



**ABM FUJIYA
BERHAD**

(Company No. 628324-W)
(Incorporated in Malaysia under the Companies Act, 1965)



PROSPECTUS



INITIAL PUBLIC OFFERING OF 32,000,000 ORDINARY SHARES OF RM0.50 EACH ("SHARES") IN ABM FUJIYA BERHAD COMPRISING:-

- (I) PUBLIC ISSUE OF 23,000,000 NEW SHARES COMPRISING:-
- 10,500,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 8,000,000 NEW SHARES AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS;
 - 4,500,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND/OR BUSINESS ASSOCIATES OF ABM FUJIYA BERHAD AND ITS SUBSIDIARIES.

AND

- (II) OFFER FOR SALE OF 9,000,000 SHARES COMPRISING:-
- 7,000,000 SHARES AVAILABLE FOR PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;
 - 2,000,000 SHARES AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS.

AT AN ISSUE/OFFER PRICE OF RM0.60 PER SHARE PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH THE LISTING OF ABM FUJIYA BERHAD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO SECTION 3 OF THIS PROSPECTUS FOR "RISK FACTORS".

THIS PROSPECTUS IS DATED 28 JUNE 2013

*Adviser, Sole Underwriter and
Sole Placement Agent*

AmInvestment Bank Berhad
(Company No.: 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

A member of



AmInvestment Bank

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INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged share capital on the Main Market of Bursa Securities is set out below:-

<u>Dates</u>	<u>Events</u>
28 June 2013	: Publication of Prospectus / Opening date of the application for the IPO
5 July 2013	: Closing date of the application for the IPO
9 July 2013	: Balloting of application for the IPO Shares
19 July 2013	: Allotment and allocation of the IPO Shares to successful applicants
23 July 2013	: Listing

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES.

THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 5 JULY 2013 OR FOR SUCH FURTHER PERIOD OR PERIODS AS OUR DIRECTORS, OFFEROR AND PROMOTERS TOGETHER WITH OUR SOLE UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.

IN THE EVENT THAT THE CLOSING DATE OF THE IPO IS EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT AND ALLOCATION OF THE IPO SHARES AND THE LISTING OF THE COMPANY WILL BE EXTENDED ACCORDINGLY. ANY EXTENSION OF THE ABOVE MENTIONED DATES WILL BE ANNOUNCED BY WAY OF ADVERTISEMENT IN A WIDELY-CIRCULATED DAILY BAHASA MALAYSIA AND ENGLISH NEWSPAPER IN MALAYSIA.

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DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:

4WD	: Four-wheel-drive
AB Corporation	: Amalgamated Batteries Corporation Sdn Bhd (Company No. 644744-P)
AB Manufacturing	: Amalgamated Batteries Manufacturing (Sarawak) Sdn Bhd (Company No. 11108-A)
AB Marketing	: Amalgamated Batteries Marketing (Sarawak) Sdn Bhd (Company No. 645460-H)
ABM Fujiya	: ABM Fujiya Berhad (Company No. 628324-W)
ABM Fujiya Group or Group	: ABM Fujiya and its group of subsidiaries
Acquisitions	: The Acquisition of AB Corporation, AB Manufacturing and Anpei collectively
Acquisition of AB Corporation	: The acquisition by ABM Fujiya of the entire issued and paid-up share capital of AB Corporation comprising 10,000 ordinary shares of RM1.00 each in AB Corporation for a purchase consideration of RM1.00 which was wholly satisfied by cash
Acquisition of AB Manufacturing	: The acquisition by ABM Fujiya of the entire issued and paid-up share capital of AB Manufacturing comprising 82,123,000 ordinary shares of RM1.00 each in AB Manufacturing for a purchase consideration of RM87,941,994 which was wholly satisfied by issuance of 156,999,996 new Shares at an issue price of approximately RM0.56 each
Acquisition of Anpei	: The acquisition by ABM Fujiya of the entire issued and paid-up share capital of Anpei comprising 10,000 ordinary shares of RM1.00 each in Anpei for a purchase consideration of RM1.00 which was wholly satisfied by cash
Act	: The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof from time to time
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
Admission	: Admission of the Shares to the Official List of the Main Market of Bursa Securities
Aftermarket	: Products used in the maintenance and repairs in the replacement market (for example:- automotive batteries)
AGM	: Annual General Meeting
AH	: Ampere per hour
AmInvestment Bank	: AmInvestment Bank Berhad (Company No. 23742-V)
Anpei	: Anpei Corporation Sdn Bhd (Company No. 288399-V)

DEFINITIONS (Cont'd)

Application	: The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application or Internet Share Application
Application Form(s)	: The printed Application Form(s) for the application for the IPO Shares
ATM	: Automated Teller Machine
AUD	: Australian Dollar
Authorised Financial Institution(s)	: The authorised financial institutions participating in the Internet Application, with respect to payments for the Public Issue Shares made available for Application under the Public Issue
Auto Industries	: Auto Industries Batteries (East Malaysia) Sdn Bhd (Company No. 42216-M)
BNM	: Bank Negara Malaysia
Board or Board of Directors	: Our Board of Directors
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Company No. 65570-W), a subsidiary of Bursa Securities
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
CAGR	: Compounded Annual Growth Rate
CDS	: Central Depository System
Central Depositories Act	: The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
CMSA	: The Capital Markets and Services Act 2007 or any statutory modification, amendments or re-enactment thereof for the time being in force
Contract Manufacturer	: A manufacturer that supplies component parts or complete products to another manufacturer / Distributor /Wholesaler under the latter's brand names.
COS	: Cast on Strap
Deposited Security	: A security in our Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	: A holder of a Securities Account
DIN	: Deutsches Institut für Normung
Distributor	: A person or an entity that buys batteries and resells them to retailers or end-users. It also provides a range of services such as product information and technical support to its customers
DOSH	: Department of Occupational Safety and Health

DEFINITIONS (Cont'd)

EBITDA	: Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	: A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks
Electronic Share Application	: An application for the IPO Shares through Participating Financial Institutions' ATM
EPS	: Earnings per Share
Exporter	: A person or an entity that exports batteries out of its own country for sale
FYE	: Financial year ended
GBP	: Great Britain Pound
GDP	: Gross Domestic Product
Ha	: Hectare
HR	: Human Resource
HSE	: Health, Safety and Environment
Importer	: A person or an entity that imports batteries into its own country for sale
Infobusiness	: Infobusiness Research & Consulting Sdn Bhd (498926-P)
Internet Participating Financial Institution(s)	: Participating organisations in the Internet Share Application as listed in Section 15 of this Prospectus
Internet Share Application	: Application for the Public Issue through an Internet Participating Financial Institution
IPO	: Initial Public Offering of the Shares comprising the Public Issue and Offer For Sale collectively
IPO Price/Offer Price	: RM0.60 for each IPO Share
IPO Share(s)	: The Public Issue Shares and Offer Shares, collectively
ISO	: International Organization for Standardization
JIS	: Japanese Industrial Standards
JIT	: Just-in-time
JKR	: Jabatan Kerja Raya
Kayatas	: Kayatas Sdn Bhd (Company No. 182365-T)
Listing	: Admission to the Official List and the listing of and quotation for our entire issued and paid-up share capital of ABM Fujiya of RM90,000,000 comprising 180,000,000 Shares on the Main Market of Bursa Securities

DEFINITIONS (Cont'd)

Listing Requirements	: The Listing Requirements of Bursa Securities
Listing Scheme	: The Acquisitions, Public Issue, Offer For Sale and Listing collectively
LME	: London Metal Exchange
LPD	: 30 April 2013, being the latest practicable date prior to the issuance of this Prospectus
m ²	: Square metres
Malaysian Public	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	: A day on which Bursa Securities is open for trading in securities
MATRADE	: Malaysia External Trade Development Corporation
MF	: Maintenance-free
MIDA	: Malaysian Investment Development Authority (formerly known as Malaysian Industrial Development Authority)
MIH or Issuing House	: Malaysian Issuing House Sdn Bhd (Company No. 258345-X)
MITI	: Ministry of International Trade and Industry
MNC	: Multinational companies
MS ISO	: Malaysian Standards for ISO
MS ISO 9002:1994	: This standard specifies the requirements for QA in production, installation and servicing. It was withdrawn and superseded by MS ISO 9001:2000
MS ISO 9001:2000	: This standard specifies the requirements for a QMS whereby an organisation needs to assess and demonstrate its ability to provide products that meet customer and applicable regulatory requirements and thereby enhance customer satisfaction. This standard replaces ISO 9001:1994, ISO 9002:1994 and ISO 9003:1994
MS ISO 9001:2008	: This standard focuses on meeting customer expectations and delivery customer satisfaction. It replaces ISO 9001:2000
MT	: Metric Tonnes
NA	: Net assets
NBV	: Net book value
OEM	: Original Equipment Manufacturer, refers to the manufacturer of a complete end product, under its own brand name
OEM Market	: Refers to automotive assemblers and manufacturers

DEFINITIONS (Cont'd)

Offer For Sale or Offer	: Offer for sale by the Offeror of 9,000,000 Shares in ABM Fujiya, at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Offer Shares	: The 9,000,000 Shares in ABM Fujiya which are the subject of the Offer For Sale
Offeror	: Kayatas
Official List	: The official list of the Main Market of Bursa Securities
OP	: Occupation permit
Other Batteries	: Other batteries refer to deep cycle batteries and marine application batteries
Participating Financial Institutions	: The participating financial institutions for Electronic Share Application as listed in Section 15 of this Prospectus
PAT	: Profit after taxation
PbO	: Lead Oxide (Plumbum oxide)
PBT	: Profit before taxation
PE Multiple	: Price earnings multiple
Prescribed Security	: Shares of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the Central Depositories Act and the Rules
Primary Lead	: Primary lead is mainly extracted from lead concentrate (ore mine)
Principal Adviser	: AmInvestment Bank
Promoters	: Kayatas, Datuk Tay Ah Ching @ Tay Chin Kin, Dato' Tay Tze How, Dato' Tay Tze Poh, Pauline Tay, Tay Yoke Ling, Tay Siew Ling, Tay Tze Kok, Tay Tze Ping, Aini Dahlan and Yu Man Chong
Public	: Individuals and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Public Issue	: The public issue of 23,000,000 new ABM Fujiya Shares at the IPO Price payable in full upon application, subject to the terms and conditions of this Prospectus
Public Issue Shares	: The 23,000,000 new ABM Fujiya Shares which are the subject of the Public Issue
QA	: Quality assurance
QC	: Quality control
QMS	: Quality management system
R&D	: Research and Development

DEFINITIONS (Cont'd)

Record of Depositors	: A record provided by Bursa Depository to our Company under Chapter 24.0 of the Rules
RM and sen	: Ringgit Malaysia and sen respectively
Rules	: The Rules of Bursa Depository
SC	: Securities Commission
SC Guidelines	: SC's Equity Guidelines and any amendments made thereto from time to time
Secondary Lead	: Secondary lead is mainly extracted from waste batteries, lead bricks, cables and pipes and is recyclable many times
Securities Account	: An account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
SGD	: Singapore Dollars
Share(s)	: Ordinary share(s) of RM0.50 each
SICDA	: Securities Industry (Central Depositories) Act 1991
Sole Placement Agent	: AmInvestment Bank
Sole Underwriter	: AmInvestment Bank
Sq ft	: Square feet
Tay Family Directors	: Datuk Tay Ah Ching @ Tay Chin Kin, Dato' Tay Tze How and Dato' Tay Tze Poh collectively
Underwriting Agreement	: The underwriting agreement dated 11 January 2011 made between the Company and the Sole Underwriter for the underwriting of 15,000,000 Public Issue Shares upon the terms and subject to the conditions contained therein as varied by a supplemental agreement to extend the Closing Date (being the last date and time for the acceptance and payment/receipt of application for the public issue Shares) to 31 August 2013
US	: United States of America
UAE	: United Arab Emirates
UPK	: Unit Pendaftaran Kontraktor
USD	: United States Dollar
UK	: United Kingdom
VRLA	: Valve regulated lead acid batteries
Wholesaler	: A person or an entity that buys large volume of batteries for distribution to Distributors

GLOSSARY OF TECHNICAL TERMS

In this Prospectus, unless where the context requires otherwise, the following words have the following meanings:

Deep Cycle Battery	:	It is much less susceptible to degradation due to cycling, and is required for applications where the batteries are regularly discharged, such as photovoltaic systems, electric vehicles (forklift, golf cart, electric cars and others) and uninterruptible power supplies. These batteries have thicker plates that can deliver less peak current, but can withstand frequent discharging.
Grid	:	A perforated or corrugated metal plate used in a battery as a conductor and support for the active material.
Inert gas	:	It is a non-reactive gas used during chemical synthesis, chemical analysis, or preservation of reactive materials.
Lead oxide	:	It is the inorganic compound with the formula PbO. PbO is produced on a large scale as an intermediate in the conversion of lead ores, mainly galena into metallic lead. The consumption of lead, and hence the processing of PbO, correlates with the number of automobiles because it remains the key component of automotive batteries.
Low maintenance batteries	:	It requires substantially less distilled water refills than a conventional lead acid battery, due to lesser self-discharge which will cause water loss.
Lug	:	It is the extended part of the battery plates that will be connected to the lead strap of the battery cell to link with other battery plates to generate accumulated capacity of each battery cell.
MF battery	:	A MF battery utilises a dilute sulphuric acid electrolyte and MF batteries are normally produced with a specially designed battery cover to eliminate the direct hazard of acid spillage or leakage from the battery. The specially designed battery cover further works as a vapour recapturing system that helps to minimise the rate and volume of water lost in the battery due to the gassing effects of the battery during normal application. This recapturing effect generates a water condensation process that allows the condensate to flow back into the respective battery cells to refill the acid level of the battery cell.
Tiers 1, 2 and 3	:	Refer to the automotive supply chain with regards to the automotive component parts manufacturers. The Tier-1 component parts manufacturer is at the very top of the supply hierarchy. Tier-1 refers to the most immediate suppliers selling directly to the final automotive assembler and manufacturer. Meanwhile, Tier-2 and Tier-3 suppliers are those supplying component parts to the Tier-1 supplier.

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INTERPRETATIONS

Words referring to the singular shall, where applicable, include the plural and *vice versa*, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include a company or a corporation.

All references to "Company" and "ABM Fujiya" in this Prospectus are to ABM Fujiya Berhad, references to "our Group" is to our Company and our subsidiaries, and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context requires, and our subsidiaries. Unless the context otherwise requires, references to statements as to our beliefs, expectations, estimates and opinions are those of our Directors and key management.

Any reference in this Prospectus, the Application Form(s), Electronic Share Applications or Internet Share Applications to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being as amended or re-enacted, and to any repealed legislation, statute or statutory provision which it re-enacts (with or without modification). Any word defined in the Act, CMSA, Listing Requirements or any statutory modification thereof and used in this Prospectus and the Application Form(s) shall, where applicable, have the meaning ascribed to it under the Act, CMSA, Listing Requirements or any statutory modification thereof (as the case may be).

Any reference to a time of day in this Prospectus, the Application Form(s), Electronic Share Applications or Internet Share Applications shall be a reference to Malaysia time unless otherwise stated.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest tenth / hundredth or one / two decimal places. Any numeric discrepancies in the tables included in this Prospectus between the listed amounts and the totals thereof are due to rounding differences.

This Prospectus contains forward-looking statements, which are statements other than statements of historical facts, and are based on assumptions that are subject to known and unknown risks, uncertainties and contingencies. The words, such as "believe", "plan", "expect", "intend", "estimate" and similar expressions are used to identify such forward-looking statements. These forward-looking statements represent our Directors' views and beliefs with respect to the future of our Group, and do not constitute a guarantee of the future performance of our Group.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality / Profession
Datuk Tay Ah Ching @ Tay Chin Kin	Non-Independent Executive Group Chairman	Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak	Malaysian / Director
Dato' Tay Tze How	Non-Independent Managing Director	Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak	Malaysian / Director
Dato' Tay Tze Poh	Non-Independent Deputy Managing Director	Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak	Malaysian / Director
Puan Sri Corinne Bua Nyipa	Independent Non-Executive Director	Lot 622, Lorong 2, Jalan Kedandi, Tabuan Jaya 93350 Kuching, Sarawak	Malaysian / Director
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Independent Non-Executive Director	No. 1221, Jalan Demak Jaya , Off Jalan Bako, Petra Jaya, 93050 Kuching, Sarawak	Malaysian / Director
Dato' Ooi Teik Heng	Independent Non-Executive Director	97-2-08 Prima Tanjung Business Centre, Jalan Fettes, 11200 Pulau Pinang	Malaysian / Director
Wong Siaw Wei	Independent Non-Executive Director	No. 850A, Lorong Stampin Tengah 5C1, 93350 Kuching, Sarawak	Malaysian / Accountant

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Ooi Teik Heng	Chairman of Audit Committee	Independent Non-Executive Director
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Member of Audit Committee	Independent Non-Executive Director
Wong Siaw Wei	Member of Audit Committee	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Chairman of Remuneration Committee	Independent Non-Executive Director
Dato' Ooi Teik Heng	Member of Remuneration Committee	Independent Non-Executive Director
Wong Siaw Wei	Member of Remuneration Committee	Independent Non-Executive Director

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CORPORATE DIRECTORY (Cont'd)

NOMINATION COMMITTEE

Name	Designation	Directorship
Dato' Ooi Teik Heng	Chairman of Nomination Committee	Independent Non-Executive Director
Puan Sri Corinne Bua Nyipa	Member of Nomination Committee	Independent Non-Executive Director
Wong Siaw Wei	Member of Nomination Committee	Independent Non-Executive Director

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CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	: Cheong Kha Siong (MACS 00571) MC Services Level 5, Westmoore House Twin Tower Centre Rock Road 93200 Kuching, Sarawak Telephone No. : 082-231266 Facsimile No. : 082-237266
REGISTERED OFFICE AND CORPORATE OFFICE	: Lot 2224, Section 66 Lorong Pangkalan, Off Jalan Pangkalan Pending Industrial Estate 93450 Kuching, Sarawak Telephone No. : 082-333344 Facsimile No. : 082-483603 E-mail : batteries88@abm88.com.my Website: http://www.abm88.com.my
REGISTRAR AND TRANSFER OFFICE	: Securities Services (Holdings) Sdn Bhd (Company No. 36869-T) Level 7, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Telephone No. : 03-2084 9000 Facsimile No. : 03-2094 9940
AUDITORS	: KPMG (AF: 0758) Chartered Accountants Level 6, Westmoore House Twin Tower Centre Rock Road 93200 Kuching, Sarawak Telephone No. : 082-422699 Facsimile No. : 082-422399
REPORTING ACCOUNTANTS	: KPMG (AF: 0758) Chartered Accountants Level 6, Westmoore House Twin Tower Centre Rock Road 93200 Kuching, Sarawak Telephone No. : 082-422699 Facsimile No. : 082-422399
SOLICITORS FOR THE LISTING	: Alvin Chong & Partners Advocates Lots 176 & 177 (2 nd Floor) Jalan Song Thian Cheok 93100 Kuching, Sarawak Telephone No. : 082-410111 Facsimile No. : 082-411333

CORPORATE DIRECTORY (Cont'd)

PRINCIPAL BANKER	: HSBC Bank Malaysia Berhad (Company No. 127776-V) Bangunan Binamas Lot 138, Section 54, KTLD Jalan Padungan 93100 Kuching, Sarawak Telephone No. : 1300-88-0181 Facsimile No. : 082-232282
INDEPENDENT MARKET RESEARCHER	: Infobusiness Research & Consulting Sdn Bhd (Company No. 498926-P) C4-3A-2, Solaris Dutamas No. 1, Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan Telephone No.: 03 6205 3930 Facsimile No. : 03 6205 3927
ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd (Company No. 258345-X) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya, Selangor Darul Ehsan Telephone No. : 03-7841 8000 Facsimile No. : 03-7841 8150
PRINCIPAL ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT	: AmInvestment Bank Berhad (Company No. 23742-V) 22 nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone No. : 03-2036 2633/44/55 Facsimile No. : 03-2070 8596
LISTING SOUGHT	: Main Market of Bursa Securities

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1. INFORMATION SUMMARY

THE INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN OUR SHARES. THE INFORMATION SUMMARY SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

We were incorporated in Malaysia under the Act on 16 September 2003 as a public limited company under the name of ABM Fujiya Berhad.

We are an investment holding company. The details of our subsidiaries are as follows:-

Corporation	Date / Place of Incorporation	Issued and Paid-up Share Capital	Equity Interest (%)	Principal Activities
AB Manufacturing	26 June 1971 / Malaysia	82,123,000	100	Manufacturing and sale of automotive batteries
AB Corporation	8 March 2004 / Malaysia	10,000	100	Dormant
Anpei	27 January 1994 / Malaysia	10,000	100	Dormant
<u>Subsidiaries of AB Manufacturing</u>				
AB Marketing	13 March 2004 / Malaysia	2	100	Retailing of automotive batteries
Auto Industries	23 September 1978 / Malaysia	574,568	100	Dealer in batteries and lubricants

Datuk Tay Ah Ching @ Tay Chin Kin is our Non-Independent Executive Group Chairman and the founder of our Group. In 1971, he started AB Manufacturing to manufacture automotive batteries. We started primarily in the manufacturing of small conventional automotive batteries for Japanese specification automotive vehicles. At that time, we only had the capacity of producing approximately 2,000 units of conventional automotive batteries monthly.

Towards the end of 1970s, our Group improved its product design and material used, allowing our Group to enhance its product from using hard rubber casing with bitumen sealant to Acrylonitrile Butadiene Styrene (ABS) materials. This improvement resulted in reduction of battery weights and enhancement in product safety. We also started manufacturing conventional lead acid batteries based on European specification in 1978.

In the 1980s, our Group further improved its product design and material used from ABS materials to polypropylene materials. This improved the product presentation and reduced product defect from leakages.

In the 1990s, our Group made advancements in plate drying process to improve battery dry charge conditions.

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1. INFORMATION SUMMARY (Cont'd)

In 2000, we constructed a new plant to further increase our production capacity and to meet the growing demand for our products. Our expansion plan during that period included establishing our market presence by exporting our products to neighbouring countries, namely Brunei, Australia and Singapore. In addition, our product range has expanded to include other related batteries such as deep-cycle batteries. We also set up a R&D team involved in product enhancement, identifying new ways to improve the quality and presentation of the products and for the continuous expansion of product range.

In 2001, we have successfully obtained the UPK license, which enables us to tender for government projects in Sarawak by supplying them with our automotive batteries.

In 2004, with the aim of further expanding our sales and marketing activities to cater for the expanding market for batteries in Malaysia, we incorporated AB Marketing to focus on trading and marketing of our products for the Malaysian market while AB Manufacturing continues to focus on the sales and marketing activities for existing local and overseas markets.

In line with our business expansion, we acquired and re-constructed another plant in 2006, which was completed in 2008, and in 2007 we constructed an additional plant to further increase our production capacity to meet the rise in demand for our products. The plant was completed at the end of 2007 and the office was completed in early 2010.

In 2008, in our continuous efforts to better control the quality of our products, to further minimise dependency on our component parts suppliers as well as to reduce costs, we embarked on the construction of a new plant for the production of battery containers and covers. This plant was completed in December 2010 and is in operation. Presently, the productions are for our Group's own usage. In future, we intend to sell the battery containers and covers to third parties.

On 31 December 2008, Auto Industries was acquired by AB Manufacturing as its marketing arm. Auto Industries was incorporated in 1978 and is principally involved in the dealership in automotive batteries and lubricants. At present, Auto Industries has distribution coverage in Sabah, Labuan and the northern part of Sarawak.

Over the last 39 years, we have invested heavily in technology, plant and machinery and staff training to ensure high quality of products manufacture. We have consistently been emphasising on product improvement and reliability. We have obtained ISO certifications, which are awarded by Certification International (UK) Limited for operating a proven quality management system in relation to our manufacturing activities. Through our quality commitment efforts, we have successfully upgraded our ISO certification to MS ISO 9001:2008 in 2009 from Certification International (UK) Limited and the certificate was renewed in 2012.

To date, we have grown and are capable of producing various types of automotive batteries which cater for a wide range of Malaysian, Japanese, Korean and European motor vehicles. We have exported to more than fifty (50) countries globally.

As at LPD, we have 292 employees and are operating four (4) plants with a total production capacity of approximately 1.6 million units of batteries per annum and 2.9 million units of battery covers and containers per annum.

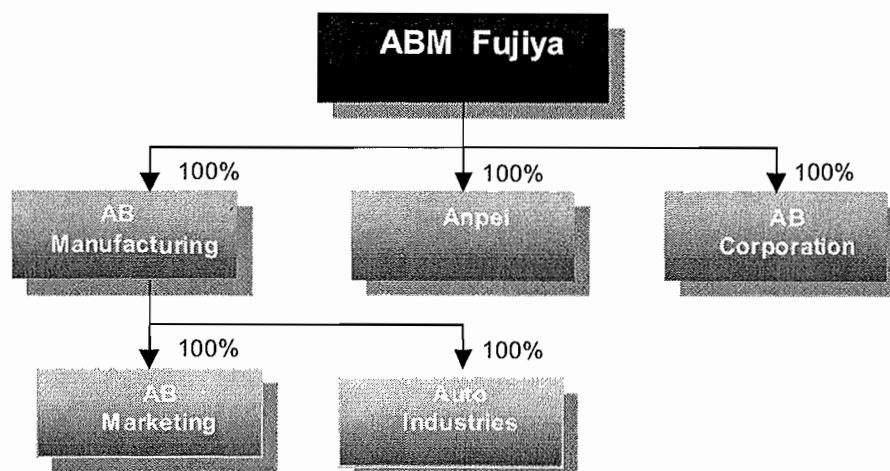
We have applied for and successfully registered trademarks for our products.

Further details on the history and business of our Group are set out in Section 4.1 and 4.2 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)

Our corporate structure is as follows:-

**1.2 COMPETITIVE STRENGTHS AND ADVANTAGES**

The competitive strengths and advantages of our Group include the following:-

- ☒ We have an established track record;
- ☒ We have broad customer base;
- ☒ We have market recognition and quality products;
- ☒ We have a dedicated and experienced key management team;
- ☒ We have fully-equipped infrastructure;
- ☒ We give strong emphasis on product development/enhancement;
- ☒ We have a wide product range to cater for different markets and different application needs;
- ☒ We have gained in-roads into export markets; and
- ☒ We have competitive and sustainable cost structure.

Further details on the competitive strengths and advantages of our Group are set out in Section 4.8 (a) of this Prospectus.

1.3 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF OUR GROUP

Our Promoters and substantial shareholders are Kayatas, Tay Family Directors, Tay Yoke Ling, Pauline Tay, Tay Siew Ling, Tay Tze Kok, Tay Tze Ping, Aini Dahlan and Yu Man Chong.

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1. INFORMATION SUMMARY (Cont'd)

Our Directors are as follows:-

Name	Designation
Datuk Tay Ah Ching @ Tay Chin Kin	Non-Independent Executive Group Chairman
Dato' Tay Tze How	Non-Independent Managing Director
Dato' Tay Tze Poh	Non-Independent Deputy Managing Director
Puan Sri Corinne Bua Nyipa	Independent Non-Executive Director
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Independent Non-Executive Director
Dato' Ooi Teik Heng	Independent Non-Executive Director
Wong Siaw Wei	Independent Non-Executive Director

Our key management is as follows:-

Name	Designation
Pauline Tay	Procurement Manager
Tay Siew Ling	Administration cum Human Resource Manager
Ir. Lim Tee	Factory General Manager
Jong An Nee	Accounts Manager and Assistant Finance Manager
Takanobu Nakahashi	Technical Manager
Tay Tze Kok	Customer Service Manager
Ong Hui Lian	Finance Manager
Liew Wee Sam	Sales and Marketing Manager

Details of our Promoters, substantial shareholders, Directors and key management are set out in Section 6 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.4 SALIENT INFORMATION OF THE IPO**

The IPO is subject to the terms and conditions of this Prospectus. The IPO Shares will be allocated in the following manner:-

Public Issue	:	(a)	10,500,000 Public Issue Shares, representing approximately 5.8% of our enlarged issued and paid-up share capital, to be allocated via balloting, will be made available for application by the Malaysian Public whereby at least 50% will be set aside for Bumiputera investors;
		(b)	8,000,000 Public Issue Shares, representing approximately 4.4% of our enlarged issued and paid-up share capital, by way of private placement to selected investors; and
		(c)	4,500,000 Public Issue Shares representing 2.5% of our enlarged issued and paid-up share capital will be made available for application by our eligible Directors, employees and/or business associates.
Offer For Sale	:	(a)	The Offer For Sale of 7,000,000 Offer Shares, representing approximately 3.9% of our enlarged issued and paid-up share capital, by way of private placement to Bumiputera investors approved by the MITI; and
		(b)	The Offer For Sale of 2,000,000 Offer Shares, representing approximately 1.1% of our enlarged issued and paid-up share capital, by way of private placement to selected investors.
IPO Price	:		RM0.60

Detailed information on basis of arriving at the IPO Price is set out in Section 2.5 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.5 PRINCIPAL STATISTICS RELATING TO THE IPO**

The following statistics relating to the IPO are derived from the full text of the Prospectus and should be read in conjunction with the text:-

	No. of Shares	Share Capital (RM)
AUTHORISED SHARE CAPITAL	1,000,000,000	500,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL:		
- Existing Shares	157,000,000	78,500,000
- New Shares to be issued pursuant to the Public Issue	23,000,000	11,500,000
ENLARGED SHARE CAPITAL	180,000,000	90,000,000
EXISTING SHARES TO BE OFFERED FOR SALE	9,000,000	4,500,000
IPO Price per Share (RM)		0.60
Proforma consolidated NA per Share (RM)		0.71
(based on the enlarged issued and paid-up share capital of 180,000,000 Shares upon completion of the IPO)		
Market Capitalisation (RM'000)		108,000
(based on the IPO Price and enlarged share capital after completion of the IPO)		

The IPO Price is RM0.60 per Share payable in full upon application, subject to the terms and conditions of this Prospectus. Further details of the particulars of the IPO are set out in Section 2 of this Prospectus.

1.6 UTILISATION OF PROCEEDS

The total gross proceeds arising from the Public Issue of RM13.80 million will be utilised by our Group in the following manner:-

	Estimated timeframe for utilisation upon Listing	Estimated percentage of total proceeds	Amount (RM'000)
1. Repayment of bank borrowings	Within 6 months	43.5 %	6,000
2. Working capital	Within 12 months	43.5 %	6,000
3. Estimated listing expenses	Immediate	13.0 %	1,800
Total proceeds		100.0 %	13,800

Further details on the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.7 PROFORMA CONSOLIDATED Statements of Comprehensive Income**

The following table sets out a summary of the proforma consolidated statements of comprehensive income of our Group for the past five (5) FYE 31 December 2012, prepared on the assumption that our Group has been in existence throughout the years under review. The proforma consolidated statements of comprehensive income are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated financial information set out in Section 10.2 of this Prospectus.

	FYE 31 December				
	2008	2009	2010	2011	2012
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	145,313	126,329	127,237	127,885	134,262
Cost of sales	(124,320)	(108,418)	(105,013)	(108,440)	(116,911)
Gross profit	20,993	17,911	22,224	19,445	17,351
Other operating income	1,649	1,171	1,504	645	2,217
Administrative expenses	(4,620)	(5,034)	(6,037)	(5,960)	(6,129)
Distribution expenses	(1,690)	(1,496)	(1,460)	(1,700)	(2,305)
Results from operating activities	16,332	12,552	16,231	12,430	11,134
Finance costs, net	(3,710)	(2,705)	(2,008)	(2,288)	(2,624)
PBT	12,622	9,847	14,223	10,142	8,510
Income tax expense	(1,578)	(1,348)	(1,406)	(2,052)	(1,801)
Profit / Total comprehensive income attributable to owners of the Company (PAT)	11,044	8,499	12,817	8,090	6,709
Attributable to:					
- Equity holders of the Company	11,044	8,499	12,817	8,090	6,709
- MI	-	-	-	-	-
Profit for the year	11,044	8,499	12,817	8,090	6,709
Number of Shares assumed in issue ('000) ⁽¹⁾	157,000	157,000	157,000	157,000	157,000
Gross EPS (sen) ⁽¹⁾	8.04	6.27	9.06	6.46	5.42
Basic EPS (sen) ⁽²⁾	7.03	5.41	8.16	5.15	4.27
Diluted EPS (sen) ⁽³⁾	6.14	4.72	7.12	4.49	3.73
EBITDA	22,258	19,738	24,991	21,701	20,734
Gross profit margin (%)	14.4	14.2	17.5	15.2	12.9
PBT margin (%)	8.7	7.8	11.2	7.9	6.3
PAT margin (%)	7.6	6.7	10.1	6.3	5.0
Effective tax rate (%)	12.5	13.7	9.9	20.2	21.2

Notes:-

- (1) Based on the issued and paid-up share capital of 157,000,000 Shares immediately prior to the Public Issue.
- (2) The basic net EPS is calculated based PAT for the financial year divided by the number of Shares in issue during the relevant financial year.
- (3) The Diluted net EPS is calculated based on PAT for the financial year divided by the enlarged number of Shares after the IPO of 180,000,000 Shares.

