions of Shares RM	Pro forma Group After Acquisitions RM	Public Issue and Listing RM	Pro forma Group After Proforma I, Public Issue and Listing RM
ASSETS								
Non-current Assets								
Property, plant and equipment	149,832,161	-	149,832,161	-	-	149,832,161	9,000,000	158,832,161
Deferred tax assets	3,715,516	-	3,715,516	-	-	3,715,516	-	3,715,516
	<u>153,547,677</u>	<u>-</u>	<u>153,547,677</u>	<u>-</u>	<u>-</u>	<u>153,547,677</u>	<u>9,000,000</u>	<u>162,547,677</u>
Current Assets								
Inventories	37,001,251	-	37,001,251	-	-	37,001,251	-	37,001,251
Trade and other receivables	41,230,183	-	41,230,183	-	-	41,230,183	-	41,230,183
Tax recoverable	119,224	-	119,224	-	-	119,224	-	119,224
Cash and bank balances	8,573,390	(233,012)	8,340,378	2	-	8,340,380	960,000	9,300,380
	<u>86,924,048</u>	<u>(233,012)</u>	<u>86,691,036</u>	<u>2</u>	<u>-</u>	<u>86,691,038</u>	<u>960,000</u>	<u>87,651,038</u>
TOTAL ASSETS	<u>240,471,725</u>	<u>(233,012)</u>	<u>240,238,713</u>	<u>2</u>	<u>-</u>	<u>240,238,715</u>	<u>9,960,000</u>	<u>250,198,715</u>

13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad

Notes to the pro forma financial information (Contd.)

Pro forma consolidated statement of financial position of GW Holdings Group (Contd.)



	Audited Consolidated Balance Sheet of GW Plastics as at 31 March 2010 RM	Right issue and dividend payment RM	Adjusted Consolidated Balance Sheet of GW Plastics as at 31 March 2010 RM	Audited Balance Sheet of GW Holdings as at 31 March 2010 RM	Acquisitions of Shares RM	Pro forma Group After Acquisitions RM	Public Issue and Listing RM	Pro forma Group After Public Issue and Listing RM
EQUITY AND LIABILITIES								
Current Liabilities								
Trade and other payables	35,522,606	-	35,522,606	6,528	-	35,529,134	-	35,529,134
Loans and borrowings	15,347,853	20,000,000	35,347,853	-	-	35,347,853	-	35,347,853
	50,870,459	20,000,000	70,870,459	6,528	-	70,876,987	-	70,876,987
Net current assets	36,053,569	(20,233,012)	15,820,577	(6,526)	-	15,814,051	960,000	16,774,051
Non-current Liabilities								
Loans and borrowings	5,174,236	-	5,174,236	-	-	5,174,236	-	5,174,236
Total liabilities	56,044,695	20,000,000	76,044,695	6,528	-	76,051,223	-	76,051,223
Net assets	184,427,030	(20,233,012)	164,194,018	(6,526)	-	164,187,492	9,960,000	174,147,492
Equity attributable to equity holder of the Company								
Share capital @ RM1 each	80,004,000	8,000,400	88,004,400	-	(88,004,400)	-	-	-
Share capital @ RM0.50 each	-	-	-	2	109,999,998	110,000,000	8,000,000	118,000,000
Share premium	15,229,882	(7,992,400)	7,237,482	-*	26,252,002	33,489,484	1,960,000	35,449,484
Merger reserve	-	-	-	-	(48,247,600)	(48,247,600)	-	(48,247,600)
Revaluation reserve	2,558,208	-	2,558,208	-	-	2,558,208	-	2,558,208
Retained earnings	86,634,940	(20,241,012)	66,393,928	(6,528)	-	66,387,400	-	66,387,400
Total equity	184,427,030	(20,233,012)	164,194,018	(6,526)	-	164,187,492	9,960,000	174,147,492
TOTAL EQUITY AND LIABILITIES	240,471,725	(233,012)	240,238,713	2	-	240,238,715	9,960,000	250,198,715

13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)

Pro forma consolidated statement of financial position of GW Holdings Group (Contd.)

	Audited Consolidated Balance Sheet of GW Plastic as at 31 March 2010	Right issue and dividend payment	Adjusted Consolidated Balance Sheet of GW Plastic as at 31 March 2010	Audited Balance Sheet of GW Holdings as at 31 March 2010	Acquisitions of Shares	Pro forma Group After Acquisitions	Public Issue and Listing	Pro forma Group After Public Issue and Listing
	(I)	(II)	(I)	(I)	(I)	(I)	(I)	(II)
Number of ordinary shares in issue	80,004,000		88,004,400	2		220,000,000		236,000,000
Net assets/(liabilities) attributable to the equity holders of the Company ("NA") (RM)	184,427,030		164,194,018	(6,526)		164,187,492		174,147,492
Net assets/(liabilities) per share (RM)	2.31		1.87	(3,263.00)		0.75		0.74

* At the date of incorporation, the issued and paid-up share capital of GW Holdings was RM2 comprising 2 ordinary shares of RM1 each.

On 13 April 2010, the GW Holdings reclassified its existing authorised share capital of RM100,000 comprising 100,000 shares of RM1 each into 200,000 shares of RM0.50 each and subdivided its issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1 each into 4 shares of RM0.50 each.

13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)
Pro forma consolidated statement of comprehensive income of GW Holdings Group

	<-----12 months ended 31 December----->			3 months
	* 2007 RM (Restated)	2008 RM	2009 RM	ended 31 March 2010 RM
Revenue	248,435,461	292,839,205	255,503,764	77,354,966
Cost of goods sold	<u>(226,560,255)</u>	<u>(268,326,317)</u>	<u>(218,860,522)</u>	<u>(68,430,313)</u>
Gross profit	21,875,206	24,512,888	36,643,242	8,924,653
Other item of income				
Interest income	170,007	35,515	898	-
Other income	849,100	86,172	44,821	223,247
Other items of expenses				
Marketing and distribution costs	(6,824,065)	(6,765,610)	(6,340,622)	(1,840,505)
Administrative expenses	(6,869,879)	(8,653,152)	(10,151,625)	(1,907,254)
Finance costs	(654,259)	(1,122,101)	(725,920)	(142,932)
Other expenses	<u>(400,076)</u>	<u>(517,624)</u>	<u>(670,932)</u>	<u>(106,852)</u>
Profit before tax	8,146,034	7,576,088	18,799,862	5,150,357
Income tax expense	<u>(2,693,363)</u>	<u>1,293,349</u>	<u>(3,456,626)</u>	<u>(816,858)</u>
Net profit for the years /periods	<u>5,452,671</u>	<u>8,869,437</u>	<u>15,343,236</u>	<u>4,333,499</u>

- * In FYE 2008, GW Plastic Group adopted the revised FRS 112 Income Taxes that requires deferred tax asset to be recognised on the unabsorbed reinvestment allowances. As a result, certain comparative amounts for FYE 2007 have been restated to conform with the effect of adopting revised FRS 112 Income Taxes.

ERNST & YOUNG (AF: 0039)
Chartered Accountants, Kuala Lumpur
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13. FINANCIAL INFORMATION (Cont'd)

GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)

Pro forma consolidated statement of cash flow of GW Holdings Group

31.3.2010
RM

Operating Activities

Profit before tax	5,150,357
<u>Adjustments for:</u>	
Depreciation	2,790,503
Interest expense	142,932
Gain on disposal of property, plant and equipment	(132,133)
Net unrealized foreign exchange losses	(91,114)
Total adjustments	2,710,188
Operating cash flows before changes in working capital	7,860,545
<u>Changes in working capital</u>	
Inventories	2,448,094
Receivables	(5,033,598)
Payables	(17,002,904)
Cash used in operations	(11,727,863)
Interest paid	(142,932)
Taxes paid	(392,497)
Net cash used in operating activities	(12,263,292)

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13. FINANCIAL INFORMATION (Cont'd)

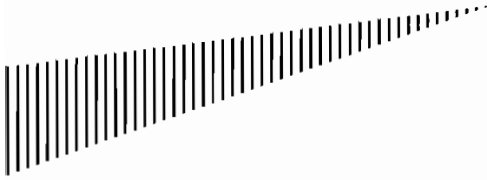
GW Plastics Holdings Berhad
Notes to the pro forma financial information (Contd.)

Pro forma consolidated statement of cash flow of GW Holdings Group (Contd.)

	31.3.2010
	RM
Investing Activities	
Purchase of property, plant and equipment	(975,124)
Proceeds from disposal of property, plant and equipment	135,000
Net cash used in investing activities	<u>(840,124)</u>
Financing Activities	
Drawdown of revolving credit	6,000,000
Drawdown of foreign currency trade loan	1,155,031
Repayment of term loans	<u>(2,145,000)</u>
Net cash generated from financing activities	<u>5,010,031</u>
Net decrease in cash and cash equivalents	(8,093,385)
Cash and cash equivalents at beginning of period	16,294,954
Cash and cash equivalents at end of period	<u>8,201,569</u>

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Chartered Accountants, Kuala Lumpur
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14. ACCOUNTANTS' REPORT



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6 September 2010

The Board of Directors
GW Plastics Holdings Berhad
Unit F603, Pusat Dagangan Phileo Damansara 1,
No. 9 Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya,
Selangor Darul Ehsan.

Dear Sirs

**GW PLASTICS HOLDINGS BERHAD
ACCOUNTANTS' REPORT**

1. INTRODUCTION

This report has been prepared by Ernst & Young, an approved company auditor, for inclusion in the Prospectus of GW Plastics Holdings Berhad ("GW Holdings") to be dated 23 September 2010 in connection with the listing of GW Holdings on the Main Market of Bursa Malaysia Securities Berhad (hereinafter referred to as "the Prospectus") and should not be relied upon for any other purposes.

2. ABBREVIATIONS

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

Bursa Securities	Bursa Malaysia Securities Berhad
FYE	Financial year(s) ended 31 December
FPE	Financial period ended 31 March
GW Holdings	GW Plastics Holdings Berhad
GW Holdings Share(s)	Ordinary share(s) of RM0.50 each in GW Holdings
GW Plastic or Company	Great Wall Plastic Industries Berhad
GW Plastic Group or Group	Great Wall Plastic Industries Berhad and its subsidiary
GW Plastic Share(s)	Ordinary share(s) of RM1 each in GW Plastic

14. ACCOUNTANTS' REPORT (Cont'd)



2. ABBREVIATIONS (CONTD.)

GW Packaging	GW Packaging Sdn Bhd
GW Packaging Share(s)	Ordinary share(s) of RM1 each in GW Packaging
Flotation Exercise	Flotation exercise of GW Holdings on the Main Market of Bursa Securities, which comprise the following exercises: (i) Acquisitions; (ii) Public Issue; (iii) Offer for Sale; and (iv) Listing. (as defined herein)
Rights Issue	Renounceable two-call rights issue of 8,000,400 Rights Shares on the basis of 1 Rights Share for every 10 existing GW Plastic Shares held by the entitled shareholders of GW Plastic on 16 April 2010 at an issue price of RM1.00 each, of which the first call of RM0.001 for each Rights Share was paid in cash on application and the second call of RM0.999 for each Rights Share was capitalised from GW Plastic's share premium account, which was completed on 23 April 2010
Rights Share(s)	New GW Plastic Share(s) issued pursuant to the Rights Issue
RM and sen	Ringgit Malaysia and sen respectively
Vendors	Keybumi Sdn Bhd, Megastart Sdn Bhd, Yeoh Soo Ann, Lim Kok Boon, Tan Sri Datuk Dr Omar bin Abdul Rahman, Abang Ariffin bin Abang Bohan, Dato' Chew Kong Seng @ Chew Kong Huat, Lim Chun Yuan, Wong Poon Kheong, Ng Choong Keen and Chua Choon Kow, collectively

3. GENERAL INFORMATION

3.1 Background

(a) GW Holdings

GW Holdings was incorporated as a public limited liability company in Malaysia on 8 December 2009 under Companies Act, 1965 whose principal activity is that of an investment holding company.

14. ACCOUNTANTS' REPORT (Cont'd)

**3. GENERAL INFORMATION (CONTD.)****3.1 Background (Contd.)****(b) GW Plastic**

GW Plastic was incorporated in Malaysia as a private limited company under Companies Act, 1965 on 13 February 1971 and was converted into a public limited company on 17 November 1993 before being listed on the Kuala Lumpur Stock Exchange (now known as Bursa Securities) in 1995. GW Plastic undertook a restructuring scheme involving the transfer of its listing status to another corporate entity in 2003, followed by a management buyout exercise in 2004. The principal activities of GW Plastic are manufacturing and marketing of plastic film packaging products. Further details on its subsidiary are set out in paragraph 3.3 below.

3.2 Share Capital**(a) GW Holdings**

At the date of incorporation, the authorised share capital of GW Holdings is RM100,000 comprising 100,000 shares of RM1 each. At that date, the issued and paid-up share capital of GW Holdings was RM2 comprising 2 ordinary shares of RM1 each.

On 13 April 2010, GW Holdings reclassified its existing authorised share capital of RM100,000 comprising 100,000 shares of RM1 each into 200,000 shares of RM0.50 each and subdivided its issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1 each into 4 shares of RM0.50 each.

In conjunction with the Flotation Exercise, the authorised share capital of GW Holdings has been increased to RM300,000,000 comprising 600,000,000 shares of RM0.50 each and the issued and paid-up share capital of GW Holdings will be increased to RM118,000,000 comprising 236,000,000 ordinary shares of RM0.50 each.

(b) GW Plastic

The authorised share capital of GW Plastic is RM300,000,000 comprising 300,000,000 shares of RM1.00 each. The issued and paid-up share capital of GW Plastic as at 31 March 2010 is RM80,004,000 comprising 80,004,000 shares of RM1 each.

On 23 April 2010, the issued and paid-up share capital of GW Plastic was increased from 80,004,000 to RM88,004,400 by way of issuance of 8,000,400 GW Plastic shares pursuant to the Rights Issue.

14. ACCOUNTANTS' REPORT (Cont'd)



3. GENERAL INFORMATION (CONTD.)

3.3 Subsidiary of GW Plastic

Company	Country of Incorporation	Date of Incorporation	Issued and Paid-up Ordinary Share Capital	Principal Activity
GW Packaging	Malaysia	25 November 2005	RM6,000,002	Manufacturing and marketing of plastic film packaging products

4. LISTING SCHEME

The listing scheme comprises the following transactions:

4.1 Acquisitions

- (a) On 6 May 2010, GW Holdings entered into a conditional sale and purchase agreement with the Vendors for the acquisition of 88,004,400 GW Plastic Shares, representing the entire equity interest in GW Plastic, for a purchase consideration of RM136,252,000 satisfied via the issuance of 219,999,996 new GW Holdings Shares at an issue price of approximately RM0.62 per GW Holdings Share.
- (b) On 6 May 2010, GW Holdings entered into a conditional sale and purchase agreement with GW Plastic for the acquisition of 6,000,002 GW Packaging Shares, representing the entire equity interest in GW Packaging, for a cash consideration of RM10,000,000 which is reflected as an amount owing from GW Holdings to GW Plastic.

Upon completion of the Acquisitions on 11 August 2010, the issued and paid-up capital of GW Holdings increased from RM2 comprising 4 ordinary shares of RM0.50 each to RM110,000,000 comprising 220,000,000 ordinary shares of RM0.50 each.

