

11. ACCOUNTANTS' REPORT (Con'td)

Notes to the financial statements
For the financial period ended 31 August 2010

8.0 Summary of significant accounting policies**8.1 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 8.2

The financial statements of the Group have also been prepared on a historical cost basis unless otherwise indicated in the accounting policies below.

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

8.2 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 FRSs and IC Interpretations in Malaysia 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*
- FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment*
in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and 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 FRSs 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

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.2 Changes in accounting policies (continued)**

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 FRSs 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 have 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 financial period ended 31 August 2010.

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.2 Changes in accounting policies (continued)***FRS 8 Operating Segments*

FRS 8, which replaces FRS 114 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. As the Group is in the process of listing its shares in the public market, the Group has presented the disclosures as required in FRS 8 accordingly. The related revised comparative information, are shown in Note 7.2 (ab) to the financial statements.

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 statements 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 have 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.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.2 Changes in accounting policies (continued)***FRS 139 Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- Impairment of trade receivables

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and assess that no additional adjustment is required upon the adoption of FRS 139 for impairment of trade receivables.

- Staff loans

During the current and prior period/years, the Group granted interest-free loans to its employees. Prior to 1 January 2010, these loans were recorded at cost in the financial statements of the Group. Upon the adoption of FRS 139, the interest-free loans are recorded initially at their fair values that are lower than costs. The difference between the fair value and the absolute loan amount represents payment for services to be rendered during the period of the loan and is recorded as part of prepaid operating expenses. Subsequent to initial recognition, the loans are measured at amortised cost. The Group amended its accounting policy accordingly which did not result in any change in its financial position.

- Financial guarantee contracts

During the current and prior period/years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries. Prior to 1 January 2010, the Company did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Company are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as at 1 January 2010.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.2 Changes in accounting policies (continued)***FRS 139 Financial Instruments: Recognition and Measurement (continued)***- Inter-company loans**

During the current and prior period/years, the Company granted interest-free or low-interest loans and advances to its subsidiaries. Prior to 1 January 2010, these loans and advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS 139, the interest-free or low-interest loans or advances are recorded initially at a fair value that is lower than cost. The difference between the fair value and cost of the loan or advance is recognised as an additional investment in the subsidiary. Subsequent to initial recognition, the loans and advances are measured at amortised cost. As at 1 January 2010, the Company has remeasured such loans and advances at their amortised cost and the adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at that date. The adjustment is recognised in the separate financial statement of the Company.

8.3 Standards issued but not yet effective

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

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 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*

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.3 Standards issued but not yet effective (continued)****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 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 transitions to IFRSs*
 TRI-4: *Shariah Complaint Sale Contracts*

Effective for financial periods beginning on or after 1 January 2012

IC interpretation 15: *Agreements for construction of Real Estate*

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 policies on adoption of the revised FRS 3, and the amendments to FRS 127 are described below.

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.

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.4 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. 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 subsidiaries'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.

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

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.5 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), which is also the Groups's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company 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.

8.6 Property, plant and equipment and depreciation

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, plant and equipment except for freehold land 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.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.6 Property, plant and equipment and depreciation (continued)**

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
- Office, electrical and factory equipment, electrical installation and computer system	2 to 10 years
- Plant and machinery, furniture, fittings and renovation	2 to 10 years
- Motor vehicles	5 years

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.

8.7 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")).

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.7 Impairment of non-financial assets (continued)**

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.

8.8 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 subsidiaries are accounted for at cost less impairment losses.

8.9 Associate

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.9 Associate (continued)**

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

The reporting date of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group.

In the Company's separate financial statements, the investment in associate is stated at cost less impairment losses.

On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

8.10 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.11 Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group become 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 determine 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.

(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.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.11 Financial assets (continued)****(b) Loans and receivables (continued)**

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 commit to purchase or sell the asset.

8.12 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 consider 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.

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.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.12 Impairment of financial assets****(b) Unquoted equity securities carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

8.13 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

8.14 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 weighted average cost basis
- Finished goods and work-in-progress: costs of direct materials based on normal operating capacity. These costs are assigned on a weighted average cost basis.

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

8.15 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.

11. ACCOUNTANTS' REPORT (Con'td)**8.0 Summary of significant accounting policies (continued)****8.16 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 become 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.

(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.

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.

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.17 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.

8.18 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.

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.

8.19 Leases**(a) As a lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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8.0 Summary of significant accounting policies (continued)

8.19 Leases (continued)

(a) As a lessee (continued)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

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

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 8.20(b).

8.20 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 relating to sale of goods is recognised net of discounts and sales taxes upon transfer of risk and rewards of ownership to the buyer.

(b) Rental income

Rental income is recognised on an accrual basis.

(c) Interest income

Interest income is recognised on an accrual basis.

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.21 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.

(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 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 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.

11. ACCOUNTANTS' REPORT (Con'td)

**8.0 Summary of significant accounting policies (continued)****8.21 Income taxes****(b) Deferred tax (continued)**

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.

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.

8.22 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.

8.23 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.

11. ACCOUNTANTS' REPORT (Con'td)

**9.0 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.

9.1 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.

(a) 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.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 7.2(n).

11. ACCOUNTANTS' REPORT (Con'td)



9.0 Significant accounting judgements and estimates (continued)

(c) Write-down of inventories

A review is made periodically on inventory for excess inventory obsolescence and declines in net realisable value below cost and record an allowance against the inventory balance for any such declines. Possible changes in these estimates would result in revisions to the valuation of inventory.

(d) 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.

Yours faithfully

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

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia

A handwritten signature in black ink, appearing to be 'Lee Seng Huat'.

Lee Seng Huat
No. 2518/12/11(J)
Chartered Accountant

11. ACCOUNTANTS' REPORT (Con'td)

133427-W

**Independent auditors' report to the members of
K. Seng Seng Corporation Berhad
(Incorporated in Malaysia)**

Ernst & Young
AF : 0039
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Mail address: P.O. Box 11040
50734 Kuala Lumpur, Malaysia
Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
www.ey.com

Report on the financial statements

We have audited the financial statements of K. Seng Seng Corporation Berhad, which comprise the statements of financial position as at 31 August 2010 of the Group, and the statements of comprehensive income, statements of changes in equity and statements of cashflows of the Group from 1 January 2010 to 31 August 2010, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 54.

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 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.

11. ACCOUNTANTS' REPORT (Con'td)



133427-W

Independent auditors' report to the members of
K. Seng Seng Corporation Berhad
(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, FRS 134: Interim Financial Reporting so as to give a true and fair view of the financial position of the Group as at 31 August 2010 and of its financial performance and cash flows from 1 January 2010 to 31 August 2010.

Without qualifying our opinion, we draw attention to Note 2.1 to the financial statements which states that the comparative figures for statements of comprehensive income, statements of cash flow and statements of changes in equity and the notes thereto are unaudited.

Other matters

This report is made solely to the board of directors of the Company, as a body, in accordance for the purpose of inclusion in the Offering Circular to be issued by the Company in relation to the public issue of 20,124,000 million ordinary shares of RM0.50 each and accordingly should not be used for any other purpose. We do not assume responsibility to any other person for the content of this report.

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

Ernst & Young
AF: 0039
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Lee Seng Huat'.

Lee Seng Huat
No. 2518/12/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia

12 OCT 2010

11. ACCOUNTANTS' REPORT (Con'td)

133427-W

**Independent auditors' report to the members of
K. Seng Seng Corporation Berhad
(Formerly known as K. Seng Seng Corporation Sdn. Bhd.)
(Incorporated in Malaysia)**

Ernst & Young

AF 0039

Level 23A, Menara Milenium
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+603 2095 9078

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Report on the financial statements

We have audited the financial statements of K. Seng Seng Corporation 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 54.

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 applicable 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.

11. ACCOUNTANTS' REPORT (Con'td)



133427-W

Independent auditors' report to the members of
K. Seng Seng Corporation Berhad
(Formerly known as K. Seng Seng Corporation Sdn. Bhd.)
(Incorporated in Malaysia)

Report on the financial statements (contd.)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable 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 for the year then ended.

Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries 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 subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

11. ACCOUNTANTS' REPORT (Con'td)



133427-W

Independent auditors' report to the members of
K. Seng Seng Corporation Berhad
(Formerly known as K. Seng Seng Corporation Sdn. Bhd.)
(Incorporated in Malaysia)

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.

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

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia

19 FEB 2010

A handwritten signature in black ink, appearing to be 'Lee Seng Huat'.

Lee Seng Huat
No. 2518/12/11(J)
Chartered Accountant

11. ACCOUNTANTS' REPORT (Con'td)



133427-W

Independent auditors' report to the members of
K. Seng Seng Corporation Sdn. Bhd.
(Incorporated in Malaysia)

Ernst & Young
AF : 0039
Level 23A, Menara Milenium
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www.ey.com

Report on the financial statements

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

11. ACCOUNTANTS' REPORT (Con'td)



133427-W

Independent auditors' report to the members of
K. Seng Seng Corporation Sdn. Bhd.
(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 for the year then ended.

Report on other legal and regulatory requirements

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

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

11. ACCOUNTANTS' REPORT (Con'td)



133427-W

Independent auditors' report to the members of
K. Seng Seng Corporation Sdn. Bhd.
(Incorporated in Malaysia)

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.

A handwritten signature in cursive script, likely representing an official from Ernst & Young.

Ernst & Young
AF: 0039
Chartered Accountants

A handwritten signature in cursive script, identifying Lee Seng Huat.

Lee Seng Huat
No. 2518/12/09 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
9 April 2009

11. ACCOUNTANTS' REPORT (Con'td)



S. H. LIM & CO.,

CHARTERED ACCOUNTANTS, MALAYSIA

Company No: 133427 W

Unit 6 - 04, Level 6, Plaza DNP,
59, Jalan Dato' Abdullah Tahir,
80300 Johor Bahru, Johor, Malaysia.
Tel: 07-334 8045, 334 8069, 334 8070
Fax: 07-334 8043

REPORT OF THE AUDITORS TO THE MEMBERS OF

K. SENG SENG CORPORATION SDN. BHD.
(Incorporated In Malaysia)

We have audited the financial statements set out on pages 7 to 34 of **K. SENG SENG CORPORATION SDN. BHD.**, comprising of the balance sheet and the notes to the financial statements as at 31 December 2007 and of the income statement for the year ended 31 December 2007 ("hereinafter referred to as "the financial statements").

The preparation of the financial statements is the responsibility of the Company's Directors. It is our responsibility to form an independent opinion based on our audit on these 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 towards any other person for the content of this report.

We conducted our audit in accordance with approved Standards of Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the adequacy of the presentation of information in the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

11. ACCOUNTANTS' REPORT (Con'td)



Company No: 133427 W

S.H. LIM & CO.,
CHARTERED ACCOUNTANTS, MALAYSIA

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 matters required by section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the financial position of the Group and of the Company as at 31 December 2007 and of the results of their operations and of their cash flows for the year ended on 31 December 2007.
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

S. H. LIM & CO.
.....
Certified True Copy

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in the 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' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comments made under Section 174(3) of the Act.


S.H. LIM & CO.
[No. AF-1222]
Chartered Accountants


LIM SIANG HEE
[No. 1619/7/08(J)]

Johor Bahru

Date: **20 MAY 2008**

12. THE INDEPENDENT MARKET RESEARCH REPORT



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd

(Company No. 266797-T)

75C & 77C Jalan SS22/19

Damansara Jaya

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Selangor Darul Ehsan, Malaysia

Tel: (603) 7728-0248

Fax: (603) 7728-7248

Email: enquires@vitalfactor.com

Website: www.vitalfactor.com

8 December 2010

The Board of Directors
K Seng Seng Corporation Berhad
Lot 3707, Jalan 7/5
Taman Industri Selesa Jaya
43300 Balakong
Selangor Darul Ehsan

Dear Sirs

Independent Assessment of the Stainless Steel Industry focusing on Stainless Steel Tubes, Pipes and Sheets in Malaysia

The following is an independent assessment of the Stainless Steel Industry focusing on Stainless Steel Tubes, Pipes and Sheets in Malaysia prepared by Vital Factor Consulting Sdn Bhd for inclusion in the prospectus of K Seng Seng Corporation Berhad (herein together with all or any one or more of its subsidiaries will be referred as K Seng Seng Group or the Group) in relation to its listing on the Main Market of Bursa Malaysia Securities Berhad.

1. BACKGROUND

- The principal business activities of K Seng Seng Group are in the manufacturing, processing and trading of stainless steel products. These are as follows:
 - Manufacturing of secondary stainless steel products namely tubes, pipes, industrial fasteners, rigging accessories and components;
 - Processing of secondary stainless steel products namely sheets, round bars, flats and angles;
 - Trading of industrial hardware including marine hardware and consumables, and other general hardware.
- For the financial year ended 31 December 2009, K Seng Seng Group's revenue amounted to RM80.1 million.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

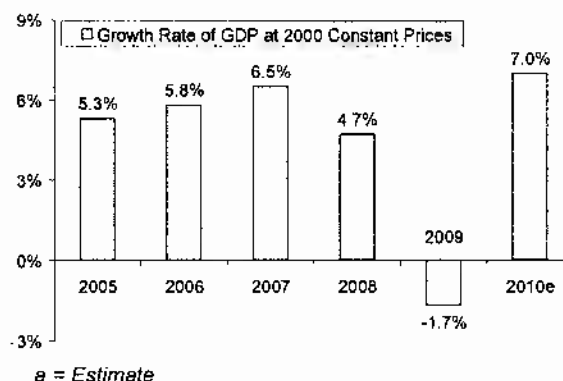
**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

2.1 SOCIO-ECONOMIC PERFORMANCE OF MALAYSIA

- The performance of the Malaysian economy has a direct impact on businesses operating in Malaysia. A growing economy will provide the basis for business growth.