1. INFORMATION SUMMARY (Cont'd)**1.8 PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

The summarised proforma consolidated statements of financial position as at 31 December 2012 set out below have been prepared for illustrative purposes only to show the effects of the Listing Scheme on our audited consolidated statement of financial position, had the Listing Scheme been implemented and completed on 31 December 2012 and is prepared on the basis consistent with the accounting policies adopted by our Group.

The summarised proforma consolidated statements of financial position should be read in conjunction with the accompanying notes and assumptions included in the Proforma Consolidated Financial Information set out in Section 10.2 of this Prospectus.

	Audited as at 31 December 2012 RM'000	Proforma RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	96,405	96,405
Prepaid land lease payments	5,227	5,227
Total non-current assets	101,632	101,632
Current Assets		
Inventories	64,929	64,929
Trade and other receivables	40,928	40,928
Tax recoverable	281	281
Cash and bank balances	3,574	3,574
Total current assets	109,712	109,712
Total Assets	211,344	211,344
Share capital	78,500	90,000
Share premium	-	500
Retained earnings	33,234	33,234
Merger surplus	3,643	3,643
Total equity attributable to the owners of the Company	115,377	127,377
Non-Current Liabilities		
Borrowings	6,534	6,534
Other payable	5,464	5,464
Deferred taxation	9,092	9,092
Total non-current liabilities	21,090	21,090
Current Liabilities		
Trade and other payables	17,659	17,659
Amount due to Directors	131	131
Provision for taxation	277	277
Borrowings	56,810	44,810
Total current liabilities	74,877	62,877
Total Liabilities	95,967	83,967
Total Equity and Liabilities	211,344	211,344
Number of Shares assumed in issue	157,000	180,000
Net tangible assets	115,377	127,377
NA per Share (RM)	0.73	0.71

Note:-

Proforma incorporates the effects of Public Issue less listing expenses.

1. INFORMATION SUMMARY (Cont'd)**1.9 SUMMARY OF MATERIAL RISK FACTORS**

You should carefully consider the following risk factors *(which are not exhaustive)* as extracted from Section 3 of this Prospectus in addition to the other information contained elsewhere in this Prospectus before applying for the IPO Shares:-

Item	Risk factors
RISKS RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES	
(a)	Business risks
(b)	Fluctuating prices of lead
(c)	Raw material and components availability
(d)	Industry consolidation among automotive manufacturers
(e)	Health, safety and environment issues
(f)	Political, economic and regulatory considerations
RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP	
(a)	Dependence on directors and key management
(b)	Competition
(c)	Dependence of supply of labour
(d)	Foreign currency exchange fluctuations
(e)	Production / operation risks
(f)	Lack of long-term contractual agreements
(g)	Reliance on Former Related Parties
OTHER RISKS RELATING TO INVESTING IN OUR SHARES	
(a)	Forward-looking statements
(b)	No prior market for securities
(c)	Capital market risks
(d)	Dividends to our shareholders
(e)	Control by Promoters
(f)	Future fund-raising may dilute shareholders equity / Future covenants restricting our operations
(g)	Failure/ Delay in the Listing
(h)	Delay between admission and trading of the IPO Shares

Detailed commentary on these risk factors is set out in Section 3 of this Prospectus.

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2. PARTICULARS OF THE IPO

This Prospectus is dated 28 June 2013. The IPO is subject to the terms and conditions of this Prospectus.

A copy of this Prospectus has been registered with the SC and lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

The approval of the SC for the IPO (details were set out in Section 7 of this Prospectus) were obtained vide its letters dated 26 November 2010 and 30 November 2010. The approval of the SC for the IPO shall not be taken to indicate that the SC recommends the IPO. You should rely on your own evaluation to assess the merits and risks of the IPO.

An application has been submitted to Bursa Securities for admission to the Official List and for the listing of and quotation for our entire enlarged issued and fully paid-up share capital on the Main Market of Bursa Securities failing which any allotment made on an application to subscribe for our Shares pursuant to the Prospectus shall be void and we shall repay without interest, all monies received from the applicant. Our Shares will be admitted to the Official List and official quotation will commence upon receipt of confirmation from the Issuing House that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of Application for the IPO Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation of our entire enlarged issued and fully paid-up share capital on the Main Market of Bursa Securities. Accordingly, monies paid in respect of any Application accepted from the IPO will be returned without interest within fourteen (14) days if the aforesaid permission is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that we are notified by or on behalf of Bursa Securities within the aforesaid timeframe. If such monies are not repaid within the said period, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

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

Persons submitting Applications by way of Application Forms or by way of Electronic Share Application or Internet Share Application must have a CDS Account. If you do not have a CDS account, you may open one (1) by contacting any of the ADAs listed in Section 15.10 of this Prospectus. In the case of an Application by way of Application Form, an applicant should state his/her CDS Account number in the space provided in the Application Form. In the case of an Application by way of Electronic Share Application or Internet Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application.

Pursuant to the Listing Requirements, we must have at least 25% of our total number of Shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 Shares each at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, we may not be allowed to proceed with our Listing on the Main Market of Bursa Securities. In the event thereof, monies paid in respect of all Applications will be returned if the said permission is not granted.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of our merit or the merit of our Shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by us. Neither the delivery of this Prospectus nor any IPO made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date hereof.

2. PARTICULARS OF THE IPO (Cont'd)

Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

The distribution of this Prospectus and the making of the IPO in certain other jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of the IPO Shares are subject to Malaysian laws and we, together with the Principal Adviser, Sole Underwriter and Sole Placement Agent, take no responsibility for the distribution of this Prospectus and the offer of any part of the IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are in doubt concerning this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant, or any other professional advisers.

2.1 PURPOSES OF THE IPO

The purposes of the IPO are as follows:-

- (i) To provide immediate funds for repayment of our bank borrowings as well as for working capital and to increase the overall operating and business capacity of our Group to cater for both local and overseas markets as detailed in Section 2.7 of this Prospectus;
- (ii) To further enhance the financial position of our Group and to enable us to gain access to the capital markets to raise funds for our future expansion, diversification and the overall continued growth of our Group;
- (iii) To further enhance our Group's visibility and presence in the battery manufacturing industry;
- (iv) To enable our Group to gain recognition and enhance our profile through listing status and further augment our corporate reputation and assist our Group in expanding our customer base;
- (v) To provide an opportunity for Malaysian investors and institutions and the eligible Directors, employees and/or business associates of our Group to participate in our equity and continuing growth; and
- (vi) To facilitate the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company on Bursa Securities.

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2. PARTICULARS OF THE IPO (Cont'd)**2.2 SHARE CAPITAL**

As at LPD, we only have one (1) class of shares, being Shares, the details of which are as follows:-

	No. of Shares	Share Capital (RM)
AUTHORISED SHARE CAPITAL	1,000,000,000	500,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL:		
- Existing Shares	157,000,000	78,500,000
- New Shares to be issued pursuant to the Public Issue	23,000,000	11,500,000
ENLARGED SHARE CAPITAL	180,000,000	90,000,000
EXISTING SHARES TO BE OFFERED FOR SALE	9,000,000	4,500,000
IPO Price per Share (RM)		0.60
Proforma consolidated NA per Share (RM)		0.71
(based on the enlarged issued and paid-up share capital of 180,000,000 Shares upon completion of the IPO)		
Market Capitalisation (RM'000)		108,000
(based on the IPO Price and enlarged share capital after completion of the IPO)		

The IPO Price is RM0.60 per IPO Share payable in full upon Application, subject to the terms and conditions of this Prospectus.

2.2.1 Classes of Shares and Rights

As at the date of this Prospectus, our Company has only one (1) class of shares, being Shares, all of which rank *pari passu* with one another. The rights and privileges of our Shares are stated in the Memorandum and Articles of Associations of our Company.

The IPO Shares will, when issued and fully paid for on the terms of this Prospectus, rank *pari passu* in all respects with our other existing Shares, including voting rights, liquidation rights, and rights to all dividends and distributions that may be declared subsequent to the date of allotment of the Public Issue Shares.

Subject to any special rights attaching to any Shares which we may issue in the future, the holders of our Shares shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and in respect of surplus in the event of our liquidation, in accordance with our By-laws.

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2. PARTICULARS OF THE IPO (Cont'd)

At any of our general meetings, on a show of hands, every person present who is a Shareholder (other than Bursa Depository or its nominee) entitled to attend and vote thereat or is a representative or proxy or attorney of such a Shareholder shall have one (1) vote; on a poll, every such Shareholder (other than Bursa Depository or its nominee) present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held.

2.3 DETAILS OF THE IPO

We will undertake the Public Issue and the Offer For Sale in conjunction with our Listing on the Main Market of Bursa Securities.

(a) Public Issue

The Public Issue of 23,000,000 Public Issue Shares at an issue price of RM0.60 per Share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) Malaysian Public via balloting

10,500,000 Public Issue Shares, representing 5.8% of our enlarged issued and paid-up share capital, to be allocated via balloting, will be made available for application by the Malaysian Public whereby at least 50% will be set aside for Bumiputera investors;

(ii) Selected Investors via Placement

8,000,000 Public Issue Shares, representing approximately 4.4% of our enlarged issued and paid-up share capital, by way of private placement to selected investors; and

(iii) Eligible Directors, Employees and/or Business Associates of ABM Fujiya Group

4,500,000 Public Issue Shares, representing 2.5% of our enlarged issued and paid-up share capital, will be made available for application by our eligible Directors, employees and/or business associates of ABM Fujiya Group ("**Pink Form Shares Allocation**").

The Public Issue Shares are to be allocated to approximately 50 eligible Directors and employees of our Group based on the following criteria as approved by our Board of Directors:-

- (a) at least eighteen (18) years old;
- (b) designation and position;
- (c) length of service; and
- (d) performance.

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2. PARTICULARS OF THE IPO (Cont'd)

Details of the eligible Directors' Pink Form Shares Allocation are as follows:-

Name of Directors	Designation	Pink Form Shares Allocation
Datuk Tay Ah Ching @ Tay Chin Kin	Non-Independent Executive Group Chairman	200,000
Dato' Tay Tze How	Non-Independent Managing Director	170,000
Dato' Tay Tze Poh	Non-Independent Deputy Managing Director	170,000
Total		540,000

(b) Offer For Sale

The Offer For Sale of 9,000,000 Offer Shares, representing 5% of our enlarged issued and paid-up share capital, at the IPO Price per Share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) Bumiputera Investors

7,000,000 Offer Shares, representing approximately 3.9% of our enlarged issued and paid-up share capital, by way of private placement to Bumiputera investors approved by the MITI; and

(ii) Selected Investors via Placement

2,000,000 Offer Shares, representing approximately 1.1% of our enlarged issued and paid-up share capital, by way of private placement to selected investors.

In summary, the Public Issue Shares and the Offer Shares will be allocated in the following manner:-

	Public Issue Shares	%	Offer Shares	%
Malaysian Public (<i>via balloting</i>)	10,500,000	5.8	-	-
Selected investors (<i>via placement</i>)	8,000,000	4.4	2,000,000	1.1
Bumiputera investors (<i>via placement</i>)	-	-	7,000,000	3.9
Eligible Directors, employees and/or business associates of ABM Fujiya Group	4,500,000	2.5	-	-
Total	23,000,000	12.7	9,000,000	5.0

All the 15,000,000 Public Issue Shares available for application by the Malaysian Public and under the Pink Form Shares Allocation are fully underwritten.

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2. PARTICULARS OF THE IPO (Cont'd)

The Public Issue Shares to be allocated by way of private placement to selected investors under Section 2.3(a)(ii) and Section 2.3(b)(ii) of this Prospectus are not underwritten as irrevocable undertakings have been obtained from the selected investors to take up the IPO Shares available under private placement.

The IPO Shares to be allocated for MITI's approved and recognised Bumiputera investors from whom irrevocable undertakings have been obtained are not underwritten.

Any Public Issue Shares not subscribed for under Section 2.3(a) of this Prospectus will first be re-offered to our eligible Directors, employees and/or business associates. Subsequently, any of the re-offered Shares not taken up will be made available to selected investors via private placement. Any further re-offered Shares not taken up will then be made available for application by the Malaysian Public. Any remaining re-offered Shares under Section 2.3(a)(i) and Section 2.3(a)(iii) of this Prospectus that are not subscribed for will then be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

There is no minimum subscription amount to be raised from the IPO.

The amount of the IPO will not be increased by way of any over-allotment or 'greenshoe' options.

2.4 CLAWBACK AND REALLOCATION

The allocation of Public Issue Shares between and within the balloting portion and placement portion is subject to adjustment. For instance, in the event of an over-subscription in the balloting portion and a corresponding under-application in the placement portion, the Shares may be clawed back from the balloting portion to the placement portion.

In the event of an under-subscription in the balloting portion and a corresponding over-subscription in the placement portion, we reserve the right to reallocate the undersubscribed Shares to the excess application from the placement portion, subject to meeting the shareholding spread of a minimum number of 1,000 public shareholders holding not less than 100 Shares each. Any remaining unsubscribed Shares under the balloting portion shall be subscribed for by the underwriter.

The clawback and reallocation shall not apply in the event of an over-subscription in both the balloting portion and placement portion.

2.5 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon by us and AmInvestment Bank as the Principal Adviser, Sole Underwriter and Sole Placement Agent after taking into consideration, amongst others, the following factors:-

- (i) Our Group's operating and financial history and position as outlined in Section 10 of this Prospectus;
- (ii) Our proforma consolidated NA as at 31 December 2012 of RM0.71 per Share based on the enlarged issued and paid-up share capital of 180,000,000 Shares;
- (iii) Our PE multiple of 16.1 times based on our net EPS of 3.73 sen per Share for FYE 31 December 2012 and our enlarged issued and paid-up share capital of 180,000,000 Shares upon Listing;
- (iv) The future plans and prospects of our Group as set out in Section 4.7 and Section 4.8 of this Prospectus;

2. PARTICULARS OF THE IPO (Cont'd)

- (v) The prevailing favourable outlook in the battery manufacturing industry as listed in Section 5 of this Prospectus; and
- (vi) Our competitive strengths as listed in Section 4.8(a) of this Prospectus.

Our Directors and AmInvestment Bank are of the opinion that the IPO Price is reasonable after careful consideration of the abovementioned factors.

However, you should note that the market price of our Shares upon listing on Bursa Securities is subject to the vagaries of market forces and other uncertainties, which may affect the price of the Shares being traded. You should form your own views on the valuation of the IPO Shares before deciding to invest in the IPO Shares.

2.6 MARKET CAPITALISATION UPON LISTING

Based on the IPO Price of RM0.60 per Share and our enlarged issued and paid-up share capital of 180,000,000 Shares, our market capitalisation upon Listing will be RM108,000,000.

2.7 UTILISATION OF PROCEEDS

The Offer For Sale will raise gross proceeds of RM5.40 million which shall accrue to the Offeror only and no part of the proceeds is receivable by us.

The Public Issue will raise gross proceeds of RM13.80 million. We intend to utilise the proceeds raised in the following manner:-

Description	Notes	Estimated timeframe for utilisation upon Listing	Estimated percentage of total proceeds	Amount (RM'000)
Repayment of bank borrowings	(a)	Within 6 months	43.5%	6,000
Working capital	(b)	Within 12 months	43.5%	6,000
Estimated listing expenses	(c)	Immediate	13.0%	1,800
Total proceeds			100.0%	13,800

(a) Repayment of Bank Borrowings

We intend to utilise RM6.0 million of the IPO proceeds to partially repay the bank borrowings used to finance the construction cost, plant and machinery for the manufacturing of battery containers and covers. The details of the outstanding bank borrowings to be repaid are as follow:-

Banking facility	Type of facility	Effective Interest rate (%)	Amount to be repaid RM'000
Overdraft facility	Repayment on demand	7.35 per annum	6,000

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2. PARTICULARS OF THE IPO (Cont'd)**(b) Working Capital**

To ensure the growth and sustainability of the Group, an aggregate of RM6.0 million of the proceeds from the Public Issue will be utilised to meet part of our working capital requirements as we expect the working capital to increase in tandem with the increase of our business and manufacturing activities. This additional working capital will be used to finance the Group's operations including purchases of raw materials.

(c) Estimated Listing Expenses

The estimated listing expenses and fees incidental for the IPO are as follows:-

Estimated Listing Expenses	Amount (RM'000)
Fees to authorities	225
Professional fees ⁽¹⁾	850
Underwriting and brokerage fees	343
Printing, advertising and other expenses in relation to Listing	382
Total	1,800

Note:-

(1) Include fees for the Principal Adviser, Sole Placement Agent, Reporting Accountants, Solicitors, Independent Market Research Consultants and other professional advisors, as well as the Issuing House.

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

The Offer for Sale will raise gross proceeds of RM5.40 million which shall accrue to the Offeror only and no part of the proceeds is receivable by us. The Offeror will bear all expenses relating to the Offer for Sale.

2.8 FINANCIAL IMPACT FROM UTILISATION OF PROCEEDS

Our utilisation of the proceeds from the Public Issue is expected to have a financial impact on our Group as follows:-

(a) Improved cash flow position

The additional working capital of RM6.0 million arising from the Public Issue are expected to strengthen the liquidity and cash flow position of our Group in the future. The Public Issue is also expected to provide available financing for future attractive opportunities for our Group.

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2. PARTICULARS OF THE IPO (Cont'd)**(b) Interest savings**

Part of the proceeds from the Public Issue will be utilised to repay our Group's bank borrowings, amounting to RM6.0 million bearing interest as disclosed in Section 2.7 (a) of this Prospectus. Based on our Group's proforma total borrowings and total equity as at 31 December 2012 after incorporating the utilisation of proceeds, the repayment of bank borrowings and after taking into consideration the additional working capital which will otherwise be financed via bank borrowings, the Group expects to have a total interest saving of approximately RM0.9 million for FYE 31 December 2013. After the repayment of bank borrowings, our Group gearing is expected to reduce from approximately 0.55 times to 0.50 times.

(c) Reduce financial risk

With lower gearing, our Group is in a better position to raise new financing as and when the need arises. Nonetheless, our Group's priority is to use internally generated funds to finance our operations, so as to incur lesser interest cost from borrowings, reduce our financial risk and strengthen our financial strength.

2.9 OFFEROR

Details of our shareholder who is offering the Offer Shares are as follow:-

Offeror	Designation	Address	Before the IPO		Offer Shares			After the IPO	
			No. of Shares	(1) %	No. of Shares	(1) %	(2) %	No. of Shares	(2) %
Kayatas	Promoter and substantial shareholder	Lot 7008, Jalan Pending, 93450 Kuching, Sarawak	142,163,496	90.5	9,000,000	5.7	5.0	133,163,496	74.0

Notes:-

(1) Based on our existing issued and paid-up share capital of 157,000,000 Shares.

(2) Based on our enlarged issued and paid-up share capital of 180,000,000 Shares.

2.10 BROKERAGE, PLACEMENT FEE AND UNDERWRITING COMMISSIONS

We will pay the brokerage to be incurred on the sale of the 10,500,000 Public Issue Shares pursuant to the IPO under Section 2.3(a)(i) at the rate of 1.00% of the IPO Price in respect of successful applications which bear the stamp of member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or MIH.

The Sole Placement Agent has agreed to place the IPO Shares set out in Section 2.3(a)(ii) and Section 2.3(b) of this Prospectus, which are reserved for selected investors and Bumiputera investors. Accordingly, our Company will pay placement fee to the Sole Placement Agent at the rate of 2.0% of the value of the IPO Shares under Section 2.3(a)(ii) herein (being the number of IPO Shares reserved for placement multiplied by the IPO Price).

The Offeror will pay the placement fee to be incurred on the sale of 9,000,000 Offer Shares under Section 2.3(b) of the Prospectus at the rate of 2.0% of the IPO Price in respect of the Offer Shares (being the number of IPO Shares reserved for placement multiplied by the IPO Price).

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2. PARTICULARS OF THE IPO (Cont'd)

Our Company will pay the Sole Underwriter an underwriting commission at the rate of 2.0% of the value of the underwritten IPO Shares under Section 2.3(a)(i) and Section 2.3(a)(iii) herein (being number of the underwritten IPO Shares multiplied by the IPO Price).

2.11 DETAILS OF UNDERWRITING

The salient terms of the Underwriting Agreement dated 11 January 2011 entered into between our Company and the Sole Underwriter, which may allow the Sole Underwriter to withdraw from its obligations under the Underwriting Agreement after the IPO as extracted from the Underwriting Agreement, are set out below.

Unless otherwise stated, all capitalised terms herein shall bear the same meanings as prescribed in the Underwriting Agreement.

4. CONDITIONS PRECEDENT

- (1) *Unless waived by the Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of the Underwriter under this Agreement shall be conditional upon the following:-*
 - (a) *this Agreement having been duly executed by all the parties hereto and duly stamped;*
 - (b) *the issue of the Public Issue Shares having been approved by the SC or any other relevant authority and the shareholders of the Company in general meeting;*
 - (c) *the listing and quotation of the Offer Shares/issued and paid up capital of the Company on the Stock Exchange having been unconditionally approved-in-principle by the Stock Exchange or subject only to conditions which are acceptable to the Underwriter and such approval is not withdrawn and the Underwriter being reasonably satisfied that such listing and quotation shall be granted within two (2) clear Market Days after an application for quotation is made to the Stock Exchange;*
 - (d) *the Prospectus being in form and substance satisfactory to the Underwriter;*
 - (e) *the Prospectus having been registered with the SC and lodged with the CCM within two (2) months from the date of this Agreement, or within such other period as the parties may mutually agree;*
 - (f) *there shall not have occurred, on or prior to the Closing Date, in the opinion of the Underwriter (whose opinion is final and binding) any material adverse change or any development reasonably likely to involve a prospective material adverse change in the condition (financial or otherwise) of the Group from that existing as at the date of this Agreement which is material in the context of the Public Issue or the occurrence of any event rendering untrue, inaccurate or incorrect in any material respect any of the representations or warranties contained in Clause 5(1) hereof;*
 - (g) *there shall not have occurred, on or prior to the Closing Date or Extended Closing Date, as the case may be, any material breach of any representations, warranty, covenant and or failure to perform any of the undertakings contained in Clause 5(1) hereof;*
 - (h) *the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 19 hereof;*

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2. PARTICULARS OF THE IPO (Cont'd)

- (i) *the Public Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;*
- (j) *the delivery of the following documents to the Underwriter on or before the Closing Date:*
 - (i) *such reports and confirmations dated the Closing Date from the board of directors of the Company as the Underwriter may reasonably require to confirm that there has not been any material adverse change or any development reasonably likely to involve a prospective material adverse change in the condition (financial or otherwise) of the Group from that existing as at the date of this Agreement which is material in the context of the Public Issue and the listing and quotation of the Offer Shares and/or the Underwritten Shares nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained; and*
 - (ii) *a certificate, in the form or substantially in the form contained in the Third Schedule hereto, dated the Closing Date signed by a duly authorised officer of the Company stating that, to the best of his knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 4(j)(i) above;*
- (k) *the Underwriter receiving a copy duly certified by a director or secretary of the Company to be a true copy of a resolution of the board of directors of the Company approving the Listing Exercise, the Prospectus and this Agreement, the issue and offer of the Public Issue Shares and authorising a person or persons to sign this Agreement on behalf of the Company;*
- (l) *the Prospectus having been issued within two (2) months of the date hereof or within such extended period as may be consented to by the Underwriter; and*
- (m) *the Underwriter having been satisfied that the Company has in relation to the issue and offer of the Shares complied with and is in compliance with all policies guidelines and requirements of the relevant authorities of Malaysia and in full force and effect **and any jurisdiction within which such Shares are offered (if applicable)** and all revisions; amendments and/or supplements thereto and have complied with all conditions imposed by the relevant authorities of Malaysia in respect of their approvals for the Offer Shares.*

14. TERMINATION

- (1) *Subject to Clause 14(2) below but notwithstanding any other provision herein contained, the Underwriter may by notice in writing to the Company given at any time before the completion of the Listing Exercise, terminate and cancel and withdraw the commitment of the Underwriter to underwrite the Underwritten Shares if:-*
 - (a) *any of the conditions precedent set out in Clause 4 hereof are not duly satisfied by the Closing Date; or*
 - (b) *there is any material breach by the Company of any of the representations, warranties or undertakings contained in Clause 5(1) hereof, which is not capable of remedy or, if capable of remedy, is not remedied to the reasonable satisfaction of the Underwriter within ten (10) Market Days from the date the Company is notified by the Underwriter of such breach; or*
 - (c) *there is failure on the part of the Company to perform in any material respect any of its obligations herein contained; or*

2. PARTICULARS OF THE IPO (Cont'd)

- (d) *there is withholding of information by the Company which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Offer Shares; or*
- (e) *the approval-in-principle of the Stock Exchange for the listing and quotation of its entire issued and paid-up share capital on the Stock Exchange is withdrawn; or*
- (f) *there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or the Group; or*
- (g) *a petition is presented or an order is made or a resolution is passed for the winding up of the Company; or*
- (h) *an administrator or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the Company; or*
- (i) *the Company becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or*
- (j) *the Company ceases or threatens to cease to carry on the whole or any substantial part of its business; or*
- (k) *there shall have occurred, or happened any of the following circumstances:-*
 - (i) *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rates (including but not limited to conditions on the stock market in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing; or*
 - (ii) *any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, national disorder, declaration of a state of national emergency, pandemics, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);*

which, would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or the Group as a whole, the success of the Public Issue, or the distribution or sale of the Offer Shares, or which has or is reasonably likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms.

- (2) *In the event that this Agreement is terminated pursuant to Clause 14(1)(f), the Underwriter and the Company may confer with a view to deferring the Public Issue by amending its terms or the terms of this Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.*

2. PARTICULARS OF THE IPO (Cont'd)**2.12 TRADING AND SETTLEMENT IN SECONDARY MARKET**

Upon Listing, the IPO Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS (which is operated by Bursa Depository), which will be effected in accordance with the rules of Bursa Depository and the provisions of the SICDA as amended from time to time. Accordingly, the Company will not deliver share certificates to the purchasers of the IPO Shares.

Beneficial owners of Shares are required under the rules of Bursa Depository to maintain the Shares in CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Records of Depositors maintained by Bursa Depository will be treated as the shareholders of the Company in respect of the number of Shares credited to their respective securities accounts.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

All Shares held in CDS accounts may not be withdrawn from CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List of Bursa Securities;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares shall trade under the odd lot board.

Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the 3rd Market Day following the transaction date and payment for the securities is generally settled on the 3rd Market Day following the transaction date.

It is expected that the IPO Shares will not commence trading on Bursa Securities until approximately 10 Market Days after the close of the IPO. Holders of the Shares will not be able to sell or otherwise deal in the Shares (except by way of book-entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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2. PARTICULARS OF THE IPO (Cont'd)**2.13 DILUTION**

Dilution is the amount of which the NA per Share immediately after the implementation of the Listing Scheme is less than the IPO Price. There will be no dilution for our Shares as our NA per Share immediately after the implementation of the Listing Scheme is more than the IPO Price. The consolidated NA per Share as at 31 December 2012 (before adjusting utilisation of the net proceeds from the IPO) based on the issued and paid-up share capital of 157,000,000 Shares before the IPO is RM0.73.

Save for ABM Fujiya's Shares issued to the Promoters pursuant to the Acquisitions at approximately RM0.56 per Share (based on proforma consolidated NA per Share as at 31 December 2009) and transfer of 4 Shares in ABM Fujiya from the initial subscribers to Datuk Tay Ah Ching @ Tay Chin Kin and Dato' Tay Tze How at RM0.50 per Share, none of our directors, key management, substantial shareholders or person connected to them had acquired any of our Shares in the past three (3) years prior to the date of this Prospectus.

Pursuant to the Public Issue of 23,000,000 new Shares at the IPO Price and after the Offer for Sale of 9,000,000 new Shares at the IPO Price of RM0.60 per Share and after adjusting for the effects of the utilisation of proceeds, the proforma consolidated NA of our Group as at 31 December 2012 will decrease to RM0.71 per Share based on the enlarged issued and paid-up capital of 180,000,000 Shares after the IPO.

As such, there will be a dilution in the NA per Share to our existing shareholders and an immediate discount in NA of RM0.02 per Share to our new investors. The following table illustrates such discount on a per Share basis:-

	RM
IPO Price	0.60
Proforma consolidated NA per Share as at 31 December 2012	0.73
Proforma consolidated NA per Share after the IPO	0.71
Discount in NA per Share to new investors	0.02

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3. RISK FACTORS

In evaluating an investment of the IPO Shares, you should carefully consider all the information contained in this Prospectus, including but not limited to the following general and specific risk factors:-

3.1 RISKS RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES

(a) Business Risks

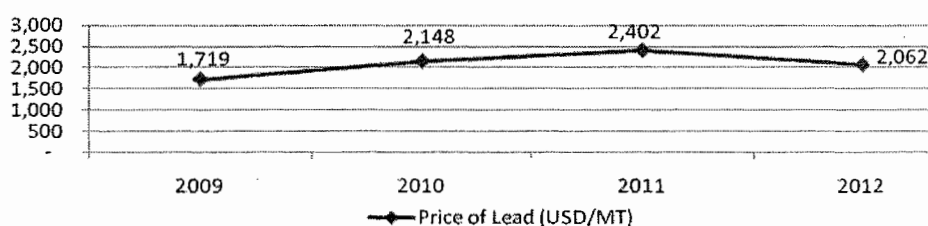
Our Group is subject to business risks common to the industry at large. This may include amongst others, changes in government policies, shortages in skilled workforce, fluctuations in demand for our products and services, changes in general economy, competitive conditions in the industry, business and credit conditions, currency risk and other business risks common to going concerns.

However, certain Directors and members of key management of our Group have in excess of twenty (20) years of relevant experience in the industry while the other management and technical personnel of our Group have in excess of ten (10) years of relevant experience. Having experienced Directors and key management is one of the major mitigating factors to business risks.

Nonetheless, no assurance can be given that any changes in these factors would not have any material adverse impact on our Group's business and profitability.

(b) Fluctuating Prices of Lead

Lead is a major cost component in the manufacturing of batteries and constitutes approximately 70% of the total cost of a battery. Lead price fluctuates in tandem with the supply and demand condition in the global market. Since 2004, the prices of lead had been fluctuating due to a combination of factors such as increasing demand from the emerging markets and closure of old mines and smelters in certain regions of the world as the facilities used in these mines and smelters are not able to meet the environmental requirements and are becoming economically inefficient to operate.



(Source: L M E Website)

In 2009, the lead price decreased by approximately USD371 per MT to an average price of USD1,719 per MT. In 2010, it increased to an average price of US\$2,148 per MT and further increased to an average price of USD2,402 in 2011. In 2012, the lead price decreased to an average price of USD2,062 per MT.

Fluctuation in lead prices would make pricing difficult. Battery manufacturers may become uncompetitive due to such fluctuation. Nevertheless, lead is a widely traded commodity and any increase or fluctuation in the price of lead will affect all the players in the battery manufacturing industry.

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3. RISK FACTORS (Cont'd)

Any major upward trend in lead price will increase the production cost of our Group, thus, affecting the profitability of our Group.

Our Group has always endeavoured to pass down part of the increase in lead price to its customers. To achieve this, we adopt marketing strategies in line with market practice such as, pricing validity for certain periods and revision of product price in accordance with the price of lead. In the past, prevailing market conditions such as supply, demand, economic conditions and competition have restricted the extent to which we can pass on the increase in lead price.

As such, there can be no assurance that our financial performance will not be adversely affected if there is an adverse long-term price movement in lead.

(c) Raw Material and Components Availability

The raw materials used by the battery manufacturers for the production of batteries consist mainly of Primary Lead, Secondary Lead, battery containers and covers, separators and sulphuric acid. The battery manufacturers in the industry rely on imports of Primary Lead. Although Primary Lead is sourced outside Malaysia, the industry is not dependent on any individual country for the supply of Primary Lead as it is a widely traded commodity in the world. Secondary Lead and battery containers and covers, separators and sulphuric acids are available from a range of manufacturers locally and overseas. Hence, the industry is not relying on any particular manufacturer for the supply of raw materials and components. We source our Secondary Lead from overseas suppliers due to our concerns of quality and consistency of supplies locally.

In practice, we normally keep sufficient level of stocks of Primary Lead and Secondary Lead. This is due to the lead time of 3 to 4 months between the ordering and delivery of lead from our suppliers. The lead time would not be substantially different if we were to source our Secondary Lead locally.

However this may result in higher cost to our Group if the price of the raw materials, especially lead, decreases subsequently as we have experienced in 2012 where the higher cost of stocks brought forward from 2011 has resulted in a lower margin. As these raw materials are readily available, we do not foresee any supply problems that would adversely affect the sales and manufacturing operations. However, if there is a shortage of raw material in the world market, we will not accept additional sales order that we may not have raw materials to manufacture. This is to ensure that once orders are accepted, we will be able to deliver on time. As such, our sales may be affected by any severe shortage of raw materials.

Our Group has not experienced any major interruption to the supply of these key raw materials in the past. Nevertheless, there is no assurance that we will not experience any major disruption to the supply of the raw materials in the future or be able to source them at competitive pricing.