4.2 Public Issue

In conjunction with the Flotation Exercise, GW Holdings proposes to undertake a public issue of 16,000,000 new shares, representing 6.78% of the enlarged issued and paid-up share capital of GW Holdings, at an issue price of RM0.76 per ordinary share of RM0.50 each, payable in full upon application.

4.3 Offer for Sale

The offer for sale of 45,420,000 GW Holdings Shares, at an offer price of RM0.76 per ordinary share of RM0.50 each is payable in full upon application.

14. ACCOUNTANTS' REPORT (Cont'd)**4. LISTING SCHEME (CONTD.)**

The listing scheme comprises the following transactions (Contd.):

4.4 Listing

Upon completion of the Public Issue and Offer for Sale, GW Holdings will go into the Official List and the listing of and quotation for its entire enlarged issued and paid-up share capital of RM118,000,000 comprising 236,000,000 GW Holdings Shares of RM0.50 each will be on the Main Market of Bursa Securities.

5. AUDITORS, AUDITED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

GW Holdings was incorporated on 8 December 2009. For the purposes of this report, the audited financial statements of GW Holdings for financial period ended 31 December 2009 and 31 March 2010 are presented. For GW Plastic Group, the audited financial statements for the FYE 31 December 2007 to 31 December 2009, and three (3) months ended 31 March 2010 are presented.

The auditors of GW Holdings, GW Plastic and its subsidiary for the relevant financial years are as follows:

Company	FYE	Auditors
GW Holdings	Financial period ended 31 December 2009	Ernst & Young, Malaysia
	FPE 2010	Ernst & Young, Malaysia
GW Plastic	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
	FPE 2010	Ernst & Young, Malaysia
GW Packaging	FYE 2007	Ernst & Young, Malaysia
	FYE 2008	Ernst & Young, Malaysia
	FYE 2009	Ernst & Young, Malaysia
	FPE 2010	Ernst & Young, Malaysia

We have audited the financial statements of GW Holdings, which comprise the statement of financial position as at 31 December 2009 and 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of GW Holdings for the periods then ended and have issued our reports thereon dated 27 April 2010 and 1 September 2010 respectively.

14. ACCOUNTANTS' REPORT (Cont'd)



5. AUDITORS, AUDITED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (CONTD.)

We have audited the consolidated financial statements of GW Plastic Group, which comprise the statement of financial position as at 31 December 2007 to 31 December 2009, and three (3) months period ended 31 March 2010 of GW Plastic Group, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of GW Plastic Group for the respective financial years/period then ended and have issued our reports thereon dated 6 May 2008, 29 May 2009, 11 March 2010 and 1 September 2010 respectively.

The auditors' reports of GW Holdings and GW Plastic Group for the relevant financial period/years were not subject to any qualifications or modifications.

In FYE 2008, the Company adopted the revised FRS 112 Income Taxes that requires deferred tax asset to be recognised on the unabsorbed reinvestment allowances. As a result, certain comparative amounts for FYE 2007 have been restated to conform with the effect of adopting revised FRS 112 Income Taxes, as detailed in Note 14.26.

The audited financial statements provided in this report have been prepared in accordance with the Financial Reporting Standards in Malaysia.

No audited financial statements are available in respect of any period subsequent to 31 March 2010.

6. DIVIDENDS

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

Details of the dividends paid by GW Plastic for the financial years under review are as follows:

FYE	Rate (sen)	Gross dividend RM	Net dividend RM
31 December 2007	11.68	12,800,640	9,344,467
31 December 2008	2.96	3,200,159	2,368,118
31 December 2009	8.25	8,800,440	6,600,330

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7.1 Basis of Preparation

The financial statements of the Group have been prepared in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial period, the Group adopted the new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 7.2.

The financial statements have also been prepared on a historical cost basis, except for the revaluation of freehold land included under property, plant and equipment.

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

7.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7: *Financial Instruments: Disclosures*

FRS 8: *Operating Segments*

FRS 101: *Presentation of Financial Statements (Revised)*

FRS 123: *Borrowing Costs*

FRS 139: *Financial Instruments: Recognition and Measurement*

Amendments to FRS 1: *First-time Adoption of Financial Reporting Standards and*

and FRS 127: Consolidated and Separate Financial Statements: Cost of an

Investment, Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: *Share-based Payment - Vesting Conditions and Cancellation*

Amendments to FRS 132: *Financial Instruments: Presentation*

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

FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Improvements to FRS issued in 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*

14. ACCOUNTANTS' REPORT (Cont'd)

**7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****7.2 Changes in accounting policies (Contd.)**

FRS 4 *Insurance Contracts* and TR i-3 *Presentation of Financial Statements of Islamic Financial Institutions* will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's financial statements for the quarter ended 31 March 2010.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

Effective for financial periods beginning on or after 1 July 2010

FRS 1: *First-time Adoption of Financial Reporting Standards*

FRS 3: *Business Combinations (revised)*

Amendments to FRS 2: *Share-based Payment*

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

Amendments to FRS 127: *Consolidated and Separate Financial Statements*

Amendments to FRS 138: *Intangible Assets*

Amendments to IC Interpretation 9: *Reassessment of Embedded Derivatives*

IC Interpretation 12: *Service Concession Agreements*

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

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

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132: *Classification of Rights Issues*

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1: *Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters*

Amendments to FRS 1: *Additional Exemptions for First-time Adopters*

Amendments to FRS 2: *Group Cash-settled Share-based Payment Transactions*

Amendments to FRS 7: *Improving Disclosures about Financial Instruments*

IC Interpretation 4: *Determining whether an Arrangement contains a Lease*

IC Interpretation 18: *Transfers of Assets from Customers*

TR 3: *Guidance on Disclosures of Transition to IFRSs*

TR i-4: *Shariah Compliant Sale Contracts*

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3, and the amendments to FRS 127 are described below.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.3 Standards issued but not yet effective (Contd.)

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

7.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

14. ACCOUNTANTS' REPORT (Cont'd)

**7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****7.4 Basis of consolidation (Contd.)**

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

7.5 Foreign currency**(a) Functional and presentation currency**

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

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

14. ACCOUNTANTS' REPORT (Cont'd)

**7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****7.6 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation.

Freehold land of the Group has not been revalued since it was first revalued in 1995. The directors have not adopted a policy of regular revaluations of such asset. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, this asset continues to be stated at its 1995 valuation.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings and warehouse: 50 years
- Plant, machinery and equipment: 10 to 14 years
- Office equipment and computers: 5 years
- Furniture and fittings: 10 years
- Motor vehicles: 5 years

14. ACCOUNTANTS' REPORT (Cont'd)

**7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****7.6 Property, plant and equipment (Contd.)**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial period-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

7.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.8 Subsidiary

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiary is accounted for at cost less impairment losses.

7.9 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.9 Financial assets (Contd.)

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

7.10 Impairment of financial assets

The Group assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.10 Impairment of financial assets (Contd.)

(a) Trade and other receivables and other financial assets carried at amortised cost (Contd.)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

7.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

7.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on Normal operating capacity. These costs are assigned on a first-in first-out basis.

14. ACCOUNTANTS' REPORT (Cont'd)**7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)****7.13 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

7.14 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group has not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.14 Financial liabilities (Contd.)

(b) Other financial liabilities (Contd.)

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

7.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

7.16 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.16 Employee benefits (Contd.)

(b) Short term benefits

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

7.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

7.18 Income taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.18 Income taxes (Contd.)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

14. ACCOUNTANTS' REPORT (Cont'd)



7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

7.18 Income taxes (Contd.)

(b) Deferred tax

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

7.19 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

7.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

8. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

14. ACCOUNTANTS' REPORT (Cont'd)

**8. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTD.)****8.1 Judgements made in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Allowances for bad and doubtful debts

The Group makes allowances for doubtful debts based on objective evidence and the circumstances that affect the recoverability of receivables and counterparties.

Allowances are applied to receivables and counterparties where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically reviewed historical bad debts, customer creditworthiness and current economic trends when making a judgement to evaluate the allowance for doubtful debts on receivables and counterparties where the expectation is different from the original estimate, such difference will impact the carrying amounts. The carrying amount of the Group's receivables at the reporting date is disclosed in Note 14.12.

8.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The Group also performs annual review of the assumptions made on useful lives to ensure that they continue to be valid.

14. ACCOUNTANTS' REPORT (Cont'd)**8. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTD.)****8.2 Key sources of estimation uncertainty (Contd.)****(ii) Depreciation of plant and machinery**

The cost of plant and machinery for the manufacture of plastic film packaging products is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 10 to 14 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that have been initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Deferred tax assets

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

In previous financial year, deferred tax asset is recognised on the unabsorbed reinvestment allowances of the Group upon adoption of revised FRS 112 Income Taxes that requires deferred tax asset to be recognised on the unabsorbed reinvestment allowances, as detailed in Note 14.19.

The total carrying value of recognised reinvestment allowances of the Group was RM92,594,000 (31.12.2009: 94,426,000).

14. ACCOUNTANTS' REPORT (Cont'd)



9. FINANCIAL STATEMENTS OF GW HOLDINGS

Statement of comprehensive income

For the period ended 31 December 2009 and 31 March 2010

	8.12.2009 (Date of incorporation) to 31.12.2009 RM	1.1.2010 to 31.3.2010 RM
Administrative expenses	(4,940)	(1,588)
Loss before tax	(4,940)	(1,588)
Income tax expense	-	-
Net loss for the period	<u>(4,940)</u>	<u>(1,588)</u>

Statement of financial position as at 31 December 2009 and 31 March 2010

	2009 RM	2010 RM
Assets		
Current assets		
Other receivable	630	-
Cash on hand	2	2
Total assets	<u>632</u>	<u>2</u>
Equity and liability		
Current liability		
Other payables	5,570	6,528
Net current assets	<u>(4,938)</u>	<u>(6,526)</u>
Total liability	<u>5,570</u>	<u>6,528</u>
Net assets	<u>(4,938)</u>	<u>(6,526)</u>
Equity attributable to owners of the parent		
Share capital	2	2
Accumulated loss	(4,940)	(6,528)
Total equity	<u>(4,938)</u>	<u>(6,526)</u>
Total equity and liability	<u>632</u>	<u>2</u>

14. ACCOUNTANTS' REPORT (Cont'd)



9. FINANCIAL STATEMENTS OF GW HOLDINGS (CONTD.)

Statement of changes in equity

For the period ended 31 December 2009 and 31 March 2010

	Equity, total RM	Share Capital RM	Accumulated Loss RM
At date of incorporation	2	2	-
Total comprehensive loss	(4,940)	-	(4,940)
At 31 December 2009	<u>(4,938)</u>	<u>2</u>	<u>(4,940)</u>
At 1 January 2010	(4,938)	2	(4,940)
Total comprehensive loss	(1,588)	-	(1,588)
At 31 March 2010	<u>(6,526)</u>	<u>2</u>	<u>(6,528)</u>

Statement of cash flows

For the period ended 31 December 2009 and 31 March 2010

	8.12.2009 (Date of incorporation) to 31.12.2009 RM	1.1.2010 to 31.3.2010 RM
Operating activities		
Loss before tax	(4,940)	(1,588)
<u>Change in working capital:</u>		
Receivables	(630)	630
Payables	5,570	958
Net cash generated from operating activities	<u>-</u>	<u>-</u>
Financing activity		
Proceeds from issued and paid-up capital, representing net cash generated from financing activity	<u>2</u>	<u>-</u>
Net increase in cash and cash equivalents	2	-
Cash and cash equivalents at date of incorporation	<u>-</u>	<u>2</u>
Cash and cash equivalents at end of period	<u>2</u>	<u>2</u>

14. ACCOUNTANTS' REPORT (Cont'd)

10. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF GW PLASTIC GROUP

The consolidated statement of comprehensive income of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and three (3) months financial periods ended 31 March 2009 and 31 March 2010 are as follows:

Note	12 months ended 31 December			3 months ended	
	2007 RM (Restated)	2008 RM	2009 RM	31.03.2009 * RM	31.03.2010 RM
14.1	248,435,461	292,839,205	255,503,764	51,533,432	77,354,966
	(226,560,255)	(268,326,317)	(218,860,522)	(41,114,049)	(68,430,313)
	<u>21,875,206</u>	<u>24,512,888</u>	<u>36,643,242</u>	<u>10,419,383</u>	<u>8,924,653</u>
Revenue					
Cost of goods sold					
Gross profit					
Other items of income					
Interest income	170,007	35,515	898	625	-
Other income	849,100	86,172	44,821	13,362	223,247
Other items of expense					
Marketing and distribution	(6,824,065)	(6,765,610)	(6,340,622)	(1,586,980)	(1,840,505)
Administrative expenses	(6,869,879)	(8,653,152)	(10,146,685)	(3,016,375)	(1,905,666)
Finance costs	(654,259)	(1,122,101)	(725,920)	(249,064)	(142,932)
Other expenses	(400,076)	(517,624)	(670,932)	(88,583)	(106,852)
Profit before tax	<u>8,146,034</u>	<u>7,576,088</u>	<u>18,804,802</u>	<u>5,492,368</u>	<u>5,151,945</u>
Income tax expense	(2,693,363)	1,293,349	(3,456,626)	(1,432,078)	(816,858)
Profit net of tax, representing total comprehensive income for the years/periods	<u>5,452,671</u>	<u>8,869,437</u>	<u>15,348,176</u>	<u>4,060,290</u>	<u>4,335,087</u>
Total comprehensive income attributable to:					
Owners of the parent	<u>5,452,671</u>	<u>8,869,437</u>	<u>15,348,176</u>	<u>4,060,290</u>	<u>4,335,087</u>

14. ACCOUNTANTS' REPORT (Cont'd)

10. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF GW PLASTIC GROUP (CONTD.)

The consolidated statement of comprehensive income of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and three (3) months financial periods ended 31 March 2009 and 31 March 2010 are as follows (Contd.):

	12 months ended 31 December		3 months ended	
	2007	2008	2009	31.03.2009 * 31.03.2010
Number of ordinary shares in issue at the end of the financial years/periods	80,004,000	80,004,000	80,004,000	80,004,000
Basic earnings per share attributable to owners of the parent (RM per share) ^	0.07	0.11	0.19	0.05

^ Basic earnings per share is computed based on the profit after tax divided by the number of ordinary shares in issue at the end of the financial year.

* The Income Statement for the period ended 31 March 2009 is unaudited and is included for comparison purpose only.