- Malaysia's real GDP has been growing every year from 2005 to 2008. The Malaysian economy registered a growth of 4.7% in 2008, amidst the international financial turmoil and sharp deterioration in the global economic environment. Robust domestic demand, in particular private consumption and strong public spending, supported the growth during the year.



Source: Bank Negara Malaysia and Ministry of Finance

Figure 1. Real GDP Growth

- While external demand was strong in the first half of 2008, the sharp and rapid deterioration in the global economic conditions as well as major correction in the commodity prices in the second half led to a contraction in Malaysia's export performance in the latter part of the second half of the year.
- As for 2009, Malaysia's real GDP for the first quarter contracted by 6.2% compared to the same period in the previous year, however the implementation of fiscal stimulus measures by the Malaysian Government has led to the subsequent recovery in the second half of 2009. Overall, Malaysia's real GDP for 2009 contracted moderately by 1.7%.
- According to Ministry of Finance, real GDP for 2010 is projected to grow by an estimated 7.0%. The Malaysian economy registered a strong real GDP growth of 8.9% in the second quarter of 2010, driven by sustained expansion in domestic demand due to higher private and public sector spending, as well as continued robust growth in external demand which spurred domestic production. Major economic sectors continued to record strong growth during the second quarter, led by the manufacturing and services sectors.
- The real GDP for 2010 is estimated to be 7.0%.

(Source: Bank Negara Malaysia and Ministry of Finance)

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

**VITAL FACTOR CONSULTING**

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2.2 Business Condition Index

- The level of confidence of the Malaysian economy within the business community provides an indication of the robustness and the likely trend of business activities in Malaysia. A strong business confidence level is expected to boost economic activities that will benefit businesses in Malaysia.

- During the second quarter of 2009, the BCI registered a strong growth of 72.2% to reach 105.2 points. The surge suggested a significant improvement in the overall business conditions in Malaysia.

- By the third quarter of 2009, the BCI continued to grow by 8.1% to reach 113.7 points, indicating an expansionary mode in the manufacturing sector. Domestic demand for Malaysia's manufactured goods started to recover whilst external demand also improved albeit at a slower pace.

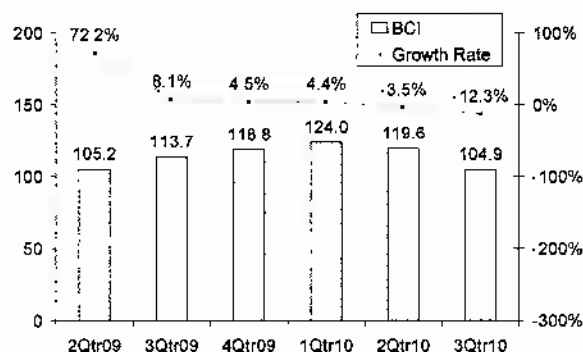
- The BCI continued to grow by 4.5% to reach 118.8 points by the fourth quarter of 2009. The manufacturing sector continued to improve with expected increases in export sales and local sales.

- In the first quarter of 2010, the BCI grew further by 4.4% to reach 124.0 points. The growth is attributable to the continued increase in domestic order, expected production and expected export sales.

- During the second quarter of 2010, the BCI decreased by 3.5% to 119.6 points since it started trending upwards in the first quarter of 2009. The decline implied that the domestic manufacturing sector was expanding slower compared to the previous quarters.

- In the third quarter of 2010, the BCI decreased by 12.3% to 104.9 points. However, it remained above the 100-point threshold, which indicated that the sector was still on an expansionary mode. The decline implied the sector was still expanding though at a considerably slower pace relative to the second quarter.

(Source: MIER)



Source: Malaysian Institute of Economic Research (MIER)

Figure 2. Business Conditions Index

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



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3. INDUSTRY STRUCTURE

3.1 Structure of the Stainless Steel Industry

- The Stainless Steel Industry in Malaysia can be broadly segmented as follows:

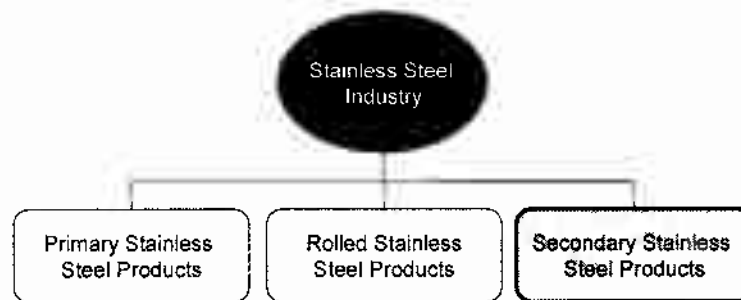


Figure 3. Structure of the Stainless Steel Industry

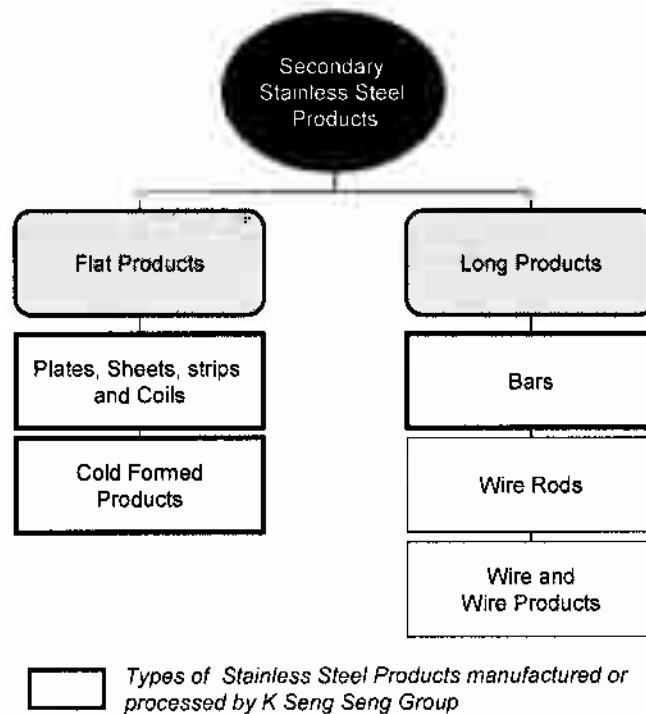
- The Stainless Steel Industry can be broadly segmented into the following:
 - Primary stainless steel products;
 - Rolled stainless steel products and;
 - Secondary stainless steel products.
- K Seng Seng Group's principal business activities are in the manufacturing and processing of secondary stainless steel products, which are classified under the umbrella of the Stainless Steel Industry.

3.2 Secondary Stainless Steel Products

- Secondary stainless steel products can be broadly segmented into the following:
 - Secondary stainless steel flat products;
 - Secondary stainless steel long products.


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Figure 4. Segmentation of Secondary Stainless Steel Products
Secondary Stainless Steel Flat Products

- The secondary stainless steel flat products utilise rolled and finished flat products such as cold-rolled and hot-rolled coils, sheets, and plates to produce a wide variety of secondary stainless steel products.
- Examples of secondary stainless steel flat products include:
 - Plates, sheets and coils;
 - Cold formed products.
- Cold formed products are commonly manufactured using plates, coils or sheets through various processes. These processes include roll forming, blanking, bending, piercing, coining, embossing, pressing, flow forming and others. Some of the cold-formed products include, among others, tubes and pipes, channels, angles, rings, light gauge sections and columns.
- K Seng Seng Group is currently involved in the manufacture of welded stainless steel tubes and pipes using continuous roll forming and welding processes. The stainless steel tubes and pipes manufactured by K Seng Seng Group are used in various applications, including ornamental applications (such as grilles, gates, window frames and doorframes, railing systems), automotive applications (such as bull bars and grille guards), water and sanitary piping for buildings and water filter equipment.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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- The Group is also involved in the processing of secondary stainless steel flat products including slitting and shearing of hot-rolled or cold-rolled coils to specified dimensions for further processing or manufacturing.

Secondary Stainless Steel Long Products

- Secondary stainless steel long products are manufactured or processed from rolled and finished long products such as bars and wire rods. The common secondary stainless steel long products include:
 - Bars
 - Wire rods
 - Wire and wire products (such as welded mesh, fencing, netting, bolts, nuts, screws, etc).
- Bars are commonly formed into a straight length blank from billets. It can be in various shapes such as round, square, hexagon, octagon or flat. Bars are usually required for further processing and manufacturing or machining into finished products, such as industrial and automotive shafts, industrial fasteners (such as bolts and studs, shackles and U-bolts), anchor link chain, and furniture.
- K Seng Seng Group also processes secondary long products, including round bars, flats and angles. The process primarily involves cutting of stainless steel bars into specified length for subsequent processing. The Group has the capabilities to process round bars with a diameter up to 350mm.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



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4. **VERTICAL STRUCTURE OF SECONDARY STAINLESS STEEL FLAT PRODUCTS INDUSTRY**

- The secondary stainless steel flat product industry in Malaysia can also be vertically extended to include midstream and downstream activities as follows:

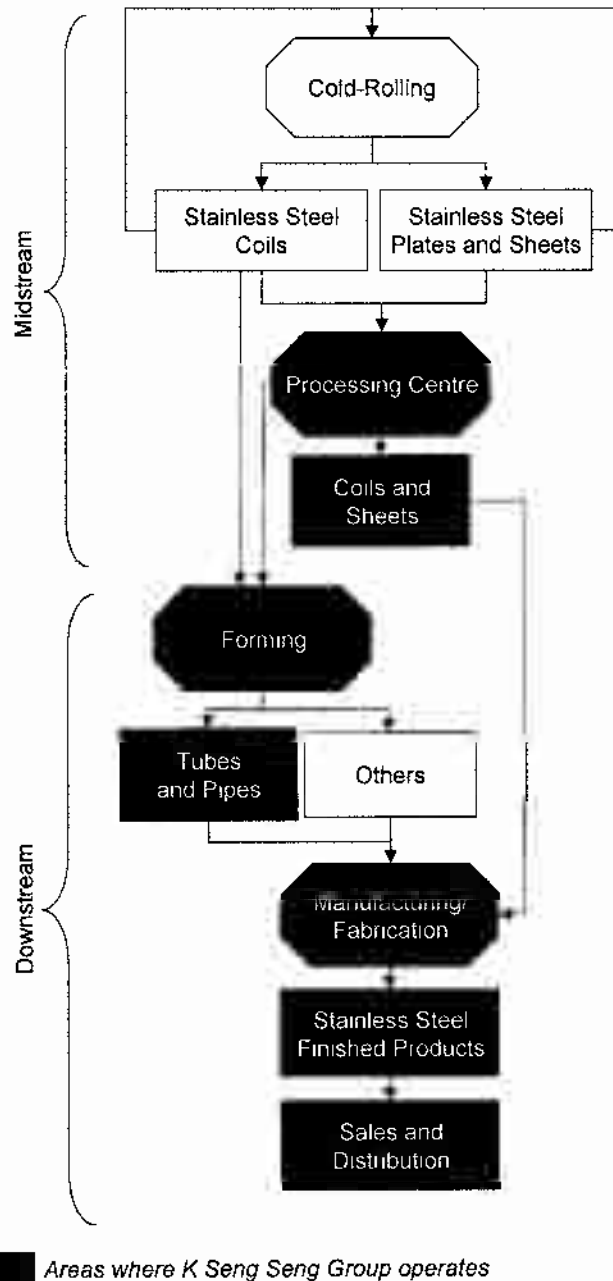


Figure 5. Vertical Structure of the Secondary Stainless Steel Flat Products Industry

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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Midstream

- As at end October 2010, Malaysia does not have any higher upstream activities to produce primary stainless steel products as these are all imported (*Source: Vital Factor Consulting Sdn Bhd*).
- The import of stainless steel coils, plates and sheets may be further cold-rolled to reduce the gauge (thickness).
- As at end October 2010, Malaysia is a net importer of stainless steel coils, plates and sheets. In 2009, import value of flat-rolled products of stainless steel with all widths and thickness amounted to RM1.6 billion, whilst export value amounted to RM570.0 million.
- For the first seven months of 2010, import value of flat-rolled products of stainless steel with all widths and thickness amounted to RM2.4 billion, whilst export value amounted to RM483.4 million.

(Source: Department of Statistics)

- Stainless steel coils are the raw materials used for forming into semi-finished products such as tubes and pipes or processed into coils and sheets.
- Stainless steel processing centre mainly involves the slitting and shearing of plates, hot-rolled coils and sheets, and cutting of bars and rods.
- A new producer of rolled stainless steel products will be coming on-stream in 2011, which will provide an alternative to imports.
- K Seng Seng Group is involved in midstream activities of processing of secondary stainless steel products, namely coils and sheets.

Downstream

- Downstream activities incorporates processing as well as manufacturing and fabrication of stainless steel semi-finished and finished products. Using stainless steel plates, sheets and coils as feedstock, some of the downstream activities include the following:
 - Further processing through shearing and slitting;
 - Forming to produce tubes, pipes, corrugated sheets and others;
 - Manufacturing and fabrication of semi-finished or finished products;
 - Sales and distribution of finished products.
- K Seng Seng Group is involved in the downstream activities of being a processing centre and undertaking manufacturing of secondary flat stainless steel products, namely tubes and pipes. It also manufactures other long stainless steel finished products such as industrial fasteners, rigging accessories and components.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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5. SUBSTITUTE PRODUCTS

- There are a number of materials that may be used in place of stainless steel in some applications. Some examples of substitute materials include:
 - Carbon Steel (Uncoated)
 - Galvanised Carbon Steel
 - Chrome plated Carbon Steel
 - Plastics.