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3. RISK FACTORS (Cont'd)**(d) Industry Consolidation among Automotive Manufacturers**

On the global basis, consolidation is taking place among automotive manufacturers, in line with the mergers and acquisitions in the industry. It is suggested that the globalisation of the automotive industry has greatly accelerated during the last half of the nineties due to the construction of important overseas facilities and mergers and acquisitions by the giant automotive MNCs. The latter, in an effort to cut costs in an increasingly competitive automotive market, prefers to deal with as few Tier-1 vendors as possible in the supply chain. The net effect of fewer automotive manufacturers on the supply chain is that they have a bigger bargaining clout when it comes to purchasing negotiations with the component parts suppliers like automotive battery manufacturers. In other words, they possess a position of bargaining power over their suppliers in the OEM market.

Although not substantial as one of the suppliers in the OEM market (contributed less than 1% of our total Group's revenue for FYE 31 December 2012), our Group may be subjected to the above risk. However, our Group has a wide range of customer base such as Importers, Exporters, Wholesalers and Distributors and thus is not dependent on the OEM market.

(e) Health, Safety and Environmental issues

There are health, safety and environmental issues associated with the battery manufacturing industry. As lead is considered as hazardous, it must be dealt with in an environmentally satisfactory manner. Apart from health and environmental issues, the players in the industry also face basic risk in relation to the health and safety of its employees throughout the operation of the battery manufacturing.

To mitigate these risks, our Group has undertaken a combination of measures such as engineering controls, administrative actions and the provision of personal protective equipment.

Engineering controls of lead content in the working area, including exhaust ventilation, total enclosures where feasible and automated handling methods, are put in place to comply with the standard required by DOSH. Effluent treatment plants are installed to treat the effluent of water before discharging to civil drain. The coagulated and flocculated solid wastes are filtered and then disposed to a licensed scheduled waste disposer. All scheduled wastes are kept, sealed, labelled, stored properly and are sent by licensed transporters to licensed waste disposers with all procedures and standards adhering to the requirements of the Department of Environment.

Administrative actions such as proper operator training, prudent work practices and good housekeeping are implemented to minimise lead emissions, eliminate accidents and other hazards in the work place.

Personal protective equipment to safeguard workers from occupational hazard includes wearing proper respiratory protection and use of personal protective gear.

Our existing operations are in compliance with the relevant environmental legislation governing activities within Malaysia such as the Environmental Quality Act, 1974.

Nevertheless, there is a possibility that the Government may change its regulations with regards to environmental matters in the future which would require our Group to modify our facilities or incur expenses which may affect our Group's operating results.

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3. RISK FACTORS (Cont'd)

(f) Political, Economic and Regulatory Considerations

Changes and developments in political, economic and regulatory conditions in Malaysia and the countries in which our Group carries on business could materially and/or adversely affect the profitability and business prospects of our Group and industry in which we operate. These uncertainties include, but are not limited to, the changes in political leadership, changes in investment policies and taxation, expropriation, nationalisation, changes in interest rates, changes in regulatory structure, risks of war and global economic downturn.

A prolonged and/or widespread economic downturn may negatively affect Malaysia and its key trading nations and may affect the demand for Malaysian exports, thus affecting demand for automotive batteries from Malaysia. In addition, uncertainty in the global economic environment may cause some businesses to curtail or eliminate spending on automotive batteries.

Although our Group practices efficient operating procedures and prudent financial management, there can be no assurance that adverse political and economic developments, which are beyond our Group's control, will not materially affect the performance of our Group or the industry as a whole.

3.2 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

(a) Dependence on Directors and Key Management

Our experienced Directors and key management team play an extensive role in contributing to the success of our Group's business performance. Our Executive Directors and key management's commitment and experience in the sales and marketing and manufacturing operations has enabled our Group to better control the cost and quality of our products.

Furthermore, our Executive Directors and key management are also committed to stringent quality control in our manufacturing processes. With their involvement in the ISO and experience in the manufacturing processes, they are able to closely monitor and to ensure that all the manufacturing operations are carried out in accordance with our Group's stringent quality objectives and so as to reduce wastage in the manufacturing processes.

In addition, our Executive Directors and key management are personally involved in the manufacturing operations. This allows for faster decision making (such as production schedule changes and re-deployment of workers should there be an interruption to a production line), which is crucial in order to reduce down-time by expeditiously resolving any problems which may arise in the manufacturing processes.

Our Executive Directors and key management are also involved in the marketing operations, through their personal involvement in attending trade missions and exhibitions globally to promote our products. Our Executive Director and key management team also deal directly with our customers and are able to provide our customers with flexible contact hours and the ability to directly negotiate with them. This has enabled our Group to reduce the number of senior marketing personnel, which in turn has allowed for us to save on emoluments, commissions and allowances on the marketing team.

Losing a significant number of Directors or members of our senior management and technical team may impact our Group's performance.

3. RISK FACTORS (Cont'd)

Our Board recognises the importance of our Group's ability to attract and retain our key management and technical personnel, and endeavour to remunerate them with a competitive package, as well as provide them with good working environment which promotes productivity and loyalty. In addition, efforts are constantly made to continuously attract new skilled personnel to strengthen our existing workforce. Furthermore, we have well-documented operating procedures and quality manuals to ensure that the procedures and technical knowledge can be transferred easily to any newly recruited key personnel.

Although our Group seeks to limit the dependence on key management and technical personnel through the efforts mentioned above, we cannot provide assurance that the above measures will be successful in attracting and retaining key personnel or ensuring a smooth transition should changes occur.

(b) Competition

We believe that threats from new competitors are relatively low due to high barriers of entry associated with the industry such as, relatively high capital requirement, learning curve, stringent requirements needed to be approved as a vendor, engineering and technical expertise and proven track record of established players in the market.

The battery manufacturing industry faces competition from both local and foreign manufacturers. Competitive factors include price, quality, prompt and on-time delivery, established track record, financial strength, reputation, technical capabilities and range of products and services.

As our raw material prices fluctuate (as mentioned in Section 3.1 (b) of this Prospectus), any increase in raw material prices will erode our profit margin unless we are able to pass down the additional cost to our customers. In the competitive environment of the battery manufacturing industry, we have only been able to pass down part of the increase in raw material prices to our customers. This will inevitably have a negative impact on our profit margin.

As such, there is no assurance that we can continuously compete effectively against our competitors.

(c) Dependence on Supply of Labour

As at LPD, our Group has 292 employees, out of which 213 are production workers. Of this 213 workers, 208 or 71.2% are foreign workers sourced from Bangladesh, Indonesia and Myanmar. Any review of policies in relation to foreign labour by the Government may affect the manufacturing industry dependence on foreign workers.

Any shortage of foreign workers will disrupt our operations which will result in the delay or cancelling of our sale of batteries to our customers which will ultimately affect our profitability.

As our plants are relying on the foreign workers to operate, we have adopted measures to retain our foreign workers by providing training, competitive remuneration, housing and amenities and a harmonious working environment.

To reduce the use of man power, we have invested and installed several high-tech automated machineries in our plants to help increase production efficiently and improve quality control as well as reducing human interference. The use of these automated machineries, to a certain extent, helps us to reduce the hiring of foreign workers.

3. RISK FACTORS (Cont'd)

Notwithstanding the above, our manufacturing plants are still dependant on foreign workers to operate. As such, any changes to the policies in relation to the restriction of foreign labour will have an adverse effect on our Group.

(d) Foreign Currency Exchange Fluctuations

As set out in Section 10.5.6 of this Prospectus, a portion of our Group's revenue is derived from exports and is denominated in USD. As such, we are exposed to foreign currency exchange losses or gains arising from timing differences. Any appreciation or depreciation of foreign currencies against the RM will result in our Group incurring foreign currency exchange losses or gains due to fluctuations in the exchange rates.

The risk of foreign currency exchange fluctuations is, to a certain extent, mitigated by the managed float mechanism adopted by BNM on the RM vs. USD conversion rate since the de-pegging of the RM. This may prevent extreme fluctuation of the RM vis-à-vis USD.

We maintain foreign currency accounts to off-set some of our purchases in foreign currency to provide a certain degree of natural hedge. As and when the need arises, our management will consider using certain hedging mechanism such as fixed delivery forward forex and option delivery forward forex for our Group's expected foreign trade receipt or payment.

Notwithstanding the above, there can be no assurance that any significant foreign currency exchange fluctuation will not impact our Group.

(e) Production / Operation Risks

Our daily operations are susceptible to events of emergency such as explosion, fire, flood, energy crisis, health crisis, sabotage, civil commotion, war or natural disasters. Our Management is aware of the adverse consequences arising from such damage that could affect our business operations.

We have taken precautionary steps to reduce the risks of fire damage through the installation of fire hydrants, fire extinguishers, sprinklers throughout our plants and training our employees on basic fire-fighting techniques. Our Group also has a dedicated maintenance team to conduct regular maintenance on our machineries and are trained to resolve any production interruptions which we may encounter.

A further precautionary step we have taken is to ensure that we have adequate insurance coverage for our operations. We have taken up fire insurance policies for our office equipment, plants, machineries and premises as well as all-risks policies for all our forklifts. All our insurance coverage is reviewed by our Group on a yearly basis.

However, even with all the precautions our Group has taken to minimise these risks, there is no assurance that these production/operational risks will not materially affect our Group's business and/or the insurance coverage we have taken would be comprehensive enough to reflect the replacement cost of the assets or any consequential loss our Group may suffer.

(f) Lack of Long-Term Contractual Agreements

The lack of long-term contractual agreements for the supply of batteries in the aftermarket is an industrial norm and this also applies to our Group. The absence of long-term contracts may have a material adverse effect on our Group's future financial performance.

3. RISK FACTORS (Cont'd)

Over the years, we have been delivering products that are of high quality in a prompt manner as well as satisfying the stringent demands imposed by customers at a competitive price.

Despite the absence of long-term contractual agreements with our customers, we do not foresee termination of orders by our major customers whom we have established close business relationship over the years.

(g) Reliance on Former Related Parties

The former related parties are Autotrop Sdn Bhd, Empire Star Sdn Bhd, Sharikat South Asia (Ong Kee) Trading Sdn Bhd, Syn Asia Battery Enterprise Sdn Bhd and Asia Batteries Company. During FYE 31 December 2011, interests in Autotrop Sdn Bhd, Empire Star Sdn Bhd, Sharikat South Asia (Ong Kee) Trading Sdn Bhd and Syn Asia Battery Enterprise Sdn Bhd were disposed off and therefore in FYE 31 December 2012, they were no longer treated as related parties. These former related parties however still form a significant portion of our sales to local Wholesalers and Distributors.

Despite the decrease in sales to the related / former related parties from approximately RM42.0 million in 2010 to RM27.1 million in 2011 and RM31.1 million in 2012, the sales to the related / former related parties contributed to 21.2% and 23.1% in 2011 and 2012 respectively of our Group's revenue.

In view of the above, our Group's business is, to a certain extent, relying on former related parties, therefore, if the former related parties discontinue their business dealings with us, our Group's business may be adversely affected.

3.3 OTHER RISKS RELATING TO INVESTING IN OUR SHARES**(a) Forward-looking Statements**

Certain information in this Prospectus is based on the historical experience of the Group and may not be reflective of future results. Whilst the interpretation of this information may be forward-looking, the contingencies and inherent uncertainties underlying this information should be carefully considered by the investors and should not be regarded as a representation by the Group and its advisers that the objectives and the future plans of the Group will be achieved. Any differences in the expectation of the Group from its actual performance may result in the Group's financial and business performances and plans to be either, materially or immaterially, different from those anticipated.

(b) There is no prior market for our Shares, and an active market for our Shares may not develop after Listing

Prior to this IPO, there has been no public market for our Shares. There can be no assurance that an active and liquid market for our Shares will develop and continue to develop upon or subsequent to our Listing on the Main Market of Bursa Securities or, if developed, that such a market will be sustained.

The IPO Price has been determined after taking into consideration a number of factors as stated in Section 2.5 of this Prospectus. There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon or subsequent to our Listing.

3. RISK FACTORS (Cont'd)

(c) Capital Market Risks

The performance of the local bourse is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price, which may already fluctuate significantly and rapidly as a result, *inter alia*, of the following factors:-

- differences between our Group's actual financial and operating results and those expected by investors and analysts;
- announcements by us or our competitors of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- fluctuations in stock market prices and volume;
- changes in our Group's operating results;
- changes in securities analysts' estimates of our Group's financial performance and recommendations;
- change in market valuation of similar companies;
- our involvement in litigation, arbitration or other forms of dispute resolution;
- additions or departures of key personnel; and
- changes in general economic and stock market conditions.

Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of our Group have no direct correlation with the performance of the other securities listed on Bursa Securities.

(d) Dividends to our Shareholders

Our Company is principally an investment holding company and the core operations of our Group are carried out through our subsidiaries. Therefore, our Company's major source of income comprises dividends and other distributions received from our subsidiaries.

Our ability to pay dividends or make other distributions to our shareholders is dependent on several factors such as our Group's operating results, availability of distributable reserves, our required and expected return on equity, our projected levels of capital expenditure and other investment plans, potential covenants in our future loan agreements, the prevailing interest rates and yields of the financial market and the level of our cash, marketable financial assets and level of indebtedness.

(e) Control by Promoters

Upon Listing, our Promoters, as set out in Section 6.1, will collectively hold approximately 74.59% of our enlarged issued and paid-up share capital. As a result, they will still be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as influence the outcome of certain matters requiring the vote of our shareholders unless our Promoters are required to abstain from voting by law and/or by the relevant guidelines or regulations.

As a step towards good corporate governance and greater corporate transparency, we have appointed four (4) Independent Directors and set up an Audit Committee to ensure that, *inter-alia*, all future transactions involving related parties are entered into on an arm's-length basis, or normal commercial terms that are not more favourable to the related parties than those generally available to third parties and are not to the detriment of our minority shareholders. Our Group will seek shareholders' mandate in respect of related-party transactions involving recurrent transactions of revenue or trading nature.

3. RISK FACTORS (Cont'd)

(f) Future Fund-raisings may Dilute Shareholders Equity / Future Covenants Restricting our Operations

Whilst we have identified our future plans as set out in Section 4.7 of this Prospectus as avenues to expand our operations, the proceeds from the Public Issue may not be sufficient to fully cover the estimated costs of implementing these future plans. The balance is to be funded by our Group's internally generated funds and bank borrowings. As at LPD, our Board estimated that our total capital commitment to carry out all our future plans over the next two (2) years will amount to approximately RM1.3million.

Our future capital requirements are dependent on, amongst others, the scale of our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our production facilities and product range. In addition, we may also require additional capital expenditure for viable mergers and acquisitions or investments that cannot be predicted at this juncture.

Thus, under such circumstances, additional issuance of Shares subsequent to the Public Issue may be necessary to raise the required capital to fund these capital expenditures.

An issue of Shares or other securities to raise funds will dilute shareholders' equity interests and may, in the case of a rights issue, require additional investments by shareholders. Further, in the event the additional Shares were issued at an issue price below the then prevailing market price, the value of Shares then held by investors will be affected. Dilution in shareholders' equity interest may occur even if the issue of Shares is at a premium to the market price.

In addition, any additional debt funding would increase our gearing ratio and may restrict our freedom to operate our business as it may have conditions that:-

- (i) limit our ability to pay dividends or require us to seek consents for the payments of dividends;
- (ii) increase our vulnerability to general adverse economic and industry conditions;
- (iii) require us to dedicate a portion of our cash flow from operations to repay our debt, thereby reducing the availability of our cash flow for capital expenditure, working capital and other general corporate purposes; and
- (iv) limit our feasibility in planning for, or reacting to, changes in our businesses and our industry.

We practice prudent financial management to monitor our capital expenditure requirements, cash flow position and gearing level at a manageable level to ensure minimal disruption to our expansion plans. Nevertheless, if we fail in obtaining more funds to meet requirements for our business, merger and acquisition plans or investments, we may be unable to implement future plans that are essential to our continued growth.

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3. RISK FACTORS (Cont'd)**(g) Failure / Delay in the Listing**

The occurrence of any one or more of the following events, which may not be exhaustive, may cause a delay in our Listing or our Listing to be aborted:-

- (i) the identified investors fail to subscribe to the portion of IPO Shares intended to be placed to them although they have furnished their irrevocable undertaking letters to subscribe for such Shares;
- (ii) the Sole Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations thereunder;
- (iii) we are unable to meet the public spread requirement as determined by Bursa Securities, i.e. at least 25% of our enlarged issued and paid-up share capital must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing; or
- (iv) we are unable to obtain permission from Bursa Securities for our admission to the official List and for the quotation of our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities.

In such an event, the Board will endeavour to take the necessary steps in the best interests of the shareholders as well as the economic conditions at that point in time, including, subject to restrictions set out in Section 3.3 (h) below, return in full without interest, all monies paid in respect of any Applications accepted.

In respect of the IPO Shares following their allotment and issue, a return of monies to all holders of ABM Fujiya's Shares could be achieved by way of a cancellation of capital in our Company pursuant to the relevant provisions of the Act and the rules made pursuant thereto. Such cancellation would require the sanction of our shareholders by special resolution in a general meeting and confirmation of the High Court. There can be no assurance that monies can be recovered within a short period of time in such circumstances. If any such monies are not repaid within fourteen (14) days after we become liable to repay it, the provision of subsection 243(2) of the CMSA shall apply accordingly.

Our Directors will endeavour to ensure compliance with the various requirements for our successful Listing.

(h) Delay between Admission and Trading of the IPO Shares

After the IPO Shares have been allotted and/or allocated to the respective investors' CDS accounts in Bursa Depository, which would occur at least two (2) clear Market Days prior to the anticipated date for Admission, it may not be possible to recover monies paid in respect of IPO Shares from us in the event the Admission and the commencement of trading on the Main Market of Bursa Securities do not occur.

Delays in the Admission and commencement of trading in shares on Bursa Securities have occurred in the past. In respect of the Public Issue Shares comprised in the IPO Shares, following their allotment and issue to investors, a return of monies to such investors may be affected by way of either a repurchase by us of those Shares at the IPO price, or by way of a reduction of our share capital.

Further, such capital reduction shall not be affected if on the date the reduction is to be effected, there are reasonable grounds for believing that we are, or after the reduction would be, unable to pay our liabilities as they become due.

3. RISK FACTORS (Cont'd)

There can be no assurance that monies can be recovered within a short period of time, or at all. If Bursa Securities does not admit our Shares for Listing, the market for our Shares will be illiquid and it may not be possible to trade our Shares. This may also have materially adverse effect on the value of our Shares.

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4. INFORMATION ON OUR GROUP

4.1 BACKGROUND INFORMATION

4.1.1 History of our Group

ABM Fujiya was incorporated in Malaysia on 16 September 2003 under the Act as a public limited company under the name ABM Fujiya Berhad. ABM Fujiya is an investment holding company, whilst its subsidiary companies, AB Manufacturing, Anpei, AB Corporation, AB Marketing and Auto Industries, are involved in the manufacturing of automotive batteries and Other Batteries, as well as dealing, sale and retailing of automotive batteries and Other Batteries and lubricants.

Datuk Tay Ah Ching @ Tay Chin Kin is our Non-Independent Executive Group Chairman and the founder of our Group. In 1971, he started AB Manufacturing to manufacture automotive batteries and in 1974, AB Manufacturing commenced manufacturing operations at Lot 1446, Section 66, Jalan Perdana, Bintawa Industrial Estate, 93450 Kuching, Sarawak. We started primarily in the manufacturing of small conventional automotive batteries for Japanese specification automotive vehicles. Currently, this premise has been converted into a warehouse.

When we started in 1974, we only had the capacity of producing approximately 2,000 units of conventional automotive batteries monthly.

Towards the end of 1970s, our Group improved its product design and material used. Hard rubber casing with bitumen sealant was replaced with Acrylonitrile Butadiene Styrene (ABS) materials. This improvement resulted in reduction of battery weights and enhancement in product safety. We also started manufacturing conventional lead acid batteries based on European specification in 1978.

In the 1980s, our Group further improved its product design and material used replacing ABS materials with polypropylene materials. This further improved the product presentation and reduced product defect such as leakages.

In the 1990s, our Group made advancements in plate drying process thus improving battery dry charge conditions.

In 2000, a new plant was constructed to increase our production capacity and to meet the growing demand for our products. Our expansion plan during that period included establishing our market presence by exporting our products to Brunei, Australia and Singapore. In order to be competitive in the battery manufacturing industry, our product range expanded to include other related batteries, namely low maintenance batteries and deep-cycle batteries. We have also set up a R&D team to be involved in product enhancement, identifying new ways to improve the quality and presentation of the products and to enhance our product range.

In 2001, we have successfully obtained the UPK license which enables us to tender for government projects in Sarawak by supplying them with our automotive batteries. Although sales contribution from these projects was not significant in the past, such successful tenders helped our Group to publicize our products in the local market as the tender process involves stringent requirements.

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4. INFORMATION ON OUR GROUP (Cont'd)

In addition, in line with our Group's continuous commitment to improve the quality of our products, we obtained the MS ISO 9002:1994 certifications in 2001 and subsequently the MS ISO 9001:2000 certification in 2003. In 2009, we have successfully upgraded our ISO certification to MS ISO 9001:2008. In 2012, we have renewed our MS ISO 9001:2008 certificate for 3 years expiring on 18 December 2015. The ISO certifications were awarded by Certification International (UK) Limited for operating a proven QMS in relation to our manufacturing activities. This recognition has further strengthened our confidence in the quality of our products and spurs us to continuously meet our customers' needs by upgrading our products, improving our services and expanding our product range.

In 2003, due to the increasing demand and trend for MF batteries, we ventured into the manufacturing of MF batteries which further improved our sales performance.

In 2004, with the aim of further expanding our sales and marketing activities to cater for the expanding market for batteries in Malaysia, we incorporated AB Marketing to focus on trading and marketing of our products for the Malaysian market while AB Manufacturing continues to focus on the sales and marketing activities for existing local and overseas markets.

In line with our business expansion plan, we acquired and re-constructed another plant in 2006 which was completed in 2008. In 2007, we constructed an additional plant to further increase our production capacity to meet the rising demand for our products. The plant was completed at the end of 2007 and the office was completed in early 2010.

In 2008, in our continuous efforts to better control the quality of our products and to further minimise dependency on our component parts suppliers as well as to reduce costs, we embarked on the construction of a new plant for the production of battery containers and covers. This plant was completed in December 2010 and is currently in production. Presently, the production is for our Group's own usage. In future, we intend to sell the battery containers and covers to third parties.

On 31 December 2008, Auto Industries was acquired by AB Manufacturing as its marketing arm to expand our market in Sabah, Labuan and northern part of Sarawak as well as to provide better service to end users while placing high priority in after sales services. Auto Industries was incorporated in 1978 and is principally involved in the dealership of batteries and lubricants. At present, Auto Industries has wide distribution network coverage to Sabah, Labuan and the northern part of Sarawak to distribute a wide range of automotive-related products including motorcycle batteries, MF batteries, lead sealed batteries, deep cycle batteries, lubricants and spark plugs.

Auto Industries has been acting as the supplier and after sales service agent for Kinabalu Motor Assembly Sdn Bhd and KMA Marketing Sdn Bhd, which are using our batteries for its newly assembled ISUZU trucks and 4WD vehicles. As the after sales agent, Auto Industries has been entrusted with the duty of checking the batteries supplied to the vehicles and also to supply replacement batteries whenever the need arises. Besides ISUZU, Auto Industries also supplies its batteries to UMW Toyota Motor Sdn Bhd, UMW Industries (1985) Sdn Bhd and UMW (East Malaysia) Sdn Bhd. It is also a registered vendor with TM Malaysia Group for the supply of automotive and back-up batteries for its service fleet and stations.

In 2011, AB Manufacturing has been registered as TM Group Registered Supplier for batteries. In line with our market expansion, we have successfully exported our products to the Indochina market such as Cambodia and Myanmar in year 2011 and 2012. Furthermore, our sales to India had also increased in 2012.

4. INFORMATION ON OUR GROUP (Cont'd)

Over the past 39 years, we have invested heavily in technology, plant and machinery and staff training to ensure high quality of products manufactured. We have consistently been emphasising on product improvement and reliability.

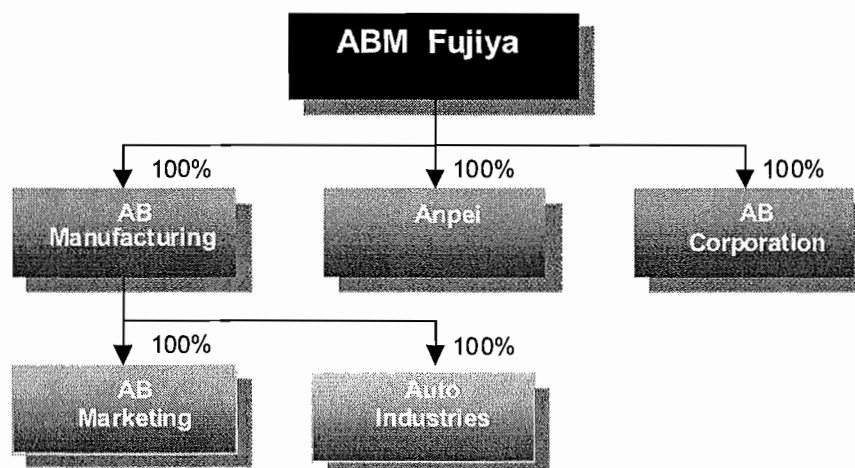
To date, we have grown and are capable of producing conventional, low maintenance and MF automotive batteries in various sizes to cater for a wide range of Malaysian, Japanese, Korean, and European made passenger cars, buses and trucks as well as Other Batteries for both the local and overseas markets.

At present, we have 292 employees and are operating four (4) plants with a total production capacity of approximately 1.6 million units of batteries per annum and 2.9 million units of battery containers and covers per annum. We have exported to over fifty (50) countries globally, namely Afghanistan, Australia, Bangladesh, Brunei, Cambodia, Chile, Egypt, Ethiopia, Fiji Island, France, Ghana, Greece, Hong Kong, India, Indonesia, Iran, Iraq, Italy, Jamaica, Japan, Jordan, Kenya, Korea, Kuwait, Laos, Lebanon, Madagascar, Mauritius, Myanmar, New Zealand, Nigeria, Sultanate of Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Rwanda, Saudi Arabia, Singapore, Solomon Islands, Somaliland, South Africa, Spain, Sudan, Sweden, Taiwan, Thailand, Togo, Turkey, UAE, UK, Vietnam and Yemen.

We have also applied for and successfully registered trademarks for our products locally and overseas.

4.1.2 Group Structure

Our corporate structure is as follows:-



Our subsidiaries and their respective principal activities are as follows:-

Corporation	Date/ Place of Incorporation	Issued and Paid-up Share Capital	Equity Interest (%)	Principal Activities
AB Manufacturing	26 June 1971 / Malaysia	82,123,000	100	Manufacturing and sale of automotive batteries
AB Corporation	8 March 2004 / Malaysia	10,000	100	Dormant
Anpei	27 January 1994 / Malaysia	10,000	100	Dormant

4. INFORMATION ON OUR GROUP (Cont'd)

Corporation	Date/ Place of Incorporation	Issued and Paid-up Share Capital	Equity Interest	Principal Activities
<u>Subsidiaries of AB Manufacturing</u>				
AB Marketing	13 March 2004 / Malaysia	2	100	Retailing of automotive batteries
Auto Industries	23 September 1978 / Malaysia	574,568	100	Dealer in batteries and lubricants

4.1.3 Share Capital and Changes in Share Capital

Our present authorised share capital is RM500,000,000 comprising 1,000,000,000 Shares, of which RM78,500,000 comprising 157,000,000 Shares have been issued and fully paid-up.

Details of the changes in our issued and paid-up share capital since incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Par Value	Consideration	Cumulative Issued and Paid-up Share Capital
		(RM)		(RM)
16.09.2003	2	1.00	Cash	2
06.05.2004	4	0.50	Share split	2
28.12.2010	156,999,996	0.50	Issued as considerations for the Acquisition of AB Manufacturing	78,500,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital of ABM Fujiya.

4.1.4 Listing Scheme

In conjunction with, and as an integral part of the listing and quotation for our entire issued and paid-up share capital on the Main Market of Bursa Securities, we undertook the Listing Scheme, which involved the following exercises:-

(a) Acquisition of AB Manufacturing

On 28 December 2010, ABM Fujiya completed the acquisition of the entire issued and fully paid-up share capital of AB Manufacturing comprising 82,123,000 ordinary shares of RM1.00 each for a purchase consideration of RM87,941,994 satisfied via the issuance of 156,999,996 new Shares in ABM Fujiya to the respective vendors of AB Manufacturing at an issue price of approximately RM0.56 per Share, in the following manner:-

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4. INFORMATION ON OUR GROUP (Cont'd)

Name of Vendors	Shareholdings in AB Manufacturing		No. of ABM Fujiya Shares issued as consideration
	No. of Shares	%	
Kayatas	74,366,000	90.55	142,163,496
Dato' Sri Sulaiman Abdul Rahman Bin Abdul Taib	53,200	0.06	101,800
Dato' Seri Diraja Syed Razlan Ibni Syed Putra	3,116,000	3.79	5,962,000
Datuk Hajjah Raziah @ Rodiah Binti Mahmud	7,600	0.01	14,600
Bibi Anak Moton	3,062,800	3.73	5,860,100
Sharikat Saiban Sdn Bhd	418,000	0.51	800,300
Puan Sri Corinne Bua Nyipa	77,600	0.09	141,300
The Administratrix of the Estate of Dato' Haji Mohamad Arip Bin Mahmud	179,000	0.22	342,700
Sorbina Bin Obet	7,600	0.01	14,600
Sharkawi Bin Rasid	7,600	0.01	14,600
Kederi Anak Moton	7,600	0.01	14,600
Erni Rianti Hardjoko	680,000	0.84	1,301,900
Velma Wee Ah You	120,000	0.15	229,700
Kho Ah Phek	20,000	0.02	38,300
Total	82,123,000	100.0	156,999,996

The purchase consideration was arrived at on a willing buyer-willing seller basis in the following manner:-

	RM
Audited net assets as at 31 December 2009	86,872,994
Call-in-arrears (last payment was made on 6 April 2010)	1,069,000
Purchase consideration	87,941,994

(b) Acquisitions of AB Corporation and Anpei

- (i) On 28 December 2010, ABM Fujiya completed the acquisition of the entire issued and fully paid-up share capital of AB Corporation comprising 10,000 ordinary shares of RM1.00 each for a purchase consideration of RM1 satisfied via cash. The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the audited net liability position of AB Corporation of RM8,700 as at 31 December 2009.

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4. INFORMATION ON OUR GROUP (Cont'd)

- (ii) On 28 December 2010, ABM Fujiya completed the acquisition of the entire issued and fully paid-up share capital of Anpei comprising 10,000 ordinary shares of RM1.00 each for a purchase consideration of RM1 satisfied via cash. The purchase consideration was arrived at based on a willing buyer-willing seller basis after taking into consideration the audited net liability position of Anpei of RM8,764 as at 31 December 2009.

(c) Public Issue

The Public Issue of 23,000,000 Public Issue Shares at an issue price of RM0.60 per Share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) Malaysian Public via balloting

10,500,000 Public Issue Shares, representing approximately 5.8% of our enlarged issued and paid-up share capital, to be allocated via balloting, will be made available for application by the Malaysian Public, of which at least 50% will be set aside for Bumiputera investors;

(ii) Selected Investors via Placement

8,000,000 Public Issue Shares, representing approximately 4.4% of our enlarged issued and paid-up share capital, by way of private placement to selected investors; and

(iii) Eligible Directors, Employees and/or Business Associates of ABM Fujiya Group

4,500,000 Public Issue Shares, representing 2.5% of our enlarged issued and paid-up share capital, will be made available for application by our eligible Directors, employees and/or business associates of ABM Fujiya Group.

(d) Offer For Sale

The Offer For Sale of 9,000,000 Offer Shares, representing 5% of our enlarged issued and paid-up share capital, at the IPO Price per Share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) Bumiputera Investors

7,000,000 Offer Shares, representing approximately 3.9% of our enlarged issued and paid-up share capital, by way of private placement to Bumiputera investors approved by the MITI; and

(ii) Selected Investors via Placement

2,000,000 Offer Shares, representing approximately 1.1% of our enlarged issued and paid-up share capital, by way of private placement to selected investors.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.1.5 Location of Principal Places of Business**

We are presently operating in Malaysia. The location of operations and addresses of our ABM Fujiya Group are listed in the table below:

Operation of the Group	Approximate Built-up Area (Land area)	Location of Facility
Main office and plant	8,977.94 m ² (1.0115 ha)	Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak
Warehouse	2,391.70 m ² (3,889 m ²)	Lot 1446, Section 66, Jalan Perdana, Bintawa Industrial Estate, 93450 Kuching, Sarawak
Plant	7,542.50 m ² (8,053 m ²)	Lot 859, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak
Plant	5,482.40 m ² (6,677 m ²)	Lot 1159, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak
Plant	3,078.06 m ² (7,420 m ²)	PL Plot 854, Block 7, Muara Tebas Land District, Sejingkat Industrial Park, 93450 Kuching, Sarawak
3 storey commercial shop lot	309.70 m ² (1,250 sq ft)	Lot 3, Town Lease, 017702457, Inanam Baru, Kota Kinabalu, Sabah
3 storey commercial shop lot	326.50 m ² (1,250 sq ft)	Lot 8, Town Lease, 017701021, Inanam Baru, Kota Kinabalu, Sabah

The details of the above mentioned premises and other land and buildings of our Group are set out in Section 9.1 of this Prospectus.