14. ACCOUNTANTS' REPORT (Cont'd)

11. CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF GW PLASTIC GROUP

The consolidated statements of financial position of GW Plastic Group based on its audited financial statements as at 31 December 2007, 2008, 2009 and 31 March 2010 are as follows:

	Note	As at 31 December		As at 31 March	
		2007 RM (restated)	2008 RM	2009 RM	2010 RM
Assets					
Non-current assets					
Property, plant and equipment	14.10	139,427,936	151,796,955	151,650,407	149,832,161
Deferred tax assets	14.19	5,696,637	6,641,000	4,174,374	3,715,516
		<u>145,124,573</u>	<u>158,437,955</u>	<u>155,824,781</u>	<u>153,547,677</u>
Current assets					
Inventories	14.11	36,155,343	27,713,455	39,449,345	37,001,251
Trade receivables	14.12	36,474,630	29,345,634	35,088,292	36,056,396
Other receivables	14.13	630,120	2,303,868	1,611,835	5,173,787
Tax recoverable		-	509,716	84,727	119,224
Cash and bank balances	14.14	19,333,859	7,067,245	16,294,952	8,573,390
		<u>92,593,952</u>	<u>66,939,918</u>	<u>92,529,151</u>	<u>86,924,048</u>
Total assets		<u>237,718,525</u>	<u>225,377,873</u>	<u>248,353,932</u>	<u>240,471,725</u>
Equity and liabilities					
Current liabilities					
Trade payables	14.15	53,727,556	22,125,357	46,929,830	31,494,351
Other payables	14.16	4,601,089	3,951,241	6,191,924	4,028,255
Provision of taxation		142,102	-	-	-
Loans and borrowings	14.17	4,805,000	17,816,943	8,823,000	15,347,853
		<u>63,275,747</u>	<u>43,893,541</u>	<u>61,944,754</u>	<u>50,870,459</u>
Net current assets		<u>29,318,205</u>	<u>23,046,377</u>	<u>30,584,397</u>	<u>36,053,589</u>

14. ACCOUNTANTS' REPORT (Cont'd)

11. CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF GW PLASTIC GROUP (CONTD.)

The consolidated statements of financial position of GW Plastic Group based on its audited financial statements as at 31 December 2007, 2008, 2009 and 31 March 2010 are as follows (Contd.):

Note	← As at 31 December		→ As at 31 March	
	2007 RM (restated)	2008 RM	2009 RM	2010 RM
14.17	9,600,000	10,140,235	6,317,235	5,174,236
Non-current liabilities				
Loans and borrowings	72,875,747	54,033,776	68,261,989	56,044,695
Total liabilities	164,842,778	171,344,097	180,091,943	184,427,030
Net assets				
Equity attributable to owners of the parent				
Share capital	80,004,000	80,004,000	80,004,000	80,004,000
Share premium	15,229,882	15,229,882	15,229,882	15,229,882
Revaluation reserves	2,558,208	2,558,208	2,558,208	2,558,208
Retained earnings	67,050,688	73,552,007	82,299,853	86,634,940
Total equity	164,842,778	171,344,097	180,091,943	184,427,030
Total equity and liabilities	237,718,525	225,377,873	248,353,932	240,471,725

14. ACCOUNTANTS' REPORT (Cont'd)

12. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF GW PLASTIC GROUP

The consolidated statements of changes in equity of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and three (3) months financial periods ended 31 March 2009 and 31 March 2010 are as follows:

Note	Equity, total RM	Attributable to owners of parent				Distributable Retained Earnings RM
		Share Capital RM	Non-Distributable Share Premium RM	Revaluation Reserve RM		
At 1 January 2007						
As previously stated	145,538,574	80,004,000	15,229,882	2,558,208	47,746,484	
Effect of change in accounting policy	23,196,000	-	-	-	23,196,000	
At 1 January 2007 (restated)	168,734,574	80,004,000	15,229,882	2,558,208	70,942,484	
Total comprehensive income (restated)	5,452,671	-	-	-	5,452,671	
Dividend paid	(9,344,467)	-	-	-	(9,344,467)	
At 31 December 2007	164,842,778	80,004,000	15,229,882	2,558,208	67,050,688	
At 1 January 2008						
As previously stated	142,625,778	80,004,000	15,229,882	2,558,208	44,833,688	
Effect of change in accounting policy	22,217,000	-	-	-	22,217,000	
At 1 January 2008 (restated)	164,842,778	80,004,000	15,229,882	2,558,208	67,050,688	
Total comprehensive income	8,869,437	-	-	-	8,869,437	
Dividend paid	(2,368,118)	-	-	-	(2,368,118)	
At 31 December 2008	171,344,097	80,004,000	15,229,882	2,558,208	73,552,007	

14. ACCOUNTANTS' REPORT (Cont'd)

12. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF GW PLASTIC GROUP (CONTD.)

The consolidated statements of changes in equity of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and financial periods ended 31 March 2009 and 31 March 2010 are as follows (Contd.):

Note	Equity, total RM	Attributable to owners of parent			Distributable Retained Earnings RM
		Share Capital RM	Non-Distributable Share Premium RM	Revaluation Reserve RM	
At 1 January 2009	171,344,097	80,004,000	15,229,882	2,558,208	73,552,007
Total comprehensive income	15,348,176	-	-	-	15,348,176
Dividend paid	(6,600,330)	-	-	-	(6,600,330)
At 31 December 2009	180,091,943	80,004,000	15,229,882	2,558,208	82,299,853
At 1 January 2009	171,344,097	80,004,000	15,229,882	2,558,208	73,552,007
Total comprehensive income	4,060,290	-	-	-	4,060,290
Dividend paid	(3,000,150)	-	-	-	(3,000,150)
At 31 March 2009 (Unaudited)	172,404,237	80,004,000	15,229,882	2,558,208	74,612,147
At 1 January 2010	180,091,943	80,004,000	15,229,882	2,558,208	82,299,853
Total comprehensive income	4,335,087	-	-	-	4,335,087
At 31 March 2010	184,427,030	80,004,000	15,229,882	2,558,208	86,634,940

14. ACCOUNTANTS' REPORT (Cont'd)

13. CONSOLIDATED STATEMENT OF CASH FLOWS OF GW PLASTIC GROUP

The consolidated statements of cash flows of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and three (3) months financial periods ended 31 March 2009 and 31 March 2010 are as follows:

	Note	12 months ended 31 December			Unaudited FPE 31 March 2009 RM	Audited 2010 RM
		2007 RM	2008 RM	2009 RM		
Operating activities						
Profit before tax		8,146,034	7,576,088	18,804,802	5,492,368	5,151,945
Adjustments for:						
Depreciation	14.5	8,239,367	9,695,834	10,900,390	2,705,970	2,790,503
Interest expense	14.4	654,259	1,122,101	725,920	249,064	142,932
Interest income	14.2	(170,007)	(35,515)	(898)	(625)	-
Gain on disposal of property plant and equipment	14.3	(88,144)	(86,172)	(44,821)	(9,510)	(132,133)
Net unrealised foreign exchange (gain)/losses	14.5	-	(87,658)	65,038	87,658	(91,114)
Allowance for doubtful debts	14.5	-	105,444	245,596	-	-
Total adjustments		8,635,475	10,714,034	11,891,225	3,032,557	2,710,188
Operating cash flows before changes in working capital		16,781,509	18,290,122	30,696,027	8,524,925	7,862,133
Changes in working capital						
Inventories		(3,910,116)	8,441,888	(11,735,890)	4,986,688	2,448,094
Receivables		4,890,958	5,223,544	(5,283,512)	1,852,292	(5,034,228)
Payables		10,915,303	(32,068,343)	26,809,434	(2,329,855)	(17,003,862)
Cash generated from/(used in) operations		28,677,654	(112,789)	40,486,059	13,034,050	(11,727,863)
Interest paid		(654,259)	(1,122,101)	(725,920)	(249,064)	(142,932)
Taxes refunded		-	187,886	157,972	-	-
Taxes paid		(811,910)	(460,504)	(565,008)	(135,373)	(392,497)
Net cash generated from/ (used in) operating activities		27,211,485	(1,507,508)	39,353,103	12,649,613	(12,263,292)

14. ACCOUNTANTS' REPORT (Cont'd)

13. CONSOLIDATED STATEMENT OF CASH FLOWS OF GW PLASTIC GROUP (CONTD.)

The consolidated statements of cash flows of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and three (3) months financial periods ended 31 March 2009 and 31 March 2010 are as follows:

Note	12 months ended 31 December			Unaudited FPE 31 March		Audited
	2007 RM	2008 RM	2009 RM	2009 RM	2010 RM	2010 RM
Investing activities						
Interest received	170,007	35,515	898	625	-	-
Purchase of property, plant and equipment	(27,875,909)	(22,089,780)	(10,759,411)	(525,734)	(975,124)	(975,124)
Proceeds from disposal of property, plant and equipment	933,599	111,099	50,390	10,692	135,000	135,000
Net cash used in investing activities	(26,772,303)	(21,943,166)	(10,708,123)	(514,417)	(840,124)	(840,124)
Financing activities						
Drawdown of revolving credit	2,000,000	1,800,000	-	-	6,000,000	6,000,000
Drawdown of banker's acceptance	-	2,014,000	-	-	-	-
Drawdown of foreign currency trade loan	-	3,422,943	-	-	1,155,031	1,155,031
Drawdown of term loans	8,890,000	11,810,235	5,000,000	-	-	-
Repayment of term loans	(1,485,000)	(5,495,000)	(8,580,000)	(7,581,943)	(2,145,000)	(2,145,000)
Repayment of banker's acceptance, revolving credit, foreign currency trade loan	-	-	(9,236,943)	-	-	-
Repayment to hire purchase creditors	(209,967)	-	-	-	-	-
Dividends paid	(9,344,467)	(2,368,118)	(6,600,330)	(3,000,150)	-	-
Net cash (used in)/generated from financing activities	(149,434)	11,184,060	(19,417,273)	(10,582,093)	5,010,031	5,010,031

14. ACCOUNTANTS' REPORT (Cont'd)

13. CONSOLIDATED STATEMENT OF CASH FLOWS OF GW PLASTIC GROUP (CONTD.)

The consolidated statements of cash flows of GW Plastic Group based on its audited financial statements for the financial years ended 31 December 2007, 2008 and 2009 and three (3) months financial periods ended 31 March 2009 and 31 March 2010 are as follows:

	Note	12 months ended 31 December		2009 RM	Unaudited FPE 31 March 2009 RM	Audited 2010 RM
		2007 RM	2008 RM			
Net increase/(decrease) in cash and cash equivalents		289,748	(12,266,614)	9,227,707	1,553,103	(8,093,385)
Cash and cash equivalents at beginning of years/periods		19,044,111	19,333,859	7,067,245	7,067,245	16,294,952
Cash and cash equivalents at end of years/periods	14.14	19,333,859	7,067,245	16,294,952	8,620,348	8,201,567

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP

14.1. Revenue

Revenue represents the invoiced value of goods sold less returns and discounts allowed.

14.2 Interest income

	12 months ended 31 December		3 months ended	
	2007 RM	2008 RM	31.03.2009 RM	31.03.2010 RM
Interest income from: Loans and receivables	170,007	35,515	898	625
				(Unaudited)

14.3 Other Income

	12 months ended 31 December		3 months ended	
	2007 RM	2008 RM	2009 RM	31.03.2010 RM
Gain on disposal of property, plant and equipment	88,144	86,172	44,821	132,133
Realised gain on foreign exchange	760,956	-	-	-
Unrealised gain on foreign exchange	-	-	-	91,114
	849,100	86,172	44,821	223,247
				(Unaudited)

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP

14.4 Finance Costs

	12 months ended 31 December		2009		3 months ended	
	2007	2008	2009	RM	31.03.2009	31.03.2010
	RM	RM	RM	RM	(Unaudited)	RM
Interest expense on:						
- Term loan	617,000	752,065	642,596	188,904	135,911	
- Revolving credit interest	15,956	92,953	53,672	38,619	2,466	
- Trade loan	4,872	150,993	10,765	18,960	1,739	
- Bank acceptance interest	-	110,309	10,724	-	-	
- Bank overdrafts	12,322	15,781	8,163	2,581	2,816	
- Hire purchase and finance lease	4,109	-	-	-	-	
Total finance costs	654,259	1,122,101	725,920	249,064	142,932	

14.5 Profit Before Tax

The following amounts have been included in arriving at profit before tax:

	12 months ended 31 December		2009		3 months ended	
	2007	2008	2009	RM	31.03.2009	31.03.2010
	RM	RM	RM	RM	(Unaudited)	RM
Auditors' remuneration						
- statutory audits	46,000	46,000	50,000	11,500	11,500	
Depreciation of property, plant and equipment (Note 14.10)	8,239,367	9,695,834	10,900,390	2,705,970	2,790,503	
Directors' remuneration	513,230	544,132	602,776	135,886	146,234	
Impairment loss on financial assets						
- Trade receivables (Note 14.12)	-	105,444	245,596	-	-	
Net (gain)/loss on foreign exchange						
- unrealised	-	(87,658)	65,038	87,658	(91,114)	
- realised	-	2,061,196	1,863,163	1,192,410	71,118	
Employee benefits expenses (Note 14.7)	15,345,622	15,164,569	17,917,266	3,961,496	4,715,382	

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.6 Directors' Remuneration

	12 months ended 31 December		3 months ended	
	2007 RM	2008 RM	31.03.2009 RM	31.03.2010 RM
Executive:				(Unaudited)
Salaries and other emoluments	352,800	416,188	400,468	92,610
Bonus	66,150	33,000	90,000	18,152
Defined contribution plan	50,280	48,444	55,308	11,124
Total executive directors remuneration (excluding benefits-in-kind)	469,230	497,632	545,776	121,886
Estimated money value of benefits-in-kind	52,400	52,400	52,400	13,101
Total executive directors remuneration (including benefits-in-kind)	521,630	550,032	598,176	134,987
Non-executive:				
Fees	39,000	39,000	52,000	13,000
Other emoluments	5,000	7,500	5,000	1,000
Total non-executive directors' remuneration	44,000	46,500	57,000	14,000
Total directors' remuneration	565,630	596,532	655,176	148,987
				159,335

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.6 Directors' Remuneration (Contd.)

The number of directors of the Group whose total remuneration during the years/periods fell within the following bands is analysed below:

	Number of Directors					
	12 months ended 31 December		3 months ended		3 months ended	
	2007	2008	2009	31.03.2009	31.03.2010	RM
Executive directors:						
RM50,000 and below	1	1	1	1	1	1
RM500,000 - RM600,000	1	1	1	1	1	1
	2	2	2	2	2	2
Non-Executive directors:						
RM50,000 and below	3	3	3	3	3	3

14.7 Employee Benefits Expenses

	12 months ended 31 December		3 months ended	
	2007	2008	2009	31.03.2010
	RM	RM	RM	RM
Wages, salaries and bonuses	11,084,939	10,406,664	12,244,913	3,041,982
Social security costs and pension cost - defined contribution plans	1,501,728	1,429,398	1,653,495	407,019
Other staff related expenses	2,758,955	3,328,507	4,018,858	1,266,381
	15,345,622	15,164,569	17,917,266	4,715,382

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14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.8 Income Tax Expense

Major components of income tax expense

The major components of income tax expense of the Group are:

	12 months ended 31 December		3 months ended	
	2007	2008	2009	31.03.2010
	RM	RM	RM	RM
				(Unaudited)
	(restated)			
	589,000	43,000	990,000	347,179
	-	(391,986)	-	-
	589,000	(348,986)	990,000	347,179
				358,000
	2,735,363	(396,281)	2,429,107	1,047,380
	(631,000)	(589,597)	-	-
	-	41,515	37,519	37,519
	2,104,363	(944,363)	2,466,626	1,084,899
				458,858
	2,693,363	(1,293,349)	3,456,626	1,432,078
				816,858

Statement of comprehensive income:

Current year income tax:

- Malaysian income tax
- Overprovision in prior years

Deferred tax (Note 14.19)

- Relating to origination and reversal of temporary differences
- Relating to changes in tax rates
- Underprovision in prior years

Income tax expense recognised in profit or loss

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.8 Income Tax Expense (Contd.)