5.1 Carbon Steel

- Carbon steel is arguably the closest substitute to stainless steel that is currently commonly used. The principal advantages of carbon steel over stainless steel include:
 - Lower per-unit price
 - Wide availability
 - Familiarity with manufacturers and end-users.
- Carbon steel is unlikely to replace stainless steel in many of the applications in which stainless steel has become widely used, as stainless steel is superior in the following aspects:
 - Stainless steel is corrosion resistant, whereas carbon steel commonly requires some additional corrosion prevention measures, such as cathodic/anodic protection or coatings through galvanising, pre-painting and chrome plating;
 - Stainless steel structures typically require less maintenance compared to carbon steel structures, leading to a lower overall cost;
 - Stainless steel gives a more attractive appearance, especially after polishing and surface treatment;
 - Stainless steel generally exhibits a higher mechanical strength, allowing it to be used in applications where weight is a factor.

As a result, carbon steel is not likely to fully replace stainless steel in many of the applications.

5.2 Galvanised Carbon Steel

- Galvanised carbon steel refers to carbon steel that has been coated with a layer of zinc through either a hot-dipping or electrodeposition process. The zinc coating provides corrosion resistance to the underlying carbon steel through the formation of a layer of zinc carbonate.
- Galvanised carbon steel is used in applications that require the mechanical strength of carbon steel but needs to be corrosion resistance. Common uses of galvanised carbon steel include roofing and walling, consumer appliances, and automotive parts.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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- However, galvanised carbon steel is unlikely to fully replace stainless steel due to the following factors:
 - Corrosion resistance provided by the zinc layer is limited, as it is restricted to the surface of the carbon steel only. Any scratches that remove the layer of zinc will expose that area to corrosion. As such, corrosion resistance conferred by galvanising cannot be considered as permanent, and galvanised carbon steel products typically require more maintenance compared to stainless steel products.
 - Hot-dip galvanised carbon steel is typically less shiny compared to stainless steel, and often has a non-uniform appearance due to spangling.
 - Galvanising can be costly due to the current high global market price of zinc.

5.3 Chrome Plated Carbon Steel

- Chrome plated carbon steel refers to carbon steel that has been coated with a layer of chrome through an electrodeposition process. The corrosion resistance conferred by the chrome layer is identical to that provided by chromium in stainless steel, i.e. through the formation of a transparent and corrosion resistance layer of chromium oxide.
- The most common form of chrome plated carbon steel is in thin, decorative bright chrome applications, where a thin layer of chrome is deposited. Bright chrome provides corrosion resistance and imparts a highly reflective finish to items such as automotive trim and metal furniture.
- Thicker chrome plating is known as hard chrome or engineered chrome, and is usually used in industrial equipment to reduce friction and wear, and to restore the dimensions of equipment that has experienced wear.
- However, chrome plated carbon steel is unlikely to fully replace stainless steel in many of the applications in which stainless steel has become widely used, as stainless steel is superior in the following aspects:
 - Similar to galvanised carbon steel, the corrosion resistance provided by the chrome layer is limited, as it is restricted to the surface of the carbon steel only. Any scratches that remove the layer of chrome and expose the underlying carbon steel will expose that area to corrosion. As such, corrosion resistance conferred by chrome plating cannot be considered as permanent, and chrome plated carbon steel products typically require more maintenance compared to stainless steel products;
 - The electrodeposition process used in producing chrome plated carbon steel utilises a chemical bath that contains hexavalent chromium. Hexavalent chromium is a hazardous chemical whose use is restricted by the Restriction of Hazardous Substances directive established by the European Union.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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5.4 Plastics

- Plastics have replaced stainless steel and other metals in some of the common every day applications. The main advantages of plastics include:
 - Low cost material;
 - Low per-unit cost of manufacture, especially when mass-production techniques such as injection moulding, blow moulding, and extrusion are employed;
 - Great flexibility in terms of the shape of the object, colouring and surface finishing produced.
- Plastics in general are unlikely to fully replace stainless steel in all applications, as stainless steel is superior in the following aspects:
 - Much greater mechanical strength
 - Higher thermal stability and melting point
 - Stainless steel will not burn when exposed to heat.
- Although some specialty plastic materials have been developed with these desirable properties, they are generally expensive and therefore only used for specialised, niche applications.

6. GOVERNMENT LEGISLATION, POLICIES AND INCENTIVES**6.1 Government Regulations****Manufacturing Licence**

- Apart from the normal manufacturing licence, there are no material government laws, regulations and policies that may impede on operators' performance and growth within a free enterprise environment.
- Application of a manufacturing licence under the Industrial Coordination Act, 1975 is mandatory for companies with shareholders' funds of RM2.5 million or above or engaging 75 or more full-time employees (*Source: Malaysian Industrial Development Authority (MIDA)*).

6.2 Government Incentives

- As part of the Malaysian Government's intention to nurture the growth and development of the manufacturing industry, the Government provides the following incentives for the eligible company:
 - Pioneer Status;
 - Investment Tax Allowance;
 - Reinvestment Allowance.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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- Eligibility for either the Pioneer Status or Investment Tax Allowance will be determined according to the priorities termed as "promoted activities" or "promoted products". In addition, the level of value-added, technology and industrial linkages will also be taken into consideration.

(Source: MIDA)

- Some of the benefits of the respective incentives include:

Pioneer Status

- An eligible company for Pioneer Status will enjoys a 5-year partial exemption from the payment of income tax.

Investment Tax Allowance

- An eligible company for Investment Tax Allowance gets an allowance of 60% on its qualifying capital expenditure (such as factory, plant, machinery or other equipment used for approved project), which are incurred within five years from the date on that the first qualifying capital expenditure is incurred.

Reinvestment Allowance

- All manufacturing companies that have been in operation for at least 12 months (this condition has been revised to at least 36 months, effective from year of assessment 2009) and incur qualifying capital expenditure to expand production capacity, modernise and upgrade production facilities, diversify into related products, and automate its production facilities can obtain a Reinvestment Allowance.

(Source: MIDA)

6.3 Trade Marks

- In Malaysia, Trade Marks are governed by Trade Marks Act 1976 and Trade Marks Regulation 1997 (Amendment 2001). (Source: *Intellectual Property Corporation of Malaysia*)
- Trade mark registration provides trademark owners with the exclusive right to use their marks in trading, and the registration certificate issued by Registrar Office serves as legal evidence. (Source: *Intellectual Property Corporation of Malaysia*)
- The Registrar of Trade Marks is the authority for the registration of trade marks in Malaysia. Registration of trade marks shall be valid for a period of ten years and may be renewed from time to time.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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- K Seng Seng Group has registered the following trade mark:

Trade Mark	Class	Trade Mark Number	Issuing Authority	Validity Period	Type of Products
	22	87003143	Registrar of Trade Marks Malaysia	Valid until 21 July 2018	Ropes, string and raw fibrous textile materials all being goods included in Class 22
PTM	6	0800272	Registrar of Trade Marks Malaysia	Valid until 29 April 2018	Stainless steel coil, sheets of metal, pipes of metal and tubes of metal, all included in Class 6

6.4 Environmental Regulations

- As part of the process of manufacturing stainless steel tubes and pipes, K Seng Seng Group creates waste and sludge in the following forms:
 - Generates stainless steel dust, which is produced during the manufacturing process;
 - Produce waste in the form of stainless steel scrap.
- The Group is equipped with an in-house dust collection system to collect dust that is generated during the manufacturing process.
- As part of the production process, the Group also produce waste in the form of stainless steel scrap. The stainless steel scrap is then collected and sold to external parties for recycling purposes.

7. SUPPLY

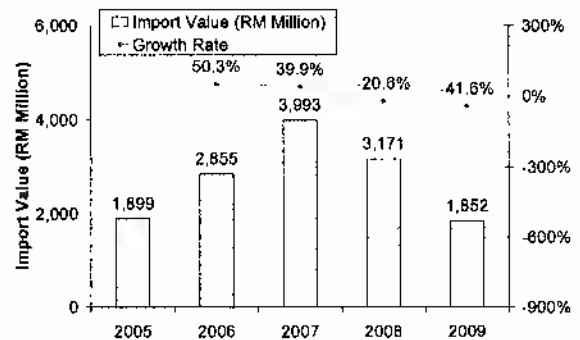
There are no statistics available specifically for the local production of stainless steel tubes and pipes, and other secondary stainless steel products (such as stainless steel sheets, stainless steel round bars, flats and angles) in Malaysia. As such, import and export statistics will be used as proxy for the performance of the industry.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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- Between 2005 and 2009, the import value of stainless steel decreased at an average annual rate of 0.6%. In 2009, the import value of stainless steel declined by 41.6% to RM1.9 billion. In 2009, South Africa was the major source of imports of stainless steel, which accounted for 29% of total imports under this category. Some of the other major import countries include Taiwan, Japan, Korea, Spain, China, United States, India and others.



Source: Department of Statistics

Figure 6. Import Value of Stainless Steel

- For the first seven months of 2010, the import value of stainless steel increased by 243.9% to RM2.6 billion compared to the same period in 2009.
- In 2009, the import value of flat-rolled products, of stainless steel of all widths (including stainless steel coils, sheets, plates, hoops and strips) decreased by 40.8% to RM1.6 billion. Of this, the value of the sub-sectors under this category is as follows:
 - In 2009, the import value of flat-rolled products, of stainless steel, of a width of 600mm or more (a sub-sector of flat-rolled products, of stainless steel of all widths) decreased by 41.6% to RM1.5 billion. Within this sub-sector, the import value of flat-rolled products of stainless steel, hot-rolled, not in coils (a sub-sector of flat-rolled products, of stainless steel, of a width of 600mm or more) decreased by 64.5% to RM211.4 million in the same year.
 - In 2009, the import value of flat-rolled products, of stainless steel, of a width of less than 600mm (a sub-sector of flat-rolled products, of stainless steel of all widths) decreased by 30.4% to RM131.6 million.
- For the first seven months of 2010, the import value of flat-rolled products, of stainless steel of all widths (including stainless steel coils, sheets, plates, hoops and strips) increased by 272.4% to RM2.4 billion. Of this, the value of the sub-sectors under this category is as follows:
 - During the first seven months of 2010, the import value of flat rolled products, of stainless steel, of a width of 600mm or more (a sub-sector of flat-rolled products, of stainless steel of all widths) increased by 298.5% to RM2.3 billion compared to the same period in 2009. Within this sub-sector, the import value of flat-rolled products of stainless steel, hot-rolled, not in coils (a sub-sector of flat-rolled products, of stainless steel, of a width of 600mm or more) grew by 131.3% to RM255.2 million during the same period.

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- During the first seven months of 2010, the import value of flat-rolled products, of stainless steel, of a width of less than 600mm (a sub-sector of flat-rolled products, of stainless steel of all widths) increased by 62.1% to RM114.1 million compared to the same period in 2009.
- Between 2005 and 2009, the import value of other welded, of circular cross section of stainless steel (including stainless steel tubes and pipes) increased at an average annual rate of 24.2%. In 2009, the import value of this category decreased by 38.1% to reach RM49.5 million.
- For the first seven months of 2010, the import value of other welded, of circular cross section of stainless steel (including stainless steel tubes and pipes) declined by 61.4% to RM12.4 million compared to the same period in 2009.
- Between 2005 and 2009, the import value of other welded, of non-circular cross section (including stainless steel tubes and pipes) decreased at an average annual rate of 11.0%. In 2009, the import value of this category increased by 102.7% to RM12.5 million.
- For the first seven months of 2010, the import value of other welded, of non-circular cross section (including stainless steel tubes and pipes) increased by 7.5% to RM9.1 million compared to the same period in 2009.
- Between 2005 and 2009, the import value of other bars and rods of stainless steel, angles, shapes and sections of stainless steel decreased at an average annual rate of 1.0%. In 2009, the import value of this category declined by 54.1% to RM138.0 million.
- For the first seven months of 2010, the import value of other bars and rods of stainless steel, angles, shapes and sections of stainless steel increased by 68.0% to RM119.2 million compared to the same period in 2009.

(Source: Department of Statistics)

8. SUPPLY DEPENDENCIES

- As at end October 2010, there are currently no producers of primary stainless steel products (such as billets, blooms, ingots and slabs) in Malaysia. As a result, all domestic demand for primary stainless steel products is currently satisfied by imports.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



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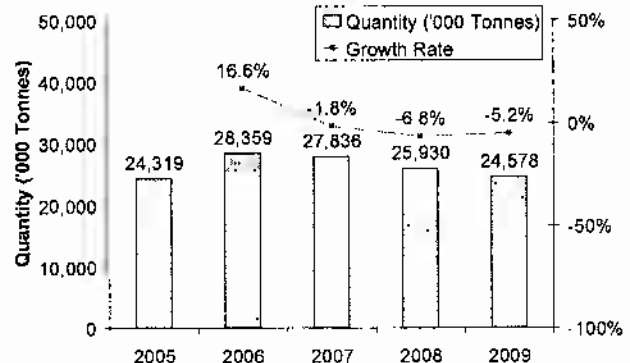
- Similarly, there are no producers of rolled stainless steel products (such as coils, sheets, plates and bars) in Malaysia as at end October 2010. As such, the domestic demand for rolled stainless steel products is also currently satisfied through imports. A new producer of rolled stainless steel products, is expected to commence production in 2011 which may provide an alternative to imports.
- The major raw materials used in the production of stainless steel tubes and pipes, and processing of stainless steel sheets are stainless steel coils. Malaysia is a net importer of stainless steel coils. In 2009, the import value of flat-rolled products of stainless steel with all widths and thickness amounted to RM1.6 billion, whilst export value amounted to RM570.0 million.
- For the first seven months of 2010, the import value of flat-rolled products of stainless steel with all widths and thickness amounted to RM2.4 billion, whilst export value amounted to RM483.4 million.

(Source: Department of Statistics)

9. GLOBAL PERFORMANCE OF STAINLESS STEEL

Global Production of Crude Stainless Steel

- Between 2005 and 2009, global production of crude stainless steel grew at an average annual rate of 0.3%.
- In 2009, global production of crude stainless steel declined by 5.2% to reach 24.6 million tonnes.