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4. INFORMATION ON OUR GROUP (Cont'd)

4.2 OUR BUSINESS

4.2.1 Business Model and Strategies

During the initial years of establishment, AB Manufacturing primarily focused on establishing its market in Sabah and Sarawak as its manufacturing facilities are situated in this region. It is noted that some of our Wholesalers and Distributors from Sabah and Sarawak have been supplying our batteries to Peninsular Malaysia.

In line with our vision to be an international player, our Group ventured into the overseas market in 2000.

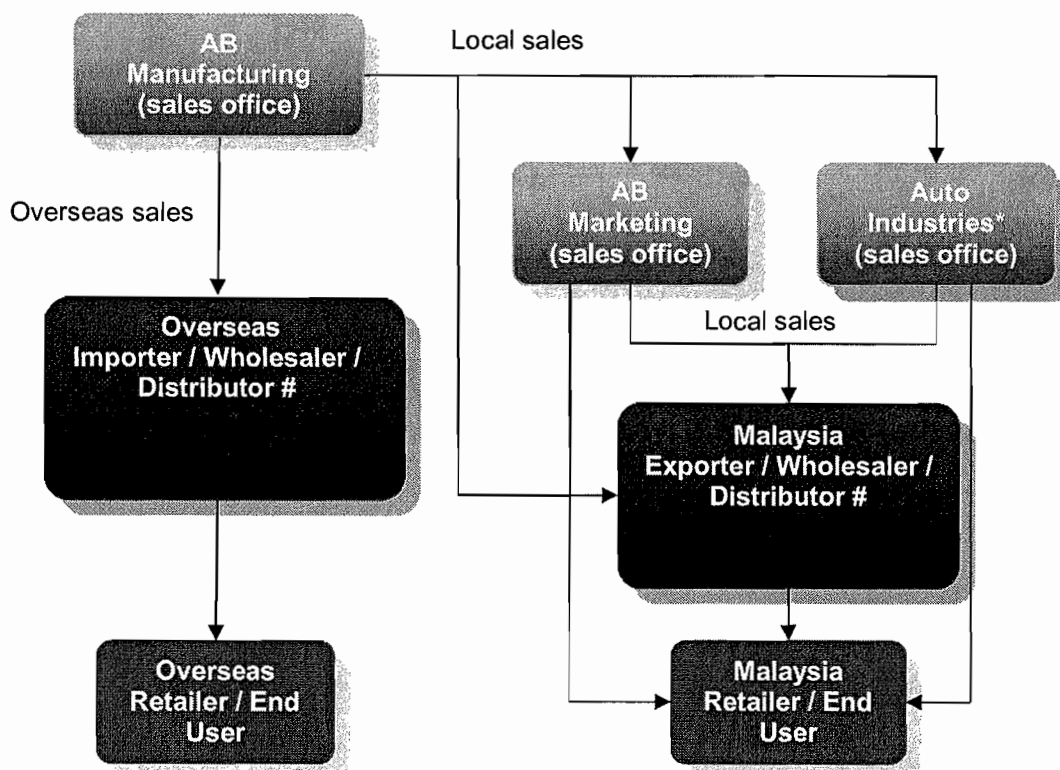
Due to our expanding production capacity, we set up AB Marketing and acquired Auto Industries to expand our market in Malaysia.

Going forward, whilst continuously expanding our overseas market, we will simultaneously enhance our presence in Peninsular Malaysia by appointing Distributors in various states of Peninsular Malaysia.

Our local and overseas customers mainly comprise marketing intermediaries such as Importers, Exporters, Wholesalers and Distributors (including OEMs and Contract Manufacturers). These marketing intermediaries market our products extensively.

The principal activities of our Group are carried out by our subsidiary companies, namely AB Manufacturing, AB Marketing and Auto Industries, which comprise manufacturing of batteries and marketing and trading of batteries and lubricants.

Our Group's selling activities are depicted in the diagram below:-



Note:-

* Sales to Sabah, Labuan and northern part of Sarawak
including OEMs and Contract Manufacturers

4. INFORMATION ON OUR GROUP (Cont'd)

AB Manufacturing sells its batteries directly to its overseas' Importers, Wholesalers and Distributors and these overseas customers then sell to their retailers and end users of batteries. AB Manufacturing also sells directly to local Exporters, Wholesalers and Distributors as well as its subsidiaries, namely, AB Marketing and Auto Industries. These subsidiaries then sell to their own Exporters, Wholesalers, Distributors, retailers and end users of batteries in Malaysia. The Importers, Exporters, Wholesalers and Distributors also include OEMs and Contract Manufacturers.

Corporate Strategies

Our Group's corporate strategy is to produce a wide range of high quality products that are competitively priced, providing good services to our customers and to become an international player by expanding into overseas market to diversify the risk of over dependence on any one country.

Going forward, in view of our expanded capacity, our Group plans to simultaneously enhance our presence in Peninsular Malaysia and to expand our market in South America and countries in Europe and Indochina which we currently have no presence in.

Business Strategies

In order to penetrate into overseas market, we have been actively participating in trade missions and exhibitions globally to identify the strengths and weaknesses of our competitors and to understand the needs of our customers in terms of usage, environmental requirements, packaging, pricing structure and range of products required. We manage our customers via flexible contact hours through telephone conferencing, email, facsimile as well as periodic visits.

Presently, we have eight (8) sales personnel who are reporting directly to our Group's Directors. These sales personnel together with senior management and Directors travel extensively to market our products and to develop new businesses. Our distribution channels principally comprise marketing intermediaries such as Importers, Exporters, Wholesalers and Distributors. These marketing intermediaries market our products extensively. They have the capacity to procure large quantity orders, which in turn, enable them to enjoy attractive prices. In addition, most of them are equipped with facilities such as warehouses, display centres, delivery vehicles and sales personnel, thus indirectly reducing our distribution cost.

We manage customers' satisfaction by supporting our marketing intermediaries with technical advice, battery handling techniques and proper maintenance methods among others. This will enable them to serve their respective customers/ end-users well.

Operational Strategies

We place strong emphasis on efficient operating activities such as our product design and manufacturing processes. We are gradually moving towards a more automated manufacturing environment.

We strive to minimise production wastage and produce quality products through stringent QC practices set by our Group. This is evidenced by our achievements in obtaining the ISO certifications from accreditation body.

4. INFORMATION ON OUR GROUP (Cont'd)

Our Group recruits, trains, develop and rewards our people and provide them with good working environment to promote productivity and loyalty. Our Directors and key management are also highly committed to the organization and constantly communicates with and passes on their knowledge and skills to their subordinates to motivate them and to train them to be responsible and independent in handling their work.

4.2.2 Overview of Business Activities

Our business activities are set out below:-

(a) Manufacturing of Batteries

Our Group's manufacturing activities are carried out by AB Manufacturing. We manufacture a wide range of automotive batteries including conventional lead acid batteries, low maintenance batteries and MF batteries for cars and commercial vehicles. We also manufacture Other Batteries to cater for portable electrical appliances on boats, golf buggies, light industrial scissor lifts and caravans as well as commercial and recreational vehicles. In future, we plan to include manufacturing of other types of batteries, such as valve regulated lead acid batteries and lithium-ion batteries for electrical vehicles.

Our manufacturing processes mainly comprise lead oxide production, grid casting, paste mixing, plates pasting, plates curing, plates formation, inert gas drying, plates processing, plates enveloping and battery assembly processes. The manufacturing of batteries involves many parts and components. As we do not manufacture all the components and parts, we acquire some of the battery components and parts, such as separators, battery indicators, battery containers and covers from our suppliers. In 2008, we have started producing a small range of our own battery containers and covers for our automotive batteries at our existing plant as we intend to reduce dependency on our suppliers and to ensure higher standards of quality in our products. Simultaneously in 2008, we also began to construct a new plant to focus on the manufacturing of our own battery containers and covers. The new plant was completed in December 2010 and commenced production of battery containers and covers for our Group's own usage.

As part of our manufacturing business, we also act as a supplier by providing our battery manufacturing services to other automotive battery manufacturers. These customers will take the automotive batteries manufactured by us and sell them under their own brands.

To become more competitive in the market, we recognise the importance of product quality. We achieve this by following a stringent set of quality control policies. Together with our R&D division, we ensure our product quality is of a high standard. Our Group believes our continuous R&D initiatives which focus on research, design, production and testing of batteries, will benefit our product enhancement and development. Our R&D also covers the improvement and modification of existing machinery to improve production efficiency as well as to achieve higher cost-savings and to prolong the battery's operational lifespan.

(b) Marketing and Trading of Batteries and Lubricants

Our marketing and trading activities are carried out by AB Manufacturing, AB Marketing and Auto Industries.

4. INFORMATION ON OUR GROUP (Cont'd)

AB Manufacturing continues to focus on the sales and marketing activities for existing local and overseas markets.

AB Marketing was set up for the trading and marketing of our products for the Malaysia market. The majority of our batteries are sold under ABM, Challenger, Fujikawa, Fujima, Fujiya and Giso brands in Malaysia.

Auto Industries is principally involved in the dealership in automotive batteries, lubricants and spark plugs. At present, Auto Industries has distribution coverage in Sabah, Labuan and the northern part of Sarawak. The other brands of batteries marketed by Auto Industries other than our Group's are "Shogun", "Yuasa" and "Thunder". These other brands are provided to give variety to our customers and they are not competing with our own brands, which is evidenced by the proportion of sales from these other brands was less than 1% of our total sales in 2012.

Auto Industries also markets automotive related products such as lubricants and spark plugs to its customers.

We have an on-going process of planning and executing the marketing plan for our products and services. Since our inception, we have successfully marketed our products under our brands and other brands to our local and overseas customers. Our customers are mainly Importers, Exporters, Wholesalers and Distributors.

The customers of our Group are mainly Importers, Exporters, Wholesalers and Distributors. Although our existing eight (8) sales personnel together with our management team and Directors are able to manage our sales and marketing division well, our Group plans to recruit more sales personnel for future expansion.


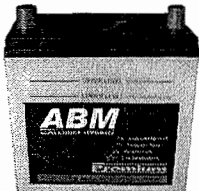

Over the years, we have successfully marketed our products to more than fifty (50) countries globally.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.2.3 Principal Products**


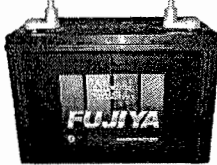
We manufacture and market a wide range of automotive batteries including conventional lead acid batteries, low maintenance lead acid batteries and MF batteries as well as Other Batteries to cater for portable electrical appliances on boats, golf buggies, light industrial scissor lifts and caravans as well as commercial and recreational vehicles. Our Group has obtained certification for JIS and DIN for most of its batteries.

We have numerous designs for our products in terms of battery terminals, battery layouts, hold down arrangement and features. These have been found to be very suitable to be used in all specifications of motor vehicles and electrical devices in today's market. We also have the expertise to manufacture our products in various sizes and specifications to meet the customers' requirements, as follows:-

Battery Type*	Power Range	Characteristics	Application Market
Conventional Lead Acid Battery 	26AH-230AH	Uses antimony plates allow heavy duty application, especially in area where deeper discharge and charging cycle is required. But consistent water level check and top up is required.	Automotive and electrical applications such as motor vehicles, trucks, buses and generator sets.
Low Maintenance Battery 	26AH-230AH	Uses both antimony and calcium plates. Such battery needs less frequent water top up and has longer shelf life than conventional lead acid battery. Able to be applied under heavy duty application.	Automotive and electrical applications such as motor vehicles, trucks, buses, generator sets, yachts (starter application), golf buggies and inverters.
MF Battery 	35AH-110AH	Uses only calcium plates. Has the least water consumption hence practically no water top up is necessary during the course of the battery service life. Having longest storage shelf life as compare to conventional and low maintenance battery.	Automotive and electrical applications such as motor vehicles, trucks, buses, generator sets, yachts (starter application) and inverters.

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4. INFORMATION ON OUR GROUP (Cont'd)

Deep Cycle Battery 	55AH-245AH	Deep cycle battery will normally undergo constant current discharge. To provide this application, special formulated plates are used. This battery is normally operating in an average ambient temperature, so that the water consumption is not severe, moreover, such batteries acquire fast current absorption when charging.	Electric vehicles such as forklifts, scissor lifts, traction power for a golf cart, auxiliary power for a recreational vehicle (for e.g. caravans), electric cars, yachts (power supply station), inverters, solar power storage and others.
Marine Application Batteries 	45AH-92AH	Made with special formulated plates and selected glassmate separator for semi-deep-cycle application and cranking use.	Marine use.

Note:-

* The photos shown above are samples of our battery types.

Descriptions of our batteries are set out below:

(a) Conventional Lead Acid Battery

We started manufacturing conventional lead acid battery when we commenced our business operation in 1974. Conventional lead acid battery is an electrical storage device that uses a reversible chemical reaction to store energy. The conventional battery is made from antimony lead alloy that are able to withstand high temperature and heavy charge/discharge characteristics. The plates must be completely submerged in acid. This type of battery can be supplied in dry charged condition. It has a long storage time provided it is properly sealed. Before the dry-charged battery can be put to use, the battery must be filled with the manufacturer's recommended concentrated electrolyte and thereafter be boost charged. The process is relatively simple and as such, this type of battery is most commonly used across the globe.

(b) Low Maintenance Battery

We commenced manufacturing low maintenance battery in 2000. Our low maintenance lead acid battery (also known as hybrid battery) is suitable for heavy-duty usage. Our low maintenance battery is a dual-alloy battery which uses both antimony lead alloy grid and calcium-lead alloy grid. The low maintenance battery is popularly used in countries where we are exporting to especially in Nigeria, Jordan, Greece, Singapore, Italy and UAE.

4. INFORMATION ON OUR GROUP (Cont'd)

(c) MF Battery

To cater for the increase in demand for MF battery market, we started producing MF batteries in 2003. Special features in the MF batteries which we manufacture include the special seals, where the acid filling hole of the cover is totally sealed up such that any electrolyte vapour emitted will be trapped and refluxed to the cells again to minimise loss of the electrolyte. Our MF batteries are made from calcium-lead alloy grids to minimise self-discharge and gassing and at the same time prolonging the shelf life of the battery.

Our MF batteries are designed to last longer with features built-in to withstand the temperature prevalent in either the tropical or temperate climate countries.

(d) Deep Cycle Battery

Our deep cycle battery is designed to continuously provide power for a long period of time. The special formulated plates have large capacity and are able to survive a higher number of charge/discharge cycles.

(e) Marine Application Batteries

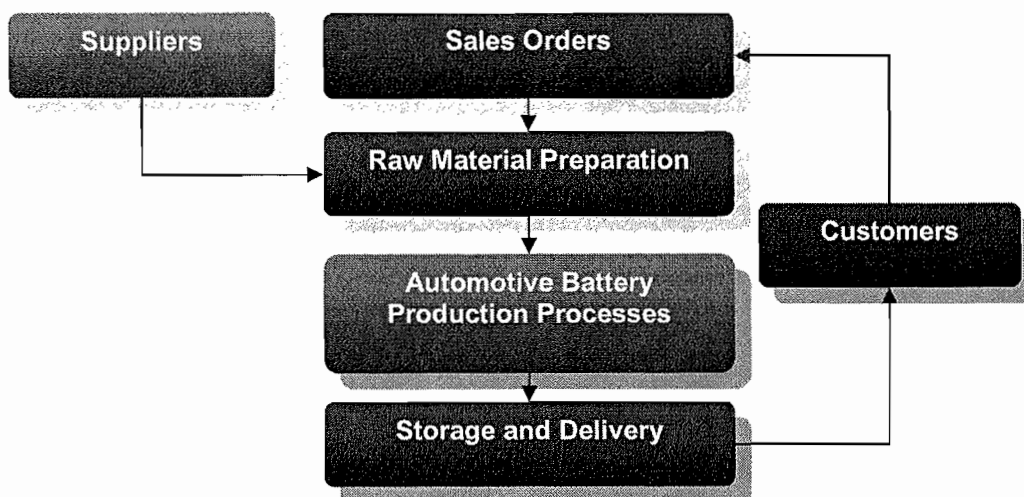
In order to cope with rough sea condition, our marine application batteries are built with emphasis on plate protection against extreme vibration. The use of heavy duty glass mat separators prevents premature shedding off of active material as a result of external vibration, hence preventing premature battery failure.

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4. INFORMATION ON OUR GROUP (Cont'd)

4.2.4 Process Flow

Our Group's overall process workflow are outlined below:-



(a) Process Flow for Sales and Marketing Activities

We have a dedicated sales and marketing team primarily responsible for promoting and marketing our products as well as maintaining and building good rapport with our existing customers and securing new customers for our Group.

Our customers' orders are placed through our sales and marketing division. Upon receipt, the orders are checked in regards to the pricing and the lead-time/due date before keying into the sales order system. If there are any discrepancies or lead-time issues, the customers will be notified immediately to make alternative arrangement. Otherwise, a production order will be issued to the Purchasing and Production divisions to prepare for raw materials for production.

We have customers, comprising mainly Importers, Exporters, Wholesalers and Distributors in many countries to promote and distribute our batteries. We offer training for our customers and their employees so that they can provide value-added service to their own customers in terms of product information, recommendation, battery installation and also responding to customers' enquiries.

(b) Raw Material Preparation

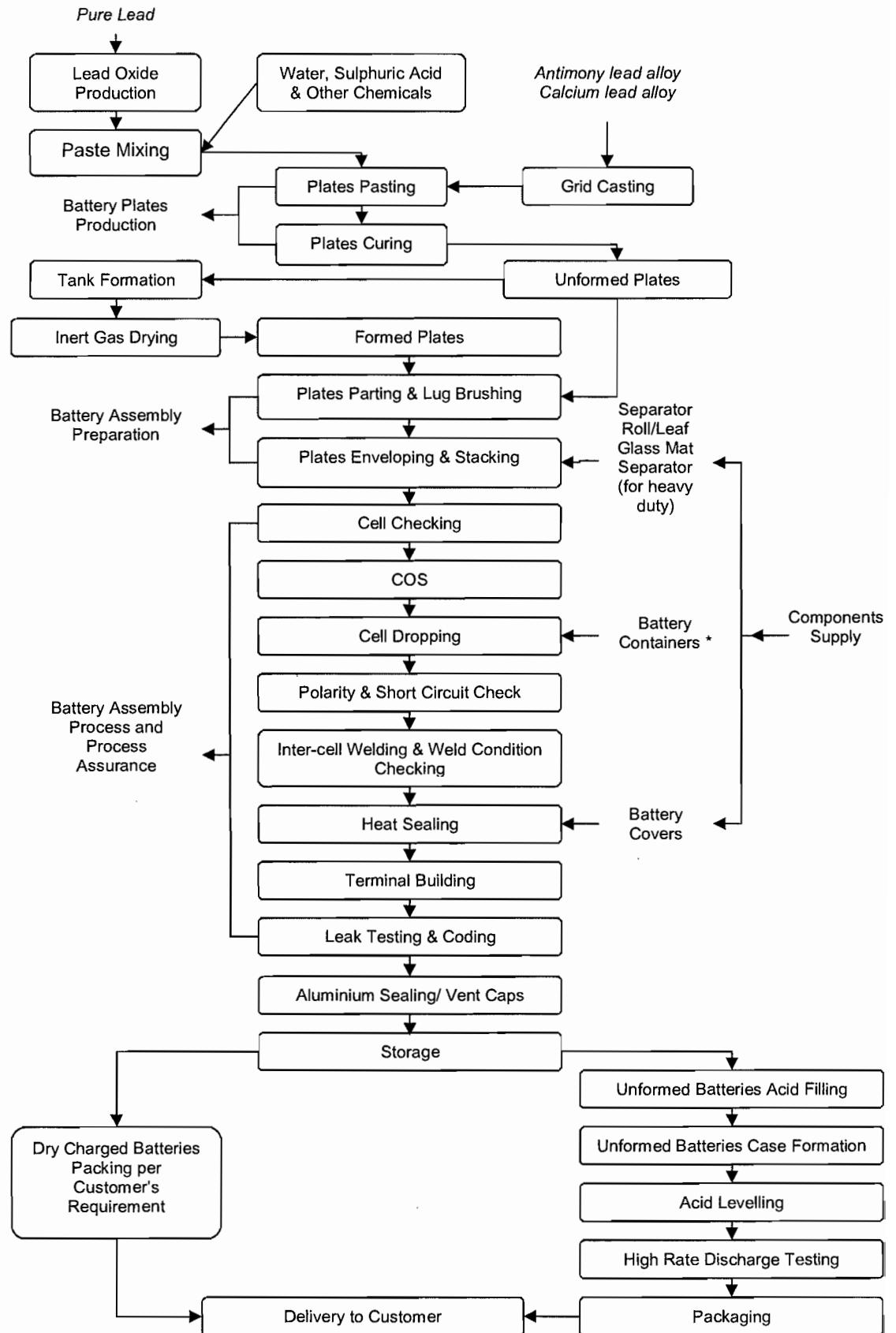
To avoid delay in production, we ensure that we have sufficient raw materials in our warehouse prior to commencement of production.

Our raw materials mainly consist of lead, battery containers and covers, separators, sulphuric acid and polypropylene resins which are purchased from our list of approved suppliers. We determine the reliability of our approved suppliers based on our long term relationship and constant evaluation.

Upon receipt of the raw materials from our suppliers, thorough inspection of the goods are carried out by the personnel from the QA/QC division to ensure that there are no deficiencies or defects which may cause delay in the production process. After inspection, raw materials are delivered to the warehouse awaiting production.

4. INFORMATION ON OUR GROUP (Cont'd)

(c) Battery Production Processes



* We commenced manufacturing our own battery containers and covers at the beginning of 2011. In future, the majority of the battery containers and covers will be manufactured in-house

4. INFORMATION ON OUR GROUP (Cont'd)

Raw Materials used

The main raw materials used in the manufacturing of our batteries are as follows:-

- **Pure Lead** is used to produce lead oxide.
- **Antimony Lead Alloy** for casting grids (battery electrode skeletons) for conventional / low maintenance batteries. It is also used for cell straps, inter-cell connectors and terminal poles.
- **Calcium Lead Alloy** for casting grids (battery electrode skeletons) for low maintenance / MF batteries.
- **Sulphuric Acid** used in paste preparation and as an electrolyte in battery.

Manufacturing Processes and its Respective Product Properties

i. **Grids**

Antimony lead and/or calcium lead ingots are melted in separate lead pots. Melted leads are injected into the grid casting machines ("caster") to cast grids (i.e. calcium grid and antimony grids). Calcium grids are casted in more stringent controlled conditions than antimony grids. Calcium grids require more advanced technology in grid moulds design and more sophisticated grid caster to produce. The calcium grids are softer than antimony grids, thus, it needs longer aging period and slightly higher room temperature environment than the antimony grids for grid hardening purpose.

ii. **Lead Oxide**

We use Ball Mill Lead Oxide System to produce lead oxide in our plants.

In the Ball Mill Lead Oxide System – pure lead ingots are fed into the lead melting furnace and the molten lead is pumped into a cylindrical caster. The casted lead cylinders are conveyed to a silo by bucket elevator. Lead cylinders are then fed into a mill which ramble the lead cylinders to produce fine lead particles. Atmospheric air is introduced into the mill and the oxygen in the air reacts with the fine lead particles to form lead oxide. Lead oxide is then conveyed to a screw conveyor which is within and underneath a filter bags compartment. Lead oxide is then conveyed to the bucket elevator which delivers the lead oxide to a lead oxide silo.

iii. **Paste Mixing and Plate Pasting**

Lead oxide is mixed with water, acid and other chemicals and blended in a mixer into paste form. The lead paste is then applied to the grid panels through a pasting machine to make into plates.

iv. **Plates Curing**

Pallets/racks of pasted plates are arranged in a plate curing oven to perform the curing process.

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4. INFORMATION ON OUR GROUP (Cont'd)**v. Unformed Plates and Plate Formation**

After the curing and drying processes, the pasted plate is called unformed plates. Unformed plate is merely lead sulphate compound which has neither chemical energy nor electrical energy. "Formation" is a process which introduces "direct current" to tanks of plates through the lead bars submerged in diluted sulphuric acids as electrolyte in the tanks. Unformed plates (positive and negative) are alternately set on the bars (parallel). The lead bars in the tanks are connected in series. In the formation process, electrical energy is transformed into chemical energy and this chemical energy is then stored in the electrodes.

vi. Inert Gas Drying Process

Inert gas drying process uses Inert Gas Drying Oven to dry the plates.

vii. Plate parting and lug brushing

As grids are produced and pasted in panels, they are separated and lugs of plates are brushed to provide maximum binding in COS casting.

Battery Assembly Processes**i. Old Conventional Method**

Positive and negative group of plates are manually welded to a lead busbar and inter cell connector by a gas burning torch. Between each positive and negative plate, a piece of leaf separator is inserted to become a battery cell.

ii. COS Method

This is a more advanced and a faster production method of grouping plates to make into a battery cell. COS method also incurs less lead wastage, as lead weight used in casting is more consistent which translates to having a more consistent cost of the batteries produced.

(d) Quality Inspection

We conduct quality inspection at various stages of the production processes to ensure the raw materials used and the final products manufactured are of high quality.

To begin with, the QA/QC division is responsible for conducting quality inspection on the raw materials supplied before confirming the receipt of the raw materials. The quality inspection on the raw materials supplied is to ensure that the raw materials comply with the requirements set by the QA/QC division.

During the manufacturing process, we have QA/QC inspectors to monitor all the production processes to ensure that all the parts manufactured for use in the assembly process meet our Group's quality requirement.

Outgoing final QA/QC will be conducted on all finished products to ensure compliance to the specifications. All the finished products must meet the specifications of the product before they are accepted and packed into carton boxes for delivery.

4. INFORMATION ON OUR GROUP (Cont'd)

(e) Delivery, Customer Feedback, Review and Product Improvement

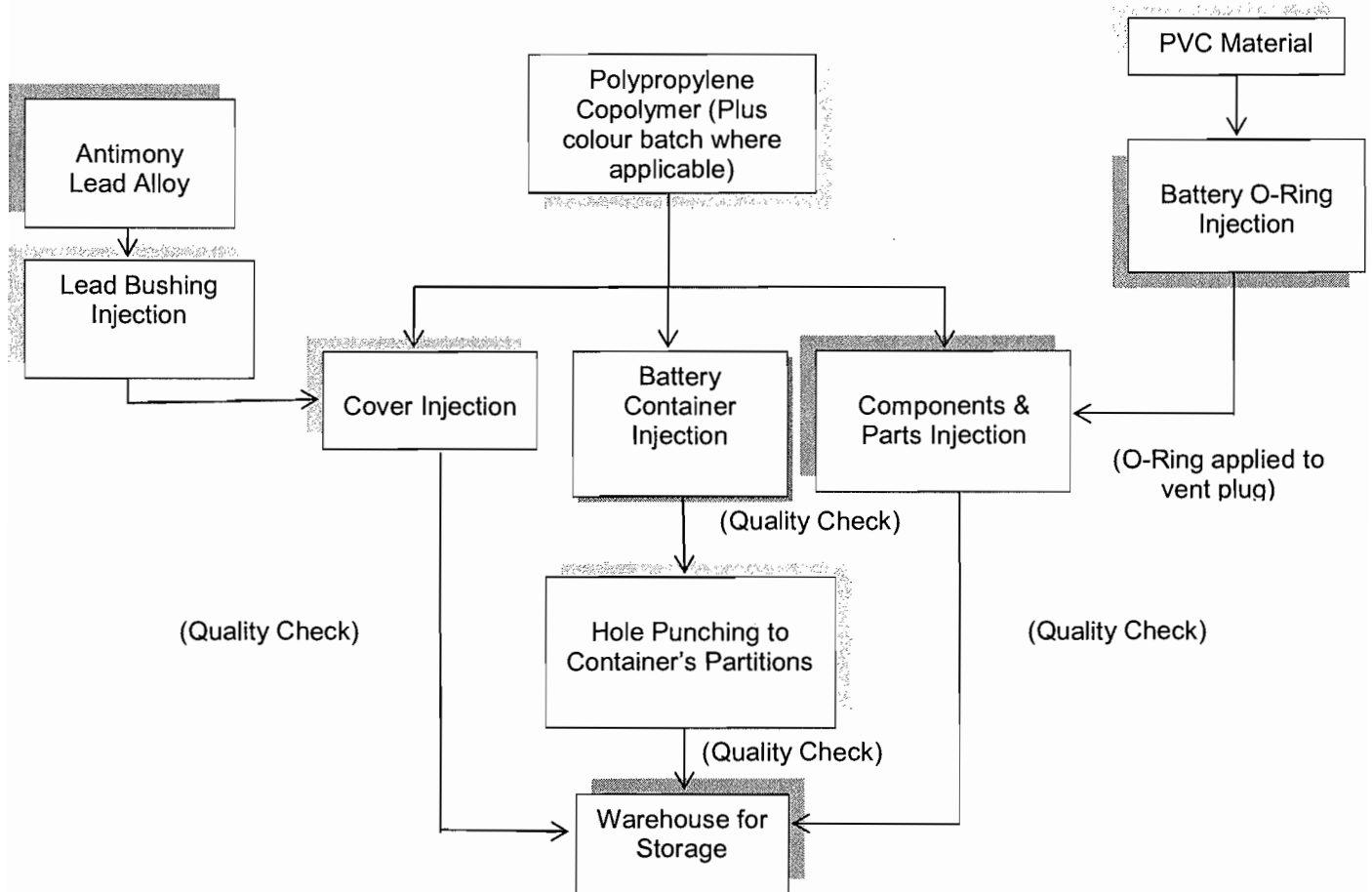
After batteries are manufactured and QC approved, the final products are stored in the warehouse. Subsequently, a list of delivery schedules will be prepared for delivery. Currently, we engage external logistic companies for the delivery of our products to our customers locally and overseas.

Our Group recognises the importance of the quality of our products. As such, we have from time to time, invite our customers to test our existing products and try our new products and obtain feedback from them. Any feedback given will be reviewed and evaluated in our effort to continuously strive to enhance and improve our products and services to meet our customers' requirements and expectations.

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4. INFORMATION ON OUR GROUP (Cont'd)

(f) Battery Containers and Covers Production Processes

**Raw Materials used**

The raw materials used in the manufacturing of battery containers and covers are as follows:-

- Polypropylene is the main raw material used in the production of battery cover, container and other component parts such as handle and vent plug.
- Antimony Lead Alloy for battery bushing to be applied onto the cover.
- Colour batch where necessary to be mixed with the Polypropylene materials for the production of cover, container and other component parts.
- PVC material for the production of O-Ring to be applied to the vent plug.

4. INFORMATION ON OUR GROUP (Cont'd)**Injection Molding Method**

The battery containers and covers are manufactured using the injection molding method which involves the process of injecting melted materials into a mold. The Polypropylene resins are mixed evenly with colour batch, if necessary. The materials are then fed through a hopper into a heated barrel to be mixed and melted before being forced into a mold cavity where it cools and hardens to the configuration of the cavity before it can be ejected and be dimensionally stable. Once removed from the injection machine, the respective covers and component parts are inspected to ensure it complies with the required quality standard before transferring it to the warehouse. The same checking process also applies to the container produced. However, the container which has complied with the quality standards will be transferred to a section for hole punching. After hole punching, the container will be inspected to ensure that the container conform to the respective hole punch specifications before the container is transferred to the warehouse.

4.2.5 Types, Sources and Availability of Raw Materials

The raw materials used by our Group are antimony lead, calcium lead, pure lead, battery containers and covers, separators, and sulphuric acid. Set-out below is a breakdown of the raw materials used by our Group, together with their respective sources of supplies.

Raw Material	Description	Sources of supplies
Antimony Lead	Mainly for the production of battery plates	Korea, Taiwan and UK
Calcium Lead	Mainly for the production of battery plates	Korea, Taiwan and UK
Pure Lead*	Mainly for lead oxide production	Australia, Korea, Taiwan and UK
Battery containers and covers [^]	Casing for the batteries	Thailand, Taiwan, Malaysia and Vietnam
Polypropylene	Mainly used for the production of battery containers and covers	Singapore and Malaysia
Separator	For separating the plates	Thailand, Japan, and Taiwan
Sulphuric Acid	Chemicals	Malaysia

Notes:-

* Includes primary and secondary lead.

[^] After the completion of the battery containers and covers plant at the end of 2010, our Group has started manufacturing its own battery containers and covers. Presently, the battery containers and covers produced from our plant are only for our Group's own usage. In future, we intend to sell the battery containers and covers to third parties

As shown in the table above, our Group sources most of its raw materials overseas. This is mainly due to the established relationship with these overseas suppliers and the consistency in the supply and quality of their products. As these suppliers are located all around the world, our Group is confident that supplies of raw materials will not affect the operations of our Group.