Reconciliation between tax expense and accounting profit

The reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	12 months ended 31 December		3 months ended	
	2007	2008	2009	31.03.2010
	RM	RM	RM	RM
Profit before tax	8,146,034	7,576,088	18,804,802	5,492,368
	(restated)		(Unaudited)	
Taxation at Malaysian statutory tax rate of 25% (2009: 25%, 2008: 26%, 2007: 27%)	2,199,429	1,969,783	4,701,201	1,373,092
Effect on changes in tax rates on opening tax rates	(612,000)	(530,597)	-	-
Deferred tax recognised at different tax rates	(19,000)	(59,000)	-	-
Expenses not deductible for tax purposes	163,493	161,076	185,922	67,353
Realisation of deferred tax liabilities for controlled transferred assets	-	(29,363)	(29,000)	(7,250)
Deferred tax liabilities for controlled transferred assets	1,232,363	-	-	-
Utilisation of current year's reinvestment allowances	-	-	(1,439,016)	(38,636)
				(680,076)

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.8 Income Tax Expense (Contd.)

Reconciliation between tax expense and accounting profit

The reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	12 months ended 31 December		3 months ended	
	2007	2008	2009	31.03.2010
	RM	RM	RM	RM
	(restated)		(Unaudited)	
Utilisation of previously unrecognised unutilised reinvestment allowances	(270,922)	(262,777)	-	-
Deferred tax assets recognised on reinvestment allowances	-	(2,192,000)	-	-
Underprovision of deferred tax in prior years	-	41,515	37,519	174,225
Overprovision of tax expense in prior years	-	(391,986)	-	-
Income tax expense for the year	2,693,363	(1,293,349)	3,456,626	1,432,078
				816,858

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%, 2008: 26%, 2007: 27%) of the estimated assessable profit for the year.

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.8 Income Tax Expense (Contd.)

Tax savings recognised during the year arising from:

	12 months ended 31 December		3 months ended	
	2007	2008	2009	31.03.2010
	RM	RM	RM	RM
	(restated)		(Unaudited)	
Utilisation of current year capital allowances	10,478,412	16,914,211	14,433,824	3,008,341
Utilisation of capital allowances brought forward from previous years	-	-	2,783,890	1,293,370
				102,193

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.9 Dividends

	Dividends in respect of year			Dividends recognised in year/period				
	2006 RM	2007 RM	2008 RM	2009 RM	12 months ended 31 December 2007 RM	2008 RM	2009 RM	3 months ended 31.3.2009
Recognised during the year:								
2% final dividend for 2006, less 27% of taxation (1.46 sen per ordinary share)	1,168,058	-	-	-	1,168,058	-	-	-
14% interim dividend for 2007, less 27% of taxation (10.22 sen per ordinary share)	-	8,176,409	-	-	8,176,409	-	-	-
2% interim dividend for 2007, less 26% taxation (1.48 sen per ordinary share)	-	1,184,059	-	-	-	1,184,059	-	-
2% final dividend for 2007, less 26% taxation (1.48 sen per ordinary share)	-	1,184,059	-	-	-	1,184,059	-	-
5% interim dividend for 2008, less 25% of taxation (3.75 sen per ordinary share)	-	-	3,000,150	-	-	-	3,000,150	3,000,150
3% final dividend for 2008, less 25% taxation (2.25 sen per ordinary share)	-	-	1,800,090	-	-	-	1,800,090	-
3% interim dividend for 2009, less 25% of taxation (2.25 sen per ordinary share)	-	-	-	1,800,090	-	-	1,800,090	-
Proposed for approval at Annual General Meeting (not recognised as at 31 March 2010):								
17%, tax exempt final dividend for 2009 (17.00 sen per ordinary share)	-	-	-	13,600,680	-	-	-	-
8% final dividend for 2009, less 25% of taxation (6 sen per ordinary share)	-	-	-	4,800,240	-	-	-	-
	1,168,058	10,544,527	4,800,240	20,201,010	9,344,467	2,368,118	6,600,330	3,000,150

No dividend was recognised for period ended 31 March 2010.

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.10 Property, Plant and Equipment

	Freehold land RM	Factory buildings and warehouse RM	Office building RM	Plant, machinery and equipment RM	Office equipment, and furniture and fittings RM	Computers RM	Motor vehicles RM	Total RM
At 31 March 2010								
Cost or valuation								
At 1 January 2010	9,260,070	45,094,503	550,000	204,048,340	4,137,944	2,201,908	5,895,849	271,188,614
Additions	-	11,000	-	954,100	2,045	7,979	-	975,124
Disposals	-	-	-	(1,021,262)	-	-	-	(1,021,262)
At 31 March 2010	9,260,070	45,105,503	550,000	203,981,178	4,139,989	2,209,887	5,895,849	271,142,476
Accumulated depreciation and impairment losses								
At 1 January 2010	-	9,226,296	57,750	100,052,884	3,987,044	2,004,365	4,209,868	119,538,207
Charge for the period	-	225,528	2,750	2,424,906	10,071	24,186	103,062	2,790,503
Disposals	-	-	-	(1,018,395)	-	-	-	(1,018,395)
At 31 March 2010	-	9,451,824	60,500	101,459,395	3,997,115	2,028,551	4,312,930	121,310,315
Net carrying amount								
At cost	-	35,653,679	489,500	102,521,783	142,874	181,336	1,582,919	140,572,091
At valuation - 1995	9,260,070	-	-	-	-	-	-	9,260,070
At 31 March 2010	9,260,070	35,653,679	489,500	102,521,783	142,874	181,336	1,582,919	149,832,161

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.10 Property, Plant and Equipment

	Freehold land RM	Factory buildings and warehouse RM	Office building RM	Plant, machinery and equipment RM	Office, equipment, and furniture RM	Computers RM	Motor vehicles RM	Total RM
At 31 December 2009								
Cost or valuation								
At 1 January 2009	9,260,070	45,084,586	550,000	194,183,375	4,118,134	2,307,801	5,595,849	261,099,815
Additions	-	9,917	-	10,351,377	21,760	76,357	300,000	10,759,411
Disposals	-	-	-	(486,412)	(1,950)	(182,250)	-	(670,612)
At 31 December 2009	9,260,070	45,094,503	550,000	204,048,340	4,137,944	2,201,908	5,895,849	271,188,614
Accumulated depreciation and impairment losses								
At 1 January 2009	-	8,324,506	46,750	91,300,175	3,942,730	2,093,876	3,594,823	109,302,860
Charge for the year	-	901,790	11,000	9,233,630	46,264	92,661	615,045	10,900,390
Disposals	-	-	-	(480,921)	(1,950)	(182,172)	-	(665,043)
At 31 December 2009	-	9,226,296	57,750	100,052,884	3,987,044	2,004,365	4,209,868	119,538,207
Net carrying amount								
At cost	-	35,868,207	492,250	103,995,456	150,900	197,543	1,685,981	142,390,337
At valuation - 1995	9,260,070	-	-	-	-	-	-	9,260,070
At 31 December 2009	9,260,070	35,868,207	492,250	103,995,456	150,900	197,543	1,685,981	151,650,407

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.10 Property, Plant and Equipment (Contd.)

	Freehold land RM	Factory buildings and warehouse RM	Office building RM	Plant, machinery equipment and furniture RM	Office, equipment and fittings RM	Computers RM	Motor vehicles RM	Total RM
At 31 December 2008								
Cost or valuation								
At 1 January 2008	9,260,070	42,944,991	550,000	174,881,735	4,090,870	2,296,560	5,851,344	239,875,570
Additions	-	2,139,595	-	19,880,680	58,264	11,241	-	22,089,780
Disposals	-	-	-	(579,040)	(31,000)	-	(255,495)	(865,535)
At 31 December 2008	9,260,070	45,084,586	550,000	194,183,375	4,118,134	2,307,801	5,595,849	261,099,815
Accumulated depreciation and impairment losses								
At 1 January 2008	-	7,455,531	35,750	83,486,953	3,876,946	1,998,264	3,594,190	100,447,634
Charge for the year	-	868,975	11,000	8,381,076	96,784	95,612	242,387	9,695,834
Disposals	-	-	-	(567,854)	(31,000)	-	(241,754)	(840,608)
At 31 December 2008	-	8,324,506	46,750	91,300,175	3,942,730	2,093,876	3,594,823	109,302,860
Net carrying amount								
At cost	-	36,760,080	503,250	102,883,200	175,404	213,925	2,001,026	142,536,885
At valuation - 1995	9,260,070	-	-	-	-	-	-	9,260,070
At 31 December 2008	9,260,070	36,760,080	503,250	102,883,200	175,404	213,925	2,001,026	151,796,955

14. ACCOUNTANTS' REPORT (Cont'd)

14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.10 Property, Plant and Equipment (Contd.)

	Freehold land RM	Factory buildings and warehouse RM	Office building RM	Plant, machinery equipment and fittings RM	Office, equipment, and furniture RM	Computers RM	Motor vehicles RM	Total RM
At 31 December 2007								
Cost or valuation								
At 1 January 2007	9,260,070	42,209,167	550,000	152,280,825	4,026,921	2,282,342	5,851,344	216,460,669
Additions	-	735,824	-	27,048,355	77,512	14,218	-	27,875,909
Disposals	-	-	-	(4,447,445)	(13,563)	-	-	(4,461,008)
At 31 December 2007	9,260,070	42,944,991	550,000	174,881,735	4,090,870	2,296,560	5,851,344	239,875,570
Accumulated depreciation and impairment losses								
At 1 January 2007	-	6,598,681	24,750	80,206,156	3,777,341	1,865,088	3,351,803	95,823,819
Charge for the year	-	856,850	11,000	6,882,786	113,168	133,176	242,387	8,239,367
Disposals	-	-	-	(3,601,989)	(13,563)	-	-	(3,615,552)
At 31 December 2007	-	7,455,531	35,750	83,486,953	3,876,946	1,998,264	3,594,190	100,447,634
Net carrying amount								
At cost	-	35,489,460	514,250	91,394,782	213,924	298,296	2,257,154	130,167,866
At valuation - 1995	9,260,070	-	-	-	-	-	-	9,260,070
At 31 December 2007	9,260,070	35,489,460	514,250	91,394,782	213,924	298,296	2,257,154	139,427,936

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.10 Property, Plant and Equipment (Contd.)

The freehold land has not been revalued since it was first revalued in 1995. The directors have not adopted a policy of regular revaluations of such asset. As permitted under the transitional provisions of IAS 16 (Revised): Property, Plant and Equipment, this asset continues to be stated at its 1995 valuation.

At 31 December 2009, had the revalued freehold land of the Group been carried under the cost model, the carrying amount would have been RM1,760,000 (2009: RM1,760,000, 2008: RM1,760,000 and 2007: RM1,760,000).

Included in property, plant and equipment are motor vehicles with an aggregate net book value of RM Nil (2009: RM Nil, 2008: RM Nil and 2007: RM730,218) acquired under hire purchase arrangements.

14.11 Inventories

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
At cost:				
Consumable goods	1,799,551	1,694,795	2,276,447	2,231,180
Raw materials	21,321,032	16,470,380	27,036,304	21,507,726
Work-in-progress	4,860,367	4,363,127	4,798,517	5,497,512
Finished goods	8,174,393	5,185,153	5,338,077	7,764,833
	<u>36,155,343</u>	<u>27,713,455</u>	<u>39,449,345</u>	<u>37,001,251</u>

14.12 Trade Receivables

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Trade receivables	37,168,772	30,060,699	35,449,308	36,417,412
Less: Allowance for impairment	(694,142)	(715,065)	(361,016)	(361,016)
	<u>36,474,630</u>	<u>29,345,634</u>	<u>35,088,292</u>	<u>36,056,396</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.12 Trade Receivables (Contd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Neither past due nor impaired	32,117,028	26,790,792	31,885,644	33,079,616
1 to 30 days past due not impaired	3,225,313	2,243,052	2,721,788	1,878,356
31 to 60 days past due not impaired	679,350	180,208	339,629	788,552
61 to 90 days past due not impaired	182,694	88,152	68,371	67,764
91 to 120 days past due not impaired	175,898	139	435	45,227
More than 121 days past due not impaired	94,347	43,291	72,425	196,881
	4,357,602	2,554,842	3,202,648	2,976,780
Impaired	694,142	715,065	361,016	361,016
	<u>37,168,772</u>	<u>30,060,699</u>	<u>35,449,308</u>	<u>36,417,412</u>

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM2,976,780 (31.12.2009: RM3,202,648, 31.12.2008: RM2,554,842 and 31.12.2007: RM4,357,602) that are past due at the reporting date but not impaired.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.12 Trade Receivables (Contd.)

Receivables that are impaired

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

	← Individually impaired →			As at 31 March 2010
	As at 31 December 2007	2008	2009	
	RM			RM
Trade receivables				
- nominal amounts	694,142	715,065	361,016	361,016
Less: Allowance for impairment	(694,142)	(715,065)	(361,016)	(361,016)
	-	-	-	-

Movement in allowance accounts:

	← Group →			As at 31 March 2010
	As at 31 December 2007	2008	2009	
	RM	RM	RM	RM
At 1 January	694,142	694,142	715,065	361,016
Charge for the year (Note 14.5)	-	105,444	245,596	-
Written off	-	(84,521)	(599,645)	-
At 31 December/ 31 March	694,142	715,065	361,016	361,016

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.13 Other Receivables

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Sundry receivables	315,440	1,795,292	1,039,118	168,681
Refundable deposits	166,130	354,032	418,672	4,792,103
Prepayments	148,550	154,544	154,045	213,003
	<u>630,120</u>	<u>2,303,868</u>	<u>1,611,835</u>	<u>5,173,787</u>

Refundable deposits as at 31 March 2010 consist of deposit paid in relation to the purchase of machineries amounting to RM3,447,797.

14.14 Cash and Bank Balances

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Cash at banks and on hand	<u>19,333,859</u>	<u>7,067,245</u>	<u>16,294,952</u>	<u>8,573,390</u>

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following at the reporting date:

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Cash and bank balances	19,333,859	7,067,245	16,294,952	8,573,390
Bank overdrafts (Note 14.17)	-	-	-	(371,823)
Cash and cash equivalents	<u>19,333,859</u>	<u>7,067,245</u>	<u>16,294,952</u>	<u>8,201,567</u>

14.15 Trade Payables

The amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days terms.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.16 Other Payables

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Accruals	4,375,985	3,588,291	4,952,781	3,919,641
Deposits	11,170	11,490	11,510	11,770
Sundry payables	213,934	351,460	1,227,633	96,844
	<u>4,601,089</u>	<u>3,951,241</u>	<u>6,191,924</u>	<u>4,028,255</u>

The amounts are non-interest bearing. Sundry payables are normally settled within 60 days (2007, 2008 and 2009: within 60 days).

14.17 Loans and borrowings

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Current				
Unsecured:				
Revolving credit	2,000,000	3,800,000	-	6,000,000
Banker's acceptance	-	2,014,000	-	-
Term loan	2,805,000	8,580,000	8,823,000	7,820,999
Foreign currency trade loan	-	3,422,943	-	1,155,031
Bank overdrafts (Note 14.14)	-	-	-	371,823
	<u>4,805,000</u>	<u>17,816,943</u>	<u>8,823,000</u>	<u>15,347,853</u>
Non-current				
Unsecured:				
Term loan	9,600,000	10,140,235	6,317,235	5,174,236
	<u>14,405,000</u>	<u>27,957,178</u>	<u>15,140,235</u>	<u>20,522,089</u>

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.17 Loans and borrowings (Contd.)