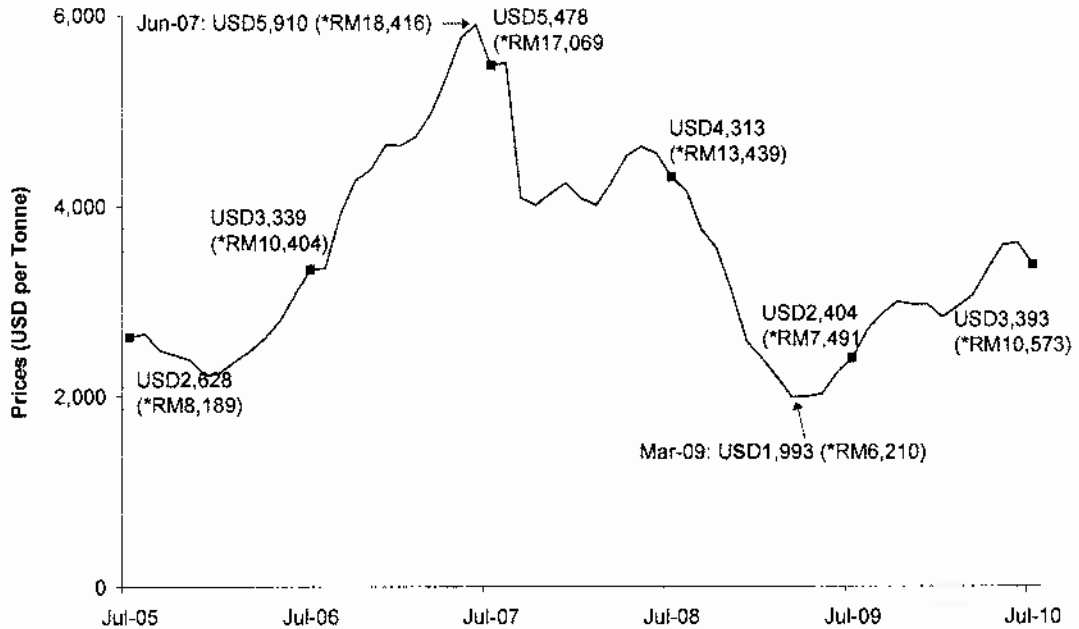
Source: International Stainless Steel Forum

Figure 7. Global Production of Crude Stainless Steel

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Global Stainless Steel Prices

Note: *Exchange rate of USD 1 = RM3.1160 as at 12 November 2010

Source: Secondary Market Research undertaken by Vital Factor Consulting Sdn Bhd

Figure 8. Stainless Steel Prices – Cold Rolled Coil (Grade 304)

- Between July 2005 and July 2010, the price of cold rolled stainless steel coil (grade 304) grew at an average annual rate of 5.2%.
- Between July 2005 and July 2010, the price of cold rolled stainless steel coil (grade 304) reached a peak of USD5,910 (RM18,416) per tonne in June 2007, and recorded its lowest price at USD1,993 (RM6,210) per tonne in March 2009.

10. DEMAND

10.1 Local Production

- The following table depicts the performance of some of the end-user industries in 2009 and September 2010, which may impact on the demand for stainless steel tubes and pipes and secondary stainless steel products such as stainless steel sheets, stainless steel round bars, and stainless steel flats and angles:

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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	GROWTH RATE FOR 2009 %	EX-FACTORY SALES VALUE IN 2009 RM	GROWTH RATE FOR SEPTEMBER 2010 %	EX-FACTORY SALES VALUE IN SEPTEMBER 2010 RM
Manufacture of structural metal products	9.3	1.7 billion	-4.3	1.1 billion
Manufacture of tanks, reservoirs and containers of metal	-29.2	730.9 million	-13.1	497.1 million
Manufacture of other fabricated metal products, not elsewhere classified*	19.1	1.1 billion	0.2	785.3 million
Manufacture of parts and accessories for motor vehicles and their engines	-9.8	5.7 billion	24.2	5.2 billion
Manufacture of motorcycles [^]	3.6	2.5 billion	10.2	2.1 billion
Manufacture of other furniture, except stone, concrete or ceramic	-4.9	580.9 million	1.9	447.7 million
Manufacture of medical and surgical equipment and orthopaedic equipment	19.4	1.2 billion	9.4	1.0 billion
Manufacture of domestic appliances, not elsewhere classified	-14.3	2.5 billion	15.3	2.1 billion

	GROWTH RATE FOR 2007 %	GROSS OUTPUT VALUE IN 2007 RM
Building and repairing of ships	37.2	RM4.7 billion
Manufacture of Metal Furniture	-13.8	RM1.7 billion

**According to the Department of Statistics, the manufacture of other fabricated metal products, not elsewhere classified include stainless steel finished products such as kitchen sinks, and other wash basins, table, kitchen or other household articles and parts thereof. ^Including parts and accessories of motorcycles
Source: Department of Statistics*

Figure 9. Performance of Selected End-User industries in 2009 and September 2010

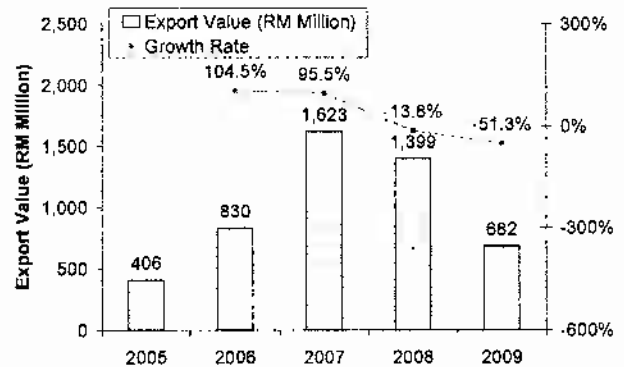
12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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10.2 Exports

- Between 2005 and 2009, the export value of stainless steel registered an average annual growth rate of 13.8%. In 2009, the export value of stainless steel decreased by 51.3% to RM681.8 million. In 2009, Thailand was one of the major export destination countries for stainless steel, which represented 27% of total export value of this category. This was followed by Singapore, India, Indonesia, Hong Kong, Vietnam, Australia, China, Philippines and others.



Source: Department of Statistics

Figure 10. Export Value of Stainless Steel

- For the first seven months of 2010, the export value of stainless steel increased by 85.6% to RM553.4 million compared to the same period in 2009.
- Between 2005 and 2009, the export value of other welded, of circular cross section, of stainless steel decreased at an average annual rate of 9.1%. In 2009, the export value of other welded, of circular cross section, of stainless steel declined by 59.4% to RM66.7 million. In 2009, United States was one of the major export destination countries for this category, which represented 53% of total export value of this category. This was followed by the United Kingdom, Indonesia, Australia, India, Singapore, Sri Lanka, Vietnam and others.
- For the first seven months of 2010, the export value of other welded, of circular cross section, of stainless steel increased by 19.9% to RM46.1 million compared to the same period in 2009.
- Between 2005 and 2009, the export value of other welded, of non-circular cross section increased at an average annual rate of 44.3%. In 2009, the export value of other welded, of non-circular cross section decreased by 15.7% to RM218.5 million. In 2009, Singapore was one of the major export destination countries for this category, which represented 53% of total export value of this category. This was followed by Australia, Papua New Guinea, New Zealand, United States and others.
- For the first seven months of 2010, the export value of other welded, of non-circular cross section decreased by 44.0% to RM77.0 million compared to the same period in 2009.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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- Between 2005 and 2009, the export value of other bars and rods of stainless steel, angles, shapes and sections of stainless steel registered an average annual growth rate of 12.7%. However in 2009, the export value of this category decreased by 62.3% to RM97.3 million. In 2009, Thailand was one of the major export destination countries for this category, which represented 40% of the total export value of this category. This was followed by Hong Kong, Singapore, Australia, China, Brazil, Indonesia, India and others.
- For the first seven months of 2010, the export value of other bars and rods of stainless steel, angles, shapes and sections of stainless steel increased marginally by 0.2% to RM55.2 million compared to the same period in 2009.
- Between 2005 and 2009, the export value of flat-rolled products, of all widths (including stainless steel coils, sheets, plates, hoops and strips) increased at an average annual rate of 14.4%. In 2009, the export value of this category decreased by 45.9% to RM570.0 million.
- For the first seven months of 2010, the export value of flat-rolled products, of all widths (including stainless steel coils, sheets, plates, hoops and strips) increased by 106.4% to RM483.4 million compared to the same period in 2009.

(Source: Department of Statistics)

11. VULNERABILITY AND RELIANCE ON IMPORTS

- As there are currently no primary producers of stainless steel operating in Malaysia as at end October 2010, the stainless steel industry in Malaysia is reliant on imported raw materials. However as stainless steel is a widely produced and traded commodity, any disruptions in supply is therefore minimised.
- In 2009, the global production of crude stainless steel is estimated at 24.6 million tonnes, whilst total global stainless steel products exports are estimated at 11.6 million tonnes for the same year. *(Source: International Stainless Steel Forum)* Approximately 47% of the stainless steel that was produced in 2009 was exported. This indicates that stainless steel is a widely traded commodity in the global market.
- Malaysia continues to be a net importer of stainless steel. In 2009, the import value of stainless steel amounted to RM1.9 billion, whilst export value amounted to RM681.8 million. For the first seven months of 2010, the import value of stainless steel amounted to RM2.6 billion, whilst the export value amounted to RM553.4 million. *(Source: Department of Statistics)*

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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- Stainless steel coil is the major feedstock used for the manufacturing of stainless steel tubes and pipes, and processing of stainless steel sheets. Malaysia is also a net importer of stainless steel coils, plates and sheets as at end October 2010. In 2009, the import value of flat-rolled products of stainless steel with all widths and thickness amounted to RM1.6 billion, whilst export value amounted to RM570.0 million. For the first seven months of 2010, the import value of flat-rolled products of stainless steel with all widths and thickness amounted RM2.4 billion, whilst export value amounted to RM483.4 million.
- In 2009, the major sources of imports of flat-rolled products of stainless steel of all widths and thickness were South Africa, Taiwan, Korea, Japan, Spain, China, United States, Finland, Germany and many others.
- Stainless steel round bars are mainly used as feedstock for processing round bars. In 2009, the import value of other bars and rods of stainless steel; angles, shapes and sections of stainless steel amounted to RM138.0 million. The major sources of imports were Korea, Japan, Taiwan, India, Italy, China, Thailand, United States and many others.
- For the first seven months of 2010, the import value of other bars and rods of stainless steel, angles, shapes and sections of stainless steel increased by 68.0% to RM119.2 million compared to the same period in 2009.

(Source: Department of Statistics)

12. NATURE OF COMPETITION AND COMPETITIVE INTENSITY**12.1 Competitive Nature**

- In general, operators in the stainless steel industry faced normal competitive conditions which is similar to a free enterprise environment where there are no undue government regulations or licensing requirements, there are many operators, operators may enter and leave the industry with relative ease, and no one operator is large enough to dictate product pricing. In such an environment, the industry is also subjected to normal supply and demand conditions moderated by the price mechanism. Operators compete on product and service differentiations, and other factors of competition.

12.2 Factors of Competition

- As with most free enterprise environments, competition is based on a number of factors, including:
 - Quality products and services
 - Established track record and market reputation
 - Wide range of products
 - Manufacturing capabilities and capacities.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


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12.3 Impacts of Factors of Competition on K Seng Seng Group

- Quality of Products and Services:** As stainless steel tubes and pipes and stainless steel sheets are the key materials used in the production of a diverse range of finished products and applications, quality is an important factor. For example, stainless steel tubes and pipes are further fabricated into grilles, windows and doors, railing systems and stainless steel sheets are further fabricated into industrial products such as storage tanks, pressure vessels, process equipment and others. As such, the quality of these materials will also impact on the quality of the finished products.

Manufacturers with stringent quality assurance programmes and certifications in place with in-house quality tests and inspections are in a stronger position to compete effectively and win new customers.

The ISO 9001 certifications of K Seng Seng Group's subsidiaries, PTM Steel Industry Sdn Bhd and Three & Three Hardware Sdn Bhd are endorsements of the quality assurance system that is in place for the manufacturing and processing of stainless steel products. These certifications provide customers with the assurance of K Seng Seng Group's quality.

- Established track record and market reputation:** K Seng Seng Group started in the 1980s and over the years has established itself as a player in the Stainless Steel Industry in Malaysia. The Group has successfully established its reputation as a manufacturer of secondary stainless steel products, namely tubes, pipes, industrial fasteners, rigging accessories and components, and processor of stainless steel sheets, round bars, flats and angles. Manufacturers with an established and proven track record are in a stronger position to compete effectively and more importantly secure sales orders.
- Wide range of products:** K Seng Seng Group has the capabilities to manufacture a range of stainless steel tubes and pipes, and process different sizes of secondary stainless steel products such as stainless steel sheets, round bars, flats and angles. In addition, the Group also distributes and trades approximately [10,000] active SKU of industrial hardware including marine hardware and consumables and general hardware.

The extensive portfolio of products supplied by K Seng Seng Group enables the Group to promptly deliver a range of products to meet the demands of customers. Companies that are able to quickly fulfil orders will be in a better position to compete with others who has a limited range of products.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


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- **Manufacturing capabilities and capacities:** Manufacturing of stainless steel tubes and pipes and processing of stainless steel sheets requires a certain level of technical skills and knowledge, which include production and finishing techniques, skills in handling and calibrating processing equipment to achieve maximum production efficiency. From that perspective, the Group is equipped with in-house auto slitting and shearing machines for processing stainless steel sheets, and on-line forming and welding, and polishing machines for the manufacturing of stainless steel tubes and pipes. All these production facilities enable the Group to meet customers' requirements and specifications as well provide a faster turnaround as all processes are undertaken in-house.