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4. INFORMATION ON OUR GROUP (Cont'd)

Our raw materials are sourced from both Malaysia as well as from overseas, namely Australia, Japan, Korea, Singapore, Taiwan, Thailand, UK and Vietnam. In practice, we normally keep sufficient level of stocks at our warehouse to avoid any disruptions in the manufacturing operations due to delay in the delivery of raw materials. However, this may result in higher production cost if the price of these raw materials decreases subsequently and *vice versa*.

We also diversify our sources of supply to minimise dependence on a single supplier. As these raw materials are available locally and globally, we do not foresee major supply problems that would adversely affect our manufacturing operations. Lead is mainly imported from overseas, however it is also available locally. The pricing of the lead used in the batteries for all the players in the industry are generally based on the price quoted on the LME.

Over the years, we have built strong working relationships with our suppliers as we have established good track records for our purchases and payment commitments. This has resulted sufficient supply of raw materials at competitive prices.

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4. INFORMATION ON OUR GROUP (Cont'd)

4.2.6 Approvals, Major Licences and Permits Obtained

Company	Description of approval / licence / permit	Licence No.	Date of issuance or commencement / expiry date	Authority	Major Conditions Imposed	Status of compliance of major conditions
AB Manufacturing	Manufacturing Licence	A012114	23.10.1997 / No expiry date	MITI	All shares are required to be purchased and held by Malaysian of which at least 30% shareholding must be held by Bumiputera investors Disposal of shares in the company is required to be approved by MIDA	[To be complied]
AB Manufacturing	Manufacturing Licence	A016338	27.02.2007 / No expiry date	MITI	All shares are required to be purchased and held by Malaysian of which at least 30% shareholding must be held by Bumiputera investors Disposal of shares in the company is required to be approved by MIDA	[To be complied]
AB Manufacturing	Manufacturing Licence	A016251	10.04.2007 / No expiry date	MITI	All shares are required to be purchased and held by Malaysian of which at least 30% shareholding must be held by Bumiputera investors Disposal of shares in the company is required to be approved by MIDA	[To be complied]

4. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of approval / licence / permit	Licence No.	Date of issuance or commencement / expiry	Authority	Major Conditions Imposed	Status of compliance of major conditions
AB Manufacturing	Manufacturing Licence	A018588	20.07.2011 / No expiry date	MITI	All shares are required to be purchased and held by Malaysian of which at least 30% shareholding must be held by Bumiputera investors Disposal of shares in the company is required to be approved by MIDA	[To be complied]
AB Manufacturing	Sijil Pendaftaran Kontraktor: Bekalan & Perkhidmatan; Category A, Head II, Sub Head 8.	UPK-B/02594	27.05.2010/ 16.03.2013 *	Unit Pendaftar Kontraktor Setiausaha & Juruperunding, Pejabat Setiausaha Kewangan Negeri, Sarawak	Nil	In compliance
AB Manufacturing	Trading Licence	612004	16.11.2012 / 31.12.2013	Sarawak State Government	Nil	In compliance
AB Manufacturing	Licence under the Sales Tax Act – Manufacturer Licence	A001859	01.05.1974 / No expiry date	Royal Customs And Excise Department	Nil	In compliance
AB Manufacturing	Wholesaler's Poisons Licence (Type B Licence)	027376	01.01.2013 / 31.12.2013	Jabatan Kesihatan Negeri Sarawak	Nil	In compliance
AB Manufacturing	Licence for Petroleum > 750L but < 180000L	SPP000113	01.01.2013 / 31.12.2013	Majlis Bandaraya Kuching Selatan	Nil	In compliance

4. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of approval / licence / permit	Licence No.	Date of issuance or commencement / expiry	Authority	Major Conditions Imposed	Status of compliance of major conditions
AB Manufacturing	Licence for Gas > 2268KG	SPP000114	01.01.2013 / 31.12.2013	Majlis Bandaraya Kuching Selatan	Nil	In compliance
AB Manufacturing	Permit Barang Kawalan Berjadual	KCH.SK.1023 (Diesel, LPG)	11.05.2012 / 15.05.2013**	Pejabat Perdagangan Dalam Negeri dan Hal Ehwal Pengguna	Nil	In compliance
AB Marketing	Trading Licence	No. 632102	18.04.2013 / 30.04.2014	Sarawak State Government	Nil	In compliance
Auto Industries	Trading Licence	300220	28.11.2012 / 31.12.2013	Dewan Bandaraya Kota Kinabalu	Nil	In compliance
AB Manufacturing	Sijil Kelulusan Bertulis Pemasangan/Pembinaan Peralatan Pembakaran Bahanapi dan Cerobong di Bawah Peraturan-Peraturan Kualiti Alam Sekeliling (Utara Bersih) 1978, P.U. (A) 280	DG-42/2006, DG-43/2006, DG-44/2006, DG-45/2006, DG-46- 47/ 2006, DG-48/2006, DG-49- 50/ 2006, DG-51/2006	27.06.2006 / No expiry date	Department of Environment, Sarawak	Nil	In compliance

4. INFORMATION ON OUR GROUP (Cont'd)

Note:-

* The permit is in the process of being renewed. In an unlikely situation where the renewal is not granted, our Group will have restrictions supplying to certain government agencies. Nevertheless as the sales to the government agencies are minimal (comprising less than 1% of our Group's revenue for FYE 31 December 2012), if the renewal is not granted, we do not anticipate any material adverse impact on our business.

** The permit is in the process of being renewed. In an unlikely situation where the renewal is not granted, our Company will not be able to store liquefied petroleum gas and diesel in our plants for our usage.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.2.7 Brand Names, Patents, Trade Marks, Licences, Technical Assistance Agreements, Franchises and Other Intellectual Property Rights**

Our Group has registered the following trademarks in the respective countries, namely Japan, Australia, Taiwan, Singapore and Malaysia.

No.	Trademark	Country	Proprietor	Application Number	Class*	Renewal Date
1	Fujiya	Japan	AB Manufacturing	2549850	9	30.06.2013
2	ABM	Australia	AB Manufacturing	1006486	9	15.06.2014
3	Challenger	Australia	AB Manufacturing	1006427	9	15.06.2014
4	Fujiya	Australia	AB Manufacturing	1006576	9	15.06.2014
5	Challenger & Device	Taiwan	AB Manufacturing	01012967	9	31.08.2022
6	ABM	Taiwan	AB Manufacturing	01160913	9	30.06.2015
7	Fujiya	Taiwan	AB Manufacturing	01000790	9	31.05.2022
8	Challenger	Taiwan	AB Manufacturing	01248755	9	31.01.2017
9	Futachi	Malaysia	AB Manufacturing	92007679	9	02.11.2019
10	Osaki	Malaysia	AB Manufacturing	93000645	9	05.02.2020
11	Wartah	Malaysia	AB Manufacturing	01015467	9	03.12.2021
12	Yoasata	Malaysia	AB Manufacturing	01015470	9	03.12.2021
13	Yaesu	Malaysia	AB Manufacturing	02011209	9	11.09.2022
14	Fuku	Malaysia	AB Manufacturing	86005241	9	09.12.2017
15	Hodaya	Malaysia	AB Manufacturing	86005242	9	09.12.2017
16	Kawaki	Malaysia	AB Manufacturing	86005244	9	09.12.2017
17	Fujiyaki	Malaysia	AB Manufacturing	90/03004	9	14.05.2021
18	Fujikawa	Malaysia	AB Manufacturing	90/03007	9	14.05.2021
19	Fujima	Malaysia	AB Manufacturing	90/08264	9	17.12.2021
20	Fujiyaho	Malaysia	AB Manufacturing	90/08265	9	17.12.2021
21	Gos	Malaysia	AB Manufacturing	93008465	9	29.10.2020
22	Highway	Malaysia	AB Manufacturing	95004526	9	13.05.2022
23	Fujiya Challenger	Malaysia	AB Manufacturing	95012911	9	05.12.2022
24	Fujiya Strike	Malaysia	AB Manufacturing	95012912	9	05.12.2022
25	Fujiya Supreme	Malaysia	AB Manufacturing	95012913	9	05.12.2022
26	Challenger	Malaysia	AB Manufacturing	01008958	9	14.07.2021
27	Battery Fujiya	Malaysia	AB Manufacturing	SAR/22438	9	10.12.2021
28	Koyo	Malaysia	AB Manufacturing	SAR/22603	9	17.01.2022
29	Giso	Malaysia	AB Manufacturing	85002566	9	17.06.2016
30	Fujiya	Malaysia	AB Manufacturing	91000894	1	11.02.2018
31	ABM (Pyramid Logo)	Malaysia	AB Manufacturing	97018208	9	29.11.2014

4. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Country	Proprietor	Application Number	Class*	Renewal Date
32	ABM (Circle Logo)	Malaysia	AB Manufacturing	97018209	9	29.11.2014
33	Toplite	Malaysia	AB Manufacturing	04007882	9	10.06.2014
34	Perfecta ABM	Malaysia	AB Manufacturing	06003327	9	07.03.2016
35	Enerlite	Malaysia	AB Manufacturing	06011888	9	06.07.2016
36	ABM	Singapore	AB Manufacturing	T1008347G	9	02.07.2020
37	Fujiya	Singapore	AB Manufacturing	T0906636Z	9	16.06.2019
38	Fujiyo	Malaysia	AB Manufacturing	90008266	9	17.12.2017
39	Fujico	Malaysia	AB Manufacturing	90008267	9	17.12.2017
40	Yazaki	Malaysia	AB Manufacturing	09005946	9	13.04.2019
41	Fusaki	Malaysia	AB Manufacturing	09012546	9	28.07.2019
42	Yamaki	Malaysia	AB Manufacturing	09019177	9	02.11.2019

Notes:-

- (i) Class 1 refers to chemicals used in industry, science and photography, as well as agriculture, horticulture and forestry, unprocessed artificial resins, unprocessed plastics, manures, fire extinguishing compositions, tempering and soldering preparation, chemical substances for preserving foodstuff, tanning substances, adhesive used in industry.
- (ii) Class 9 refers to among others, apparatus and instrument for conducting, switching, transforming, accumulating, regulating, or controlling the electricity.

It is an industry norm to have many brands under each manufacturer as a marketing strategy. The various automotive battery manufacturers have a wide range of batteries under different brands so as to cater to a wide spectrum of market segments. This is to assist in market penetration.

(Source: Independent Market Research Report of the Automotive Battery Manufacturing Industry prepared by Infobusiness)

Although the price of our battery is not determined by its trademark, the main purposes of our Group for having extensive trademarks are to penetrate the market, obtaining greater shelf space and fulfilling our Wholesalers and Distributors' needs as this is part of their marketing strategies to distinguish the batteries they sell with those of their competitors and also be seen as giving more choices to the end-users.

ABM, Fujiya and Challenger are trademarks that were commonly used in promoting our batteries in trade and exhibition fairs that we have participated in. They are trademarks that are widely recognised by our customers. As shown in the table above, these 3 trademarks were also registered in different countries.

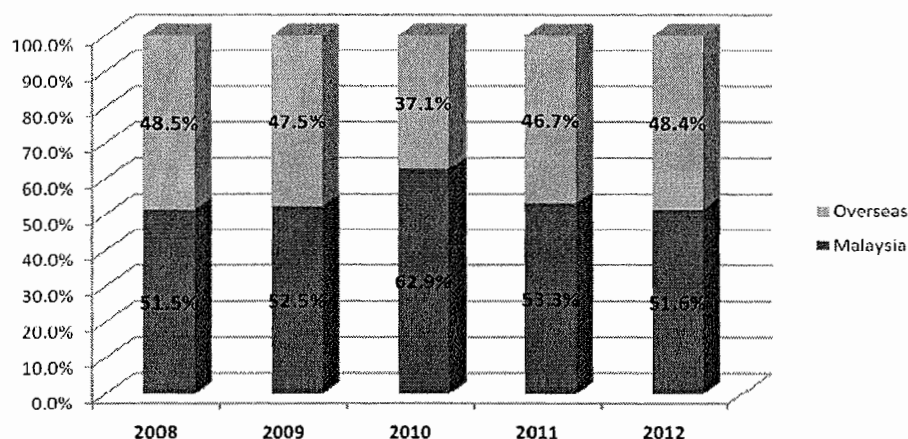
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4. INFORMATION ON OUR GROUP (Cont'd)**4.2.8 Dependency on Patents, Licences, Industrial, Commercial or Financial Contracts**

Saved as disclosed in Section 4.2.6 and Section 4.2.7, as at LPD, our Group is not highly dependent on any major patents, trademarks, licences, technical assistance agreements, franchises or intellectual property rights.

4.2.9 Principal Markets

Breakdown for Malaysia and overseas markets, for FYE 31 December 2008 to 31 December 2012 are as follows:-



Our Group's principal markets are mainly in Malaysia and overseas countries, which contributed 51.6% and 48.4% of our revenue in 2012 respectively. For the export market, we have built a healthy relationship with our overseas customers in promoting our products over the past ten (10) years. Our Group has exported our products to the overseas markets since 2000. These overseas markets include Afghanistan, Australia, Bangladesh, Brunei, Cambodia, Chile, Egypt, Ethiopia, Fiji Island, France, Ghana, Greece, Hong Kong, India, Indonesia, Iran, Iraq, Italy, Jamaica, Japan, Jordan, Kenya, Korea, Kuwait, Laos, Lebanon, Madagascar, Mauritius, Myanmar, New Zealand, Nigeria, Sultanate of Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Rwanda, Saudi Arabia, Singapore, Solomon Islands, Somaliland, South Africa, Spain, Sudan, Sweden, Taiwan, Thailand, Togo, Turkey, UAE, UK, Vietnam and Yemen.

Comparing revenue generated from the sale to overseas and local markets for the 31 December 2012 to 2011, both the overseas and local revenue increased by approximately RM5.3 million and RM1.1 million respectively. The increase in local revenue was mainly due to the increase in sales in Sabah and Sarawak, whilst the increase in overseas revenue was mainly due to the increase in revenue generated from the sales to countries in the Middle East, Singapore and India.

Please refer to Section 10.4.1 of this Prospectus for further explanations on the principal markets of our Group for the past five (5) years up to FYE 31 December 2012.

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4. INFORMATION ON OUR GROUP (Cont'd)

Revenue breakdown by principal markets for FYE 31 December 2012 are as follows:-

Country	Sales Contribution for FYE 31 December 2012	
	RM'000	% of total sales
Local Market		
Malaysia	69,238*	51.6%
Total sales for local market	69,238	51.6%
Overseas Market		
Sultanate of Oman	27,909	20.8%
Singapore	7,300	5.4%
Nigeria	5,309	4.0%
Australia	4,991	3.7%
Lebanon	3,472	2.6%
India	3,317	2.5%
UAE	2,571	1.9%
Brunei	2,545	1.9%
Cambodia	1,882	1.4%
Qatar	1,483	1.1%
Iran	759	0.6%
UK	754	0.6%
Taiwan	690	0.5%
Myanmar	397	0.3%
Togo	222	0.2%
Madagascar	216	0.2%
Republic of Uganda	206	0.1%
Italy	201	0.1%
Jordan	189	0.1%
Afghanistan	163	0.1%
Mauritius	160	0.1%
South Africa	158	0.1%
New Zealand	130	0.1%
Total sales for overseas market	65,024	48.4%
Grand Total	134,262	100.0%

Note:-

* This represents our Group sales to local market (excluding inter- company sales)

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4. INFORMATION ON OUR GROUP (Cont'd)

4.2.10 Seasonality

Seasonal demand trend does not have a material effect on our products demand due to our diverse overseas customer base. Our Directors expect higher demand for our products in the overseas market in the future as we are able to provide a wide range of high quality products that meet customers' requirements and to adapt to the future market trends. In addition, our sales and marketing activities are also expected to bring in new businesses to our Group.

4.2.11 Quality Control / Management Procedures / Programmes

We have adopted a stringent internal quality management assurance policy to ensure that the products manufactured and supplied by our Group are of high quality and meet the specifications and requirements of our customers. As part of our Group's continuous commitment to improve the quality of our products, we have obtained the MS ISO 9002:1994 certification in 2001 and later upgraded it to the MS ISO 9001:2000 certification in 2003 and to MS ISO 9001:2008 in 2009 which was renewed in 2012 for the recognition of our proven QMS in the manufacturing of automotive batteries.

We conduct QA/QC inspections at various stages of the production process so that immediate corrective actions can be taken in order to eradicate any cause of deviations on our products. At times, our customers visit our plant and are guided through our production floor, thus strengthening the customers' confidence in our Group's products.

Our stringent QA/QC procedures enable consistent improvements and high quality assurance in our production processes to manufacture reliable products that meet customers' requirements and stringent specifications. The ability to provide quality services through proper QC practices set by our Group is evidenced by our achievements in obtaining the ISO certifications from accreditation bodies.

4.2.12 R&D

We place strong emphasis on R&D to ensure that our products are of high quality and in conformance with the stringent ISO standards. Our continuous R&D initiatives which cover research, design, production and testing of batteries, will benefit our Group's product enhancement and development.

We engaged five (5) Japanese engineers to provide consultations and support for our R&D activities. Their roles and responsibilities include providing new design and formulation for our products, improving the quality control procedures of our QMS as well as providing trainings to our engineers and QA/ QC staffs.

These Japanese engineers have vast experiences in the battery manufacturing industry as they previously worked in the relevant field of battery manufacturing companies in Japan.

(a) Policy on R&D

The battery manufacturing industry has changed over the years. To compete in this industry, it is important for us to be able to meet or exceed customers' expectations and to stay ahead of our competitors. We have therefore developed R&D objectives and policies to help us anticipate and be in line with the rapid changes in the market trends and demands.

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4. INFORMATION ON OUR GROUP (Cont'd)

Our Group's R&D objectives are to provide new design, engineering ideas and integrated processes to develop high quality products while minimising manufacturing cost. We continue to improve the battery lifespan by researching and improving the battery structure which is in line with the customers' requirements and market trends.

Our R&D policies are:-

- (i) to develop products that are of high quality in terms of their durability and lifespan;
- (ii) to provide new design that meets or exceeds customer's expectation and ease-of-use; and
- (iii) to enhance production efficiency while minimising manufacturing cost.

With these in place, our R&D team is constantly researching into new methods to manufacture high quality automotive batteries, new production processes, as well as new product structures to adapt to the rapid changes in the market trends and demands.

(b) R&D Expenditure

The amount spent on R&D activities and their percentage shares on revenues over the last five (5) FYE 31 December are as follows:

R&D Investment	FYE 31 December				
	2008 (RM)	2009 (RM)	2010 (RM)	2011 (RM)	2012 (RM)
R&D Salaries	291,494	237,625	263,501	356,509	405,124
R&D Expenses	25,072	3,778	81,073	49,379	50,926
Total R&D Expenditure	316,566	241,403	344,574	405,888	456,050
% of the Total R&D Expenditure over Total Revenue	0.22%	0.19%	0.27%	0.32%	0.34%
No. of personnel	11	9	13	13	18

The decrease in R&D expenditure for FYE 31 December 2009 was mainly due to testing carried out on the central lug plate since year 2008.

For FYE 31 December 2010, in addition to working on the central lug plate, the R&D division had also commenced design and testing of new MF battery cover. Furthermore, the increase in R&D expenditure was also due to the engagement of a new technical consultant.

For FYE 31 December 2011 and 2012, the total R&D expenditure increased further as our R&D division has been continuously researching for new ways to improve our Group's products.

Our R&D division introduced the radiant-cut grid to enhance increasing performance of battery cranking ampere without increasing cost of the product. The radiant-cut grid helps to reduce internal resistance of the battery and maximising cranking ability. Presently, the new radiant-cut grid moulds are undergoing a trial run.

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4. INFORMATION ON OUR GROUP (Cont'd)

In addition, our R&D division is experimenting with the formulation of plates to enable our batteries to achieve an extended life cycle to meet our customers' stringent requirements. This improvement is especially critical in meeting the expectations of our customers.

Through our R&D division, our Group has successfully commenced production of battery containers and covers in 2011.

4.2.13 Interruptions in Business for the Past Twelve (12) Months

There have been no major interruptions to the business of our Group that significantly impaired our Group's business performance during the past twelve (12) months.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.2.14 Key Achievements / Milestones / Awards****Key Milestones**

The following are some of our key milestones:-

Year	Milestones
1971	<ul style="list-style-type: none"> Our Group incorporated AB Manufacturing.
1974	<ul style="list-style-type: none"> AB Manufacturing commenced operation specialising in the manufacturing of automotive batteries in our plant situated at Lot 1446, Section 66, Jalan Perdana, Bintawa Industrial Estate, 93450 Kuching, Sarawak. Currently, it is being used as a warehouse in our daily operation. We produced small size conventional lead acid batteries for Japanese specification motor vehicles.
1978	<ul style="list-style-type: none"> We started manufacturing conventional lead acid batteries based on European specification.
2000	<ul style="list-style-type: none"> We constructed a new plant situated at Lot No. 2224, Section 66, Kuching Town Land District, Lorong Pangkalan, off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak. We started manufacturing low maintenance batteries and deep cycle batteries. We set up a R&D division. We expanded our market coverage to Brunei, Australia and Singapore.
2001	<ul style="list-style-type: none"> We obtained the UPK licence which enables us to tender for Government projects in Sarawak. Certification International (UK) Limited awarded us with MS ISO 9002:1994 for our proven QMS in the manufacturing of automotive batteries.
2003	<ul style="list-style-type: none"> We started manufacturing MF batteries. Our ISO certification was upgraded to MS ISO 9001:2000 certification.
2004	<ul style="list-style-type: none"> We incorporated AB Marketing to cover the sales and marketing activities for ABM Fujiya Group in Malaysia. We developed special formulated plates for the Middle East market. Successfully commenced production of a variant of golf buggy batteries (a type of deep cycle battery).
2006	<ul style="list-style-type: none"> We acquired and re-constructed a plant situated at Lot No. 1159, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak.
2007	<ul style="list-style-type: none"> We constructed a new plant cum office situated at Lot No. 859, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak. The office block was completed in early 2010.
2008	<ul style="list-style-type: none"> Construction of the plant situated at Lot No. 1159 was completed. We acquired Auto Industries as a marketing arm of AB Manufacturing. Auto Industries was incorporated in 1978 and commenced operation in the dealership of batteries and lubricants in 1987.
2009	<ul style="list-style-type: none"> Our ISO certification was upgraded to MS ISO 9001:2008 certification.
2010	<ul style="list-style-type: none"> Construction of the plant situated at Lot No. 854 Block 7, Muara Tebas Land District, Sejingkat Industrial Park, 93450 Kuching Sarawak for the production of battery containers and covers, was completed.
2011	<ul style="list-style-type: none"> We commenced production of conventional battery containers and covers for our Group's own usage. We successfully commenced production of MF battery cover.

4. INFORMATION ON OUR GROUP (Cont'd)

Year	Milestones
2012	<ul style="list-style-type: none"> Our ISO certification MS ISO 9001:2008 was renewed for 3 years. We have expanded our overseas market coverage to Myanmar, in the Indochina region and Togo in the West Africa region. We commenced production of batteries using central lug plate. We commenced sampling production of new radiant-cut grid.
2013	<ul style="list-style-type: none"> We further expand our overseas market coverage to Ghana in the West Africa region.

Awards and Recognitions

Our Group obtained several certificates and awards, the list of which is set out in table below:

Authority	Company	Date Issued	Type of Certification and Awards	Validity
Certification International (UK) Limited	AB Manufacturing	11.01.2001	MS ISO 9002:1994 (Certificate No: CI/2307)	10.01.2003
Certification International (UK) Limited	AB Manufacturing	19.12.2003	MS ISO 9001:2000 (Certificate No: CI/2307)	18.12.2006
Certification International (UK) Limited	AB Manufacturing	20.12.2006	MS ISO 9001:2000 (Certificate No: CI/2307)	18.12.2009
Asia Entrepreneur Alliance Worldwide	AB Manufacturing	04.10.2009	Asia Pacific Super Excellent Brand 2009	Nil
Certification International (UK) Limited	AB Manufacturing	30.12.2009	MS ISO 9001:2008 (Certificate No: CI/2307)	18.12.2012
Star Publications (Malaysia) Berhad	AB Manufacturing	05.08.2010	The Star Outstanding Business Awards 2010 Category: Malaysian Brand Global Market Gold Award	Nil
Star Publications (Malaysia) Berhad	AB Manufacturing	06.11.2012	The Star Outstanding Business Awards 2012 Category: Malaysian Brand Global Market Gold Award	NIL
Certification International (UK) Limited	AB Manufacturing	19.12.2012	MS ISO 9001:2008 (Certificate No: CI/2307)	18.12.2015
Departments of Standards Malaysia	AB Manufacturing	19.12.2012	MS ISO 9001:2008 (Certificate No: CICM/Q158)	18.12.2015

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4. INFORMATION ON OUR GROUP (Cont'd)

4.2.15 Modes of Marketing / Distributions / Sales**(a) Marketing Strategies**

Our marketing team strives to maintain the high quality standards of our products and stresses on providing quality customer support. We are able to sustain long-term business relationships coupled with customer loyalty through our marketing strategies and committed after-sales service. Our long-term customers have traditionally helped us in promoting our products by recommendation through word of mouth. It is the strategy of our Group to make overseas market as our priority due to the higher profitability.

Our sales and marketing division is headed by our Managing Director, Dato' Tay Tze How. As at LPD, our Group has a team of eight (8) sales personnel, senior management and Directors who are primarily responsible for promoting and marketing our products as well as maintaining and building good relationships with our existing customers and securing new customers for our Group.

Our Group's principal sales and marketing objective is to provide high quality products which are competitively priced as well as to provide competent technical support and feedback to our customers. Our Group's marketing and distribution modes / activities include:-

(i) Referrals / Word-of-Mouth

We have been in the market for over 39 years and our Group has built a respectable reputation for our products and services in the local and overseas markets, and many of our new customers are introduced to our products and services through referrals / word of mouth.

(ii) Internet

We have an operating website, <http://www.abm88.com.my>, which was set up to promote our Group and our products to our existing and potential customers. The customers can search for our Group's information and the products and services on offer. The purpose of running a website is to increase our market exposure in the local and overseas markets and to service our customers better.

(iii) Promotional Items

We also provide promotional items, such as ABM printed t-shirts, caps, stickers, re-cycled bags and battery display to our intermediaries, such as Importers, Exporters, Wholesalers and Distributors. Nevertheless, we also set up display stands with our range of batteries at our Distributors' and retailers' stores as well as our office as part of our advertisement and promotion plan. This enables our customers to view and understand our products before they make a purchase.

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4. INFORMATION ON OUR GROUP (Cont'd)**(iv) Trade and Exhibition Fair**

Throughout the years, we have participated in numerous trade and exhibition fairs in Malaysia and globally to promote our products. Below is a list of trade and exhibition fairs that we have participated in over the last five (5) years, from 2008 to 2012:-

Year	Trade and Exhibition	Location
2012	10 th Vietnam Expo 2012	Ho Chi Minh City, Vietnam
2012	111 th China Import & Export Fair	Guangzhou, China
2012	The 4 th Indonesia Auto Parts, Accessories and Equip Exhibition and Conference 2012	Jakarta, Indonesia
2012	Specialised Marketing Mission to Ethiopia and Tanzania	Addis Ababa, Ethiopia and Dar Es Salaam, Tanzania
2012	The Trade and Investment Mission to Myanmar	Yangon, Myanmar
2011	Specialised Marketing Mission to Nairobi, Kenya, Kampala, Uganda.	Nairobi, Kenya, Kampala, Uganda
2011	Showcase Malaysia 2011, Mumbai, India	Mumbai, India
2011	Showcase Malaysia 2011, Dhaka, Bangladesh	Dhaka, Bangladesh
2011	The 21st Vietnam Expo 2011, Hanoi, Vietnam	Hanoi, Vietnam
2011	Auto Show and Auto Parts Azerbaijan 2011	Baku, Azerbaijan
2011	Indian-Asean Business Fair 2011	New Delhi, India
2010	Solo Fair Phnom Penh, Cambodia	Cambodia
2010	AUTOMECHANIKA 2010	Frankfurt, Germany
2010	East African International General Trade Fair 2010	Nairobi, Kenya
2010	Specialised Marketing Mission on Automotive parts & Components, Building materials & Food Products to Cairo, Egypt	Cairo, Egypt
2010	Specialised Marketing Mission on Automotive parts, Components & Accessories to Taipei, Taiwan	Taipei, Taiwan
2009	Specialised Marketing Mission on Automotive Products and Services to Germany and France	Germany and France
2009	Trade and Investment Mission to India (Mumbai, Bangalore and Chennai)	Mumbai, Bangalore and Chennai, India
2009	Specialised Marketing Mission on Automotive Sector to Jakarta, Indonesia	Jakarta, Indonesia
2009	Specialised Marketing Mission on Automotive Sector to Ho Chi Minh, Vietnam	Ho Chi Minh, Vietnam
2009	AUTOMECHANIKA Malaysia 2009	Kuala Lumpur, Malaysia
2008	Marketing Mission to Botswana, Zambia and South Africa (Gaborone, Lusaka and Johannesburg)	Botswana, Zambia and South Africa (Gaborone, Lusaka and Johannesburg)
2008	Trade and Investment Mission to ASEAN (Indonesia, Vietnam)	Indonesia and Vietnam
2008	Showcase Malaysia 2008	Dhaka, Bangladesh

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4. INFORMATION ON OUR GROUP (Cont'd)

Some of our Group's Directors, key management and eight (8) sales personnel continuously work closely with our existing customers through regular visits. These visits greatly assist us in improving our Group's products through feedback which is directly and immediately communicated to the relevant divisions to improve the quality of our Group's products. Our sales and marketing team strives to maintain consistently high quality standards for our products and stresses on providing quality customer support as well. Through these strategies, our Group managed to sustain long-term business relationships coupled with customer loyalty.

(b) Distribution Channel

As at LPD, we have 34 and 108 local and overseas distribution channels respectively participating in the distribution of our products. All our sales are generated through our sales offices. Our distribution channels mainly comprise Importers, Exporters, Wholesalers and Distributors. These marketing intermediaries will market our products extensively. They have the capacity to procure large quantity orders, which in turn, enable them to enjoy attractive prices. In addition, most of them are equipped with facilities such as warehouses, display centres, delivery vehicles, sales personnel, thus indirectly reducing our distribution cost as we need not bear such costs.

All our products sold overseas are through our Importers, Exporters, Wholesalers and Distributors, which contribute for approximately 46.7% and 48.4% of our Group's total revenue in 2011 and 2012 respectively. We have established a good working relationship with our customers to promote and distribute our products to the overseas market.

At the local front, we have Distributors in Peninsular Malaysia, Sabah and Sarawak to market and distribute our products. To complement this, we intend to set up an office and warehouse in Kuala Lumpur to service existing and potential Wholesalers, Distributors and automotive assemblers and manufacturers in Peninsular Malaysia.

We have also secured customers by providing Contract Manufacturing services under their brand name.

Please refer to Section 4.2.1 of this Prospectus for the diagram of our distribution channel.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.2.16 Material Capital Expenditures and Divestitures**

Save for the approximately RM73.8 million of material capital expenditure incurred for FYE 31 December 2008 to 31 December 2012, we did not incur any other material capital expenditure for the past five (5) financial years up to 31 December 2012.

	Material capital expenditure	Year of transaction	Amount (RM'000)
1	Re-construction of new plant located at Lot 1159, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak.	2008	1,598
2	Acquisition of 14 units shoplots located at T. Chin Kin Commercial Centre, Jalan Pending, Kuching, Sarawak.	2008	⁽¹⁾ 7,943
3	Acquisition of battery containers and covers moulds, equipment and parts and moulds of COS Machines, grid casting moulds, inert gas battery plates drying control oven machines, injection moulding machines, rectifiers and welding control programmers.	2008	11,941
4	Construction of new plant for the production of battery containers and covers situated at PL Plot 854, Block 7, Muara Tebas Land District, Sejingkat Industrial Park, 93450 Kuching, Sarawak	2008 to 2010	4,770
5	Acquisition of automated machineries, COS Machines, grid casting moulds, welding controllers and generator sets.	2009	11,128
6	Alienation of land by the State Government of Sarawak of Lots 1122 and 1274, Block 8, Muara Tebas Land District, 93050 Kuching, Sarawak.	2010	18,215
7	Acquisition of grid casting moulds, assembly line use equipments and moulds, COS moulds, case formation rectifier machines and Polypropylene injection machines and equipments.	2010	7,520
8	Renovation work on Lot 1159, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak.	2010	464
9	Acquisition of battery containers and covers moulds, grid casting moulds and grid trimmed cutter, terminal bushing casting moulds, small parts cutting machines, Polypropylene injection machines, formation charger and discharger and vibration tester.	2011	5,641
10	Acquisition of air-cooled rotary screwed compressor, automatic pneumatic plates cutting machines, battery containers and covers moulds, COS Machines use moulds, grid casting machines & moulds and inert gas battery plates drying control oven machine.	2012	4,612
		Total	73,832

Note:-

(1) Includes maintenance cost of approximately RM103,000 incurred for the properties.