The remaining maturities of the loans and borrowings are as follows:

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
On demand or within one year	4,805,000	17,816,943	8,823,000	15,347,853
More than 1 year and less than 2 years	4,560,000	7,305,000	4,491,235	3,486,236
More than 2 year and less than 5 years	5,040,000	2,835,235	1,826,000	1,688,000

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

	Type of rate	← As at 31 December →			As at 31 March
		2007	2008	2009	2010
		%	%	%	%
Term loans	Floating	5.02	4.65 - 4.92	3.90 - 4.92	3.75 - 4.42
Banker's acceptance	Floating	-	3.88	-	-
Revolving credit	Floating	4.55	4.65	-	3.68 - 3.75
Foreign currency trade loan	Floating	-	2.70 - 3.65	-	0.90 - 0.91
Bank overdraft	Floating	-	-	-	6.55

Loans and borrowings are covered by negative pledges over the Group's assets.

14.18 Share Capital

	Number of Shares of RM1 Each			
	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
Authorised				
At 1 January/ 31 December	300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid				
At 1 January/ 31 December	80,004,000	80,004,000	80,004,000	80,004,000

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.18 Share Capital

	Amount			
	← As at 31 December →		As at 31 March	
	2007	2008	2009	2010
	RM	RM	RM	RM
Authorised				
At 1 January/ 31 December	300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid				
At 1 January/ 31 December	80,004,000	80,004,000	80,004,000	80,004,000

14.19 Deferred Tax

Deferred income tax relates to the following:

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Deferred tax liabilities:				
Property, plant and equipment				
At 1 January	(15,395,000)	(16,520,363)	(17,768,000)	(19,432,130)
Recognised in income statement	(1,125,363)	(1,247,637)	(1,664,130)	(867)
At 31 December/31 March	(16,520,363)	(17,768,000)	(19,432,130)	(19,432,997)
Deferred tax assets:				
Reinvestment Allowances				
At 1 January, as previously	-	-	24,409,000	23,606,504
Change in accounting policy (Note 14.26)	23,196,000	22,217,000	-	-
At 1 January, as restated	23,196,000	22,217,000	24,409,000	23,606,504
Recognised in income statement	(979,000)	2,192,000	(802,496)	(457,991)
At 31 December	22,217,000	24,409,000	23,606,504	23,148,513
	5,696,637	6,641,000	4,174,374	3,715,516

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.19 Deferred Tax (Contd.)

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
	(restated)			
Presented after appropriate offsetting as follows:				
Deferred tax assets	22,217,000	24,409,000	23,606,504	23,148,513
Deferred tax liabilities	(16,520,363)	(17,768,000)	(19,432,130)	(19,432,997)
	<u>5,696,637</u>	<u>6,641,000</u>	<u>4,174,374</u>	<u>3,715,516</u>

14.20 Capital Commitments

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	<u>5,532,000</u>	<u>749,000</u>	<u>384,096</u>	<u>12,359,456</u>

14.21 Significant Related Party Transactions

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	12 months ended 31 December			3 months ended	
	2007	2008	2009	31.3.2009	31.3.2010
	RM	RM	RM	RM	RM
Short term employee benefits	1,346,870	1,263,040	1,505,040	376,260	318,010
Post-employment benefits					
Defined contribution plan	156,493	151,740	180,948	45,237	21,604
Other benefits	96,162	141,983	126,257	31,564	36,825
	<u>1,599,525</u>	<u>1,556,763</u>	<u>1,812,245</u>	<u>453,061</u>	<u>376,439</u>

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.21 Significant Related Party Transactions (Contd.)

(a) Compensation of key management personnel (Contd.)

	12 months ended 31 December			3 months ended	
	2007	2008	2009	31.3.2009	31.3.2010
	RM	RM	RM	RM	RM
Included in the total key management personnel are:					
Executive directors' remuneration (Note 14.6)	521,630	550,032	598,176	134,987	144,835

14.22 Fair value of financial instruments

A. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Trade receivables (current)	14.12
Other receivables (current)	14.13
Trade payables (current)	14.15
Other payables (current)	14.16
Loans and borrowings (current)	14.17
Loans and borrowings (non-current)	14.17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

14. ACCOUNTANTS' REPORT (Cont'd)

**14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)****14.23 Financial risk management objectives and policies**

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Director and Financial Controller.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, cash and bank balances, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 14.12 and 14.13 respectively.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.23 Financial risk management objectives and policies (Contd.)

(a) Credit risk (Contd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	As at 31 March 2010	
	RM	% of total
By country:		
Malaysia	23,879,239	66.2%
Denmark	2,503,743	6.9%
Japan	1,248,125	3.5%
Korea	2,407,928	6.7%
Singapore	3,480,787	9.7%
Thailand	1,417,241	3.9%
Others	1,119,333	3.1%
	36,056,396	100.0%

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14.12.

Financial assets that are either past due or impaired

Information regarding trade receivables that are either past due or impaired is disclosed in Note 14.12.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 74.79% (31.12.2009: 58.28%) of the Group's loans and borrowings (Note 14.17) will mature in less than one year based on the carrying amount reflected in the financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.23 Financial risk management objectives and policies (Contd.)

(b) Liquidity risk (Contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	As at 31 March 2010		
	RM		
	On demand or within one year	One to five years	Total
Financial liabilities			
Trade and other payables	35,522,606	-	35,522,606
Loans and borrowings	15,797,853	5,969,236	21,767,089
Total undiscounted financial liabilities	51,320,459	5,969,236	57,289,695

(c) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from variable interest rate loans and borrowings.

The Group's policy is to manage the interest rate risk through a combination of fixed and floating rate debts depending on the prevailing market interest rate movements. However, the Group may consider to enter into the interest rate swaps should there exist any inflationary pressure on the current market interest rates. As at the reporting date, the Group do not engage any interest hedging instruments in respect of such interest rate fluctuations.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM119,000 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.23 Financial risk management objectives and policies (Contd.)

(d) Foreign exchange risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly US Dollars ("USD") and Singapore Dollar ("SGD").

Approximately 57.23% (31.12.2009: 51.80%) of the Group's sales are denominated in foreign currencies whilst almost 55.60% (31.12.2009: 55.00%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD and SGD) amount to RM4,137,092 (31.12.2009: RM9,737,385).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		As at 31 March 2010 RM Profit net of tax
USD/RM	- strengthened 3%	(172,000)
	- weakened 3%	172,000
SGD/RM	- strengthened 3%	80,000
	- weakened 3%	<u>(80,000)</u>

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.24 Segment information

The Group operates principally in Malaysia and involve in manufacturing and marketing of plastic film packaging products. The Group's assets and liabilities are basically in Malaysia.

The Group's operation in divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers include Japan, South Korea, Australia, New Zealand, Denmark, Singapore and other South East Asia countries being the principal market segment. Sales revenue by geographical market are as follows:

	12 months ended 31 December			3 months ended	
	2007	2008	2009	31.03.2009	31.03.2010
	RM	RM	RM	RM	RM
	(Unaudited)				
Revenue					
- Local	139,250,788	139,919,199	123,157,895	27,258,176	33,080,626
- Export	109,184,673	152,920,006	132,345,869	24,275,256	44,274,340
	<u>248,435,461</u>	<u>292,839,205</u>	<u>255,503,764</u>	<u>51,533,432</u>	<u>77,354,966</u>

14.25 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year/period ended 31 December 2007, 31 December 2008, 31 December 2009 and 31 March 2010, except for those as disclosed in Note 14.28(a).

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 25% and 50%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.25 Capital management (Contd.)

	← As at 31 December →			As at 31 March
	2007	2008	2009	2010
	RM	RM	RM	RM
Loans and borrowings	14,405,000	27,957,178	15,140,235	20,522,089
Trade and other payables	58,328,645	26,076,598	53,121,754	35,522,606
Less: - Cash and bank balances	<u>(19,333,859)</u>	<u>(7,067,245)</u>	<u>(16,294,952)</u>	<u>(8,573,390)</u>
<i>Net debt</i>	<u>53,399,786</u>	<u>46,966,531</u>	<u>51,967,037</u>	<u>47,471,305</u>
Equity attributable to the owners of the parent	<u>164,842,778</u>	<u>171,344,097</u>	<u>180,091,943</u>	<u>184,427,030</u>
<i>Total capital</i>	<u>164,842,778</u>	<u>171,344,097</u>	<u>180,091,943</u>	<u>184,427,030</u>
Capital and debt	<u>218,242,564</u>	<u>218,310,628</u>	<u>232,058,980</u>	<u>231,898,335</u>
Gearing ratio	<u>24%</u>	<u>22%</u>	<u>22%</u>	<u>20%</u>

14.26 Change in Accounting Policy - Effect of Adopting Revised FRS 112

Prior to 1 January 2008, no deferred tax asset was recognised on the unabsorbed reinvestment allowances of the Group. In FYE 2008, the Group adopted the revised FRS 112 Income Taxes that requires deferred tax asset to be recognised on the unabsorbed reinvestment allowances. The effects arising from adopting the revised FRS 112 are as follows:

	2007	2008
	RM	RM
Effect on retained earnings:		
At 1 January, as previously stated	47,746,484	44,833,688
Effect of adopting FRS 112	<u>23,196,000</u>	<u>22,217,000</u>
At 1 January, as restated	70,942,484	67,050,688
Net profit for the year (restated)	5,452,671	8,869,437
Dividend	<u>(9,344,467)</u>	<u>(2,368,118)</u>
At 31 December	<u>67,050,688</u>	<u>73,552,007</u>
Effect on net profit for the year:		
Net profit for the year before change in accounting policies	6,431,671	6,677,437
Effect of adopting FRS 112	<u>(979,000)</u>	<u>2,192,000</u>
Net profit for the year (restated)	<u>5,452,671</u>	<u>8,869,437</u>

14. ACCOUNTANTS' REPORT (Cont'd)



14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.26 Change in Accounting Policy - Effect of Adopting Revised FRS 112 (Contd.)

The following comparative amounts have been restated to conform with the effect of adopting revised FRS 112 Income Taxes.

	As previously stated RM	Effect of adopting revised FRS 112 RM	Restated RM
At 31 December 2007			
Group			
Income Statement			
Income tax expense	(1,714,363)	(979,000)	(2,693,363)
Balance Sheet			
Deferred tax (liabilities)/assets	(16,520,363)	22,217,000	5,696,637

14.27 Significant Event

On 14 January 2010, the Company announced a restricted renounceable two (2) call rights issue on the basis of one (1) new ordinary share of RM1.00 each for every ten (10) existing ordinary shares of RM1.00 each held in the Company, with an initial call of a cash payment of RM1.00 for every 1,000 Rights Shares and the balance second call of RM999.00 for every 1,000 Rights Shares shall be capitalised from the share premium account of the Company in full settlement thereof.

14.28 Events occurring after the reporting date

- (a) The Rights Issue as mentioned in Note 14.27 was completed on 23 April 2010.
- (b) The Company had on 10 April 2010, declared a final dividend in respect of the financial year ended 31 December 2009, which comprise:-
- (i) tax exempt dividend of 17%; and
 - (ii) 8% dividend less 25% taxation,

The dividend was paid to shareholders on 14 May 2010, based on the issued and paid-up share capital of the Company of RM88,004,400. The dividend payment was financed by a borrowing of RM20,000,000 and the remaining balance of RM241,012 was disbursed through cash and bank balances.

14. ACCOUNTANTS' REPORT (Cont'd)

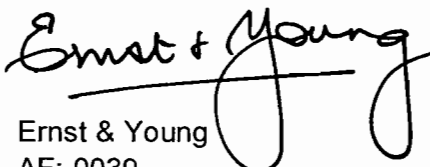


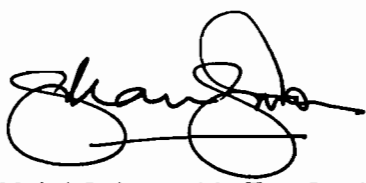
14. NOTES TO THE FINANCIAL STATEMENTS OF GW PLASTIC GROUP (CONTD.)

14.28 Events occurring after the reporting date (Contd.)

- (c) (i) GW Plastics Holdings Berhad ("GW Holdings") had on 6 May 2010 entered into a conditional sale and purchase agreement with the Company's shareholders for the acquisition of the entire issued and paid-up share capital of the Company comprising 88,004,400 the Company Shares, for a total purchase consideration of RM136,252,000, which was satisfied via the issuance of 219,999,996 new GW Holdings Shares at an issue price of approximately RM0.62 each.
- (ii) GW Holdings had on 6 May 2010 entered into a conditional sale and purchase agreement with the Company for the acquisition of the entire issued and paid-up share capital of the subsidiary comprising 6,000,002 the subsidiary Shares, for a cash consideration of RM10,000,000, which is reflected as an amount owing from GW Holdings to the Company.

The Acquisitions were completed on 11 August 2010.


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14. ACCOUNTANTS' REPORT (Cont'd)



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**Independent auditors' report to the members of
GW Plastics Holdings Berhad
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of GW Plastics Holdings Berhad, which comprise the statement of financial position as at 31 March 2010 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Company for the three-month period ended 31 March 2010, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 17.

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 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 the 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.

14. ACCOUNTANTS' REPORT (Cont'd)



Independent auditors' report to the members of
GW Plastics Holdings Berhad (Cont'd.)
(Incorporated in Malaysia)

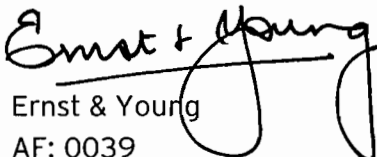
Report on the financial statements (Cont'd.)

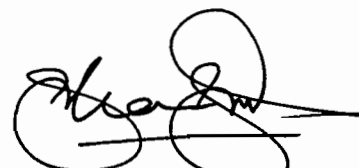
Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company as at 31 March 2010 and of its financial performance and cash flows of the Company for the period then ended.

Other matters

This report is made solely to the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants


Mohd Sukarno bin Tun Sardon
No. 1697/03/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
1 September 2010

14. ACCOUNTANTS' REPORT (Cont'd)



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10450-H

**Independent auditors' report to the members of
Great Wall Plastic Industries Berhad
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Great Wall Plastic Industries Berhad, which comprise the statement of financial position as at 31 March 2010 of the Group, and the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Group for the three-month period ended 31 March 2010, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 47.

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 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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of the 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.

14. ACCOUNTANTS' REPORT (Cont'd)



10450-H

Independent auditors' report to the members of
Great Wall Plastic Industries Berhad (continued)
(Incorporated in Malaysia)

Report on the financial statements (continued)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards, FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Group as at 31 March 2010 and of their financial performance and cash flows for the three-month period ended 31 March 2010. Without qualifying our opinion, we draw attention to the financial statements which states that the comparative figures for statement of comprehensive income, statement of cash flow and statement of changes in equity and the notes thereto are unaudited.

Other matters

This report is made solely to the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Mohd Sukarno bin Tun Sardon
No. 1697/03/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
1 September 2010

14. ACCOUNTANTS' REPORT (Cont'd)



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Independent auditors' report to the members of
GW Plastics Holdings Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of GW Plastics Holdings Berhad, which comprise the balance sheet as at 31 December 2009 of the Company, and the income statement, statement of changes in equity and cash flow statement of the Company for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 20.

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.

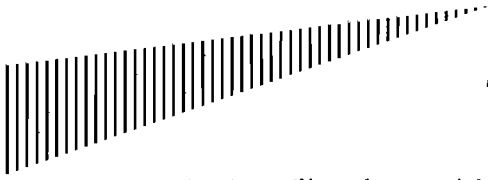
Auditors' responsibility

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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the 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.

14. ACCOUNTANTS' REPORT (Cont'd)



Independent auditors' report to the members of
GW Plastics Holdings Berhad (Cont'd.)
(Incorporated in Malaysia)

Report on the financial statements (Cont'd.)