For the financial year ended 31 December 2009, K Seng Seng Group's total annual manufacturing capacities were 4,400 tonnes for stainless steel tubes and pipes, 300 tonnes for stainless steel industrial fasteners and components, and 12,000 tonnes for stainless steel sheets.

12.4 Competitive Intensity

- Competition among manufacturers in stainless steel tubes and pipes and operators in the stainless steel processing centres within Malaysia is based on the following observations:
 - Manufacturers and companies with sufficient and good utilisation of production capacities would be able to enjoy economies of scale to be cost competitive, and at the same time be able to take on large volume of orders. This extra capability would enable such manufacturers and companies to win jobs that require a large volume of output.
 - For manufacturers who are involved in the production of stainless steel tubes and pipes, some of them would focus mainly on the production of stainless steel tubes and pipes for ornamental applications and decorative purposes or specialisation by industry sectors such as automotive industry whilst others concentrate on stainless steel tubes and pipes for industrial applications such as chemical processing, water piping, food and beverage processing and others. This moderates the competitive intensity as different manufacturers may have specialisation in different areas.
 - Stainless steel tubes and pipes face minimal competition from imports. In 2009, imports of other welded, stainless steel circular cross-section (including stainless steel tubes and pipes) amounted to RM49.5 million. For the first seven months of 2010, the imports of other welded, stainless steel circular cross-section (including stainless steel tubes and pipes) amounted to RM12.4 million.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- Stainless steel processing centres face some competition from steel processing centres, despite the inability of steel processing centres to guarantee that their products are free from contact contamination means that they are not a perfect substitute. This reduces the competitive intensity.
- Stainless steel competes with others types of materials including other ferrous metals (such as carbon steel, alloy steel), non-ferrous metals (such as aluminium, and copper based), and plastic based. All these substitute materials provide choices to user industries and increases the competition for stainless steel including stainless steel tubes and pipes, and stainless steel sheets.

13. INDUSTRY PLAYERS
13.1 Manufacturers of Stainless Steel Tubes and Pipes

- Some of the manufacturers of stainless steel tubes and pipes in Malaysia listed in alphabetical order include Alumtan Union Metal Sdn Bhd, Amalgamated Industrial Stainless Steel (1987) Sdn Bhd, Hoto Stainless Steel Industries Sdn Bhd, **K Seng Seng Group (through its subeidiary PTM Steel Industry Sdn Bhd)**, Kanzen Tetsu Sdn Bhd, Prestar Precision Tubes Sdn Bhd, Shunto Steel Industries Sdn Bhd, Syarikat Jaya Tugas Industri Sdn Bhd, Taik Bee Hardware Sdn Bhd, Tatt Giap Steel Centre Sdn Bhd and TAS Pipes Manufacturing Sdn Bhd.

13.2 Stainleee Steel Processing Centres

- Some of the stainless steel processing centres in Malaysia listed in alphabetical order include Alumtan Union Metal Sdn Bhd, Anshin Steel Processor Sdn Bhd (formerly known as Acsan Steel Service Centre Sdn Bhd), Anshin Steel Service Centre Sdn Bhd, CFB Okura Service Centre Sdn Bhd, Choo Bee Metal Industries Berhad, Japmas Steel Sdn Bhd, JFE Shoji Steel (M) Sdn Bhd (previously known as Kawasho Steel Processing Centre Sdn Bhd), **K Seng Seng Group (through its subsidiary PTM Steel Industry Sdn Bhd)**, Northern Steel Centre Sdn Bhd, OYL Steel Centre Sdn Bhd, POSCO - MKPC Sdn Bhd (formerly known as Posmmit Steel Centre Sdn Bhd), Prestar Precision Tubes Sdn Bhd, Shunto Steel Industries Sdn Bhd, SMPC Industries Sdn Bhd, Sumiputeh Steel Centre Sdn Bhd, Syarikat Jaya Tugas Industri Sdn Bhd, Tashin Steel Sdn Bhd, Tatt Giap Steel Centre Sdn Bhd, Topsteel Services Sdn Bhd, VPN Marketing (M) Sdn Bhd and Yick Hoe Metal Industries Sdn Bhd.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- Revenue of some of the public listed companies that have stainless steel processing centres in Malaysia are as follows:

	Revenue RM'000
Choo Bee Metal Industries Berhad (FYE Dec09)	404,418
Tatt Giap Group Berhad (FYE 31 Dec09)	225,368

Source: Company's Annual Report; FYE = Financial Year Ended

Notes: Revenue quoted above represent total company revenue and includes revenue from stainless steel processing centre as well as other business activities. The above is not an exhaustive list and the companies are listed based on alphabetical order.

14. BARRIERS TO ENTRY

- K Seng Seng Group operates within the Stainless Steel Industry and is primarily in the business of manufacturing and processing of secondary stainless steel products.
- The main barriers to entry into the industry are as follows:
 - Capital and set-up costs
 - Technical skills and knowledge
 - Track record
 - Product quality.

14.1 Capital and Set-up Costs**Manufacture of stainless steel Tubes and Pipes**

- The barriers to entry into the manufacturing of stainless steel tubes and pipes based on capital requirements (excluding land and building) are **moderate**.
- The capital cost of setting-up a medium-scale of stainless steel tube and pipe plant would be approximately RM18 million (excluding land and building). This would include:
 - 1 line of forming and welding machine;
 - 1 line of polishing machine;
 - RM15 million of working capital.

With this size of establishment, the output would be approximately 3,200 tonnes per year, which will generate revenue of approximately RM60 million per year.

(Source: K Seng Seng Group)

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



VITAL FACTOR CONSULTING

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- Capital costs would start to escalate for larger operations to enable greater economies of scale. Larger operations are necessary to meet the demands of a wide range of shapes and sizes to meet the requirements of the local and export markets.
- Smaller operators would find it difficult to compete with larger manufacturer that have the benefits of economies of scale.
- Thus, the capital cost of setting-up a stainless steel tube and pipe plant would form major barriers to entry into the industry.

Processing of Secondary Stainless Steel Products

- Capital cost creates a relatively **moderate to high** barrier to entry for operators of secondary stainless steel processing centres. This is mainly from the following perspectives:
 - capital cost of setting-up the processing facility;
 - working capital in the form raw materials and work-in-progress stocks.
- The capital cost of setting-up a small-scale stainless steel slitting and shearing facility is estimated at approximately RM5 million (excluding land and building costs). This would include:
 - 1 auto slitting line for slitting stainless steel coils of a thickness of up to 3 mm;
 - 1 auto shearing line for shearing stainless steel coils of a thickness of up to 3 mm.

(Source: K Seng Seng Group)
- Significant working capital is required in the form of stainless steel stocks, as the stainless steel prices is about four times higher compared to carbon steel.

As at July 2010, the price of cold rolled stainless steel coils and carbon steel coils are as follows:

	Prices USD per tonne	Prices *RM per tonne
Stainless Steel Cold Rolled Coil (grade 304)	3,393	10,573
Carbon Steel Cold Rolled Coil	789	2,459

Note: *Exchange rate of USD 1 = RM3.1160 as at 12 November 2010

(Source: Computed by Vital Factor Consulting Sdn Bhd)

- The above processing facility set-up is the minimum requirement for the processing of secondary stainless steel flat products, specifically stainless steel sheets. However, this size of operations is restricted in terms of capacity.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- In order to operate profitably, capital cost would start to escalate with the requirement to have more machinery and equipment in order to generate a higher volume of output.
- Furthermore, in order to achieve a high quality output, it is also important to have a dedicated slitting and shearing line to process stainless steel materials. This is to reduce contamination from other materials, for example carbon steel or other metal particles that could be embedded in stainless steel coils or sheets during the slitting and shearing process. These embedded articles may lead to contact corrosion in stainless steel.

14.2 Technical Skills and Knowledge
Manufacturing of Stainless Steel Tubes and Pipes

- Technical skills and knowledge are required in the manufacturing of stainless steel tubes and pipes. These include forming and welding techniques as well as polishing.
- As stainless steel tubes and pipes comes in various sizes such as round, square, oval and others, therefore it is critical during the process to ensure that the flat steel sheets are formed into the required configurations and shapes, and welded with minimum well bead.
- Polishing knowledge is also important to achieve various surface finishes including mirror finishes to make it more reflective, as well as decorative finishes including non-directional and hairline appearance. Stainless steel tubes and pipes are widely used for ornamental and decorative purposes such as window and door grilles, gates, railing system and furniture parts. As such, the surface finishes of stainless steel tubes and pipes is a critical factor.
- The technical skills and knowledge required in the manufacturing of stainless steel tubes and pipes could pose a barrier to entry for new entrants.

Processing of Secondary Stainless Steel Products

- Technical expertise is also required during the slitting and shearing process. The strength and speed that are required to shear and slit stainless steel products have to be varied due to the different mechanical property content in different stainless steel grades and specifications. In addition, other factors such as various forms, sizes and thicknesses of the stainless steel products have to be taken into consideration for the slitting and shearing of stainless steel sheets.
- Technical expertise is thus required in the programming of the machines to ensure the shearing and slitting of stainless steel sheets are undertaken without any fracture and wear during processing.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- It is important to have skilled and experienced technical personnel to set and calibrate the stainless steel processing equipment to achieve maximum production efficiency.
- As such, the technical skills required for processing of secondary stainless steel products would pose some barriers to entry for new entrants into the industry.

14.3 Track Record

- Track record also forms one of the barriers to entry for new entrants. It is unlikely that a new entrant without any track record will be able to compete effectively.
- Secondary stainless steel products including stainless steel tubes and pipes and stainless steel sheets are widely used as the key raw materials or feedstock for the manufacturing of a diverse range of finished products.
- For example, stainless steel tubes and pipes are further fabricating into grilles, window and door, railing systems and stainless steel sheets are further fabricated into industrial products such as storage tanks, pressure vessels, process equipment and others.
- Thus, the reliability and track record of the company are important from the customers' perspective in ensuring that there are no disruptions in the supply of these key raw materials for their manufacturing operations.
- It will take time for a new entrant to be established in the market before customers are willing to take them on as supplier.
- As such, track record would pose some barriers to entry for new entrants, which would find it difficult to gain immediate access into the market.

14.4 Product Quality

- As stainless steel tubes and pipes, and stainless steel sheets are essential materials used in the production of finished products, quality is an important factor.
- As such, operators that have stringent quality assurance programmes in place including ISO accreditation and compliance to standards are in a stronger position to secure sales orders.
- New entrants into the industry would take time to develop the quality that is required to meet industry standards.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


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15. INDUSTRY OUTLOOK

- An improving economy will provide opportunities for operators within the Stainless Steel Industry. Economic conditions in Malaysia in 2010 has shown to be better than 2009 as indicated below:

- While real GDP for 2009 was -1.7%, real GDP for 2010 is projected to grow by an estimated 7.0%. The real GDP is forecasted to grow between 5.0% and 6.0% in 2011.

(Source: Ministry of Finance)

- Growth trends of the Stainless Steel Industry in 2010 also indicate a positive outlook for the industry:

- For the first seven months of 2010, imports of stainless steel grew by 243.9% to RM2.6 billion compared to the same period in 2009;
- For the first seven months of 2010, exports of stainless steel recorded a growth of 85.6% to RM553.4 million compared to the same period in 2009.

(Source: Department of Statistics)

- In addition, the industry outlook will also be dependent on its major user industries:

- Real GDP in the manufacturing sector is estimated to grow by 10.8% in 2010 and forecasted to grow by 6.7% in 2011;
- Real GDP in of the construction sector is estimated to grow by 4.9% in 2010 and forecasted to grow by 4.4% in 2011.

(Source: Ministry of Finance)

16. DRIVERS OF GROWTH

- Some of the drivers of growth for the Stainless Steel Industry including stainless tubes and pipes, and stainless steel sheet segments, are as follows:

- **Growth of end-user industries** including, among others, shipbuilding, building and construction, automotive, process equipment, manufacturing, general industrial and consumer sectors. The diversity and growth within these user industries will provide the impetus for growth in the Stainless Steel Industry in Malaysia.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


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- **Growth in export market** will also help drive demand for stainless steel products including stainless steel tubes and pipes, and slitted and sheared stainless steel sheets. Although there are no primary and rolling/finished stainless steel producers within Malaysia, nevertheless Malaysia has demonstrated that it is able to value add and export stainless steel products.
- **Socio-economic growth** such as the growth of the economy and population are likely to create demand for stainless steel by increasing demand for stainless steel products (particularly vehicles, electrical and electronics products and domestic appliances), and by spurring development of industrial, commercial and residential facilities and infrastructure that utilise stainless steel.
- **Increasing consumer affluence** in terms of an increase in Gross National Product per capita and disposable income will also contribute to the increasing usage of stainless steel products that are catering to the consumer market. Hence, this will generate demand for intermediate materials as in stainless steel tubes and pipes, and stainless steel sheets.
- **Innovation and development of new applications** would create new demand from existing or new users. The ongoing development of stainless steel as a substitute for other materials will provide growth for the stainless steel industry, due to its properties such as resistance to corrosion and high mechanical strength.