We have had no material divestitures in the past five (5) financial years up to 31 December 2012.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.2.17 Material Capital Expenditure and Divestitures Currently in Progress**

Save as disclosed below, we have not undertaken any material capital expenditure and material divestitures that is currently in progress up to the date of this Prospectus:-

No.	Details of capital expenditure	Total expected capital expenditure	Total incurred to-date
		(RM'000)	(RM'000)
1	Additional machineries for the production of battery containers and covers	1,283	-

The above on-going capital expenditures are to be financed by a combination of internally generated funds/borrowings.

4.2.18 Dependence on Contracts / Arrangements / Documents / Other Matters

As at LPD, save as disclosed in Sections 4.2.6 and 4.2.7 of this Prospectus, there are no patents or licenses, industrial, commercial or financial contracts (including informal arrangements or understandings) or new manufacturing processes, which have been entered into by us that we are highly dependent on or that are material to our business and / or profitability.

4.3 OUR SUBSIDIARIES**4.3.1 AB Manufacturing****(a) Background and History**

AB Manufacturing was incorporated in Malaysia under the Act on 26 June 1971 as a private limited company and it commenced its operations in 1974.

(b) Principal Activities and Products/Services

AB Manufacturing is principally engaged in manufacturing and sale of automotive batteries.

(c) Substantial Shareholders

AB Manufacturing is a wholly owned subsidiary of our Company.

(d) Share Capital

The authorised share capital of AB Manufacturing is RM100,000,000 comprising 100,000,000 shares of RM1.00 each. The issued and fully paid-up share capital of AB Manufacturing as at LPD is RM82,123,000 comprising of 82,123,000 ordinary shares of RM1.00 each.

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4. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued and fully paid-up share capital of AB Manufacturing since its incorporation are as follows:-

Date of Allotment	No. of shares Allotted	Par Value	Consideration	Cumulative Issued Share Capital	Cumulative Paid-up Share Capital
		(RM)			(RM)
26.06.1971	2	1.00	Cash	2	2
26.07.1974	279,998	1.00	Cash	280,000	280,000
15.05.1978	40,000	1.00	Cash	320,000	320,000
29.12.1980	400,000	1.00	Cash	720,000	720,000
20.01.1994	500,000	1.00	Cash	1,220,000	1,220,000
28.06.1994	500,000	1.00	Cash	1,720,000	1,720,000
07.08.1995	1,000,000	1.00	Cash	2,720,000	2,720,000
18.12.1995	350,000	1.00	Cash	3,070,000	3,070,000
10.07.1996	651,500	1.00	Cash	3,721,500	3,721,500
15.10.1996	993,550	1.00	Cash	4,715,050	4,715,050
12.06.1997	554,080	1.00	Cash	5,269,130	5,269,130
01.09.1999	300,000	1.00	Cash	5,569,130	5,569,130
07.08.2000	1,502,400	1.00	Cash	7,071,530	7,071,530
30.12.2000	436,900	1.00	Cash	7,508,430	7,508,430
23.02.2001	152,180	1.00	Cash	7,660,610	7,660,610
28.05.2001	120,870	1.00	Cash	7,781,480	7,781,480
30.07.2002	1,088,000	1.00	Cash	8,869,480	7,793,480
02.10.2002	100,000	1.00	Cash	8,969,480	7,893,480
20.12.2003	310,000	1.00	Cash	9,279,480	8,203,480
31.12.2003	720,520	1.00	Cash	10,000,000	8,924,000
27.03.2004	1,230,000	1.00	Cash	11,230,000	10,154,000
30.09.2005	10,000	1.00	Cash	11,240,000	10,164,000
29.12.2005	486,000	1.00	Cash	11,726,000	10,650,000
10.01.2007	2,000	1.00	Cash	11,728,000	10,652,000
15.03.2007*	-	-	Cash	11,728,000	10,659,000
06.07.2007	5,000	1.00	Cash	11,733,000	10,664,000
18.12.2008	1,000	1.00	Cash	11,734,000	10,665,000
10.08.2009	70,389,000	1.00	Bonus issue	82,123,000	81,054,000
06.04.2010*	-	-	Cash	82,123,000	82,123,000

Note:-

* Being partial payments of calls-in-arrears in relation to allotment on 30.07.2002.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital of AB Manufacturing.

4. INFORMATION ON OUR GROUP (Cont'd)**(e) Subsidiary and Associated Company**

As at LPD, the subsidiaries of AB Manufacturing are AB Marketing and Auto Industries. AB Manufacturing does not have any associated company.

4.3.2 AB Marketing**(a) Background and History**

AB Marketing was incorporated in Malaysia under the Act on 13 March 2004 as a private limited company and it commenced its operations in 2004.

(b) Principal Activities and Products/Services

AB Marketing is principally engaged in retailing of automotive batteries.

(c) Substantial Shareholders

AB Marketing is a wholly owned subsidiary of our AB Manufacturing, which in turn is a wholly owned subsidiary of our Company.

(d) Share Capital

The authorised share capital of AB Marketing is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of AB Marketing as at LPD is RM2 comprising 2 ordinary shares of RM1.00 each.

The changes in the issued and fully paid-up share capital of AB Marketing since its incorporation are as follows:-

Date of Allotment	No. of shares Allotted	Par Value	Consideration	Cumulative Issued and Paid-up Share Capital
		(RM)		(RM)
13.3.2004	2	1.00	Cash	2

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital of AB Marketing.

(e) Subsidiary and Associated Company

As at LPD, AB Marketing does not have any subsidiary or associated company.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.3.3 Auto Industries****(a) Background and History**

Auto Industries was incorporated in Malaysia under the Act on 23 September 1978 as a private limited company and it commenced its operations in 1987.

(b) Principal Activities and Products/Services

Auto Industries is principally engaged as a dealer in batteries and lubricants.

(c) Substantial Shareholders

Auto Industries is a wholly owned subsidiary of our AB Manufacturing, which in turn is a wholly owned subsidiary of our Company.

(d) Share Capital

The authorised share capital of Auto Industries is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of Auto Industries as at LPD is RM574,568 comprising 574,568 ordinary shares of RM1.00 each.

The changes in the issued and fully paid-up share capital of Auto Industries since its incorporation are as follows:-

Date of Allotment	No. of shares Allotted	Par Value	Consideration	Cumulative Issued and Paid-up Share Capital
		(RM)		(RM)
23.09.1978	2	1.00	Cash	2
12.09.1986	367,266	1.00	Cash	367,268
31.07.1992	1	1.00	Cash	367,269
08.09.1992	49,999	1.00	Cash	417,268
11.12.1995	65,000	1.00	Cash	482,268
24.08.2001	30,000	1.00	Cash	512,268
28.12.2002	62,300	1.00	Cash	574,568

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital of Auto Industries.

(e) Subsidiary and Associated Company

As at LPD, Auto Industries does not have any subsidiary or associated company.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.3.4 AB Corporation****(a) Background and History**

AB Corporation was incorporated in Malaysia under the Act on 8 March 2004 as a private limited company under the name ABM Batteries Marketing (East Malaysia) Sdn Bhd. On 29 October 2004, it changed its name to Amalgamated Batteries Corporation Sdn Bhd and had assumed the name since. It has not commenced its operations.

(b) Principal Activities and Products / Services

AB Corporation is currently dormant. Its intended principal activity is the manufacturing of packaging materials such as poly-foams.

(c) Substantial Shareholders

AB Corporation is a wholly owned subsidiary of our Company.

(d) Share Capital

The authorised share capital of AB Corporation is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of AB Corporation as at LPD is RM10,000 comprising 10,000 ordinary shares of RM1.00 each.

The changes in the issued and fully paid-up share capital of AB Corporation since its incorporation are as follows:-

Date of Allotment	No. of shares Allotted	Par Value	Consideration	Cumulative Issued and Paid-up Share Capital
		(RM)		(RM)
08.03.2004	2	1.00	Cash	2
15.08.2005	9,998	1.00	Cash	10,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital of AB Corporation.

(e) Subsidiary and Associated Company

As at LPD, AB Corporation does not have any subsidiary or associated company.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.3.5 Anpei****(a) Background and History**

Anpei was incorporated in Malaysia under the Act on 27 January 1994 as a private limited company under the name Anpei Battery Separators Sdn Bhd. On 15 November 2005, it changed its name to Anpei Corporation Sdn Bhd and had assumed the name since. It has not commenced its operations.

(b) Principal Activities and Products / Services

Anpei has not commenced business operations since its incorporation. Its intended principal activity is the manufacturing of separators.

(c) Substantial Shareholders

Anpei is a wholly owned subsidiary of our Company.

(d) Share Capital

The authorised share capital of Anpei is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and fully paid-up share capital of Anpei as at LPD is RM10,000 comprising 10,000 ordinary shares of RM1.00 each.

The changes in the issued and fully paid-up share capital of Anpei since its incorporation are as follows:-

Date of Allotment	No. of shares Allotted	Par Value	Consideration	Cumulative Issued and Paid-up Share Capital
		(RM)		(RM)
27.01.1994	3	1.00	Cash	3
05.12.2005	9,997	1.00	Cash	10,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital of Anpei.

(e) Subsidiary and Associated Company

As at LPD, Anpei does not have any subsidiary or associated company.

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4. INFORMATION ON OUR GROUP (Cont'd)**4.4 PRODUCTION CAPACITY AND OUTPUT**

Our major manufacturing processes comprise the production of grid, oxide, plate, battery containers and covers and assembly of battery.

FYE 31 December Product	2012 Total Production Capacity	2012 Annual Output	% of Utilisation
Grid	132 million grids	75.4 million grids	57.1%
Oxide	11 million kg	5.4 million kg	49.1%
Plate	130 million plates	78.7million plates	60.5%
Battery Containers and Covers	2.9 million units	1.6 million units	55.2%
Battery	1.6 million batteries*	1.0 million batteries	62.5%

Notes:-

The above calculations do not take into consideration of down-time, change-time in production and other possible add-on works.

** The total production capacity is calculated based on operation of less than two (2) shifts.*

For FYE 31 December 2012, we are operating at about 62.5% of our total production capacity, in terms of battery units.

We are only able to produce a finite amount of batteries at any one time. Due to this, we face an opportunity cost when we decide to sell to a particular market. While our production capacity is operating at only 62.5%, we are unable to immediately increase our capacity due to the need to train and integrate any new labourers.

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4. INFORMATION ON OUR GROUP (Cont'd)

4.5 MAJOR CUSTOMERS

The major customers (accounting for 10% or more of our Group's revenue) of our Group for the last five (5) FYE 31 December 2012 are as follows:

Company Name	Country	Year of Relationship*	Product Sold	Sales Contribution (%)							
				FYE 31 December							
				2008		2009		2010		2011	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%
Emerald Spare Parts [#]	UAE	6	Batteries	3,801	2.6	-	-	-	-	-	-
Autotrop Sdn Bhd [^]	Malaysia	11	Batteries	15,253	10.5	6,787	5.4	11,492	9.0	9,982	7.8
Auto Parts Centre LLC [*]	Sultanate of Oman	4	Batteries	-	-	17,884	14.1	17,415	13.7	25,709	20.1
Syn Asia Battery Enterprise Sdn Bhd [^]	Malaysia	16	Batteries	12,329	8.5	12,866	10.2	12,067	9.5	11,468	9.0
Other Customers				113,930	78.4	88,792	70.3	86,263	67.8	80,726	63.1
Total Sales				145,313	100.0	126,329	100.0	127,237	100.0	127,885	100.0
										90,901	67.7
										134,262	100.0

Notes:-

[^] A related company until June 2011 when the interests in this company were disposed off. Thus, for FYE 31 December 2012, it was no longer considered as a related company.

^{*} Commenced from first invoice date.

[#] Emerald Spare Parts and Auto Parts Centre LLC belong to the same group of companies.

Over the past 39 years, we have built a strong market presence locally and overseas for our products, in terms of both quality and durability. The majority of our Group's revenue comes from our local customers. For FYE 31 December 2012, total revenue in the local market was approximately RM69.2 million, representing 51.6% of total revenue, whereas the export market was approximately RM65.0 million, representing 48.4% of total revenue.

Our Group's customer loyalty is the result of our long-term business relationship of more than six (6) years with most of our major customers. These long-term business relationships are an indicator of the recognition by our customers for the quality and reliability of our products and services.

Our Group is not dependent on its major customers as we have a broad market base.

4. INFORMATION ON OUR GROUP (Cont'd)**4.6 MAJOR SUPPLIERS**

The major suppliers (accounting for 10% or more of our Group's purchases) of our Group over the last five (5) FYE 31 December 2012 are as follows:-

Company Name	Country	Raw Material Purchased	Years of Relationship	Purchases Contribution (%)				
				FYE 31 December				
				2008	2009	2010	2011	2012
H.J. Enthoven & Sons	UK	Lead	1	-	-	-	-	29
Nizi International S.A.	Luxembourg	Lead	1	-	-	-	-	14
Trafigura Beheer B.V.	Switzerland	Lead	>5	14	10	5	4	1
Thye Ming Industrial Co. Ltd.	Taiwan	Lead	>5	18	34	43	43	23
Sorin Corporation	Korea	Lead	4	-	11	21	21	14
Wha Chang Co. Ltd.	Korea	Lead	4	18	-	-	-	-
Glencore International AG	Switzerland	Lead	4	-	7	17	18	5
Other Suppliers				50	38	14	14	14
Total Purchases				100	100	100	100	100

We purchase our supplies from local and overseas suppliers, comprising mainly supplies of lead. The total purchases for our Group in 2012 were approximately RM92.2 million. Although we are highly dependent on imports of lead, we have not encountered any major shortages of supplies. Our Group has established long-term relationships with our suppliers and therefore does not rely on a single supplier for lead.

4.7 FUTURE PLANS AND STRATEGIES

Overall, our growth is not only in terms of physical capacity expansion, but also in terms of our ability to meet the expanding needs of our customers, both existing and potential. We also need to respond to changes in technology in both product development and quality improvement.

For the identified overseas markets, marketing intermediaries like Wholesalers and Distributors would be appointed in selected countries so as to act as the distribution channels. Diversification into the overseas markets would help to offset any downturn in the domestic markets.

4. INFORMATION ON OUR GROUP (Cont'd)

Our future plans for the next three (3) years are illustrated below:

(a) Battery Recycling Centre

Lead acid battery recycling is one of the most successful recycling programmes in the world, with over 97% of all lead batteries recycled. To reduce concerns about the environmental consequences of improper disposal of used batteries and of lead smelting operations, used automotive and other lead acid batteries can be sent to recycling centres. Such recycling centres can be found in many foreign countries and within Malaysia.

In 2009, we visited a few lead recycling plants in South East Asia Region which were introduced by a supplier of lead recycling plant (1st Supplier). After the visit, we followed up with the 1st Supplier on the technology requirements and the type of machineries to acquire.

As this project is different in nature from the battery manufacturing, and in which we have no expertise and involves substantial investments, we have decided not to immediately proceed with the project, but to continue to undertake studies and discussions with prospective suppliers. In 2011, we identified and approached another supplier ("2nd Supplier") who provides a different technology and production processes. Our R&D team is of the opinion that the machineries of the 2nd Supplier are more suitable to our requirements, but the plant and machinery are comparatively more costly.

Whilst we were originally envisaged to complete the plant by 2012, the delay is due a third, more suitable option being highlighted to us. While we were in the midst of considering and negotiating with the 2nd Supplier on the prices of the machineries we would like to acquire, in 2012, based on recommendations, we approached another supplier ("3rd Supplier"). Upon further discussion, the 3rd Supplier is able to provide machinery to meet our requirements, particularly with regards to cost efficiency in production and investment. They are also able to provide better technical support. Presently, we are in the midst of negotiations with the 2nd and 3rd Suppliers on the best prices of the machinery and technical support that they can offer.

As part of the plan, we have approached the Department of Environment to understand the environmental requirements for setting up a battery recycling plant. We have identified consultants to assist us in preparing an Environmental Impact Assessment Report and the report will be submitted to the Department of Environment once the process flow and machineries to be used are confirmed.

The State Government of Sarawak has approved the alienation of two parcels of land at Lot 1122 and Lot 1274, Block 8, Muara Tebas Land District 93050 Kuching Sarawak. The land premium is paid / payable to the government totalling RM18.2 million via 5 annual instalments. The first instalment and second instalment of RM5.5 million and RM3.6 million was paid in FYE 31 December 2010 and FYE 31 December 2012 respectively. As at LPD, the third instalment of RM3.6 million was paid and the land premium interests incurred was approximately RM0.9 million.

Subject to the finalisation of the size of the plant and approval of building plan, we estimate the construction cost to be approximately RM3.8 million. Depending on the capacity modularity, type of technology used and level of automation required, the machinery for the production will be approximately RM5.5 million at the initial planned output of 500 MT of recycled lead per month.

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4. INFORMATION ON OUR GROUP (Cont'd)

Our Management, working with our R&D team, is confident that we can commence construction of the battery recycling plant within 2 to 3 years. The timeline for the battery recycling center is as follows:-

Timeline	Task
2013 3 rd & 4 th Quarter	<ul style="list-style-type: none"> Finalise terms with supplier of lead recycling machineries & technical support
2014 1 st Quarter	<ul style="list-style-type: none"> Supplier's confirmation of recycling process design and required factory layout plans
2014 2 nd Quarter	<ul style="list-style-type: none"> Appointment of consulting firm to commence EIA study for the proposed batteries recycling plant
2014 3 rd & 4 th Quarter & 2015 1 st Quarter	<ul style="list-style-type: none"> Submission of factory's building plan to relevant authorities for approval to commence construction
2015 2 nd , 3 rd & 4 th Quarter & 2016 1 st , 2 nd Quarter	<ul style="list-style-type: none"> Commence construction of the lead recycling factory
2016 3 rd Quarter	<ul style="list-style-type: none"> Completion of construction of the plant
2016 4 th Quarter	<ul style="list-style-type: none"> Installation and commissioning of the recycling process use machineries and commence trial production

Depending on the price of lead, upon completion of the new plant we estimate cost savings to be approximately 15% to 30% per MT of Secondary Lead.

Our Group expects to begin enjoy cost savings within twelve (12) months from the completion of the battery recycling plant, subject to the following:-

- Fluctuations in lead prices
- Fluctuation in USD

In the past, our Group used about 30% to 50% of primary lead in our production process. Currently, our Group is using only secondary lead sourced from suppliers whose products are registered with the LME for our production process. This means that the products supplied by these suppliers have met certain specific requirements on quality. With the setting up of our own lead recycling plant, and upon achieving production efficiency and economies of scale (which we expect to be within 3 to 4 years after completion of the plant) we are able to reduce our import of secondary lead by 50% to 60%.

Our Management, working with our R&D team, is confident that we can commence construction of the battery recycling plant within 2 to 3 years. Our battery recycling plant is expected to be funded via our internally generated funds and / or bank borrowings.

(b) Product Range

Presently, our Group's products range from conventional lead acid battery, low maintenance battery, MF battery to Other Batteries. For many decades, the lead acid battery has been the most widely used in the automotive industry. Following the market trend, we have successfully commenced production and commercialised our own MF battery in 2003.

We have over the past few years, improved the grid design and paste formulation in our products to improve the capacity and endurance of our batteries.

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4. INFORMATION ON OUR GROUP (Cont'd)

As mentioned in Section 4.2.2 (a) of this Prospectus, we are considering venturing into the manufacturing of other related batteries such as lithium-ion batteries and VRLA, depending on market prospects. VRLA is commonly used as industrial storage and standby batteries whilst lithium-ion battery can be used for electric appliance such as mobile phone, laptop and is currently under development for electrical vehicles.

(c) Market Expansion

We have exported to over fifty (50) countries around the world. We have gained access to these export markets through Importers, Wholesalers and Distributors. At the moment, we have received good response from our overseas customers for our high quality batteries.

Our future export market expansion will be geared towards active participation with MATRADE and MIDA's promotional programmes and visits to prospective customers. Through having joint efforts with MATRADE and MIDA, we are permitted to display and promote our products in foreign countries, and this would help us to explore the opportunities in potential export markets and in identifying potential buyers. Over the next few years, we plan to expand our market presence in South America and countries in Europe and Indochina which we currently have no presence in, through various trade missions and exhibitions, publications in the MATRADE Directory and registration and participation with various importer's and exporter's websites.

Apart from expanding overseas, we will also continue to improve on our position in the Malaysian market. By increasing our production capacity, we are capable of fulfilling the high demand for batteries in the country. To service the local market better, we have incorporated AB Marketing and acquired Auto Industries to expand the distribution channels of batteries in Malaysia.

We also intend to appoint additional Wholesalers and Distributors in various states of Peninsular Malaysia. Currently we have Distributors in Johor, Kuala Lumpur, Pahang, Penang, Perak, Selangor and Negeri Sembilan. To complement this, we intend to set up an office and warehouse in Kuala Lumpur to service existing and potential Wholesalers, Distributors and automotive assemblers and manufacturers in Peninsular Malaysia.

4.8 PROSPECTS OF OUR GROUP

The prospects of our Group are favourable in light of the following factors:-

- Competitive strengths and advantages; and
- Future plans to provide sustainable growth.

(a) Competitive Strengths and Advantages

Our competitive advantages will provide a platform for continuing growth and success. These include the following:-

- **Established track record**

Over the last 39 years, we have established a strong market presence within the battery manufacturing industry, having secured many businesses worldwide.

We pay close attention to customer feedback and work in tandem with them to improve on product quality and to reduce production cost, as well as timely delivery of our products.

4. INFORMATION ON OUR GROUP (Cont'd)

- **Broad customer base**

Our Group places priority in establishing good rapport and long term strategic relationship by providing high quality, prompt delivery and competitively priced products and services to our customers. This is evidenced by the expansion of our overseas market to more than fifty (50) countries.

- **Market recognition and quality products**

We place emphasis on the quality of the products we manufactured. We have good access to both the overseas and local markets based on our ability to produce quality products to meet our customers' expectation. This is evidenced by their continuous dealings with our Group, some for ten (10) years or more. We have implemented a stringent QMS into our production process which is evidenced by us obtaining MS ISO 9002:1994 certification, the MS ISO 9001:2000 certification and MS ISO 9001:2008 in 2001, 2003 and 2009 respectively.

- **A dedicated and experienced key management team**

One of the key growth factors to successful operations of our Group is the dedicated and experienced team of key management and Directors.

The division heads ensure that all operations are carried out according to our Group's objectives. To maximize productivity and growth within each division, our personnel are trained and selected according to their capabilities. On-the-job-training is provided to new staff allowing them to learn the roles of their job functions. All divisions are updated on the latest developments of our Group with constant communication and internal collaboration to ensure team work within our Group. Furthermore, with the guidance of our Japanese consultants, we have the technical know-how and the knowledge to enhance our product offerings, thus ensuring future growth of our Group.

- **Fully-equipped infrastructure**

Our Group started the automotive battery manufacturing business in 1974 from a small factory. Presently, we have four (4) plants and a warehouse in Sarawak, specialising in the manufacturing of batteries for our customers both locally and overseas. With the completion of our new plant for the production of battery containers and covers in December 2010, we have commenced the production of battery containers and covers for our Group's own usage. Our production capacity has grown and is now able to produce approximately 1.6 million batteries yearly and 2.9 million units of battery containers and covers per annum. We have invested heavily in high quality machinery and equipment as well as providing training and hiring of skillful and knowledgeable employees in the battery manufacturing industry.

Currently, we are capable of manufacturing various types of automotive batteries to cater for the different needs of the automotive industry. Our fully automated auto-loader and unloader further ensures consistency in productivity on the COS machine.

4. INFORMATION ON OUR GROUP (Cont'd)

- **Strong emphasis on product development / enhancement**

We recognise the importance of product design and development in ensuring our competitiveness in the batteries market. Our R&D team is constantly working on product enhancement, identifying new ways to improve the quality of the products and increase product offerings. Our Japanese consultants are able to provide the required technical knowledge and troubleshooting.

Apart from the end products, our R&D also finds ways to improve or modify the existing machinery in-order to improve production efficiency, as well as to achieve higher cost-savings and to prolong the battery's operational lifespan.

- **Wide product range**

We manufacture and market a wide range of automotive batteries including conventional lead acid batteries, low maintenance lead acid batteries and MF batteries as well as Other Batteries to cater for portable electrical appliances on boats, golf buggies, light industrial scissor lifts and caravans as well as commercial and recreational vehicles. Further details of our principal products are set out in Section 4.2.3 of this Prospectus.

- **In-roads into export markets**

We have gained in-roads into export markets. This is reflected by our Group's export revenue contribution of approximately RM65.4 million (48.4%) of the Group's total revenue for FYE 31 December 2012. This would provide the platform for our Group to further expand our export activities.

Over the years, our Group has exported to over fifty (50) countries globally, namely Afghanistan, Australia, Bangladesh, Brunei, Cambodia, Chile, Egypt, Ethiopia, Fiji Island, France, Ghana, Greece, Hong Kong, India, Indonesia, Iran, Iraq, Italy, Jamaica, Japan, Jordan, Kenya, Korea, Kuwait, Laos, Lebanon, Madagascar, Mauritius, Myanmar, New Zealand, Nigeria, Sultanate of Oman, Pakistan, Papua New Guinea, Philippines, Qatar, Rwanda, Saudi Arabia, Singapore, Solomon Islands, Somaliland, South Africa, Spain, Sudan, Sweden, Taiwan, Thailand, Turkey, Togo, UAE, UK, Vietnam and Yemen.

- **Competitive and sustainable cost structure**

Several aspects of our operations and cost reduction initiatives are significant in achieving our low overall production cost, including:-

Capacity expansion leading to economies of scale - In 2008, our Group completed the construction of a new plant which resulted in an increase of our production capacities to approximately 1.6 million units of batteries and 2.9 million units of battery containers and covers per annum. Our management anticipates that this expansion will assist in achieving economies of scale was not achievable previously. Furthermore, the commencement of production at our new plant for battery containers and covers will contribute to a better profit margin in the long run.

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4. INFORMATION ON OUR GROUP (Cont'd)

Improved productivity – Our Executive Directors and key management actively manage the productivity of our manufacturing processes through several measures, which include automation of manufacturing processes, capacity utilisation, minimise energy consumption, labour productivity and reducing defects during the manufacturing processes. This also allows for faster decision making (such as production schedule changes and re-deployment of workers should there be an interruption to a production line), which is crucial in order to reduce down-time by expeditiously resolving any problems which may arise in the manufacturing processes.

Centralised location of facilities - Our facilities are situated in one (1) central location save for the battery container and cover plant. By operating in a centralised location allows us to better control and monitor our production processes as well as ensuring smooth flow of transportation logistics in our production.

Minimal distribution cost and administrative expenses - Our Group's Executive Directors and key management are actively involved in our Group's daily operations. This allows for faster decision making (such as production schedule changes and re-deployment of workers should there be an interruption to a production line), which is crucial in order to reduce down-time by expeditiously resolving any problems which may arise in the manufacturing process and thus able to maintain our Group's distribution costs and administrative expenses at minimal level. Furthermore, our distribution channels principally comprise marketing intermediaries such as Wholesalers and Distributors. These marketing intermediaries will market our products extensively. They have the capacity to procure large quantity orders, which in turn, enable them to enjoy attractive prices. In addition, most of them are equipped with facilities such as warehouses, display centres, delivery vehicles, sales personnel, thus indirectly reducing our distribution cost as we need not bear such costs.

(b) Future Plans to Provide Sustainable Growth

We have in place a business expansion plan in the following areas:-

- Improving our product range through venturing into the manufacturing of other types batteries; and
- Studying to setting up a battery recycling plant to reduce the concerns about the environmental consequences of improper disposal of used batteries and of lead smelting operations.

Further details on our future plans are set out in Section 4.7 of this Prospectus.

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5. INDUSTRY OVERVIEW

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21 JUN 2013

ABM FUJIYA BERHAD

Lot 2224, Section 66,
Lorong Pangkalan, Off Jalan Pangkalan,
Pending Industrial Estate,
93450 Kuching, Sarawak.

Dear Sirs / Madams,

EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT ("EXECUTIVE SUMMARY") FOR ABM FUJIYA BERHAD ("ABM FUJIYA" OR THE "COMPANY")

This Executive Summary has been prepared for inclusion in the Prospectus pursuant to the listing of ABM Fujiya on the Main Market of Bursa Malaysia Securities Berhad.

This research is undertaken with the purpose of providing an analysis of the automotive battery manufacturing industry in Malaysia. The research methodology includes both primary research, involving in-depth interviews with pertinent companies, as well as secondary research such as reviewing press articles, periodicals, government literatures, in-house databases, Internet research and online databases.

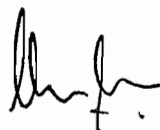
The report contains information supplied by and analysis based on public and private sources. To the extent such sources have been cited herein, we hereby confirm that we are allowed to reference such sources. Although we believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information, we have not verified the data for accuracy or completeness, and make no representation with respect to information from any source external to us.

Infobusiness Research & Consulting Sdn Bhd ("Infobusiness Research") has prepared this Executive Summary in an independent and objective manner and has taken all reasonable consideration and care to ensure the accuracy and completeness of the Executive Summary. In addition, Infobusiness Research acknowledges that if there are significant changes affecting the contents of the Executive Summary after the issue of the Prospectus and before the issue of securities, then Infobusiness Research has an on-going obligation to either cause the Executive Summary to be updated for the changes and, where applicable, cause the Company to issue a Supplementary Prospectus, or withdraw our consent to the inclusion of the Executive Summary in the Prospectus.

The Executive Summary is highlighted in the following sections.

for and on behalf of

INFOBUSINESS RESEARCH & CONSULTING SDN BHD



Mark Lee
Director

infobusiness

EXECUTIVE SUMMARY

1.1 THE GLOBAL ECONOMY

In 2012, the international economic landscape became more challenging relative to the preceding year. Global growth experienced a synchronised moderation as weakening economic conditions in several key economies affected international trade and subsequently generated adverse spillover effects on domestic activities in the emerging economies.

The global growth outlook is expected to improve in 2013. Financial and policy risks have receded compared to the situation over the recent two (2) years. Policy measures introduced in the latter half of 2012 have reduced policy uncertainties and stress in the financial markets. In the advanced economies, the pace of recovery is likely to be weak, with the differential in national growth rates reflecting the degree of economic and financial stress in the individual economies.

The outlook for the emerging economies is relatively more favourable in 2013, despite their vulnerability to external developments. For most of these economies, domestic demand remains the key driver of growth. Overall, the pace of global growth would be contingent on the strength of the revival in private sector activities in the United States ("US"), the commitment towards a credible and comprehensive set of crisis resolution policies in the euro area, and the sustainability of domestic demand in the emerging economies.

The US economy is expected to register modest growth, supported by an improvement in private demand which is expected to partially offset the ongoing fiscal consolidation. Consumption activities will remain a key driver of the private sector-led growth, supported by a recovery in the housing and labour markets. Economic activities in the euro area are expected to remain weak due to structural constraints and the continued fiscal consolidation. While tensions in the financial markets have receded, fragile growth still persists particularly in the crisis-affected economies due to the ongoing fiscal austerity measures and structural adjustments.

5. INDUSTRY OVERVIEW (Cont'd)

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In Japan, economic growth is expected to moderate, reflecting the diminishing effects from reconstruction-related demand over the recent two (2) years, amid protracted weakness in domestic activities. The economic expansion in China is expected to remain robust, with domestic economic activities set to become stronger during the year.

Table 1: Global Real Gross Domestic Product ("GDP"), 2009-2013^f

Growth (%)	2009	2010	2011	2012 ^e	2013 ^f
World GDP	-0.6	5.2	3.9	3.2	3.5
US	-3.1	2.4	1.8	2.2	2.0
Japan	-5.5	4.7	-0.6	2.0	1.2
euro area *	-4.4	2.0	1.4	-0.6	-0.2
China	8.8	10.4	9.3	7.8	8.2

Notes:

* = Indicates member countries of the Euro area (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)

^e = estimate

^f = forecast

Source: Bank Negara Malaysia

1.2 THE MALAYSIAN ECONOMY

The Malaysian economy performed better than expected in 2012, with a growth of 5.6%. The strong growth was supported by resilient domestic demand, which cushioned the negative impact of the weak external environment. Domestic demand recorded its highest rate of expansion for the decade, supported by stronger consumption and investment spending. Continued resilience in domestic demand was underpinned largely by sound macroeconomic fundamentals, the more diversified and balanced economic structure, the stronger and more developed financial system, and greater macroeconomic policy flexibility.

The Malaysian economy is expected to remain on a steady growth path with an expansion of between 5% and 6% in 2013. Economic activities will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector.

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The services and manufacturing sectors are expected to be the key contributors to overall growth, driven by the continued resilience of domestic demand and supported by the gradual improvement in the global economic environment, which is projected to augur well for international trade activities. The services and manufacturing sectors are projected to increase at 5.5% and 4.9%, respectively.