Opinion

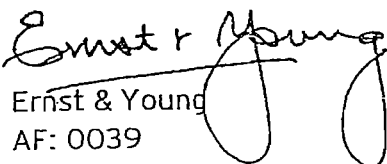
In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows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

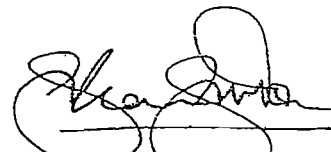
Report on other legal and regulatory requirements

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

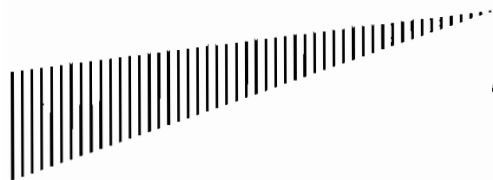
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants


Mohd Sukarno bin Tun Sardon
No. 1697/03/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
27 April 2010

14. ACCOUNTANTS' REPORT (Cont'd)



Ernst & Young
AF : 0039
Level 23A, Menara Milenium
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Pusat Bandar Damansara
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10450-H

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREAT WALL PLASTIC INDUSTRIES BERHAD
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Great Wall Plastic Industries Berhad, 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 9 to 51.

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 the 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.

14. ACCOUNTANTS' REPORT (Cont'd)



10450-H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREAT WALL PLASTIC INDUSTRIES BERHAD (CONTD.)
(Incorporated in Malaysia)

Report on the financial statements (Contd.)

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 at 31 December 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

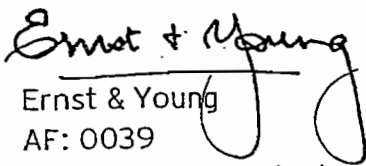
Report on other legal and regulatory requirements


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 subsidiary have been properly kept in accordance with the
- (b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the financial statements of the Company 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.
- (c) The auditors' reports on the financial statements of the subsidiary were not subject to any qualification and did not include any comment required to be 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.


Ernst & Young
AF: 0039
Chartered Accountants


MOHD SUKARNO BIN TUN SARDON
No. 1697/03/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
11 March 2010

14. ACCOUNTANTS' REPORT (Cont'd)



Ernst & Young
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10450-H

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREAT WALL PLASTIC INDUSTRIES BERHAD
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Great Wall Plastic Industries Berhad, 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 9 to 49.

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 the 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.

14. ACCOUNTANTS' REPORT (Cont'd)



10450-H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREAT WALL PLASTIC INDUSTRIES BERHAD (CONTD.)
(Incorporated in Malaysia)

Report on the financial statements (Contd.)

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 at 31 December 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

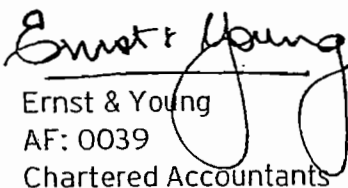
Report on other legal and regulatory requirements

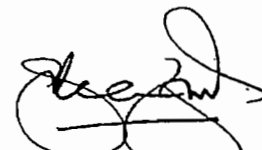
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary of which we have acted as auditor have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the financial statements of the Company 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.
- (c) The auditors' reports on the financial statements of the subsidiary were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

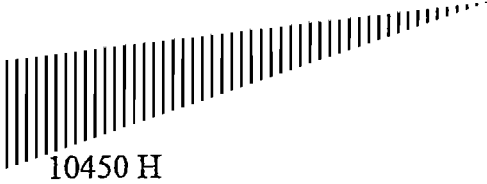
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants


MOHD SUKARNO BIN TUN SARDON
No. 1697/03/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
29 May 2009

14. ACCOUNTANTS' REPORT (Cont'd)



Ernst & Young
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**REPORT OF THE AUDITORS TO THE MEMBERS OF
GREAT WALL PLASTIC INDUSTRIES BERHAD
(Incorporated in Malaysia)**

We have audited the financial statements set out on pages 9 to 46. These financial statements are 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 applicable 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary have been properly kept in accordance with the provisions of the Act.

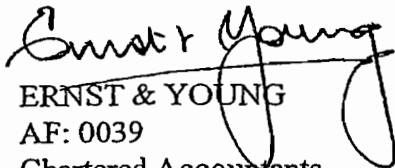


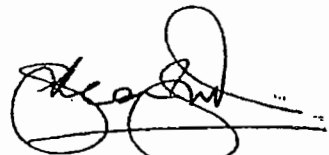
10450 H

**REPORT OF THE AUDITORS TO THE MEMBERS OF
GREAT WALL PLASTIC INDUSTRIES BERHAD (CONTD.)
(Incorporated in Malaysia)**

We are satisfied that the financial statements of the subsidiary that have been consolidated with the financial statements of the Company 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 auditors' report on the financial statements of the subsidiary was not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.


ERNST & YOUNG
AF: 0039
Chartered Accountants


MOHD SUKARNO BIN TUN SARDON
No. 1697/03/09 (J)
Partner

Kuala Lumpur, Malaysia
6 May 2008

15. DIRECTORS' REPORT

(Prepared for the inclusion in this Prospectus)



GW PLASTICS HOLDINGS BERHAD (881786-X)

Lot 1608, Rawang Integrated Industrial Park, Jalan Rawang Batang Berjuntai,
48000 Rawang, Selangor Darul Ehsan, Malaysia,
Tel : 603-6092 3333 (Hunting); Fax : 603-6092 8833, 6092 2323

9 September 2010

Registered Office:
Unit F603 Pusat Dagangan
Phileo Damansara 1
No. 9 Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan

The Shareholders of GW Plastics Holdings Berhad

Dear Sir/Madam

On behalf of the Board of Directors of GW Plastics Holdings Berhad ("the Company") ("Directors"), I report after due enquiry that during the period from 31 March 2010 (being the date to which the last audited accounts of the Company and its subsidiaries ("Group") have been made up to 9 September 2010 (being a date not earlier than 14 days before the issue of this Prospectus), that:

- (a) the business of the Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited financial statements of the Group, which have adversely affected the trading or the value of the assets of the Company or its subsidiaries;
- (c) the current assets of the Group appear in the books at the values, which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by the Company or its subsidiaries;
- (e) there have been, since the last audited financial statements of the Group, no 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 in which the Directors are aware of; and
- (f) save as disclosed in this Prospectus, there have been, since the last audited financial statements of the Group, no material changes in the published reserves or any unusual factors affecting the profit of the Group.

Yours faithfully,
For and on behalf of the Board of Directors of
GW Plastics Holdings Berhad

Lim Kok Boon
Executive Director cum Chief Executive Officer

16. ADDITIONAL INFORMATION

16.1 Share capital

- (a) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (b) None of our capital (including our subsidiaries) is under any options, or agreed conditionally or unconditionally to be put under any options.
- (c) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities.
- (d) Save as disclosed in Section 4 of this Prospectus, no shares or debentures of our Group have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.
- (e) Save for our IPO Shares reserved for subscription by the eligible employees and Directors of our Group, there is currently no other scheme involving the Directors and employees of our Group in the share capital of our Group.
- (f) As the date of this Prospectus, 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 the securities imposed by law or by our M&A.

16.2 Articles of Association

The following provisions are reproduced from our Company's Articles of Association and are qualified in its entirety by the remainder of the provisions of our Company's Articles of Association and applicable law.

The terms defined in our Company's Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

(a) Transfer of securities

"Article 26

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

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

Article 27

Subject to the restrictions of these Articles and the provisions of the Central Depositories Act and the Rules, any Member may transfer all or any part of his Non-Deposited Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by instrument in writing and in the form as approved under the Companies Regulations 1966 (including amendments to the same made from time to time) and shall be left at the Office accompanied by the certificate of the securities to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. Subject to the provisions of the Act, the instrument of transfer of any Non-Deposited Securities shall be executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register or such other applicable register required under the Act. All instruments of transfer which shall be registered shall be retained by the Company.

Article 27A

The Company shall be entitled to charge a fee, being a sum of money to be paid in advance, as the Directors may from time to time determine and which the Company may be permitted to charge by law, for the registration of every transfer, plus the amount of the proper duty or taxes with which each certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force.

Article 28

- (a) The Directors may in their absolute discretion decline to register any transfer of shares not being fully paid up shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the Company has a lien. Subject to the provisions of the Act, the Central Depositories Act and the Rules, no shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind. If the Directors refuse to register a transfer they shall within one (1) month after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal in accordance with Section 105 of the Act.
- (b) In the case of Deposited Securities, the Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security where the reason for the transfer does not fall within any of the approved reasons provided for in the Rules or that does not comply with the Central Depositories Act and the Rules subject to the provisions of the Central Depositories Act and the Rules.

Article 29

The Register of Members and/or the Record of Depositors may be closed at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that it 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) Market Days after the date of announcement to the Exchange or such other period as may from time to time be specified by the Exchange or any relevant governing laws and/or guidelines. In this respect, at the latest date which is reasonably practicable which shall in any event be no less than three (3) Market days, the Company shall give prior notice to the Depository, in accordance with the Rules, to enable the Depository to prepare the appropriate Record of Depositors.

16. ADDITIONAL INFORMATION (Cont'd)

Article 30

Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Non-Deposited Security apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the Non-Deposited Security proposed or professed to be transferred, and although transferred, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the Non-Deposited Security transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such Non-Deposited Security and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.”

(b) Remuneration of Directors

“Article 90

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-

- (a) fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 91

- (a) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in connection with the business of the Company including their travelling and other expenses incurred in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company.
- (b) If by arrangement with the Directors, any Director shall perform or render any special duties outside his ordinary duties as a Director in particular without the generality of the foregoing or if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a

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

executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors. Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration.

Article 116

The remuneration of a Director holding an executive office pursuant to these Articles shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or a percentage of turnover.”

(c) **Voting and borrowing powers of Directors, including voting powers in relation to proposals, arrangements or contracts in which they are interested**

“Article 95

- (a) The Directors may exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property (both present and future) and its uncalled capital or unissued capital, or any part thereof and to issue debentures and other securities whether charged upon the whole or part of the assets of the Company or otherwise and whether outright or as security for any debt, liability or obligation of the Company or any associated or related corporation or person.
- (b) The Directors shall not borrow any money or secure the repayment of the same by mortgage or charge upon the whole or any of the Company’s or any of the subsidiaries’ undertaking, property (both present and future) or any of its uncalled capital or unissued capital, or to issue debentures and other securities whether charged upon the whole or part of the assets of the Company or any of the subsidiaries’ or otherwise and whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 108

Subject to these Articles, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes and subject to Article 106, where two (2) directors form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

Article 110

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

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

Article 111

Subject to the provisions of Section 131A of the Act, a Director shall not participate in any discussion nor vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly or a personal interest (and if he shall do so his vote shall not be counted). A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract.

Article 112

Subject to Article 111, a Director may vote in respect of:-

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

“Article 7

Subject to the provisions of Section 65 of the Act, if at any time the share capital is divided into different classes of shares, all or any of the rights, privileges or conditions for the time being attached or belonging to any class for the time being forming part of the share capital of the Company (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be modified, affected, varied, extended, abrogated or surrendered in any manner with the consent in writing of the holders of not less than three-fourths ($\frac{3}{4}$) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, all the provisions of these Articles relating to general meetings shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third ($\frac{1}{3}$) of the share capital paid or credited as paid on the issued shares of the class and that every holder of shares of the class present in person or by proxy may demand a poll to one (1) vote for every such share held by him. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary apply.

Article 8

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

Article 49

Subject to the provisions of the Securities Laws, the Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount, to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase may direct.

16. ADDITIONAL INFORMATION (Cont'd)

Article 52

The Company may by ordinary resolution and subject to the Securities Laws:-

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

Article 53

The Company may by special resolution, subject to the Securities Laws, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to any conditions prescribed, authorisation, and consent required by law.”

16.3 Benefits to our Promoters, Directors and substantial shareholders

- (a) None of our Directors or substantial shareholders has any interest in any contract, agreement or arrangement, which is significant in relation to the business of our Group taken as a whole and which is still subsisting as at the date of this Prospectus.
- (b) Save as disclosed in Section 9.1.2 of this Prospectus, there are no persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company and our subsidiaries.

16.4 Material litigation

As at the LPD, our Company or our subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our group of companies and our Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial or business position of our Company or our group of companies.

16.5 Material contracts

Save as disclosed below, as at the LPD, there are no other contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the 2 years preceding the date of this Prospectus:

16. ADDITIONAL INFORMATION (Cont'd)

- (i) Our Company had on 6 May 2010 entered into a conditional sale and purchase agreement with the Vendors for the Acquisition of GW Plastic, representing 100% of the entire issued and paid-up share capital of GW Plastic for purchase consideration of RM136,252,000, which was satisfied by the issuance of 219,999,996 Shares at an issue price of approximately RM0.62 each credited as fully paid-up. The Acquisition of GW Plastic was completed on 11 August 2010;
- (ii) Our Company had on 6 May 2010 entered into a conditional sale and purchase agreement with GW Plastic for the Acquisition of GW Packaging, representing 100% of the entire issued and paid-up share capital of GW Packaging for a cash consideration of RM10,000,000, which is reflected as an amount owing from our Company to GW Plastic. The Acquisition of GW Packaging was completed on 11 August 2010;
- (iii) A placement agreement dated 24 August 2010 entered into between our Company and the Sole Placement Agent for an aggregate placement of 41,420,000 Shares under the Bumiputera Offer and Private Placement, for a placement fee at the rate set out in Section 4.13(iii) of this Prospectus; and
- (iv) An underwriting agreement dated 7 September 2010 entered into between our Company, the Offerors and RHB Investment Bank in relation to the underwriting of an aggregate of 18,400,000 IPO Shares, for an underwriting commission at the rate set out in Section 4.13(ii) of this Prospectus.

16.6 Public take-overs

During the last FYE 2009 and the subsequent period up to the LPD, there were no:

- (a) public take-over offers by third parties in respect of our Shares; and
- (b) public take-over offers by our Company in respect of other corporations' securities.

16.7 Consents

- (a) The written consents of the Joint Advisers, Sole Underwriter, Sole Placement Agent, Principal Bankers, Company Secretary, due diligence Solicitors for the Flotation Exercise, Issuing House and Share Registrar to the inclusion in this Prospectus of their names and all references in the manner, form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and Letter relating to the Pro Forma Financial Information and all references in the manner, form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (c) The written consent of the Independent Market Researcher to the inclusion of their name and the executive summary of the independent market research report, and all references in the manner, form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

16. ADDITIONAL INFORMATION (Cont'd)

16.8 Documents available for inspection

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

- (a) Our M&A;
- (b) The Reporting Accountants' Letter on the Pro Forma Financial Information as included in Section 13.8 of this Prospectus;
- (c) The Accountants' Report as included in Section 14 of this Prospectus;
- (d) The D&B Report and its summary thereof as included in Section 8 of this Prospectus;
- (e) The Directors' Report as included in Section 15 of this Prospectus;
- (f) The material contracts as referred to in Section 16.5 above and all other contracts as disclosed in this Prospectus;
- (g) The service agreement referred to in Section 9.6 of this Prospectus;
- (h) The letters of consent referred to in Section 16.7 of this Prospectus;
- (i) The audited financial statements of GW Holdings for financial period ended 31 December 2009 and 3 months audited financial statements for the FPE 2010;
- (j) The audited financial statements of GW Plastic for the 3 FYE 2007 to FYE 2009;
- (k) The audited financial statements of GW Packaging for the 3 FYE 2007 to FYE 2009; and
- (l) The audited financial statements of GW Plastic Group for the FPE 2010.