17. THREATS AND RISK ANALYSIS
17.1 Dependency on Imports of Raw Materials

- There are currently no stainless steel primary producers and rolling/finishing mills in Malaysia as at end October 2010. (*Source: Primary Market Research undertaken by Vital Factor Consulting Sdn Bhd*)
- Consequently, manufacturers and processors of stainless steel products in Malaysia are completely dependent on imports for the supply of primary products such as billets, blooms and ingots, and rolling/finished products such as coils, sheets, plates, bars and rods.
- As such, any interruptions in the supply of stainless steel coils will impact on the production of stainless steel tubes and pipes, and processing of stainless steel sheets.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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Mitigating Factors

- Stainless Steel is a widely traded commodity. In 2009, the global production of crude stainless steel was estimated at 24.6 million tonnes, whilst total global stainless steel products exports were estimated at 11.6 million tonnes in the same year. (Source: *International Stainless Steel Forum*) Approximately 47% of the stainless steel that was produced in 2009 was exported. This indicates that stainless steel is a widely traded commodity in the global market.
- Malaysia is currently a net importer of stainless steel coils, which are the key materials used for the manufacturing of stainless steel tubes and pipes, and processing of stainless steel sheets. In 2009, the import value of flat-rolled products, of stainless steel of all widths (including stainless steel coils, sheets, plates, hoops and strips) decreased by 40.8% to RM1.6 billion. However, for the first seven months of 2010, import value of this category increased by 272.4% to reach RM2.4 billion compared to the same period in 2009. (Source: *Department of Statistics*)
- In 2009, the major sources of imports of flat-rolled products of stainless steel with all widths and thickness were South Africa, Taiwan, Korea, Japan, Spain, China, the United States, Finland, Germany and many others. (Source: *Department of Statistics*)
- There are currently no material government restrictions on the import of stainless steel coils into Malaysia. Importers are not required to obtain any permits or licences to import stainless steel coils. In addition, there is currently no import duty imposed on the imports of most sizes of the stainless steel coils. In some instances where import duty is imposed, the import duty is typically low at 10% of import value. (Source: *Royal Customs and Excise Department of Malaysia*)
- Furthermore, as part of the incentives offered by the Government to the manufacturing sector, manufacturers are also eligible for full exemptions from import duty for raw materials/components that are not produced locally and which are used directly in the manufacturing process. (Source: *Malaysian Industrial Development Authority*)

17.2 Foreign Exchange Risk

- The stainless steel materials used by the Stainless Steel Industry in Malaysia are all ultimately derived from imported sources. In addition, some of the products produced by the Malaysian Stainless Steel Industry are exported. Most of these transactions are denominated in foreign currencies.
- As such, fluctuations in foreign exchange rates will have an impact on the Ringgit value of imported raw materials and exported products.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


VITAL FACTOR CONSULTING

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- This may have an impact on the profitability of operators within the Stainless Steel Industry. An unfavourable foreign exchange movement against the Ringgit would either reduce demand as prices would need to be increased or manufacturer's profitability would suffer if they decide to absorb the price increases.

Mitigating Factors

- The exchange rate of the Ringgit now operates on a managed float following the removal of the exchange rate peg to the US Dollar on 21 July 2005. Bank Negara Malaysia will now monitor the value of the Ringgit relative to a trade-weighted index of Malaysia's major trading partners. Promoting stability of the exchange rate remains a primary policy objective (*Source: Bank Negara Malaysia*).
- Bank Negara Malaysia's primary policy objective of promoting the stability of the exchange rate will provide some mitigation against foreign currency risk.
- A manufacturer that earns revenue denominated in a foreign currency may mitigate against foreign exchange risk by using its foreign currency earnings to pay for purchases denominated in the same foreign currency. This could provide some natural hedging against foreign exchange fluctuations.

17.3 Fluctuations in the Price of Raw Materials

- As stainless steel raw materials, including stainless steel coils are commodities, the prices of these raw materials are subject to global market price fluctuations.
- Short term fluctuating prices create significant problems as manufacturers cannot effectively plan and manage their stocks and product pricing. This is especially problematic when the actual purchase price of raw materials differs from the estimated price when costing processed or manufactured products.
- A prolonged increase in the price of these raw materials may not be easily passed onto customers. This could have an impact on the profit margins of manufacturers and companies. Alternatively, if an increase in cost is passed onto customers, the price competitiveness of the manufacturer may be eroded.
- A prolonged decrease in the price of these raw materials may have a negative effect on manufacturers by eroding the value of their stocks.

Mitigating Factors

- Operators that are in a strong financial position may be able to purchase and maintain stocks of key raw materials to create a cushion against price fluctuations.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


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- As these raw materials are commodities and therefore subjected to world prices, all domestic and international manufacturers that use these materials are equally affected.

17.4 Availability of Substitutes

- Stainless steel can also be substituted with other materials, for example other types of metals, such as carbon steel, alloy steel, aluminium, copper, brass, plastic based materials and others.

Mitigating Factors

- Stainless steel enjoys a number of advantages over carbon steel and other materials, due to its resistance to corrosion and high mechanical strength. As a result, stainless steel is often the most suitable material for certain applications, particularly where corrosion resistance is important such as shipbuilding, automotive components, process equipment and others.
- Stainless steel is also generally less costly compared to speciality materials such as titanium, speciality alloys and ceramics, and is therefore the most cost effective material for certain applications.
- The characteristics of stainless steel will ensure that there is a continuing demand for stainless steel over other types of materials.

17.5 Global Financial Crisis

- Any prolonged and/or widespread downturn such as those of the recent global financial turmoil has affected the global and Malaysian economies. This slowdown in the global and local economies will affect the demand for stainless steel products.

Mitigating Factors

- As evidenced in the past, the Malaysian Government's continued prompt policy flexibility in implementing pro-growth measures to sustain the country's growth momentum, by raising domestic demand to compensate for slower external growth, has helped Malaysian companies to counter some of the effects of the slowdown in the global economy.
- In early November 2008, the Malaysian Government announced a RM7 billion stimulus package, which was to be channelled into 15 projects to promote business activity, and helps minimise the impact of the global financial crisis.
- On 10 March 2009, the Government tabled a mini budget as part of the second stimulus package. The second stimulus package was to be implemented over 2009 and 2010, and will include RM60 billion in spending and incentives.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

Creating Winning Business Solutions

- It is expected that these measures will help to generate domestic business activities and domestic consumption, which will in turn help counter the slowdown in the local economy.

18. AREAS OF GROWTH AND OPPORTUNITIES**18.1 New Export Markets**

- Export markets offer significant growth opportunities to manufacturers within the stainless steel industry, particularly for manufactured and processed stainless steel products such as stainless steel tubes and pipes, and slit and sheared coils and sheets.
- Opportunities exist for Malaysian manufacturers of stainless steel products to service overseas based customers. This will open up a significantly larger market and reduce the dependencies on the local market.
- Although Malaysia is not a primary producer of stainless steel, local manufacturers and companies have succeeded in developing an export market for some types of stainless steel products, which reflected based on the following observations:
 - In 2009, the export value of stainless steel (including primary, rolled and wire products) decreased by 51.3% to RM681.8 million. However, between 2005 and 2009, the export value of this category registered an average annual growth rate of 13.8%. For the first seven months of 2010, the export value of stainless steel amounted to RM553.4 million.
 - In 2009, the export value of flat-rolled products, of all widths (including stainless steel coils, sheets, plates, hoops and strips) decreased by 45.9% to RM570.0 million. However, between 2005 and 2009, the export value of this category increased at an average annual rate of 14.4%. For the first seven months of 2010, the export value of flat-rolled products, of all widths (including stainless steel coils, sheets, plates, hoops and strips) amounted to RM483.4 million.
 - Between 2005 and 2009, the export value of other welded, of circular cross section, of stainless steel decreased at an average annual rate of 9.1%. In 2009, the export value of this category declined by 59.4% to RM66.7 million. For the first seven months of 2010, the export value of other welded, of circular cross section, of stainless steel amounted to RM46.1 million.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)**VITAL FACTOR CONSULTING**

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- Between 2005 and 2009, the export value of other welded, of non-circular cross section (including stainless steel tubes and pipes) increased at an average annual rate of 44.3%. In 2009, the export value of this category decreased by 15.7% to RM218.5 million. For the first seven months of 2010, the export value of other welded, of non-circular cross section amounted to RM77.0 million.
- Between 2005 and 2009, the export value of other bars and rods of stainless steel; angles, shapes and sections of stainless steel registered an average annual growth rate of 12.7%. In 2009, the export value of this category decreased by 62.3% to RM97.3 million. For the first seven months of 2010, the export value of other bars and rods of stainless steel, angles, shapes and sections of stainless steel amounted to RM55.2 million.

(Source: Department of Statistics)

- In particular, there are opportunities for Malaysian operators to export stainless steel products to countries in the ASEAN region as they can take advantage of the lower tax regime under the AFTA (ASEAN Free Trade Area) scheme.

18.2 Development of New Stainless Steel Applications

- Product innovation has the ability to create new usage and applications to address new markets. Product innovation can come in different forms for example, innovation within the manufacturing of stainless steel tubes pipes could include the following:
 - innovation in sizes and shapes to meet varying needs for smaller diameter stainless steel tubes for medical and dental applications;
 - creating innovative stainless steel tubes and pipes with different properties such as wall thickness and level of corrosive resistance for various purposes such as ornamental, structural and mechanical. For example, specialised stainless steel tubes and pipes are used in pulp and paper mills, food processing plants, or other industries where corrosion resistance properties are essential.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)


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19. CRITICAL SUCCESS FACTORS

- Critical success factors for operators within the Stainless Steel Industry include:
 - **Continuous Supply of Raw Materials:** The manufacturing of stainless steel products such as stainless steel tubes and pipes, and stainless steel sheets, utilise stainless steel coils as raw materials, hence the continuous supply of this material is critical to ensure that production is uninterrupted.
 - **Wide Range of Products:** Manufacturers and companies that have the capabilities to supply and offer a wide range of products to meet customer demand and requirements, are in the in the better position to compete more effectively compared to those with a single product or limited product range. The ability to quickly fulfil orders is a significant advantage, as the customer does not need to hold stock and can then save on stockholding costs. As such, a wide range of products is a key competitive advantage in this industry.
 - **Financial Strength:** Manufacturers in a healthy financial position are more likely to retain and attract new customers. Manufacturers with the financial strength will have the option of purchasing stainless steel materials to stock and ensure minimal disruptions in supply. Financial strength is particular pertinent in the stainless steel industry as the stainless steel prices are about four time higher compared to carbon steel. Furthermore, a financially sound manufacturer would be in a better position to upgrade its manufacturing capabilities, if necessary, to keep abreast with technology, changes in production or to meet future demand for increased capacity.
 - **Quality of Products:** To ensure business sustainability, producers must be able to continually meet and deliver quality products to customers. Those who adopt stringent quality controls in their production processes and have attained internationally recognised accreditations, such as ISO 9000 series are in a better position to compete effectively in this area.
 - **Established Track Record:** As stainless steel products such as stainless steel tubes and pipes, and stainless steel sheets form the basic materials for the fabrication and manufacture of finished stainless steel products, a proven and reputable track record is important to demonstrate reliability and the ability to meet specifications and requirements of customers.

12. THE INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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20. MARKET SIZE AND SHARE**20.1 Market Size**

- In 2009, the market size for rolled stainless steel products in Malaysia based on apparent consumption was estimated at **RM1.1 billion**. (Source: Vital Factor Consulting Sdn Bhd).

Note: Rolled stainless steel products include bars, wire rods, angles, shapes, sections, plates, coils and sheets. Apparent consumption is defined as imports plus production less exports. However, Malaysia does not have any production of rolled stainless steel products.

20.2 Market Share

- In 2009, K Seng Seng Group had a market share of approximately **3.5%** of the rolled stainless steel products in Malaysia based on the Group's revenue.

Notes: For the financial year ended 31 December 2009, K Seng Seng Group's revenue for manufacturing of stainless steel tubes, pipes and fasteners, and processing of stainless steel sheets and bars in Malaysia was approximately RM38 million. (Source: K Seng Seng Group)

Vital Factor Consulting Sdn Bhd had prepared this report in an independent and objective manner and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely

Wong Wai Ling
Director

13. DIRECTORS' REPORT



K. SENG SENG CORPORATION BERHAD (133427-W)

Lot 3707, Jalan 7/5, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan, Malaysia
Tel : 603-8961 5555 (*Hunting Line*), 016-228 3636, 016-227 3939
Fax : 603-8962 1111 (*Accounts Dept.*), 603-8962 6666, 016-329 0886 (*Sales Dept.*)
E-mail: sales@kssc.com.my

27 DEC 2010

Head Office:

No. 3707, Jalan 7/5
Taman Industri Selesa Jaya
43300 Balakong
Selangor Darul Ehsan

The Shareholders of K. Seng Seng Corporation Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of K. Seng Seng Corporation Berhad ("KSSC" or "Company"), I wish to report that after due enquiry in relation to the interval between 31 August 2010, being the date to which the last audited financial statements of the Company and its subsidiaries ("Group") had been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Prospectus, that:-

- (i) the business of our Group has, in the opinion of the Board of Directors of KSSC, been satisfactorily maintained;
- (ii) in the opinion of the Board of Directors of KSSC, no circumstances have arisen since the last audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by our Group;
- (v) there have been, since the last audited financial statements of our Group, no default or any known events 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 Board of Directors of KSSC are aware of; and
- (vi) save as disclosed in this Prospectus, there have been no material changes to the published reserves or any unusual factors affecting the profits of our Group since the last audited financial statements of our Group.

Yours faithfully

For and on behalf of the Board of Directors of
K. SENG SENG CORPORATION BERHAD

Koh Seng Kar ● **Koh Hai Sew**
Chairman and Managing Director

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) We have no founder, management or deferred shares in our Group. As at the date of this Prospectus, we only have one class of shares, namely ordinary shares of RM0.50 each, all of which rank equally with one another.
- (iii) As at the date of this Prospectus, none of our Group's capital is under option or agreed conditionally or unconditionally to be put under option.
- (iv) Save for the pink form allocation as set out in **Section 3.7** of this Prospectus, no person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group.
- (v) There is no scheme involving our employees in the capital of our Group, except for the pink form allocation pursuant to the Public Issue.
- (vi) Save as disclosed in this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital 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 two (2) years preceding the date of this Prospectus.
- (vii) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities.
- (viii) As at 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 Memorandum and Articles of Association.