The domestic-oriented industries within the manufacturing sector, in particular, the consumer-related cluster such as food and motor vehicles, are likely to benefit from the continued growth in private consumption. The construction-related manufacturing cluster is also expected to perform well. The export-oriented industries such as electrical and electronics are projected to be supported by demand for products in the consumer and telecommunications segments. In the primary-related cluster, growth is anticipated to be supported by firm demand for resource-based products, such as refined petroleum products, chemicals and chemical products, and rubber products.

Consumption-related activities in the services sector such as retail trade, accommodation and restaurants are anticipated to continue to be supported by private sector spending. Growth in the finance and insurance sub-sector is projected to be sustained, reflecting robust demand for financing, particularly by businesses.

Growth in the construction sector is anticipated to expand by 15.9%, driven by the civil engineering sub-sector as the momentum of construction activities in oil and gas, transportation and utilities is expected to remain strong. The agriculture sector is expected to grow by 4% in 2013, supported by higher output of crude palm oil and food commodities, especially livestock and vegetables. The mining sector is projected to increase by 5% in 2013, on higher production of natural gas, crude oil and condensates.

5. INDUSTRY OVERVIEW (Cont'd)

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Table 2: Annual Change in Real GDP by Sector, 2009-2013f (2005 prices)

Growth (%)	2009	2010	2011	2012 ^p	2013 ^f
GDP	-1.5	7.2	5.1	5.6	5.0-6.0
Agriculture	0.1	2.4	5.9	0.8	4.0
Manufacturing	-9.0	11.9	4.7	4.8	4.9
Mining	-6.5	-0.4	-5.7	1.4	5.0
Construction	6.2	6.0	4.6	18.5	15.9
Services	2.9	7.2	7.0	6.4	5.5

Notes:

p = preliminary*f* = forecast

Source: Bank Negara Malaysia

1.3 THE GLOBAL AUTOMOTIVE SUPPLY CHAIN

The global automotive industry has undergone significant structural and other changes in the last decade or so. In view of the globalisation process, implementation of lean production and the development of modularisation, the relationships between automotive assemblers and manufacturers and their suppliers have changed. First and foremost are the mergers and acquisitions as well as strategic alliances that have resulted in greater consolidation among the players in the value chain, covering both the automotive assemblers and manufacturers, as well as component parts manufacturers.

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5. INDUSTRY OVERVIEW (Cont'd)

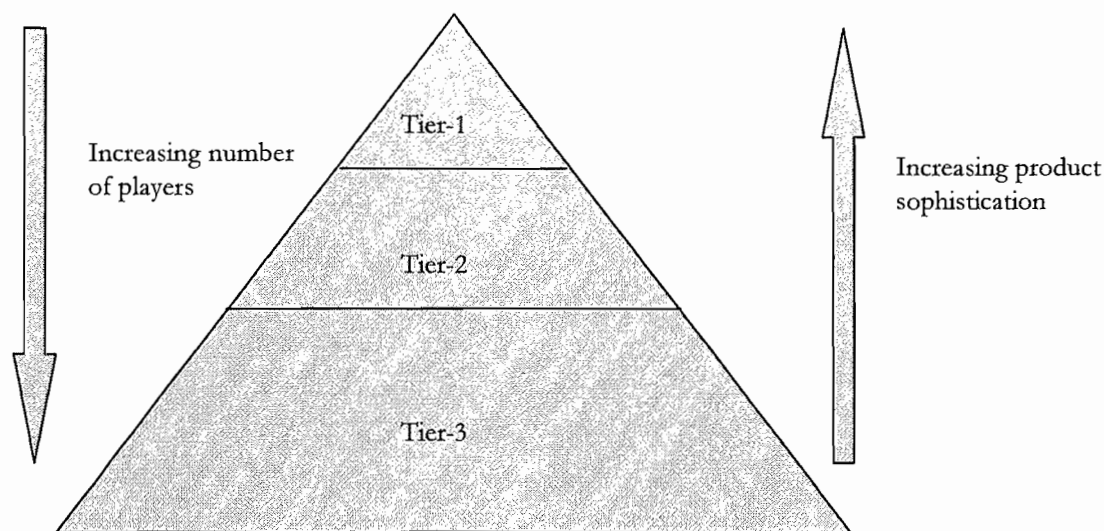
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In the supply chain of the automotive industry, the automotive assemblers and manufacturers along with their component parts suppliers can be illustrated in a pyramid structure. The supply structure resembles a pyramid structure composed of strictly hierarchical tiers. The automotive assemblers and manufacturers at the apex of the pyramid structure achieve operational coordination and structural control over the supply base, confining themselves to engine and chassis production. Tier-1 refers to the most immediate suppliers selling directly to the final automotive assembler and manufacturer. Meanwhile, tier-2 and tier-3 suppliers are those supplying component parts to the tier-1 supplier. Tier-1 component parts manufacturers are usually affiliated with one (1) or more several automotive assemblers and manufacturers by means of minority equity stakes. The group cohesion is further reinforced by inter-locking shareholdings. On the other hand, the second and third tier component parts manufacturers are more independent of ownership structure. Under ideal conditions, there is a seamless collaboration among the various players in the pyramid structure for the success of the supply chain.

Component parts manufacturers in the first tier are for the most part, system integrators and are generally less active in development and more extensively active in assembly. This means that a tier-1 component parts manufacturer carries a lower development risk, but instead takes on the entire logistics responsibility for the completion for the modular part of an automotive. This manufacturer has to join together the component parts obtained from the second-tier component parts manufacturers further down the supply chain into a module which is ready to be installed. They are then delivered just-in-time ("JIT") directly to the automotive assembler or manufacturer's production line. The automotive assemblers and manufacturers tend to apply their capabilities in manufacturing to critical activities in product development. A high level of competence is a pre-requisite to be a tier-1 component parts supplier.

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Figure 1: Automotive Supply Chain



Note: Tyres and automotive batteries are relatively independent of the design of the overall vehicle and hence, cannot be categorised into the above tiers.
Source: Infobusiness Research

The tier-1 component parts manufacturer is at the very top of the supply hierarchy. They command a very high level of production-related integration expertise and high technology competence. They take on pre-assembly tasks as well as significant portions of the development of pre-finished modules, that is, it guarantees the whole system and thus part of the market risk. They are given tasks which were for many decades core business and as such, only performed by the automotive assemblers and manufacturers. Some of the module manufacturers for Proton Holdings Bhd (“Proton”) include Hicom Teck See Manufacturing (M) Sdn Bhd, APM Automotive Holdings Bhd, Delphi Packard Electric (Malaysia) Sdn Bhd, Malaysian Automotive Lighting Sdn Bhd, Autoliv Hirotako Safety Sdn Bhd and Sapura Automotive Industries Sdn Bhd.

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The tier-1 component parts manufacturers, in turn, establish their own network of suppliers further down the value chain. From the perspective of the automotive assemblers and manufacturers, the responsibilities for total quality, JIT delivery and relations with lower-tier suppliers rests with the tier-1 component parts manufacturers. The tier-3 component parts manufacturers take advantage of the wage differential between the large and small companies and performs simple, more labour-intensive tasks. Depending on circumstances, the automotive assemblers and manufacturers may have a say in the selection of the tier-2 and tier-3 component parts manufacturers by the tier-1 component parts manufacturers.

However, it must be mentioned that in practice, individual component parts manufacturers can be assigned to various positions at the same time within the pyramid, due to their broad product portfolio. In other words, they can fulfil the requirement of a system specialist with one (1) product while appearing as a component parts supplier for another. Thus, it is not always possible to designate a component parts manufacturer to one (1) particular category or another. Some component parts such as tyres and automotive batteries are relatively independent of the design of the overall vehicle and other parts. They are generic products manufactured for use for several automotive assemblers and manufacturers, as well as for the aftermarket.

1.4 OVERVIEW OF AUTOMOTIVE BATTERIES

An automotive battery, also known as a starting, lighting and ignition battery, is a type of rechargeable battery that supplies electric energy to internal combustion engine vehicles. The electrical energy is produced in the battery by the chemical reaction that occurs between two (2) electrodes of opposite polarity known as cathode and anode that are immersed in an electrolyte solution. When the battery is discharging, it changes chemical energy into electrical energy. It is through this change that the battery releases stored energy. During charging, electrical energy is converted into chemical energy. As a result, the battery can store energy until it is needed. Automotive batteries come in different sizes based on the usage requirements.

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The battery is the heart of a vehicle's electrical system. It plays an important role in the operation of the starting, charging, ignition and accessory circuits. The largest demand placed on the battery occurs when it must supply current to operate the starter motor. Nearly all large rechargeable batteries in common use are the lead acid type.

Invented by the French physician Gaston Plante in 1859, the lead acid battery was the first rechargeable battery utilised for commercial use in 1911. This product holds a domineering position in automotives. During the mid-seventies, researchers developed a maintenance-free ("MF") lead acid battery. The enclosure was sealed and safety valves were added to allow venting of gas during the charge and discharge processes. However, technically, both types of batteries are the same.

Almost every function in today's automotives depends on electricity. These include the electric windows, mirrors, rain sensors, air conditioning, seat adjustment, brakes, lightings, in-car entertainment, valves, transmission, central lock, security system, adaptive steering and most importantly; the engine management system. Basically, an automotive battery has several important functions, and it includes:

- Operating the starting motor, ignition system, electronic fuel injection and other electrical devices for the engine during cranking and starting;
- Supplies all the electrical power for the vehicle accessories whenever the engine is not running or when the vehicle's charging system is not working;
- It furnishes current for a limited time whenever electrical demands exceed the output of the charging system;
- It acts as a stabiliser to the pulsating direct current for the entire vehicle's electrical system; and
- It stores energy for an extended period of time.

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Automotive batteries provide a nominal 12-volt potential difference by connecting six (6) galvanic cells in series. Lead acid batteries are made up of plates of lead and lead oxide, which are submerged into an electrolyte solution of about 35% sulphuric acid and 65% water. In the discharge cycle, a chemical reaction takes place inside the battery in which the lead of the negative plates combines with the sulphate of the sulphuric acid to produce lead sulphate. In this cycle, the electrolyte becomes weaker, specific gravity lessens and the positive and negative plates become more like one another.

Since the voltage or charge of a battery depends on the difference between the two (2) plate materials and the concentration of the electrolyte, and since this difference decreases during discharging, the battery loses power. In the charge cycle, the reverse is true. Electrical current, generated by the car's alternator, passes through the plates, forcing the sulphate back into the electrolyte bath and elevating the specific gravity. The voltage also increases. With the plates restored to their original condition, the process may now be repeated. It will no longer operate when the active materials in the plates are unable to sustain a discharge current or accept charged current and stored it for future use.

In addition, premature battery failure can also happen due to the following factors:

- Overheating derived from high underhood temperature;
- Insufficient battery electrolyte;
- Overcharging of battery due to alternator failure;
- Undercharging which causes sulphation;
- Positive grid growth;
- Positive grid metal corrosion;
- Negative grid shrinkage;
- Buckling of plates; and
- Loss of electrolyte.

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1.5 DIFFERING SEGMENTS

Depending on their construction and the materials used, automotive batteries can be classified into three (3) segments as follow:

- conventional lead acid;
- low maintenance (also known as hybrid lead acid);
- and MF.

Both conventional lead acid and low maintenance batteries contain liquid electrolyte in the various cells that can be refilled when their levels have been reduced. On the other hand, a MF battery contains a double lid cover with a water retreating and retention system to minimise the loss of electrolytes. It also incorporates a porous flame arrestor whose function is to prevent any incidental fires from getting into the cells that may lead to an explosion.

The advantages of a MF battery over a conventional lead acid battery include the following:

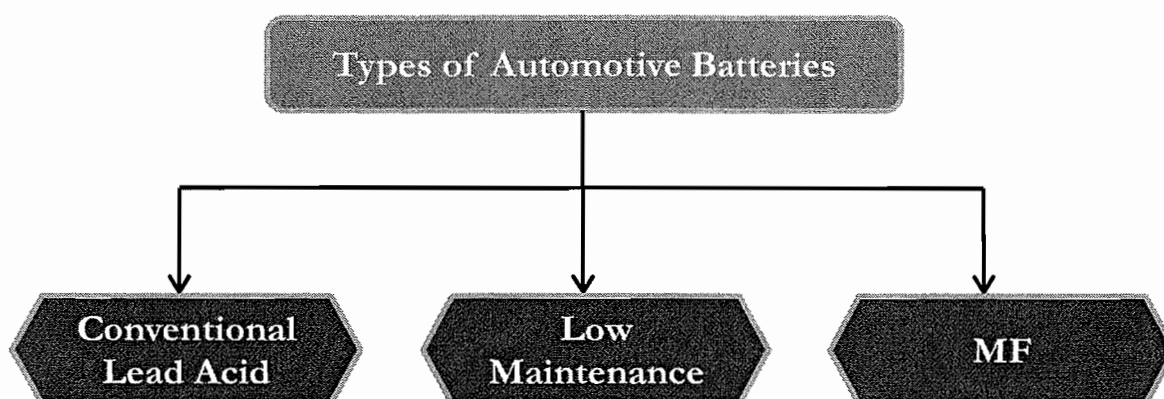
- A large reserve of electrolytes over the plates;
- Longer shelf life (approximately 18 months);
- Higher cold cranking ampere rating; and
- Ability to be shipped with the electrolyte installed, reducing the possibility of accidents and injuries to the technicians.

On the other hand, the major disadvantages of a MF battery include the following:

- Grid growth when the battery is exposed to high temperatures;
- Inability to withstand deep cycling;
- Low reserve capacity;
- Faster discharge by parasitic loads; and
- Shorter life expectancy.

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Figure 2: Differing Segments of Automotive Batteries



Note:

ABM Fujiya is involved in all the three (3) segments of automotive batteries.

Source: Infobusiness Research

1.5.1 CONVENTIONAL LEAD ACID

In many conventional lead acid batteries, the grids are made of lead alloyed with approximately between 2.5% and 6% antimony for strength. Antimony added to the lead grids acts as a catalyst but makes outgassing (the loss of water during use) worse, and hence, frequent distilled water replenishing is needed. These batteries require regular maintenance for efficient operation. The presence of the electrolyte in liquid form increases the weight of these batteries. The spillage of electrolyte also needs to be checked frequently in these batteries. As the conventional lead acid battery releases hydrogen gas when it is being charged, the cover will have vents. The vents are located in the cell caps at the top of the battery. Owing to their existence over a long period of time, conventional lead acid batteries cost less compared to MF batteries, which are developed using a comparatively newer technology. Conventional lead acid batteries are particularly suited for heavy duty applications such as trucks and four-wheel drives which are more likely to face rough road conditions.

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1.5.2 LOW MAINTENANCE

In the case of low maintenance batteries, different and more durable materials are used and the amount of antimony reduced to below 2.5%. Low maintenance batteries are still equipped with vent holes and caps, which allow distilled water to be added to the cells. They are built in such a way so as to reduce internal heat and water loss. However, although low maintenance battery requires distilled water, it is substantially less often than a conventional lead acid battery, due to lesser self-discharge which will cause water loss.

1.5.3 MF

In MF batteries, the antimony is eliminated and is replaced by calcium. The usage of calcium in the grids allows minimum self-discharge in the battery. This would prolong the shelf life as well as keeping the battery in an optimum condition before use. This also assists to reduce both the battery's internal heat and the amount of gassing that occurs during charging. Since both heat and gassing are the principal reasons for battery water loss, these changes reduce or eliminate the need to periodically add distilled water.

A MF battery utilises a dilute sulphuric acid electrolyte which is immobilised so as to eliminate the hazards of spills and leakages and which facilitates an oxygen recombination cycle. The cycle eliminates the need to add distilled water throughout the battery's life and improves its safety of operations. A MF battery also has a higher cold-cranking performance than a comparative-sized conventional lead acid battery.

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1.6 LEGISLATIONS, INCENTIVES AND POLICIES

1.6.1 LEGISLATIONS

The operations in an automotive battery manufacturing factory involve the storage, usage and disposal of a number of toxic and hazardous materials, such as lead, lead oxide, sulphuric acid, and some organic materials. Sulphuric acid, which is utilised in the manufacturing of automotive batteries, is highly acidic and toxic. Caution should be used when dealing with automotive batteries. Concentrated sulphuric acid can burn clothing and the skin and even cause blindness. It may be fatal if inhaled or swallowed. Safety signs should be posted whenever there is a hazard and workers need to be aware of the dangers so they can take the appropriate safety precautions.

Under the Environmental Quality (Industrial Effluent) Regulations 2009, any industrial effluent produced by industrial premises will have to be treated by an industrial effluent treatment system. Industrial effluent means any waste in the form of liquid or wastewater generated from manufacturing processes. The owner or occupier of the premise shall operate and maintain the industrial effluent treatment system in accordance with sound engineering practice for the treatment of industrial effluent.

In addition, under the Environmental Quality (Scheduled Wastes) Regulations 2005, scheduled wastes generated shall be stored in containers which are compatible with the scheduled wastes to be stored, durable and which are able to prevent spillage or leakage of the scheduled wastes into the environment. In addition, incompatible scheduled wastes shall be stored in separate containers, and such containers shall be placed in separate secondary containment areas. The areas for the storage of the containers shall be designed, constructed and maintained adequately in accordance with the guidelines prescribed by the Director General of the Department of Environment to prevent spillage or leakage of scheduled wastes into the environment. Lastly, every waste generator shall ensure that all his employees involved in the identification, handling, labelling, transportation, storage and spillage of scheduled wastes attend training programmes.

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The automotive battery manufacturing industry also comes under the jurisdiction of the Factories and Machinery Act, 1967. The objective of the Factories and Machinery Act 1967 is to provide for the control of factories on matters relating to the health, safety and welfare of persons and the registration and inspection of machinery. All factories and general machinery must be registered with the Department of Occupational Safety and Health before they can be installed and operated in Malaysia.

Under the Factories and Machinery Act 1967, any employees in the factory exposed to wet or dusty processes, to heat or any poisonous, corrosive or other injurious substance which is likely to cause bodily injury to them, may be provided with suitable and adequate personal protective clothing and appliances. These include goggles, gloves, leggings, caps, footwear and protective ointment or lotion.

Automotive battery manufacturers are also subjected to the Occupational Safety and Health Act, 1994. The Occupational Safety and Health Act 1994 provides the legislative framework to promote, stimulate and encourage high standards of welfare and a safe working culture among employees and employers, through self-regulation schemes designed to suit the particular industry or organisation.

Under the Occupational Safety and Health Act 1994, employers must safeguard so far as is practicable, the health, safety and welfare of the people who work for them. This applies in particular to the provision and maintenance of a safe plant and system of work.

Arrangements must be made to ensure the safety and health in the use, handling, storage and transport of plant and substances. The word “plant” includes any machinery, equipment, appliance, tool and component, whilst “substance” means any natural or artificial substance whether in the solid, liquid, gas, vapour or combination thereof, form. Effective and suitable provision shall be made for securing and maintaining adequate ventilation by the circulation of fresh air in every part of the factory and for rendering harmless, so far as practicable, all gases, fumes, dust and other impurities that may be injurious to health arising in the course of any process or work carried on in the factory.

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1.6.2 POLICIES

The global automotive industry is seeing slower growth, value destruction and massive rationalisation, driving automotive manufacturers to merge to achieve even higher levels of scale. Recognising this global environment, the National Automotive Policy ("NAP") seeks to address the manifold issues and challenges as well as transforms the domestic automotive industry to become a more viable, more competitive and significant contributor to the economy. The NAP which was announced on 22 March 2006 seeks to provide sustainable economic contribution and value creation. The NAP was reviewed in 2009, resulting in new policies that will foster a more competitive market for both local and international companies. Known as NAP Review 2009, the policies were effective from 1st January 2010.

The objectives of the NAP Review were to:

- ensure orderly development as well as long term competitiveness and capability of the domestic automotive industry as a result of market liberalisation;
- create a conducive environment to attract new investment and expand existing opportunities;
- enhance the competitiveness of the national car manufacturers through strategic partnership;
- foster the development of the latest, more sophisticated technology in the domestic automotive industry;
- develop high value-added manufacturing activities in niche areas;
- enhance Bumiputera participation in the domestic automotive industry;
- improve safety standards for consumers and promote environment-friendly opportunities; and
- enhance the implementation of current NAP's policy instruments.

5. INDUSTRY OVERVIEW (Cont'd)

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The new policies and measures under the NAP Review are expected to provide significant contribution to the overall growth of the industry and the country. Emphasis will be given in attracting investments in high value-added manufacturing activities using the latest and high technology. The opening up of manufacturing license for manufacturing and assembling activities in the selected segments, particularly for luxury cars and hybrid/electric vehicles will encourage new investments and expansion of existing investments in the country. Currently, the hybrid/electric segment is still very new and has the potential to be promoted and developed in this region. It is envisaged that with the appropriate incentives offered by the government, Malaysia would be able to attract automotive manufacturers to move their operations into the country. As the automotive battery manufacturing industry is invariably linked to the automotive industry in the supply chain, it is also affected by the NAP Review.

Furthermore, nine (9) strategic thrusts have been established under the Third Industrial Master Plan 2006-2020 for the development of the automotive industry and the related component parts manufacturing activities. They are as follows:

- Providing government support, based on sustainable economic contribution

The government will continue to nurture and support the development of the automotive industry, aimed at optimising its sustainable economic contributions. It will also favour large scale manufacturing concerns, with exports and high industry linkages;

- Increasing the scale of operations through rationalisation to enhance competitiveness

In order to create a more leaner and more sustainable industry structure, all companies will be encouraged to achieve scale in operations. Eventually, the rationalisation process will also reach the level of the component parts manufacturers, which will lead to greater scales, skills and improved quality;

5. INDUSTRY OVERVIEW (Cont'd)

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- Promoting strategic linkages with international partners

The government will continue to encourage companies to collaborate with their foreign counterparts to establish strategic partnerships, so as to create opportunities and provide access for the former to enter the global automotive supply chains. These efforts will also assist manufacturers to adopt best management practices, processes and procedures to deliver products with higher quality standards;

- Developing Malaysia as a regional hub, focusing on niche areas and complementary activities

The government aims to position Malaysia as a regional centre for the assembly and manufacturing of automotives, by encouraging existing companies to strengthen their commitments to the country. The expansion of these companies and the deepening of industry linkages will also lead to improved quality of component parts;

- Promoting investments in the growth areas

Incentives will be considered for new investments in the growth areas such as fuel efficient engines and alternative fuel engines, transmission systems, automotive electronics components and special purpose vehicles; and companies located at designated production centres;

- Intensifying skills upgrading

Both training and skills upgrading will continued to be provided so as to contribute in enhancing the productivity and product quality in the industry;

- Strengthening institutional support

Initiatives such as the establishment of an automotive institute, upgrading of the facilities for testing and strengthening the role of trade and industry association will be further strengthened to provide the necessary support;

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- Encouraging and promoting participation in regional and global supply chains

As the size of the domestic market is relatively small, the automotive manufacturers and assemblers, as well as the component parts manufacturers will be encouraged to increase their exports; and

- Enhancing the competitiveness in component parts manufacturing

The competitiveness of component parts manufacturing will be enhanced through the achievement of economies of scale; rationalisation of operations by mergers and acquisitions; upgrading the capital equipment to manufacture quality component parts; promoting and facilitating more joint ventures in the manufacturing of component parts; and complying with international requirements such as the adoption of automotive standards for biodegradable and recyclable component parts.

1.6.3 INCENTIVES

There are no incentives provided by the Malaysian Investment Development Authority for the manufacturing of conventional automotive batteries.

However, manufacturers of electric batteries and battery managements systems used in hybrid and electric vehicles are eligible for the following incentives. The applications must be received by 31 December 2014 to be eligible for these incentives:

- Pioneer status with income tax exemption of 100% of the statutory income for a period of 10 years. Unabsorbed capital allowances as well as accumulated losses incurred during the pioneer status period can be carried forward and deducted from the post-pioneer income of the company: or
- Income tax allowance of 100% on the qualifying capital expenditure incurred within five (5) years from the date the first qualifying capital expenditure is incurred. This allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowances can be carried forward to subsequent years until they are fully utilised.

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1.7 DEMAND AND SUPPLY CONDITIONS

1.7.1 DEMAND CONDITIONS

DEMAND IN THE OEM MARKET

Malaysia assembled and produced approximately 570,000 automotive (passenger cars and commercial vehicles) in 2012, and hence, the OEM market (automotive assemblers and manufacturers) is an important market for automotive battery manufacturers in the country. With rising income level, the motorisation rate is expected to further increase in the country. In line with rising disposable incomes, introduction of new passenger car models and the growing necessity of automobiles for transportation purposes, the OEM market is anticipated to further increase throughout the next few years.

The demand for automotive batteries in the OEM market is a reflection of the amount of the total industry volume assembled and manufactured, as each vehicle needs a battery to be installed for starting, lighting and ignition purposes. This, in return, is a function of factors such as the per capita income, disposable income, consumer sentiments, pricing of the automotive and interest rates. Each automotive battery has an operational life of less than 24 months, depending on the level and quality of maintenance by the automotive owner and the status of the vehicle's alternator (generates direct current to recharge the battery) and voltage regulator (controls the amount of voltage that circulates through the system). The electrical power required to crank an engine varies from vehicle to vehicle, depending on the engine stroke and bore, the number of cylinders, starter cranking ratio, circuit resistance, temperature, engine oil viscosity and accessory load. All these factors form the main considerations in the original battery equipment specified by the automotive assembler or manufacturer.

5. INDUSTRY OVERVIEW (Cont'd)

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DEMAND IN THE AFTERMARKET

Growth in the automotive battery aftermarket is expanding, due to a persistent need for replacement batteries as they are consumable items and the increasing number of motor vehicles on the roads. Basically, aftermarket demand for batteries is a function of automotive sales of the previous years. Among registered automotives in Malaysia, motor cars expanded the fastest at a compounded annual growth rate ("CAGR") of 6.8% between 2008 and 2012, as shown in the table below.

Table 3: Total Registered Automotives By Types, Malaysia, 2008-2012

Year	2008	2009	2010	2011	2012	CAGR
Motor cars	7,966,525	8,506,080	9,114,920	9,721,447	10,354,678	6.8%
Motor cycles	8,487,451	8,940,230	9,441,907	9,985,308	10,589,818	5.7%
Buses	64,050	66,581	69,149	71,784	73,536	3.5%
Taxis	75,028	79,149	84,661	90,020	93,040	5.5%
Hire cars	15,446	16,579	18,300	19,194	19,296	5.7%
Goods vehicles	909,243	936,222	966,177	997,649	1,032,004	3.2%
Others	454,158	471,941	493,451	515,867	539,849	4.4%
Total	17,971,901	19,016,782	20,188,565	21,401,269	22,702,221	6.0%

Source: Road Transport Department

Automotive batteries are consumable items necessary for the operation of a vehicle due to wear and tear. They are not determined by vehicle owner age, gender or household size. Income, occupation and education do not determine whether an automotive owner will purchase a battery, but may affect the decision on the type of battery purchased. Battery replacements will become more common as usage increases and as weather conditions become more severe. Both hot and cold temperatures will increase the replacement rates due to the automotive batteries' inability to withstand harsh temperatures. Extremely high temperatures will increase the likelihood of grid corrosion while cold temperatures reduce overall battery performance. The voltage varies significantly as the battery is discharged. Voltage declines in tandem as the specific gravity of the electrolyte decreases. The specific gravity refers to the weight of the sulphuric acid - water mixture compared to an equal volume of water.

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It is equally important for the automotive user to select an automotive battery with the correct specifications, as compared to a cheaper and lower capacity alternative in the market; as the performance and lifespan of the battery is also important for the optimum running of the vehicle.

RISING USAGE OF AUTOMOTIVE ELECTRIC ACCESSORIES

Demand for higher powered batteries is expected to grow with increased usage of automotive electric accessories, particularly in luxury vehicles, which require higher power output. In-car technology has grown to include items such as air conditioning, digital music players, satellite navigation systems and other electronic gadgetry. The ever-increasing use of electronic accessories places extensive loads on automotive batteries. In return, the usage of such accessories necessitates high power battery systems. As the general population grows more affluent, automotive owners will demand more electric accessories such as high-end audio systems and luxury vehicles. In general, automotives modified for better engine performance demand more from the battery.

The increasing use of power-hungry accessories in modern passenger cars, such as quick-defrost glass, electrically powered brakes, steering, global positioning systems, water pumps, heated catalysts and advanced power trains, is placing unprecedented demands on automotive batteries. Among the different modules of an automotive, electrical systems and electronics are expected to experience the greatest growth as more electronics are incorporated into engine management, communications, comfort and safety. The average power consumption of a passenger car is now about 85 kilowatts, up from barely 60 kilowatts in the early nineties. To compound the problem, the operating environment has become far more hostile. Under-the-hood temperatures now range from between 75 degree Celsius and 100 degree Celsius. Today's automotive battery must also cope with an increasing number of shorter stop-start journeys at lower average speeds due to traffic congestions, leading to a greater drain on the automotive battery.

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1.7.2 SUPPLY CONDITIONS

There are only a handful of automotive battery manufacturers in Malaysia. Most of them are involved in the manufacturing of both automotive and motor cycle batteries. Automotive batteries are also imported into Malaysia, particularly from the Philippines, eg. the “Century” brand of automotive batteries.

The automotive battery industry in Malaysia is facing a shortage of skilled and experienced personnel, particularly chemists, chemical engineers, mechanical engineers and electrical engineers. Due to the relatively high cost of investment in plant and machinery, automotive battery manufacturers still need to rely on a sufficient supply of labour for their manufacturing operations. Insufficient labour availability may give rise to interruptions in manufacturing operations, affecting shipment schedules as well as impacting on contractual agreements on timely deliveries of automotive batteries to customers.

1.8 RELIANCE ON AND VULNERABILITY TO IMPORTS

The automotive battery manufacturing industry in Malaysia is reliant on and vulnerable to imports of pure lead, as well as other raw materials such as antimony lead alloys, calcium lead alloys, battery containers and covers (limited supplies locally), and separators.

The main raw materials used in automotive battery manufacturing are pure lead, antimony lead alloys, calcium lead alloys, battery containers and covers, separators, and sulphuric acid. Lead makes up approximately 70% of the cost of components in a battery. The bigger the automotive battery, the more lead is used. Primary lead (which is extracted from ore deposits) is imported as Malaysia does not have any lead ore deposits. Secondary lead (recycled from old lead acid batteries) is easily obtained domestically, although the purity may not necessarily meet the requirements of the automotive battery manufacturers.

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1.9 SUBSTITUTES

Currently, attempts are being made to develop alternatives to the lead acid battery (particularly for automotive use) due to concerns about the environmental consequences of improper disposal of old batteries and of lead smelting operations. Besides being the current largest user of lead in the world, the use of lead in automotive batteries account for the largest source of lead pollution. Alternatives to lead acid battery are also developed due to higher battery power requirements by electric vehicles.

Though lead acid batteries have been the preferred choice for automotive applications, they do carry certain limitations. They are found to be bulky with a large footprint, are sensitive to temperature, require long hours for charging and also contain a certain amount of toxic materials. Moreover, regular maintenance is necessary for prolonging the life of the battery and it is found to be lacking when high amounts of power are needed. In spite of all these factors, lead acid batteries remain the most cost-effective solution for starting, lighting and ignition purposes in an automotive.

Competition for lead acid batteries has come in from alternative energy sources such as fuel cells and newer chemistries such as nickel cadmium ("NiCd"), nickel metal hydride ("NiMH"), lithium ion and lithium ion polymer, among others. Both NiCd and NiMH have been around for sometime. On the other hand, lithium ion and lithium ion polymer are being reviewed for certain applications where lead acid battery is the dominant choice as they claim to offer better energy density with a reduction in weight compared to a lead acid battery. A lot of developments are being carried out with regards to new chemistries and the competition is likely to increase in the coming years. However, it all depends on cost-effectiveness and subsequently, customers' acceptance of these products.

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Alternative battery technologies such as NiMH batteries are on the road today in hybrid cars and can be further developed for use in conventional vehicles. Hybrid cars are propelled by combining mechanical power from an internal combustion engine with electrical power from a battery. Fuel cell vehicles are unlikely to enter mass production within the next twenty years or more, and as the pressure to reduce vehicle emissions and fuel consumption continues to rise, hybrid cars seem to offer a timely solution that is both technically proven and economically viable.

Although NiMH batteries are a reliable power source for hybrid cars, they are not an ideal energy-storage device for hybrid cars. Their limitations include moderate energy conversion efficiency, which translates to some energy loss and significant heat production in normal usage, reduced life with high depth-of-discharge cycling, and unsatisfactory performance at both high and low temperatures. Lithium ion batteries offer higher power and energy per unit weight and volume, and better charge efficiency than NiMH batteries. Nevertheless, the reliability of lithium ion technology for automotive applications is not proven at present. Furthermore, batteries based on newer chemistries such as NiCd, NiMH, lithium ion and lithium ion polymer may also generate hazardous materials if they are not handled properly. Based on present manufacturing technologies, these batteries are also not cost effective as compared to lead acid batteries.

1.10 INDUSTRY PLAYERS, COMPETITION AND POSITIONING

ABM Fujiya is involved in the manufacturing and sales of automotive batteries, with its operations integrated backwards into the manufacturing of containers and covers for the batteries. It exported approximately half of its automotive batteries overseas in 2012.