16.9 Responsibility statements

- (a) This Prospectus has been seen and approved by our Directors, Promoters and the Offerors and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable enquiries and to the best of their 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.
- (b) RHB Investment Bank and MainStreet Advisers, being the Joint Advisers acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

17.1 Opening and closing dates for application

Applications for our IPO Shares will be accepted from 10.00 a.m. on 23 September 2010 and will remain open until 5.00 p.m. on 4 October 2010 or such later date or dates as our Directors, the Offerors and the Sole Underwriter may in their absolute discretion mutually decide. **Late applications will not be accepted.**

In the event the closing date for the application for our IPO Shares is extended, you will be notified of the change in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia.

17.2 Methods of application

Applications for our IPO Shares must be made using the method designated for each of the categories of investors identified as follows:

Class of Applicants	Type of Application Form
Malaysian public (for individuals only)	White Application Form or Electronic Share Application or Internet Share Application
Malaysian public (for non-individuals)	White Application Form only
Identified investors by way of private placement	White Application Form only
Eligible Directors and employees of our Group and/or persons who have contributed to the success of our Group	Pink Application Form only
Bumiputera investors approved by MITI	White Application Form only

17.3 Procedures for application

Each application for our IPO Shares must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions printed therein in the respective category of the Application Form. The Application Forms together with the notes and instructions shall constitute an integral part of this Prospectus. Applications which do not conform strictly to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible may not be accepted at the absolute discretion of our Directors.

FULL INSTRUCTIONS FOR THE APPLICATION FOR OUR IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. ALL APPLICANTS ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

You may submit only 1 application for our IPO Shares by way of Application Form or by way of Electronic Share Application or Internet Share Application. For example, if you submit an application using an Application Form, you may not submit an application by way of Electronic Share Application or Internet Share Application and vice versa. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application or Internet Share Application.

An eligible director or employee and/or person who have contributed to the success of our Group who has made an application using Pink Application Form may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form or Electronic Share Application or Internet Share Application.

You MUST have a CDS account before you can submit your application by way of Application Forms or by way of Electronic Share Application or Internet Share Application.

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

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

17.3.1 Application by the Malaysian Public

Applications for 11,800,000 IPO Shares made available for the Malaysian Public must be made on the **White Application Forms** provided or by way of Electronic Share Application through a Participating Financial Institution or Internet Share Application through an Internet Participating Financial Institution. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.76 per IPO Share.

17.3.2 Application by eligible Directors and employees of our Group and/or persons who have contributed to the success of our Group

Applications for 8,200,000 IPO Shares made available for eligible Directors and employees of our Group and/or persons who have contributed to the success of our Group must be made on the **Pink Application Forms** provided and NOT any other Application Form or by way of Electronic Share Application through a Participating Financial Institution or Internet Share Application through an Internet Participating Financial Institution. The amount payable in full on application is RM0.76 per IPO Share.

17.3.3 Application by Bumiputera investors approved by MITI by way of private placement

Application for 23,600,000 IPO Shares made available for Bumiputera investors approved by MITI must be made on the **White Application Forms** provided and NOT any other Application Form or by way of Electronic Share Application through a Participating Financial Institution or Internet Share Application through an Internet Participating Financial Institution. The amount payable in full on application is RM0.76 per IPO Share.

17.3.4 Application by identified investors by way of private placement

Application for 17,820,000 IPO Shares made available for the identified investors by way of private placement must be made on the **White Application Forms** provided and NOT any other Application Form or by way of Electronic Share Application through a Participating Financial Institution or Internet Share Application through an Internet Participating Financial Institution. The amount payable in full on application is RM0.76 per IPO Share.

17.4 Application using Application Form

17.4.1 Application Forms

The following relevant Application Forms issued with the notes and instructions are accompanied with this Prospectus:

- (i) **White Application Forms** for applications by the Malaysian Public, Bumiputera investors approved by MITI and identified investors by way of private placement; and
- (ii) **Pink Application Forms** for applications by eligible Directors and employees of our Group and/or persons who have contributed to the success of our Group.

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

White Application Forms together with copies of this Prospectus may be obtained, subject to availability from the following parties:

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

You may submit only 1 Application Form and your application must be for 100 Shares or multiples thereof. Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to 10 years under Section 182 of the CMSA.

Your application for our IPO must be made on the Application Form accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and on this Prospectus. Our Directors and the Offerors may at their absolute discretion not accept applications, which do not STRICTLY conform, to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible.

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 that stated in:

- (i)
 - (a) your NRIC; or
 - (b) your "Resit Pengenalan Sementara (KPPK 09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990; or
 - (c) any valid temporary identity document as issued by the National Registration Department from time to time; or
- (ii) the Records of Bursa Depository.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number (as the case may be), must be the same as that stated in your authority card.

If you are a corporation/ institution, the name and certificate of incorporation number must be the same as that stated in the corporation's/ institution's certificate of incorporation.

We, together with MIDFCCS will not issue any acknowledgement of receipt for your Application Form or application monies.

17.4.2 Terms and conditions for applications using Application Form

Your application by way of White and Pink Application Form shall be made on, and subject to, the terms and conditions as set out below:

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

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

- (ii) If you are a corporation/ institution incorporated in Malaysia, you must have a CDS account and are subject to the following:
- (a) if you are a corporation/ institution with share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
 - (b) there is a majority of Malaysian citizens on the board of directors/ trustee.

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

- (iii) If you are a superannuation, provident or pension fund, you must be established or operating in Malaysia and have a CDS account.
- (iv) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/ institutions referred to in Sections 17.4.2 (ii) and (iii) above or the trustees thereof.
- (v) Application for our IPO Shares must be made on the respective Application Forms accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein is accompanied by this Prospectus. Our Directors and the Offerors may at their absolute discretion reject any applications which **do not STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible will not be accepted.
- (vi) Your completed Application Form must be accompanied by remittance in RM for the full amount payable by any of the following:
- (a) BANKER'S DRAFT or CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants); or
 - (b) MONEY ORDER or POSTAL ORDER (for applicants from Sabah and Sarawak only); or
 - (c) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
 - (d) ATM STATEMENT obtained from any of the following financial institutions:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - EON Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad;
 - Public Bank Berhad; or
 - RHB Bank Berhad,

and must be made out in favour of "**MIDF SHARE ISSUE ACCOUNT NUMBER: 635**" and crossed "**A/C PAYEE ONLY**" (excluding ATM statements) and endorsed on the reverse side with your name and address.

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

- (vii) We will not accept applications accompanied by any mode of payments other than those stated above or with excess or insufficient remittances or inappropriate banker's draft, cashier's order, GGO, money order, postal order or ATM statement. You must state the details of the payment in the appropriate boxes provided in the Application Form.
- (viii) You must state your CDS account number in the space provided in the Application Form. You shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to MIDFCCS and/or our Company.
- (ix) If you are successful in your application, our Directors and the Offerors, reserve the right to require you to appear in person at the registered office of MIDFCCS at anytime within 14 days of the date of notice issued to you to ascertain your application is genuine and valid. Our Directors and the Offerors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expense incurred or to be incurred by you for the purpose of complying with this provision.
- (x) MIDFCCS, on the authority of our Directors and the Offerors, reserves the right to reject any application which does not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (xi) MIDFCCS, on the authority of our Directors and the Offerors, reserves the right to reject or accept any application in whole or in part without giving any reason therefor. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
- (xii) Where your application is not accepted or accepted in part only, the full amount or the balance of your application monies, as the case may be, will be returned without interest and despatched within 10 Market Days from the date of the final ballot of the application lists by ordinary post or registered post to your address registered with Bursa Depository, or if your application is rejected because you did not have a CDS account, to the address stated in your NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time or the Authority Card in the case of armed forces/ police personnel, at your own risk.
- (xiii) You shall ensure that your personal particulars stated in the Application Form are identical with your records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xiv) MIDFCCS, on the authority of our Directors and the Offerors, reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partially successful Bumiputera applicants. These monies will be refunded by ordinary post or registered post to your last address maintained with Bursa Depository without interest and shall be despatched to you within 10 Market Days from the date of the final ballot of the application lists, at your own risks.

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

- (xv) You may submit your application together with the appropriate remittance and legible photocopy of the relevant documents by **ORDINARY POST** in the official envelopes provided, to the following address:

MIDF Consultancy and Corporate Services Sdn Bhd (11324-H)
Level 8, Menara MIDF
82 Jalan Raja Chulan
50200 Kuala Lumpur
P.O. BOX 11122
50736 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Ground Floor, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur, on the last day of acceptance of applications which is currently on 4 October 2010, between 10.00 a.m. and 5.00 p.m. or such later date or dates as our Board, Offerors and Sole Underwriter in their absolute discretion may decide.

- (xvi) You may contact MIDFCCS if you have any queries on the White Application Form at the telephone number 03-2173 8657/ 58/ 59 (during office hours only).

17.5 Application using Electronic Share Application

17.5.1 Steps for Electronic Share Application through a Participating Financial Institution

- (i) You must have an account with a Participating Financial Institution (as detailed in Section 17.5.2 below) and an ATM card issued by that Participating Financial Institution to access the account;
- (ii) You **MUST** have a CDS account;
- You may apply for our IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 17.5.3 below under the terms and conditions for Electronic Share Application. You will have to enter at least the following information through the ATM where the instructions on the ATM screen requires you to do so:
 - Personal Identification Number (PIN);
 - MIDF Share Issue account number 635;
 - CDS account number;
 - Number of our IPO Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

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

17.5.2 Participating Financial Institutions

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

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

17.5.3 Terms and conditions for Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). You must complete all the Steps and follow the instructions set out on the ATM screen to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application. Any reference to "applicant/you" in the terms and conditions for Electronic Share Application and the Steps shall mean the applicant who applies for our IPO Shares through an ATM of any of the Participating Financial Institutions.

If you are an individual, you must have a CDS account to be eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, 1 of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Share Application. The Transaction Record is a record that you have completed a transaction at the ATM and not a record that MIDFCCS or us have received any part of your application. Do not submit your Transaction Record with any Application Form. It is for your own retention.

Upon the closing of the offer for the application for our IPO Shares, on 4 October 2010 at 5.00 p.m. ("Closing Date and Time"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for our IPO Shares to MIDFCCS as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for our IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institutions with which you have an account and its branches, subject to you making only 1 application.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN APPLYING FOR OUR IPO SHARES, EVEN WHEN YOU HAVE A JOINT ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS. YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING CONDITIONS.

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

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

- (i) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our M&A.
- (ii) You will have to confirm and undertake that the following statements are true and correct (by pressing predesignated keys (or buttons) on the ATM keyboard):
 - You are at least 18 years of age as at the Closing Date and Time of our IPO 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 this application;
 - This is the only application that you are submitting; and
 - You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to MIDFCCS and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institutions. By doing so, you will 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 Institutions or Bursa Depository, as the case may be, of any of your particulars to MIDFCCS or any relevant regulatory bodies.

- (iii) You confirm that you are not applying for our IPO Shares as a nominee of any other persons and that your Electronic Share Application is made on your own account as a beneficial owner. You will only make 1 Electronic Share Application and shall not make any other application for our IPO Shares, whether at the ATMs of any Participating Financial Institutions, using the prescribed Application Forms or via Internet Share Application.
- (iv) You must have sufficient funds in your bank account with the relevant Participating Financial Institutions at the time you make the Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of 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 Electronic Share Application is successful, your confirmation (by action of pressing the designated key or button on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our M&A.

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

(vi) MIDFCCS, on the authority of our Directors and the Offerors, reserves the right to reject or accept any Electronic Share Application in whole or in part without giving any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establish an adequate market for our Shares.

(vii) If your Electronic Share Application is not successful or successful in part only, MIDFCCS shall inform the relevant Participating Financial Institutions of the non-successful or partially successful applications within 2 Market Days after the balloting date. The relevant Participating Financial Institutions will credit the full amount of the application monies or the balance of it (as the case may be) in RM (without interest or any share of revenue or other benefit arising therefrom) into your account with that Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. You may check your account on the 5th Market Day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institutions will credit the balance of the application monies without interest into your account with the Participating Financial Institution within 2 Market Days after the receipt of confirmation from MIDFCCS. A number of applications will be held in reserve to replace any successfully balloted applications, which are subsequently rejected. The application monies relating to this applications which are subsequently rejected, will be refunded (without interest or any share of revenue or other benefit arising therefrom) by MIDFCCS by way of cheques issued by ordinary post or registered post. The cheques will be issued within 10 Market Days from the date of the final ballot.

If you encounter any problems in your applications, you may refer to the Participating Financial Institutions.

(viii) You request and authorise us:

- (a) to credit our IPO Shares allotted or allocated to you into your CDS account; and
- (b) to issue share certificate(s) representing such IPO Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.

(ix) You, acknowledging that the Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of MIDFCCS, the Participating Financial Institutions or Bursa Depository, irrecoverably agree that if:

- (a) We or MIDFCCS do/does not receive your Electronic Share Application; and
- (b) Your application data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible to us or MIDFCCS, or not transmitted or communicated to us or MIDFCCS,

you shall be deemed not to have made an Electronic Share Application and shall not claim whatsoever against us, MIDFCCS, the Participating Financial Institutions or Bursa Depository for our IPO Shares applied for or for any compensation, loss or damage arising from it.

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

- (x) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct, and we, MIDFCCS 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. Otherwise, the Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xii) By making and completing an Electronic Share Application, you agree that:
 - (a) in consideration of our Company making available the Electronic Share Application facility to you, through the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) we, MIDFCCS, the Participating Financial Institutions and Bursa Depository shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to us due to a breakdown or failure of transmission or communication facilities or to any cause beyond our/ their control;
 - (c) notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase our IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notice of allotment by us or our behalf for prescribed securities in respect of our IPO Shares;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue or transfer of our IPO Shares allotted to you; and
 - (e) you agree that in the event of legal disputes arising from the use of the Electronic Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (xiii) If you are successful in your Electronic Share Application, our Directors and the Offerors, reserve the right to require you to appear in person at the registered office of MIDFCCS within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors and the 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.
- (xiv) MIDFCCS, on the authority of our Directors and the Offerors, reserves the right to reject applications which do not conform to these instructions.
- (xv) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

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

17.6 Application using Internet Share Application

17.6.1 Steps for Internet Share Application through an Internet Participating Financial Institution

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

For illustration purposes only, we have set out below the possible steps of an application for our IPO Shares using Internet Share Application.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINE BELOW.

- (i) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account. You are advised not to apply for our IPO Shares through any website other than the Internet financial services website of the Internet Participating Financial Institution.
- (ii) Log in to the Internet financial services facility by entering your user identification and PIN/password.
- (iii) Navigate to the section of the website on applications in respect of initial public offerings.
- (iv) Select the counter in respect of our IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) At the next screen, complete the online application form.
- (vii) Check that the information contained in the online application form such as the share counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) After selecting the designated hyperlink on the screen, you will confirm and undertake that the following mandatory statements are true and correct:
 - (a) You are at least 18 years of age as at the Closing Date and Time of our IPO Share application.
 - (b) You are a Malaysian citizen residing in Malaysia.
 - (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood.
 - (d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for our IPO Shares.