14.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from our Group's Articles of Association ("Articles") which comply with the Listing Requirements of Bursa Securities and Rules. Unless otherwise stated, the capitalised terms used in this section shall have the respective meanings as ascribed thereto in our Group's Articles of Association:-

(i) **Transfer of Shares**

The provisions in the Articles in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:

Article 25

The transfer of any listed security or class of listed security of the Company which have been deposited with the Bursa Depository, shall be by way of book entry by the Bursa 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 Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

Article 26

Subject to the Rules and the requirements of the Exchange, the registration of the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Notice shall be given of such closure in accordance with the requirements of the Exchange.

14. ADDITIONAL INFORMATION (Cont'd)

Article 27

Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules.

Article 28

Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of Bursa Depository in registering or acting upon a transfer of securities apparently made by a Member or any person entitled to the securities by reason of death, bankruptcy or insanity of a Member although the same may by reason of any fraud or other causes not known to the Company or the Directors or Bursa Depository or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor Member and the transferee be liable to be set aside and notwithstanding that Bursa Depository or the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor Member in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner.

Article 29

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any security by the allottee thereof in favour of some other person.

(ii) Remuneration of our Directors

The provisions in the Articles dealing with the remuneration of the Directors of our Group are as follows:

Article 92

- (1) The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:
 - (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover; and
 - (b) The remuneration of a Director holding an executive office pursuant to these Articles shall be fixed by the Directors and may be payable by way of salary or by any or all of those modes, or otherwise as may be thought expedient but shall not include (where such remuneration is paid by way of salary) a commission on or percentage of turnover, and it may be made a term of such appointment or appointments that the appointee or appointees shall receive a pension, gratuity or other benefits on their retirement.
- (2) The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.

14. ADDITIONAL INFORMATION (Cont'd)

- (3) Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.
- (4) Any fee paid to an alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where the notice of the proposed increase has been given in the notice convening the meeting.

Article 94

If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee established by the Board of Directors, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board of Directors may think fit for expenses, and also such remuneration as the Board of Directors may think fit, either as a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) provided that in the case of non-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.

(iii) Voting and borrowing powers of our Directors

The provisions in the Articles dealing with the voting and borrowing powers of the Directors of the Company including voting powers in relation to proposals, arrangements or contracts in which they are interested are as follows:

Article 98

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related company as may be thought fit.
- (2) The Directors may borrow or raise any such money as aforesaid, upon such terms and conditions in all respects as the Directors may think fit, upon or by the issue or sale of any bonds, debentures, debenture stocks or securities. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stocks or securities to exchange the same for shares in the Company or any class authorized to be issued. The Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company, both present and future and upon any capital remaining unpaid upon the shares of the Company, whether called up or not or by any other security and the Directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or

14. ADDITIONAL INFORMATION (Cont'd)

by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realization thereof, or the making, receiving or enforcing of calls upon the members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

- (3) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security, for any debt, liability or obligation of an unrelated third party.

Article 115

Subject to these Articles, the Act and the requirements of the Exchange, a Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by Section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest (and if he shall do so his vote shall not be counted).

Article 116

A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and of the Articles.

Article 117

A Director may vote in respect of: -

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity 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.

(iv) Changes in capital or variation of class rights

The provisions in the Articles as to changes in the share capital and variation of class rights, which are as stringent as those provided in the Companies Act, 1965 are as follows:

14. ADDITIONAL INFORMATION (Cont'd)**Article 6**

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

Article 7

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

Article 8

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

14.3 MATERIAL LITIGATION

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

14.4 MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiary have entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Prospectus.

- (i) Share sale agreement dated 24 July 2009 and supplemental agreement dated 8 March 2010 entered between our Company and vendors for the acquisition of 588,004 ordinary shares of RM1.00 each, representing 24% equity interest in PTM by our Company for a purchase consideration of RM438,000 which was fully satisfied through the issuance of 876,000 new KSSC Shares at an issue price of RM0.50 per KSSC Share;
- (ii) Underwriting agreement dated 29 November 2010 between our Company and the Underwriter for underwriting 11,124,000 Issue Shares under the IPO, for an underwriting commission at the rate set out in **Section 3.12(ii)** of this Prospectus; and
- (iii) Placement agreement dated 23 November 2010 between our Company and OSK as the Placement Agent for the placement of 9,000,000 Issue Shares to identified Bumiputera investors approved by MITI for a placement commission at the rate set out in **Section 3.12 (iii)** of this Prospectus.

14. ADDITIONAL INFORMATION (Cont'd)

14.5 MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

As at the LPD, and save as disclosed in **Section 10.5.6** of this Prospectus, our Directors are not aware of any material capital commitment contracted or known to be contracted by us which, upon becoming enforceable, may have a material impact on our financial position.

Further, our Directors are not aware of any contingent liabilities incurred by us that, upon becoming enforceable, may have a material impact on our financial position, save as disclosed under **Section 10.5.8** of this Prospectus.

14.6 PUBLIC TAKE-OVERS

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

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

14.7 CONSENTS

- (i) The written consents of the Adviser, Placement Agent and Underwriter, Auditors, Solicitors, Principal Bankers, Registrars or Share Registrar, Issuing House and Company Secretary to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, the Accountants' Report, and the proforma consolidated balance sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of their name, and executive summary of the independent market research report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

14.8 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our head office during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Our Memorandum and Articles of Association;
- (ii) The Accountants' Report and Directors' Report as included in **Section 11** and **Section 13** of this Prospectus, respectively;
- (iii) The Reporting Accountants' letters relating to the proforma consolidated financial information of our Group as at 31 August 2010 referred to in **Section 10.2** of this Prospectus;
- (iv) The Independent Market Research Report prepared by Vital Factor Consulting Sdn Bhd as included in **Section 12** of this Prospectus;
- (v) The letters of consents referred to in **Section 14.7** of this Prospectus;
- (vi) The audited financial statements of our Group for the last three (3) FYE 31 December 2009 and the eight (8) months FPE 31 August 2010; and

14. ADDITIONAL INFORMATION (Cont'd)

- (vii) The material contracts referred to in **Section 14.4** in this Prospectus.

14.9 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been seen and approved by our Directors, Promoters and Selling Shareholders, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, 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.
- (ii) OSK, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to the Public Issue and Offer for Sale.

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE

15.1 OPENING AND CLOSING OF APPLICATION LISTS

Applications will be accepted from 10.00 a.m. on 30 December 2010 and will remain open until 5.00 p.m. on 6 January 2011 or for such further period or periods as our Directors and OSK in their absolute discretion may mutually decide.

In the event the closing date for the Applications is extended, you will be notified of the change in a widely circulated daily Bahasa Malaysia and English newspaper in Malaysia. **Late Applications will not be accepted.**

15.2 METHODS OF APPLICATIONS

Applications for the Issue Shares may be made using any of the following ways:-

- (a) Application Forms; or
- (b) Electronic Share Applications; or
- (c) Internet Share Applications.

15.3 PROCEDURES FOR APPLICATIONS

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

The following relevant Application Forms issued with the notes and instructions printed therein are enclosed and issued together with this Prospectus and form an integral part of this Prospectus:-

15.3.1 Applications by the Malaysian Public

Applications for the 6,000,000 Issue Shares made available for the Malaysian Public, must be made on the **White Application Forms** provided or by way of Electronic Share Application or Internet Share Application, of which at least 50% is to be set aside strictly for Bumiputera investors. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application.

15.3.2 Applications by our eligible Directors, employees and persons who have contributed to the success of our Group

Applications for the 5,124,000 Issue Shares made available for our eligible Directors, employees and persons who have contributed to the success of our Group must be made on the **Pink Application Forms** provided only and not by way of other Application Forms or by way of Electronic Share Application or Internet Share Application.

15.3.3 Application by Bumiputera investors approved by MITI by way of placement for the Issue Shares and identified investors by way of placement for the Offer Shares respectively

Selected investors being allocated the IPO Shares under this method will be contacted directly by the Placement Agent and are to follow the instructions communicated by the Placement Agent. Selected investors may still apply for the Issue Shares offered to the Malaysian Public using the White Form Application Form, Electronic Share Application or Internet Share Application.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.4 APPLICATIONS USING APPLICATION FORMS**

The following relevant Application Forms issued with their notes and instructions are enclosed with this Prospectus:-

- (a) **White** Application Forms for application by the Malaysian Public; and
- (b) **Pink** Application Forms for applications by our eligible Directors, employees and persons who have contributed to the success of our Group.

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

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

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

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

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

The amount payable in full on application is RM0.57 per Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications or Internet Share Applications and vice versa. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application.

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

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

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

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

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

No acknowledgement of the receipt of the Application Form or Application monies will be made by us and / or MIH.

15.4.1 Terms and Conditions

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

- (a) Applicant who is an individual must be a Malaysian citizen residing in Malaysia, with a CDS account and a Malaysian address (White Application Forms only).

Applicant who is an individual must have a CDS account and a correspondence address in Malaysia (Pink Application Forms only).

- (b) Applicant that is a corporation / institution incorporated in Malaysia, must have a CDS account and be subject to the following:-

- if the corporation / institution has a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
- there is a majority of Malaysian citizens on the board of Directors / trustee.

Applicant that is a corporation / institution incorporated outside Malaysia must have a CDS account and provide a correspondence address in Malaysia (Pink Application Forms only).

- (c) Applicant that is a superannuation, co-operative, foundation, provident or pension fund must be established or operating in Malaysia and must have a CDS account.

- (d) Applications will not be accepted from trustees, any person under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations / institutions referred to in **Section 15.4.1(b)** and **(c)** above or the trustees thereof.

- (e) Applications for the Issue Shares must be made on the respective Application Forms issued together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein is accompanied by this Prospectus. Applications, which **do not STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein, or which are illegible will not be accepted.

- (f) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-

- BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR

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

- MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
- GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
- ATM STATEMENT OBTAINED ONLY FROM
 - AFFIN BANK BERHAD;
 - ALLIANCE BANK MALAYSIA BERHAD;
 - AMBANK (M) BERHAD;
 - CIMB BANK BERHAD;
 - EON BANK BERHAD;
 - HONG LEONG BANK BERHAD;
 - MALAYAN BANKING BERHAD;
 - PUBLIC BANK BERHAD; OR
 - RHB BANK BERHAD.

AND MUST BE MADE OUT IN FAVOUR OF "MIH SHARE ISSUE ACCOUNT NO. 505" AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

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

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

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

- (l) Where an Application is not accepted or accepted in part only, the full amount or the balance of the Application monies, as the case may be, without interest, will be returned and despatched to the Applicant within ten (10) market days from the date of the final ballot of the Applications lists by registered post or ordinary post at the applicant's address last maintained with Bursa Depository or where the application is not accepted due to the applicant not having provided a CDS account, to the address per the National Registration Identity Card or "Resit Pengenaian Sementara ("JPN KP 09")" or any valid temporary identity document as issued by the National Registration Department from time to time.
- (m) The Applicant shall ensure that his personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. The Applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his / her registered or correspondence address last maintained with Bursa Depository.
- (n) MIH, acting on the authority of our Board reserves the right to bank in all Application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest by registered post or ordinary post.
- (o) Each completed White Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents, must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-
- Malaysian Issuing House Sdn Bhd (258345-X)
 Level 6, Symphony House
 Pusat Dagangan Dana 1
 Jalan PJU 1A/46
 47301 Petaling Jaya
 Selangor Darul Ehsan
 P.O. Box 13269
 50804 Kuala Lumpur
- or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on 6 January 2011, or such other later dates or dates as our Directors and OSK in their absolute discretion may mutually decide.
- (p) Directors and employees of MIH and their immediate families are strictly prohibited from applying for the Shares.

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.5 APPLICATIONS USING ELECTRONIC SHARE APPLICATION****15.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (a) Applicant must have an account with a Participating Financial Institution (as detailed in **Section 15.5.2(o)** of this Prospectus) and an ATM card issued by that Participating Financial Institution to access the account.
- (b) Applicant must have a CDS account.
- (c) Applicant is to apply for the Shares, via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in **Section 15.5.2** of this Prospectus under the Terms and Conditions for Electronic Share Application. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:-
- Personal Identification Number ("PIN");
 - MIH Share Issue Account No. 505;
 - CDS Account number;
 - number of Shares applied for and / or the Ringgit Malaysia amount to be debited from the account; and
 - confirmation of several mandatory statements.

15.5.2 Terms and Conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "**Steps**"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATMs" in **Section 15.5.1** of this Prospectus. The Steps set out the actions that the Applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

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

The Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the shares at an ATM belonging to other Participating Financial Institutions. Upon completion of his Electronic Share Application transaction, the Applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or MIH. The Transaction Record is for retention by the Applicant and should not be submitted with any Application Form.

Upon the closing of the offer for the Application for the Issue Shares, on 6 January 2011 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

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

An Applicant will be allowed to make an Electronic Share Application for the shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the Applicant making only one (1) Application. An Applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the Applicant making only one (1) Application.

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

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

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.
- (b) The Applicant is required to confirm the following statement (by depressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:-
- I have attained eighteen (18) years of age as of the Closing Date of the Share Application;
 - I am a Malaysian citizen residing in Malaysia;
 - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this Application;
 - this is the only Application that I am submitting; and
 - I hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to myself and my account with the Participating Financial Institution and Bursa Depository to MIH and other relevant authorities.

The Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the Applicant completes all the Steps required by the Participating Financial Institution. By doing so, the Applicant shall be treated as signifying his confirmation of each of the said statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of the Applicant's particulars to MIH or any relevant regulatory body.

- (c) **THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR OUR SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR OUR SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.**

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

- (d) The Applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (e) The Applicant agrees and undertakes to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Transaction Record or any lesser number of Issue Shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that our Company decides to allot or allocate any lesser number of the Issue Shares or not to allot or allocate any Issue Shares to the Applicant, the Applicant agrees to accept any such decision as final. If the Applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key or button on the ATM) of the number of Issue Shares applied for shall signify, and shall be treated as, his acceptance of the number of Issue Shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of Association of our Company.
- (f) MIH, on the authority of the Directors of our Company reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful Applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the Application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the balloting date. The applicants may check their accounts on the fifth (5th) market day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. A number of Applicants will, however, be held in reserve to replace any successfully balloted Applications which are subsequently rejected. For such Applications which are subsequently rejected, the Application monies without interest will be refunded to Applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the Applicants not later than ten (10) market days from the day of the final ballot of the Application list. Should Applicants encounter any problems in their Applications, they may refer to the Participating Financial Institution.

- (h) The Applicant requests and authorises our Company:-
- to credit the Issue Shares allotted or allocated to the Applicant into the CDS account of the Applicant; and
 - to issue share certificate(s) representing such Issue Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

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

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

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

- our Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and / or the Electronic Share Application and / or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.

- (m) Our Board reserves the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.

- (n) MIH, acting on the authority of our Board reserves the right to reject applications that do not conform to these instructions.

- (o) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
 - AFFIN BANK BERHAD; OR
 - AMBANK (M) BERHAD; OR
 - BANK MUAMALAT MALAYSIA BERHAD; OR
 - CIMB BANK BERHAD; OR
 - EON BANK BERHAD; OR
 - HSBC BANK MALAYSIA BERHAD; OR
 - MALAYAN BANKING BERHAD; OR
 - OCBC BANK (MALAYSIA) BERHAD; OR
 - RHB BANK BERHAD; OR
 - STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

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

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.6 APPLICATIONS USING INTERNET SHARE APPLICATION****15.6.1 Steps for Internet Share Application**

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

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

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

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which the applicant has an account.
- (b) Login to the Internet financial services facility by entering the applicant's user identification and PIN / password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of the Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the share counter, NRIC number, CDS account number, number of Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) By confirming such information, the applicant also undertakes that the following information given are true and correct:-
 - the applicant has attained eighteen (18) years of age as at the date of the application for the Issue Shares;
 - the applicant is a Malaysian citizen residing in Malaysia;
 - the applicant has, prior to making the Internet Share Application, received and / or has had access to a printed / electronic copy of this Prospectus, the contents of which the applicant has read and understood;

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

- the applicant agrees to all the terms and conditions of the Internet Share Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the Issue Shares;
 - the Internet Share Application is the only application that the applicant is submitting for the Issue Shares;
 - the applicant authorises the Authorised Financial Institution to deduct the full amount payable for the Issue Shares from the applicant's account with the Authorised Financial Institution;
 - the applicant gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and / or Bursa Depository, as the case may be, of information pertaining to the applicant, the Internet Share Application made by the applicant or the applicant's account with the Internet Participating Financial Institution, to MIH and the Authorised Financial Institution, the SC and any other relevant authority;
 - the applicant is not applying for the Issue Shares as a nominee of any other person and the application is made in the applicant's own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
 - the applicant authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company or other relevant parties in connection with the Public Issue, all information relating to the applicant if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to the applicant furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (i) Upon submission of the online application form, the applicant will be linked to the website of the Authorised Financial Institution to effect the online payment of the application money for the Public Issue.
- (j) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application money is being made.
- (k) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (l) The applicant is advised to print out the Confirmation Screen for reference and retention.

15. PROCEURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.6.2 Terms and Conditions for Internet Share Application**

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

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

Internet Participating Financial Institution

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

- RHB Bank Berhad at www.rhbbank.com.my (via hyperlink to Bursa Securities' website at www.bursamalaysia.com); or
- 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.

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

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

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONOITIONS 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 as set out herein:-

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

Applicants are advised to note that a User ID and PIN / password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the Issue Shares at Internet financial service websites of other Internet Participating Financial Institutions.

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

- (b) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Company's Memorandum and Articles of Association.
- (c) The applicant is required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given is true and correct:-
- the applicant has attained eighteen (18) years of age as at the date of the application for the Issue Shares;
 - the applicant is a Malaysian citizen residing in Malaysia;
 - the applicant has, prior to making the Internet Share Application, received and / or has had access to a printed / electronic copy of this Prospectus, the contents of which the applicant has read and understood;
 - the applicant agrees to all the terms and conditions of the Internet Share Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the Issue Shares;
 - the Internet Share Application is the only application that the applicant is submitting for the Issue Shares;
 - the applicant authorises the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the Issue Shares from the applicant's account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - the applicant gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and / or Bursa Depository, as the case may be, of information pertaining to the applicant, the Internet Share Application made by the applicant or the applicant's account with the Internet Participating Financial Institution, to MIH and the Authorised Financial Institution, the SC and any other relevant authority;
 - the applicant is not applying for the Issue Shares as a nominee of any other person and the application is made in the applicant's own name, as beneficial owner and subject to the risks referred to in this Prospectus; and

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

- the applicant authorises the Internet Participating Financial Institution to disclose transfer to any person, including any government or regulatory authority in any jurisdiction, our Company or other relevant parties in connection with the Public Issue, all information relating to the applicant if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to the applicant furnished by the applicant to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (d) The application will not be successfully completed and cannot be recorded as a completed application unless the applicant has completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

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

Upon the display of the Confirmation Screen, the applicant shall be deemed to have confirmed the truth of the statements set out in **Section 15.6.2(c)** of this Prospectus.

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

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

- acceptance by the applicant of the number of Issue Shares that may be allotted or allocated to the applicant in the event that the applicant's Internet Share Application is successful or successful in part, as the case may be; and

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

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

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

Where the Internet Share Application is accepted in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share or revenue or other benefit arising therefrom) into the applicant's account with the Internet Participating Financial Institution within two (2) Market Days after receipt of written confirmation from MIH. A number of applications will however be held in reserve to replace any successfully balloted applications that are subsequently rejected. In respect of such applications that are subsequently rejected, the application monies (without interest or any share of revenue or other benefit arising therefrom) will be refunded to applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants within ten (10) Market Days from the day of the final ballot of the Applications list.

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

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

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

- (i) Internet Share Applications will be closed at 5.00 p.m. on 6 January 2011 or such other date(s) as our Directors and the OSK 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. Applicants are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.
- (j) The applicant irrevocably agrees and acknowledges that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution and our Company. If, in any such event, our Company, MIH and / or the Internet Participating Financial Institution and / or the Authorised Financial Institution do not receive the applicant's Internet Share Application and / or the payment therefor, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, the applicant shall be deemed not to have made an Internet Share Application and the applicant shall have no claim whatsoever against our Company, MIH or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the Issue Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (k) All particulars of the applicant in the records of the relevant Internet Participating Financial Institution at the time of the Internet Share Application shall be deemed to be true and correct, and our Company, the Internet Participating Financial Institutions, MIH and all other persons who, are entitled or allowed under the law to such information or where the applicant expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

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

- (l) By making and completing an Internet Share Application, the applicant is deemed to have agreed that:-
- in consideration of our Company making available the Internet Share Application facility to the applicant, through the Internet Participating Financial Institution acting as agents of our Company, the Internet Share Application is irrevocable;
 - the applicant has irrevocably requested and authorised our Company to register the Issue Shares allotted to the applicant for deposit into the applicant's CDS account;

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

- neither our Company nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to MIH or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in **Section 4** of this Prospectus or to any cause beyond their control;
 - the applicant shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of the applicant's Internet Share Application by MIH, us and/ or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/ or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution;
 - the acceptance of the offer made by the applicant to subscribe for the Issue Shares for which the applicant's Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by or on behalf of our Company and not otherwise, notwithstanding the receipt of any payment by or on behalf of our Company;
 - the applicant is not entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of the applicant's Internet Share Application by our Company;
 - in making the Internet Share Application, the applicant has relied solely on the information contained in this Prospectus. Our Company, the Underwriter, the Adviser and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which may have been relied on by the applicant in making the Internet Share Application; and
 - the acceptance of an applicant's Internet Share Application by our Company and the contract resulting therefrom under the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.
- (m) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:-
- CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank or Malayan Banking Berhad;
 - CIMB Bank (www.cimbclicks.com.my) - RM 2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;
 - RHB Bank Berhad (www.rhbbank.com.my) – RM2.50;
 - Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00; and
 - Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for application by their account holders.

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

15.7 APPLICATIONS AND ACCEPTANCES

MIH, acting on the authority of our Board reserves the right not to accept any Application which does not strictly comply with the instructions, or to accept any Application in part only without assigning any reason therefor.

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

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

In the event of an over-subscription, acceptance of Applications shall be subject to ballot to be conducted in the manner approved by our Directors and on a fair and equitable basis. Due consideration will be given to the desirability of distributing the Issue Shares, to a reasonable number of Applicants with a view to broadening the shareholding base of our company to meet the public spread requirements, to establish a liquid and adequate market in our Shares. Pursuant to the Listing Requirements, at least 25% of the enlarged issued and paid-up share capital of our Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each upon completion of the IPO and at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, the Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all Applications will be returned without interest if the said permission for listing and quotation is not granted. Applicants will be selected in a manner to be determined by our Directors.

In the event of an under-subscription by the eligible Directors, employees and persons who have contributed to the success of our Group, such shares will be made available for Application by the Malaysian Public.

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

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

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

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

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.8 CDS ACCOUNTS**

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the shares as Prescribed Securities. In consequence thereof, the share issued/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.

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

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

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

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

15.9 NOTICE OF ALLOTMENT

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

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

Applicants may also check the etatus of their application by logging on to MIH website at www.mih.com.my or by calling their respective ADAs at the telephone number as stated in Section 15.10 of this Proepectus or by calling MIH at (603) 7841 8000 or (603) 7841 8289 within five (5) to ten (10) Market Days (during office hours only) after the balloting date.

15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.10 LIST OF ADA**

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

Name	Address and telephone number	Broker Code
<u>KUALA LUMPUR</u>		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62011155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	028-001
ALLIANCE INVESTMENT BANK BERHAD	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 : 03-20782788	086-001
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 : 03-22978888	098-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No : 03-40433533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : 03-20849999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20891800	052-009
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 : 03-21681168	066-001

15. 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 : 03-77106688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/ 101C Off Jalan KasKas, 5th Mile Cheras 56100 Kuala Lumpur Tel No : 03-91303399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd, & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-27116888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/ 109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/ 116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No : 03-79818811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21688800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001
KENANGA INVESTMENT BANK BERHAD	No. 57-10, Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Tel No : 03-22871799	073-015
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002

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

Name	Address and telephone number	Broker Code
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-26910200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-23338333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/ 3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92873888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003

15. PROCEURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
<u>SELANGOR DARUL EHSAN</u>		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/ 3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/ 60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-003
HONG LEONG INVESTMENT BANK BERHAD <i>(formerly known as HLG Securities Sdn Bhd)</i>	1st, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS 21/ 60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77246888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah, E9/ E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/ 1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
INTER-PACIFIC SECURITIES SDN BHD	No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Tel No : 03-61371888	054-006
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001

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

Name	Address and telephone number	Broker Code
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002
KENANGA INVESTMENT BANK BERHAD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No : 03-79562169	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/ 1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : 03-80241682	073-006
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 : 03-30057550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/ 3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/ 63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	056-048

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

Name	Address and telephone number	Broker Code
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/ A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/ 5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80251880	058-005
<u>MELAKA</u>		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	052-008
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No : 06-3371533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006

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

Name	Address and telephone number	Broker Code
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No : 06-2833622	087-002
<u>PERAK DARUL RIDZUAN</u>		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6232328	078-009
ALLIANCE INVESTMENT BANK BERHAD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6910910	076-008
MAYBAN INVESTMENT BANK BERHAD <i>(formerly known as Aseambankers Malaysia Berhad)</i>	B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453400	098-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6222828	052-006
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 : 05-2530888	066-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001

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

Name	Address and telephone number	Broker Code
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
<u>PULAU PINANG</u>		
A.A. ANTHONY SECURITIES SDN BHD	1st & 2nd Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003

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

Name	Address and telephone number	Broker Code
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebu Light 10200 Penang Tel No : 04-2611688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-004
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No : 04-2281868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2106666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No : 04-3322123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers, 2 Lebu Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004

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

Name	Address and telephone number	Broker Code
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No : 04-2634222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No : 04-3900022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	056-015
OSK INVESTMENT BANK BERHAD	834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004
<u>PERLIS INDRA KAYANGAN</u>		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No : 04-9765200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793888	056-061
<u>KEDAH DARUL AMAN</u>		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A Tingkat 1EMUM 55 No. 55, Jalan Gangsa Kawasan Perumahan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7322111	078-007

15. 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 : 04-7317088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011
OSK INVESTMENT BANK BERHAD	Ground Floor, Swiss Inn Hotel 1, Jalan Pahlawan 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	056-021
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Tel No : 06-7655998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	056-037

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

Name	Address and telephone number	Broker Code
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553014	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 : 06-6461234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002
<u>JOHOR DARUL TAKZIM</u>		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6637398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/ 17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002

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

Name	Address and telephone number	Broker Code
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9532222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : 06-9542711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011

15. PRDCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2227388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/ 1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17 Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	056-038

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

Name	Address and telephone number	Broker Code
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 1 & 1-01, Jalan Rosmerah 2/ 11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-2781813	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-008
<u>PAHANG DARUL MAKMUR</u>		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002
ECM LIBRA INVESTMENT BANK BERHAD	B62, Ground Floor Lorong Tun Ismail 8, Sri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5133289	052-007
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan Kuantan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	056-041

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

Name	Address and telephone number	Broker Code
<u>KELANTAN DARUL NAIM</u>		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004
<u>TERENGGANU DARUL IMAN</u>		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	056-055
<u>SARAWAK</u>		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-004
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No : 082-236999	068-005

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

Name	Address and telephone number	Broker Code
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No : 082-422252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Tel No : 086-311770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002

15. PROCEURES FOR APPLICATION ANO ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker Code
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No : 082-236333	058-006
<u>SABAH</u>		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-313836	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-311688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229286	056-057