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

- (e) The Internet Share Application is the only application that you are submitting for our IPO Shares.
- (f) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution.
- (g) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to MIDFCCS and the Authorised Financial Institution, the SC and any other relevant authority.
- (h) You are not applying for our IPO Shares as a nominee of any other persons and the application is made in your own name as a beneficial owner and subject to the risks referred to in this Prospectus.
- (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with our IPO Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with our IPO Shares. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application of our IPO Shares.
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen on the website through which the online payment for the application of our IPO Shares is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institutions shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.6.2 Terms and conditions of Internet Share Application

Your application for our IPO Shares may be made through the Internet financial services websites of the Internet Participating Financial Institutions.

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

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

- Malayan Banking Berhad at www.maybank2u.com.my (via hyperlink to Bursa Securities' website at www.bursamalaysia.com); or
- CIMB Investment Bank Berhad at www.eipocimb.com; or
- CIMB Bank Berhad at www.cimbclicks.com.my; or
- Affin Bank Berhad at www.affinOnline.com; or
- RHB Bank Berhad at www.rhb.com.my.

PLEASE READ THE TERMS OF THIS PROSPECTUS, TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION AND THE PROCEDURES SET OUT IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, BEFORE YOU MAKE AN INTERNET SHARE APPLICATION.

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

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

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

- (i) In order to make an Internet Share Application, you must:
 - (a) be an individual with a CDS account;
 - (b) have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification and PIN/password for the relevant Internet financial services facilities; and
 - (c) be a Malaysian citizen and have a Malaysian address.

You are advised to note that the User Identification and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

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

- (ii) An Internet Share Application shall be made on and shall be subject to the terms and conditions of this Prospectus and our M&A.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services websites of the Internet Participating Financial Institutions and to undertake that the following information given is true and correct:
 - (a) You have attained 18 years of age as at the date of the application for our IPO Shares.
 - (b) You are a Malaysian citizen residing in Malaysia.
 - (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood.
 - (d) You agree to all the terms and conditions of the Internet Share Application as set out in the Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for our IPO Shares.
 - (e) The Internet Share Application is the only application that you are submitting for our IPO Shares.
 - (f) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution.
 - (g) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institutions, the Authorised Financial Institutions and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to MIDFCCS and the Authorised Financial Institution, the SC and any other relevant authority.
 - (h) You are not applying for our IPO Shares as a nominee of any other persons and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.
 - (i) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with our IPO Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with our IPO Shares. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.

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

- (iv) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

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

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 17.6.2 (iii) above.

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

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

- (a) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
- (b) your agreement to be bound by our M&A.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. MIDFCCS, on the authority of our Directors and the Offerors, reserve right to reject or accept any Internet Share Application in whole or in part without assigning any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
- (viii) If your Internet Share Application is unsuccessful or partially successful in part only, MIDFCCS shall inform the relevant Internet Participating Financial Institutions of the unsuccessful or partially successful Internet Share Applications within 2 Market Days after the balloting date. The Internet Participating Financing Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies or the balance of it (as the case may be) in RM (without interest or any share of revenue or other benefit arising there from) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within 2 Market Days after receipt of written confirmation from MIDFCCS.

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

A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to this applications which are subsequently rejected, will be refunded (without interest or any share of revenue or other benefit arising therefrom) by MIDFCCS by way of cheques by ordinary post or registered post. The cheques will be issued within 10 Market Days from the date of the final ballot.

For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institutions will arrange for a refund of the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within 10 Market Days from the day of the final ballot.

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

- (ix) Internet Share Applications will be closed at 5.00 p.m. on 4 October 2010 or such other date(s) as our Directors, the Offerors and the Sole Underwriter may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Application will not be accepted.
- (x) You irrevocably agree and acknowledge that the Internet Share Application is subject to the risk of electrical, electronic, technical, transmission and communication and computer related faults and breakdowns, fires and other events which are not in our control, or the control of MIDFCCS, the Internet Participating Financial Institutions and the Authorised Financial Institutions. If we, MIDFCCS, the Internet Participating Financial Institutions and/or the Authorised Financial Institutions do not receive your Internet Share Application and/or the payment, or if any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, MIDFCCS or the Internet Participating Financial Institutions and the Authorised Financial Institutions in relation to our IPO Shares applied for or for any compensation, loss or damage arising from it.
- (xi) All of your particulars in the records of the relevant Internet Participating Financial Institutions at the time of the Internet Share Application shall be deemed to be true and correct, and we, MIDFCCS, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

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

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

- (xii) By making and completing an Internet Share Application, you are deemed to have, agreed that:
- (a) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institutions acting as our agents, the Internet Share Application is irrevocable;
 - (b) you have irrevocably requested and authorised us to register our IPO Shares allotted to you for deposit into your CDS account;
 - (c) neither us nor the Internet Participating Financial Institutions, shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to MIDFCCS and Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 17.6.2 (x) herein or to any cause beyond our/their control;
 - (d) you shall hold the Internet Participating Financial Institutions harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, MIDFCCS and/or the Internet Participating Financial Institutions for reasons of multiple applications, suspected multiple applications, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institutions;
 - (e) the acceptance of your offer to subscribe for and the purchase of our IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by the issue of a notice of allotment by us or our behalf for prescribed securities in respect of our IPO Shares, notwithstanding the receipt of any payment by us or on our behalf;
 - (f) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
 - (g) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Sole Underwriter, Joint Advisers and any other person involved in our IPO shall not be liable for any information not contained in this Prospectus which may have been relied on by you in making the Internet Share Application; and
 - (h) our acceptance of your Internet Share Application and the contract resulting from our IPO shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the courts of Malaysia.
- (xiii) The processing fee per Internet Share Application will be charged by the respective financial institutions as follows:
- (a) Malayan Banking Berhad (www.maybank2u.com.my) - RM1.00;
 - (b) CIMB Investment Bank Berhad (www.eipocimb.com) - RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
 - (c) CIMB Bank Berhad (www.cimbclicks.com.my) - RM2.00 for applicants with CDS account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - (d) Affin Bank Berhad (www.affinOnline.com) - No fees will be charged for application by their account holders; and
 - (e) RHB Bank Berhad (www.rhb.com.my) - RM2.50.

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

17.7 Application and acceptance

MIDFCCS, on the authority of our Directors and the Offerors, reserves the right to reject any application which does not strictly comply with the instructions or to accept any application in part only without giving any reason.

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

ALL APPLICATIONS MUST BE FOR AT LEAST 100 SHARES OR MULTIPLES THEREOF.

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

Pursuant to the Listing Requirements, we need at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon our Listing. We expect to achieve this at the point of our Listing. However, if the above requirement is not met pursuant to our IPO, we may not be allowed to proceed with our Listing. Then, monies paid in respect of all applications will be returned without interest.

Any IPO Shares not taken up by the eligible employees of our Group shall be reallocated to our other eligible employees and/or persons who have contributed to the success of our Group. Any of the reallocated IPO Shares which are not taken up will be made available for application by the Malaysian Public and/or by way of private placement to selected public investors at the IPO Price in the event of an over-subscription under the Retail Offer and under-subscription under the Pink Form Offer.

Any Shares not subscribed for by the Bumiputera investors approved by MITI under the Bumiputera Offer shall be made available for application by the retail Bumiputera investors as part of our IPO balloting process. Thereafter, any Shares that were reallocated to the retail Bumiputera investors (as part of our IPO balloting process) and not taken up by the retail Bumiputera investors, shall be made available for application by the Malaysian Public and/or by way of private placement to selected public investors.

Any IPO Shares reallocated to the Retail Offer not taken up by the Malaysian Public and/or by way of private placement to selected public investors shall then be underwritten by the Sole Underwriter.

IF YOUR APPLICATION VIA APPLICATION FORM IS UNSUCCESSFUL OR SUCCESSFUL IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED TO YOU WITHOUT INTEREST, AND DESPATCHED BY ORDINARY POST OR REGISTERED POST TO YOU WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION TO YOUR ADDRESS LAST MAINTAINED WITH BURSA DEPOSITORY, AT YOUR OWN RISK.

MIDFCCS, ON THE AUTHORITY OF OUR DIRECTORS AND THE OFFERORS, RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND PARTIALLY SUCCESSFUL BUMIPUTERA APPLICANTS, WHICH WOULD SUBSEQUENTLY BE REFUNDED TO YOU WITHOUT INTEREST, AND DESPATCHED BY ORDINARY POST OR REGISTERED POST TO YOU WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION TO YOUR ADDRESS LAST MAINTAINED WITH BURSA DEPOSITORY, AT YOUR OWN RISK.

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

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.8 CDS account

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

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

If you make an application by way of Application Form, you must have a CDS account. You should state your CDS account number in the space provided on the Application Form and shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to MIDFCCS or us, and any relevant regulatory bodies (as the case may be). If you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares.

In the case of an application by way of Electronic Share Application, you must have a CDS account. You must furnish your CDS account number to the Participating Financial Institution by way of keying in your CDS account number when the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so.

If you make an application by way of Internet Share Application, you must have a CDS account. In certain cases, you can only make an Internet Share Application if you have a CDS account opened with the Internet Participating Financial Institutions. Subsequently, your CDS account number would automatically appear in the electronic online application form.

Failure to comply with the specific instructions or inaccuracy in the CDS account number arising from the use of invalid, third party or nominee accounts, may result in the application being rejected. If you are successful in your application but fail to state your CDS account number, MIDFCCS on the authority of our Directors and the Offerors, reserves the right to reject your application. Applications may also be rejected if your particulars provided in the Application Form, or your records with the Participating Financial Institutions (in the case of Electronic Share Application) or Internet Participating Financial Institutions (in the case of Internet Share Application) differ from those in Bursa Depository's records such as your identity card number, name and nationality.

17.9 Notice of allotment

If you are successful or partially successful in your application, our Shares allotted to you will be credited to your CDS account. We will not be issuing any share certificate to you. A notice of allotment will be despatched to you at your address last maintained with Bursa Depository, at your own risk, prior to our Listing. This is your only acknowledgement of acceptance of the application. For Electronic Share Application or Internet Share Application, the notice of allotment will be despatched to the successful or partially successful applicant at his/her address last maintained with Bursa Depository at the applicant's own risk prior to our Listing. This is the only acknowledgement of the application.

You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which, the notification letter on your successful or partially successful allotment shall be sent to your registered or correspondence address last maintained with Bursa Depository.

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

17.10 Enquiries

You may contact MIDFCCS if you have any queries on the White Application Form at 03-2173 8657/ 58/ 59. If you have enquiry with regards to your Electronic Share Application, you may refer to the relevant Participating Financial Institution. If you have any enquiry with regards to your Internet Share Application, you may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

If you are applying for our IPO Shares as a Malaysian public under our IPO, you may check the status of your application by logging onto MIDFCCS's website at www.midf.com.my or by calling your ADAs at the telephone number stated in Section 17.11 of this Prospectus or MIDFCCS at 03-2173 8657/ 58/ 59 between 5 to 10 Market Days after the balloting date.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.11 List of ADAs

The list of ADAs and their respective broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground, Mezzanine and 3rd Floor Chulan Tower No.3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor Menara Multi-Purpose Capital Square 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2078 2788	086-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor, Podium Block AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No.: 03-4043 3533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 1800	052-009
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001

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

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5th Mile Cheras 56100 Kuala Lumpur Tel No.: 03-9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22 nd & 23rd Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No.: 03-7981 8811	054-005
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th - 14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002

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

Name	Address and telephone number	Broker code
MAYBANK INVESTMENT BANK BERHAD <i>(formerly known as Aseambankers Malaysia Berhad)</i>	5-13 Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	056-058
PM SECURITIES SDN BHD	Ground & Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011	051-001

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

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 TA One Tower No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Level G & Level 1 Tropicana City Office Tower No. 3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-009
ECM LIBRA INVESTMENT BANK BERHAD	Ground & 1 st Floor 35 Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	052-015
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	Level 10, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888	066-002

17. 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.: 03-5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	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.: 03-7956 2169	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016

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

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	056-048
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak 40200 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005

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

Name	Address and telephone number	Broker code
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-289 8880	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-288 1720	052-008
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No.: 06-337 1533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-292 1898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-282 5211	056-003
PM SECURITIES SDN BHD	No. 13 Jalan PM2 Plaza Mahkota 75000 Melaka Tel No.: 06-286 6008	064-006
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No.: 06-283 3622	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.: 05-623 2328	078-009
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-242 2828	052-002

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-622 2828	052-006
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-253 0888	066-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No.: 05-806 6688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-255 9988	068-015
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-241 9800	057-001
MAYBANK INVESTMENT BANK BERHAD <i>(formerly known as Aseambankers Malaysia Berhad)</i>	B-G-04 (Ground Floor) Level 1 & 2 No. 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-245 3400	098-002
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-241 5100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 6498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-692 1228	056-016

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

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-808 8229	056-034
OSK INVESTMENT BANK BERHAD	No. 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-465 1261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-717 0888	056-052
TA SECURITIES HOLDINGS BHD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-253 1313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-229 9318	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.: 04-554 1388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuh Light 10200 Penang Tel No.: 04-261 1688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-226 1818	086-004

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

Name	Address and telephone number	Broker code
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-238 5900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No.: 04-228 1833	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-228 3355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-263 6996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-537 2882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No.: 04-269 0888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-210 6666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Perai Pulau Pinang Tel No.: 04-332 2123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No.: 04-263 9118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No.: 04-263 4222	056-004

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

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No.: 04-390 0022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-540 2888	056-015
OSK INVESTMENT BANK BERHAD	No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-583 1888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No.: 04-640 4888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-227 3000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No.: 04-976 5200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No.: 04-979 3388	056-061
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alar Setar Kedah Darul Aman Tel No.: 04-732 2111	078-007

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

Name	Address and telephone number	Broker code
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-731 7088	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.: 04-425 6666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-420 4888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-496 4888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-720 9888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1 C-1 & 1 D-1, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-765 5998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-761 2288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-764 1641	056-024

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

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-442 1000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 71200 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-646 1234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-762 3131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7 Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-333 2000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-663 7398	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.: 07-351 3218	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.: 07-512 1633	078-008

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-771 7922	076-006
AMINVESTMENT BANK BERHAD	2 nd , 3 rd & 4 th Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-434 2282	086-002
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-334 3855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 2222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor, No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-467 8885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 2692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-223 1211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-333 3600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No.: 06-954 2711	073-008

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

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-933 3515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-777 1161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 2292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-331 6992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 7388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-278 8821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-438 0288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1 st & 2 nd Floor, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 8262	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.: 07-557 7628	056-029

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-932 1543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No.: 07-776 9655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-662 6288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 7180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-925 6881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-352 2293	056-043
PM SECURITIES SDN BHD	No. 41 Jalan Molek 2/4 Taman Molek 81100 Johor Bharu Johor Darul Takzim Tel No.: 07-351 3232	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.: 07-433 3608	064-008

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

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-566 0800	076-002
CIMB INVESTMENT BANK BERHAD	No. A-27 (Ground, 1 st & 2 nd Floor) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-205 7800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19 Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 1698	052-007
OSK INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 3811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-223 4943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-491 4913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 0077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 2288	058-004

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

Name	Address and telephone number	Broker code
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.: 09-631 7922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-623 8128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor, 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-858 3109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-626 1816	056-055
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor, Central Building Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	052-012
HWANGDBS INVESTMENT BERHAD	Suite 1-9-E1, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090	020-001

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

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-229 286	056-057
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No.: 084-367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No.: 082-236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003

17. 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.: 084-313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, & 1st Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No.: 082-422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground & 1 st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ajmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, Jalan Kampung Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2 nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006