For the purpose of comparison, the selected closest comparable companies to ABM Fujiya in Malaysia are based on locally incorporated companies that are also involved in automotive battery manufacturing. All of them possess ISO 9001 and/or ISO 14001 certifications. There are three (3) other closest comparable companies in Malaysia and their principal activities are as follows:

5. INDUSTRY OVERVIEW (Cont'd)

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Table 4: Principal Activities of Closest Comparable Companies in the Automotive Battery Manufacturing Industry

Company	Principal Activities	ISO 9001	ISO 14001
ABM Fujiya	Manufacturing and sales of automotive batteries. It is also involved in the manufacturing of containers and covers for automotive batteries.	√	
GPA Holdings Bhd	Manufacturing, sales and marketing of automotive and motor cycle batteries and components; manufacturing of plastic components and related products; and manufacturing and sales of sealed lead acid batteries.	√	
Yuasa Battery (M) Sdn Bhd	Manufacturing and sales of automotive and motor cycle batteries, as well as trading in imported batteries. Yuasa Battery (Malaysia) Sdn Bhd is a subsidiary of GS Yuasa International, which in turn, falls under GS Yuasa Corporation. GS Yuasa Corporation is a holding company jointly established by Japan Storage Battery Company Limited and Yuasa Corporation.	√	√
Yokohama Industries Bhd	Manufacturing, marketing and trading of automotive and motor cycle batteries and related products, as well as material recovery and reclamation of scrap batteries. Domestic distribution of automotive batteries is carried out through its sister company, Borneo Technical Co. (M) Sdn Bhd; which has 16 branches nationwide.	√	√

Source: Infobusiness Research

Based on the latest publicly available audited financial statements, ABM Fujiya is ranked third in terms of revenue. However, while ABM Fujiya is mainly involved in the manufacturing of automotive batteries, the other three (3) closest comparable companies are involved in both automotive and motor cycle batteries. The latter provide an extra source of revenue generation for these companies.

5. INDUSTRY OVERVIEW (Cont'd)

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According to the latest annual report of GPA Holdings Bhd, it suffered a loss before tax of RM15.7 million for financial year ended ("FYE") 31/03/12 due to relatively higher raw material prices, in particular lead prices, highly competitive selling prices and higher warranty claims in the automotive battery market segment. Furthermore, the negative profit registered was partially attributed to the impairment of goodwill amounting to RM2.8 million.

Table 5: Financial Comparisons of Closest Comparable Automotive Battery Manufacturers in Malaysia

Company	FYE	Revenue (RM '000)	GP (RM '000)	GP margin (%)	PBT (RM '000)	PBT Margin (%)
Yokohama Industries Bhd	31/12/12	197,663.4	23,504.9	11.9	12,633.9	6.4
GPA Holdings Bhd	31/03/12	148,203.0	2,519.0	1.7	(15,660.0)	N. A.
ABM Fujiya	31/12/12	134,261.5	17,350.8	12.9	8,509.6	6.3
Yuasa Battery (Malaysia) Sdn Bhd	31/12/11	96,729.3	12,098.7	12.5	3,026.1	3.1

Note:

N. A. = Not Applicable

Source: Infobusiness Research and management of ABM Fujiya

The Battery Industries Association of Malaysia is the trade association for automotive battery manufacturers in Malaysia. Among the automotive battery manufacturers in Malaysia, GPA Holdings Bhd (through its subsidiary GP Autobat Sdn Bhd), is a member of the association. The rest of the members are automotive battery trading companies. However, ABM Fujiya is not a member of the Battery Industries Association of Malaysia. Membership in the Battery Industries Association of Malaysia is completely voluntary in nature and hence, ABM Fujiya has not joined the association.

It is an industry norm to have many brands under each manufacturer as a marketing strategy. The various automotive battery manufacturers have a wide range of batteries under different brands so as to cater to a wide spectrum of market segments. This is to assist in market penetration.

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1.11 MARKET SHARE

The market size refers to the collective revenues generated by sales by the industry in that particular year; while the market share is the proportion of sales held by a particular company.

The market size of the industry is computed based on the total registered motor vehicles in Malaysia in 2012, obtained from the Road Transport Department, and as such automotive batteries used for purposes other than motor vehicles, if any, were not considered. This is divided into the following categories:

- cars, taxis and hire cars;
- buses; and
- goods vehicles.

The average ex-factory prices of automotive battery in 2012 for each of these categories are then multiplied with the number of vehicles in each category. Ex-factory prices refer to the prices set by the manufacturers, and not the retailers. Finally, it is assumed that each automotive battery has a lifespan of approximately two (2) years before they are due for replacement. This will generate the market size of RM871.8 million for the year 2012. Hence, with a revenue of RM69.2 million for the domestic market, ABM Fujiya managed to record a market share of 7.9% in 2012.

For the Sabah and Sarawak market, some of the sales by ABM Fujiya were to wholesalers and distributors which subsequently sold the batteries to the other states of Peninsular Malaysia. Hence, it is difficult to determine its market share in Sabah and Sarawak.

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For illustrative purposes, assuming that none of ABM Fujiya's wholesalers and distributors in Sabah and Sarawak sold the batteries to the other states of Peninsular Malaysia, ABM Fujiya's market share in Sabah and Sarawak in 2012 was approximately 57.5%. This is computed based on the market size for automotive batteries in Sabah and Sarawak totalling approximately RM109.8 million in 2012 and ABM Fujiya recorded sales of RM63.1 million in Sabah and Sarawak for FYE 2012.

1.12 OUTLOOK AND PROSPECTS

The automotive market in Malaysia is driven by the launching of new models, aggressive sales campaigns and the expanding middle class. Nevertheless, the automotive market is already pretty saturated, with an average of one (1) car per 3 Malaysians. Another factor is that the extra long term hire purchase (ranging between five (5) years and 10 years) were offered around 2005 and this means that there are going to be a large number of motor vehicle owners who will still be paying for installments for their motor vehicles in the coming years. With depreciation occurring every year, there will be a big gap between the motor vehicle's residual value and how much is owed to the banks, making it difficult for owners to trade-in for new motor vehicles.

As the domestic market is relatively small, the automotive battery manufacturing industry has to take on new challenges in the export markets. In view of the global trend towards liberalisation, automotive component parts manufacturers such as players in the automotive battery manufacturing industry need to achieve production on a scale which commensurate with the optimum production cost. The reduction of production cost will in return, contribute towards the industry's competitiveness. They also need to achieve economies of scale and product breath, offering a wide range of product variants, besides being integrated into the global supply chains. The supply chain is evolving at an accelerated pace and hence, there is a need to manufacture increasingly complex systems. In other words, there must be the ability to upgrade products in the fast changing market environment where new standards are set and better materials incorporated into their production.

5. INDUSTRY OVERVIEW (Cont'd)

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The various government ministries and agencies in Malaysia such as the Ministry of International Trade and Industry, and the Malaysian Industrial Development Authority do not provide a forecast on sales of passenger cars in the country. There are no official forecasts available. However, the Malaysian Automotive Association does provide a forecast on a short term basis. It is projecting motor vehicle sales to reach 640,000 units in 2013, representing an increase of 1.9% over the sales of 627,753 units recorded in 2012. It was also the third consecutive year that motor vehicle sales had surpassed the 600,000-unit level.

Presently, Malaysia has the largest passenger car market among the countries in the Association of South East Asian nations. Mass car ownership has historically been an integral component of the transition to an advanced economy. In other words, cars confer large social and economic benefits. Besides the OEM market for automotive batteries, there is also the expanding aftermarket in view of the expanding number of automotives on the road. Ultimately, the demand for automotive batteries is driven by the aftermarket market, as they are consumable items.

The automotive battery market is likely to experience an expansion owing to the product's reliability, rugged construction and low maintenance cost. As a consumable item, automotive batteries are needed to be purchased by the automotive owner on a recurring basis, so as to permit an automotive to perform its core functions in the realms of starting, lighting and ignition. Without a battery replacement once it reached the end of its lifespan, an automotive will be rendered immobile. In this context, ABM Fujiya is located at a vital component of the automotive supply chain, providing the necessary critical inputs into the automotive industry, which is classified as a strategic industry under the country's successive industrial master plans. In addition, it has also been able to penetrate the export markets, which serves to diversify the risk of being totally dependent on the domestic market.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

6.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

6.1.1 Particulars and Shareholdings

The details of our Promoters and substantial shareholders and their shareholdings in our Group before and after the IPO are as follows:-

Promoters and substantial shareholders	Nationality/ Country of Incorporation	No. of Shares held before the IPO			No. of Shares held after the IPO		
		Direct	(%)	Indirect	Direct	(%)	Indirect
Kayatas	Malaysia	142,163,496	90.55	-	133,163,496	73.98	-
Datuk Tay Ah Ching @ Tay Chin Kin	Malaysian	2	#	(1) 142,163,496	200,002	0.11	(1) 133,163,496
Dato' Tay Tze How	Malaysian	2	#	(2) 142,163,496	170,002	0.09	(2) 133,163,496
Dato' Tay Tze Poh	Malaysian	-	-	(2) 142,163,496	170,000	0.09	(2) 133,163,496
Pauline Tay	Malaysian	-	-	(2) 142,163,496	140,000	0.08	(2) 133,163,496
Tay Yoke Ling	Malaysian	-	-	(2) 142,163,496	140,000	0.08	(2) 133,163,496
Tay Siew Ling	Malaysian	-	-	(2) 142,163,496	140,000	0.08	(2) 133,163,496
Tay Tze Kok	Malaysian	-	-	(2) 142,163,496	140,000	0.08	(2) 133,163,496
Tay Tze Ping	Malaysian	-	-	(2) 142,163,496	-	-	(2) 133,163,496
Aini Dahlan	Indonesian	-	-	(3) 142,163,496	-	-	(3) 133,163,496
Yu Man Chong	Citizen Hong Kong, China	-	-	(3) 142,163,496	-	-	(3) 133,163,496

Notes:-

Negligible percentage

(1) Deemed interested by virtue of his children and children spouses' interest in Kayatas.

(2) Deemed interested by virtue of his / her father, siblings and siblings' spouses' interest in Kayatas.

(3) Deemed interested by virtue of her spouse's interest in Kayatas.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.1.2 Profile of Promoters and Substantial Shareholders

(i) Kayatas

(a) Background Information

Kayatas was incorporated in Malaysia under the Act on 26 May 1989 as a private limited company. Kayatas is principally involved in investment holding whilst Kayatas Group is involved in manufacturing, trading and marketing of automotive batteries. Kayatas is also our holding company.

As at LPD, the authorised share capital of Kayatas is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each and its issued and paid-up share capital is RM1,158,500 comprising 1,158,500 shares of RM1.00 each.

(b) Directors and Substantial Shareholders

The particulars of Kayatas' directors and substantial shareholders and their respective shareholdings in Kayatas as at LPD are set out below:-

Directors and Substantial Shareholders	No. of Shares held			
	Direct	(%)	Indirect	(%)
<u>Director and Substantial Shareholder</u>				
Pauline Tay	74,948	6.5	⁽¹⁾ 1,039,552	89.7
<u>Director</u>				
Yu Man Chong	50,000	4.3	⁽²⁾ 170,492	14.7
<u>Substantial Shareholders</u>				
Datuk Tay Ah Ching @ Tay Chin Kin	88,000	7.5	⁽¹⁾ 1,026,500	88.6
Dato' Tay Tze How	220,000	19.0	⁽¹⁾ 894,500	77.2
Dato' Tay Tze Poh	170,492	14.7	⁽¹⁾ 944,008	81.5
Tay Yoke Ling	142,000	12.3	⁽¹⁾ 972,500	83.9
Tay Siew Ling	147,000	12.7	⁽¹⁾ 967,500	83.5
Tay Tze Kok	90,750	7.8	⁽¹⁾ 1,023,750	88.4
Tay Tze Ping	49,258	4.3	⁽¹⁾ 1,065,242	92.0
Aini Dahlan	5,000	0.4	⁽²⁾ 220,000	19.0
Liew Wee Sam	5,000	0.4	⁽²⁾ 142,000	12.3
Wong Chi Fai	72,052	6.2	⁽²⁾ 74,948	6.5

Notes:-

(1) Deemed interested by virtue of his / her family member's interest in Kayatas.

(2) Deemed interested by virtue of his / her spouse's interest in Kayatas.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(ii) Aini Dahlan

Aini Dahlan, aged 43, an Indonesian, holds a degree in Bachelor of Science, major in Business Administration from the California State University, Fresno, United States.

After graduation, she worked in the shipping industry in Indonesia and Singapore as a Marketing Executive.

(iii) Yu Man Chong

Yu Man Chong, aged 43, a citizen of Hong Kong, China, obtained her Associate Diploma in Business, majoring in Hospitality Management from Swan College of TAFE (Bentley Campus), Western Australia in 1994.

She holds directorship in several private limited companies.

(iv) Tay Yoke Ling

Tay Yoke Ling, aged 43, a Malaysian, graduated from Curtin University, Perth, Australia in 1992, with a Bachelor of Business, major in Accounting and Business Law.

She began her career in 1992 as Account Executive of Auto Industries in Sabah. Currently, apart from overseeing the accounts, she is also involved in the management and administration of Auto Industries. Her dedication in the company is clearly shown in the growth of the company throughout the years.

She holds directorship in several private limited companies.

(v) Dr. Tay Tze Ping

Dr. Tay Tze Ping, aged 33, a Malaysian, graduated with a Bachelor of Medicine & Surgery in 2004 from the University of Edinburgh, United Kingdom.

After graduation, in 2004, Dr. Tay started his internship in Edinburgh and later joined the Glasgow Victoria Infirmary as Senior House Officer, working in the field of Medicine of the Elderly and Stroke Medicine. In 2006, Dr. Tay moved to Queensland, Australia. He was attached with the Gold Coast Hospital, Australia as Intensive Care Registrar.

Dr. Tay completed his master of health management course from the University of New South Wales in 2012. Currently, Dr Tay is working as the respiratory advanced trainee at the Prince Charles Hospital, Queensland.

Dr. Tay is a member of the various medical bodies in Australia, such as the Medical Board of Australia, the Australia Medical Council, the General Medical Council and the Thoracic Society of Australia and New Zealand.

The profile of Tay Family Directors are set out in Section 6.2.2 and the profile of Pauline Tay, Tay Siew Ling and Tay Tze Kok are set out in Section 6.4.2 of this Prospectus.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.2 DIRECTORS

6.2.1 Particulars and Shareholdings

The details of the Directors (who are all Malaysian) of our Group and their shareholdings in our Group before and after the IPO are as follows:-

Name	Designation	No. of Shares Held Before the IPO			No. of Shares Held After the IPO*		
		Direct	(%)	Indirect	Direct	(%)	Indirect (%)
Datuk Tay Ah Ching @ Tay Chin Kin	Non-Independent Executive Group Chairman	2	#	(1) 142,163,496	200,002	0.11	(1) 133,163,496 73.98
Dato' Tay Tze How	Non-Independent Managing Director	2	#	(2) 142,163,496	170,002	0.09	(2) 133,163,496 73.98
Dato' Tay Tze Poh	Non-Independent Deputy Managing Director	-	-	(2) 142,163,496	170,000	0.09	(2) 133,163,496 73.98
Puan Sri Corinne Bua Nyipa	Independent Non-Executive Director	-	-	-	141,300	0.08	- -
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Independent Non-Executive Director	-	-	-	-	-	- -
Dato' Ooi Teik Heng	Independent Non-Executive Director	-	-	-	-	-	- -
Wong Siaw Wei	Independent Non-Executive Director	-	-	-	-	-	- -

Notes:-

* Inclusive of indicative Pink Form Shares Allocation

Negligible percentage

(1) Deemed interested by virtue of his children and children spouses' interest in Kayatas.

(2) Deemed interested by virtue of his / her father, siblings and siblings' spouses' interest in Kayatas.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.2.2 Profiles of Directors

Datuk Tay Ah Ching @ Tay Chin Kin, a Malaysian, aged 66, is the Founder and Non-Independent Executive Group Chairman of ABM Fujiya.

A self-made entrepreneur, Datuk Tay started his career as a shopkeeper at the age of 14 before venturing into his own businesses involving general trading, manufacturing, property development and oil palm plantation.

Datuk Tay together with the other Directors and senior management of our Group are primarily responsible in overseeing the operations, strategic planning as well as business development of our Group.

Under Datuk Tay's visionary and dynamic leadership, our Group has developed our market both locally and overseas. He was instrumental in transforming our Group from a small battery assembler into a leading battery manufacturer today.

Dato' Tay Tze How, a Malaysian, aged 42, is the Non-Independent Managing Director of ABM Fujiya. He holds a Bachelor of Commerce Degree from the Curtin University of Technology, Australia.

Since he joined our Group 13 years ago, he has been actively involved in running the Sales and Marketing division and has played a crucial role in expanding our Group's overseas market. He has represented our Group in the various trade missions and trade exhibitions overseas to promote our company and products. He currently heads the Business Development division of our Group, managing our Group's market expansion policy and development, from planning to sales.

Dato' Tay's dedication as well as his wide network of local and foreign business contacts play a significant role in the continuous growth and development of our Group.

Dato' Tay Tze Poh, a Malaysian, aged 41, is the Non-Independent Deputy Managing Director of ABM Fujiya. He graduated with a Bachelor of Arts Degree from the Curtin University of Technology, Australia in 1994. After graduation, he had practical training in battery manufacturing technology and sales management at the Yuasa Corporation's Odawara Plant in Japan, one of the leading battery manufacturers in Japan. He joined our Group in 1995.

Today, with over 18 years of working experience in the battery manufacturing industry and hands-on technical, operational and management experience in the battery manufacturing process, he plays an important role in ensuring the efficiency of our manufacturing process, new products implementation and continuous improvement in the quality of our products which remain vital success factor to our Group.

He currently heads the R&D and the QA / AC divisions of our Group.

Puan Sri Corinne Bua Nyipa, a Malaysian, aged 50, is the Independent Non-Executive Director of ABM Fujiya. After completing her secondary education in 1981, she attended a secretarial course at the Stamford College. In 1985, she joined Digicon (M) Sdn Bhd and worked for a period of nine (9) years.

Currently, she holds directorships in several private limited companies that are involved in, amongst others, trading and servicing businesses. As a director, she manages day-to-day business operations, involves in strategic planning, business decision, legal and financial matters of these companies.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

She is a member of our Nomination Committee. As an Independent Director, her main role is to assist the Board on management matters of the Group.

Datuk Haji Abang Abdul Wahap bin Haji Abang Julai, a Malaysian, aged 62, is the Independent Non-Executive Director of ABM Fujiya. He holds an Advance Diploma in Police Science and a Bachelor of Law (LLBs Hon) – Honours Second Upper Class. Datuk is a retired police officer with the rank of Full Commissioner of Police.

During his illustrious career in the Police Force, Datuk was instrumental in building up the capacity and intelligence capability / development of the Narcotic crime investigation unit in Malaysia when he was the Director of Narcotic Crime Investigation Department at Bukit Aman Headquarters, the post he held prior to his retirement. He was actively involved in formulating strategies in combating the drug scourge at the international / national levels. Earlier on, Datuk was the Deputy Director of Management in charge of Training, and as the Deputy Director (Training), he managed all the trainings local, regional as well as overseas courses for the police force and headed the department in formulating policies to enhance police professionalism. Datuk was also the Deputy Commissioner of Police (Royal Malaysia Police - Sarawak Contingent) a post that required him to take responsibility of the management and day to day administration of over five thousand officers and personnel throughout Sarawak. Datuk had an important role in the setting up Citizen Against Crime (CAC), a non-governmental organization based in Kuching.

In addition to his 37 years of experience with the Royal Malaysia Police (PDRM), he is also a director of 11 privately owned companies which are involved in, amongst others, logistic, trading, cyber security and servicing businesses. As a director, he was actively involved in strategic planning, internal control processes, decision making and legal matters of these companies.

He is the Chairman of our Remuneration Committee and a member of our Audit Committee. As an Independent Director, his scope of responsibilities includes evaluation of directors' performance and internal control processes of our Group.

Dato' Ooi Teik Heng, a Malaysian, aged 58, is the Independent Non-Executive Director of ABM Fujiya. Over the past 32 years, Dato' has experience in business management of trading, manufacturing and construction industries.

In the late 1970s until early 1980s, when he was in his 20s and 30s, he started a dealership business of selling motorcycle in Penang. He was the sole Distributor of Kawasaki motorcycle and parts in the northern region of Malaysia.

In 1990s, he ventured into property development by setting up Reliable Construction (M) Sdn Bhd and became a director of the company. As a director, he is involved in strategic planning and manages the day-to-day operations of the company.

In 2000, Dato' joined C.K.C. Corporation Sdn. Bhd and its subsidiaries ("**CKC Group**") as a director. CKC Group is principally involved in food manufacturing (a Halal, GMP and HACCP certification food manufacturer) and has trading and distribution network throughout Malaysia and it also exported its products overseas. As a director of CKC Group, he is involved in strategic planning, internal control system and major decision making of CKC Group.

He is the Chairman of our Audit Committee and Nomination Committee and a member of our Remuneration Committee. As an Independent Director, his scope of responsibilities includes evaluation of directors' performance and internal control processes of our Group.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Wong Siaw Wei, a Malaysian, aged 37, is the Independent Non-Executive Director of ABM Fujiya. She is a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA).

She began her career as an accounts executive with KDU College (Sibu) Sdn Bhd in 1998. She joined Arthur Andersen and Co in year 2001. During her tenure with the firm, she carried out audit on various companies and statutory bodies that are involved in various industries, such as manufacturing, trading, property development and etc. She also reviewed profit and cash flow projection of companies. She left the firm in 2003. Subsequently in 2004, she joined Ekran Berhad as the Group Accountant, responsible for overseeing the overall functions of the accounts department. In 2006, she joined AmlInvestment Bank Berhad as the Assistant Manager in the Investment Banking Department. During her tenure with the bank, she was involved in corporate advisory work including merger and acquisitions, fund raising and listing of companies. She left the bank in 2009 and joined Ekran Berhad as the Independent Director.

Her past experiences as an accountant, auditor and investment banker have equipped her with sound accounting knowledge and corporate finance matters.

She is a member of our Remuneration Committee, Nomination Committee and Audit Committee. As an Independent Director, she will mainly be assisting the Board in areas relating to accounting and management controls as well as financial reporting.

6.2.3 Directors' Remuneration and Benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 31 December 2012 and proposed for FYE 31 December 2013 are as follows:-

Remuneration Band (RM)	FYE 31 December 2012	Proposed for FYE 31 December 2013
Datuk Tay Ah Ching @ Tay Chin Kin	650,000 – 700,000	650,000 – 700,000
Dato' Tay Tze How	250,000 – 300,000	300,000 – 350,000
Dato' Tay Tze Poh	250,000 – 300,000	300,000 – 350,000
Puan Sri Corinne Bua Nyipa	2,000	Below 50,000
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	2,000	Below 50,000
Dato' Ooi Teik Heng	2,000	Below 50,000
Wong Siaw Wei	2,000	Below 50,000

Other than amounts set aside or accrued in respect of the relevant laws, no amounts have been set aside or accrued by our Company or our subsidiaries to provide for pension, retirement or similar benefits for any of our Directors.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.2.4 Board Practices

Name	Designation	Expiration of Current Office Term	Length of Service in the Group
Datuk Tay Ah Ching @ Tay Chin Kin	Non-Independent Executive Group Chairman	*	Over 41 years
Dato' Tay Tze How	Non-Independent Managing Director	*	Over 13 years
Dato' Tay Tze Poh	Non-Independent Deputy Managing Director	*	Over 18 years
Puan Sri Corinne Bua Nyipa	Independent Non-Executive Director	*	Over 3 years
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Independent Non-Executive Director	*	Over 3 years
Dato' Ooi Teik Heng	Independent Non-Executive Director	*	Less than 3 years
Wong Siaw Wei	Independent Non-Executive Director	*	Over 3 years

Note:-

* These Directors' current term will expire on the Company's next annual general meeting.

Our Memorandum and Articles of Associations provides that at the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3) shall retire from office and subject to the Act, be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but subject to the Act, shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. An election of Directors shall take place each year.

The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.2.5 Principal business activities performed outside ABM Fujiya

Save as disclosed below, our Directors are not involved in any other principal business activities outside our Group in the past five (5) years:-

Director	Other principal business activities	Involvement	Date of resignation
Datuk Tay Ah Ching @ Tay Chin Kin	▪ Amalgamated Metal Reclamation Sdn Bhd	Director	
	▪ Bursaria Sdn Bhd	Director	
	▪ Busaria Agriculture Sdn Bhd	Director	
	▪ Busaria Jaya Plantation Sdn Bhd	Director	
	▪ Elegant Garden Hotel Sdn Bhd	Director	
	▪ Huat Cai Development Sdn Bhd	Director	
	▪ Pan Sheng Realty Sdn Bhd	Director	
	▪ Syn Asia Sdn Bhd	Director	
	▪ Fanin Development Sdn Bhd	Director	
	▪ Fujiya Batteries Manufacturing Sdn Bhd	Director	
	▪ Syn Hin Yon Sdn Bhd	Director	
	▪ Syn Wan Pao Publications (Sarawak) Sdn Bhd ⁽³⁾	Director	
	▪ TCK Jaya Plantation Sdn Bhd	Director	
	▪ TCK Plantation Sdn Bhd	Director	
	▪ Tye Heng Credit Sdn Bhd	Director	
	▪ T. Chin Kin Sdn Bhd	Director	
	▪ Yuasa Battery (M) Sdn Bhd	Director ⁽¹⁾	23.03.2010
	▪ Yuasa Power Systems (M) Sdn Bhd	Director ⁽¹⁾	23.03.2010
Dato' Tay Tze How	▪ Amalgamated Metal Reclamation Sdn Bhd	Director	
	▪ Autotrop Sdn Bhd	Director	07.12.2009
	▪ Busaria Agriculture Sdn Bhd	Director	

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Director	Other principal business activities	Involvement	Date of resignation
Dato' Tay Tze How (Cont'd)	<ul style="list-style-type: none"> Fujiya Batteries Manufacturing Sdn Bhd Elegant Garden Hotel Sdn Bhd Faupau Sdn Bhd Intan Rajang Sdn Bhd Kendalian Emas Sdn Bhd Seng Leong Hong Sdn Bhd Syn Hin Yon Sdn Bhd T. Chin Kin Sdn Bhd 	Director Director Director Director Director Director Director Director	
Dato' Tay Tze Poh	<ul style="list-style-type: none"> Amalgamated Metal Reclamation Sdn Bhd Busaria Agriculture Sdn Bhd Elegant Garden Hotel Sdn Bhd Fujiya Batteries Manufacturing Sdn Bhd Intan Rajang Sdn Bhd T. Chin Kin Sdn Bhd 	Director Director Director Director Director Director	
Puan Sri Corinne Bua Nyipa	<ul style="list-style-type: none"> Allclean Services Sdn Bhd Bahterangkut Sdn Bhd Bakun Transport Company Sdn Bhd ⁽³⁾ Borneo Horticulture Sdn Bhd ⁽³⁾ Cita Information System Sdn Bhd Cosmowin Sdn Bhd Evergreen Vista Sdn Bhd Fanin Aqua-Culture Sdn Bhd Malesiana Tropicals Sdn Bhd Mucorp Sdn Bhd ⁽³⁾ Pacific Bio Products Sdn Bhd ⁽³⁾ Pristine Approach Sdn Bhd 	Director Director Director Director Director Director Director Director Director Director Director Director	

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Director	Other principal business activities	Involvement	Date of resignation
Dato' Ooi Teik Heng (Cont'd)	▪ Dumico Holding Sdn Bhd	Director	30.07.2010
	▪ Primo Corporation Sdn Bhd	Director	
	▪ C.K.C. Biopharma Sdn Bhd	Director	
	▪ Pinang Mineral Water Sdn Bhd	Director	
	▪ Acot Plastics (M) Sdn Bhd	Director	
Wong Siaw Wei	▪ Ekran Berhad	Director	11.12.2008
	▪ Up-Active Sdn Bhd ⁽²⁾	Director	
	▪ Linz Consultancy Sdn Bhd	Director	
	▪ Beetuah Industries Sdn Bhd	Director	22.06.2012
	▪ Biochar Industries Sdn Bhd ⁽³⁾	Director	
	▪ Mei Sun Food Sdn Bhd	Director	11.07.2012
	▪ Myeos Sdn Bhd	Director	16.02.2012
	▪ Native Harmony Sdn Bhd	Director	26.10.2011
	▪ Sands Capital Berhad	Director	
	▪ Sands International Holdings Sdn Bhd	Director	24.06.2011
	▪ Vega Potential Sdn Bhd	Director	

Notes:-

(1) *Datuk Tay Ah Ching @ Tay Chin Kin together with his family members hold 14% equity stake in Syn Asia Sdn Bhd. Syn Asia Sdn Bhd, in turn holds approximately 9% and 10% equity stake in Yuasa Battery (M) Sdn Bhd and Yuasa Power Systems (M) Sdn Bhd respectively since 1988. Effectively, Datuk Tay Ah Ching @ Tay Chin Kin together with his family members hold only 1.26% and 1.40% in these two companies and Datuk Tay Ah Ching @ Tay Chin Kin together with his family members do not sit on the boards of these companies. The equity stakes in these companies are solely for investment purposes only.*

(2) *The company was liquidated in 2009.*

(3) *As at LPD, the company is dissolved / in the process of winding-up.*

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.3 COMMITTEES

6.3.1 Audit Committee

An Audit Committee provides our Board with assurance of quality and reliability of financial information used by our Board and of the financial information issued publicly by our Company. It provides an additional and more specialised oversight of the financial reporting process by facilitating the discharge of our Board's responsibility in respect of timely preparation and issuance of financial statements. The main functions of the Audit Committee which fall within the ambit of the Listing Requirements, include assessing the risks, (including the levels of authority delegated to the management by our Board) and control environment, the review of audit plans and audit reports with our Group's auditors, review of the auditors' evaluation of internal controls, program and review of the scope of internal audit procedures, reviewing conflict of interest situations and related party transactions, and candid discussions with management, internal and external auditors and nomination of the auditors.

Our Audit Committee comprises the following members:-

Name	Designation	Directorship
Dato' Ooi Teik Heng	Chairman of Audit Committee	Independent Non-Executive Director
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Member of Audit Committee	Independent Non-Executive Director
Wong Siaw Wei	Member of Audit Committee	Independent Non-Executive Director

6.3.2 Remuneration Committee

The Remuneration Committee is principally responsible for reviewing and recommending to our Board the remuneration package and the terms of employment of our Executive Directors. Our Executive Director does not participate in any way in determining his individual remuneration. The policy adopted by our Remuneration Committee is to provide the necessary package to attract, retain and motivate our Executive Directors of the quality required to manage our business and to align the interest of our Executive Directors with those of shareholders.

Our Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Chairman of Remuneration Committee	Independent Non-Executive Director
Dato' Ooi Teik Heng	Member of Remuneration Committee	Independent Non-Executive Director
Wong Siaw Wei	Member of Remuneration Committee	Independent Non-Executive Director

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.3.3 Nomination Committee

The Nomination Committee is principally responsible for recommending to our Board the appointment of new Directors and committees members, with regard to our Director's contribution and performance, as well as reviewing on an annual basis the appropriate balance and size of non-executive participation. This requires a review of the mix of skills and experience, including core competencies and qualities that Non-Executive Directors should bring to our Board in order for our Board to function effectively. Our Board as a whole makes all decisions on appointments after considering the recommendations of the Nomination Committee.

Our Nomination Committee comprises the following members:-

Name	Designation	Directorship
Dato' Ooi Teik Heng	Chairman of Nomination Committee	Independent Non-Executive Director
Puan Sri Corinne Bua Nyipa	Member of Nomination Committee	Independent Non-Executive Director
Wong Siaw Wei	Member of Nomination Committee	Independent Non-Executive Director

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**6.4 KEY MANAGEMENT****6.4.1 Particulars and Shareholdings**

The details of the key management of our Group and their shareholdings in our Company before and after the IPO are as follows:

Name	Nationality	Designation	No. of Shares held before the IPO			No. of Shares held after the IPO*		
			Direct	(%)	Indirect	Direct	(%)	Indirect (%)
Pauline Tay	Malaysian	Procurement Manager	-	-	(1) 142,163,496	140,000	0.08	(1) 133,163,496 73.98
Tay Siew Ling	Malaysian	Administration cum Human Resource Manager	-	-	(1) 142,163,496	140,000	0.08	(1) 133,163,496 73.98
Ir. Lim Tee	Malaysian	Factory General Manager	-	-	-	90,000	0.05	- -
Jong An Nee	Malaysian	Accounts Manager and Assistant Finance Manager	-	-	-	65,000	0.04	- -
Takanobu Nakahashi	Japanese	Technical Manager	-	-	-	45,000	0.03	- -
Tay Tze Kok	Malaysian	Customer Service Manager	-	-	(1) 142,163,496	140,000	0.08	(1) 133,163,496 73.98
Ong Hui Lian	Malaysian	Finance Manager	-	-	-	65,000	0.04	- -
Liew Wee Sam	Malaysian	Sales and Marketing Manager	-	-	-	170,000	0.09	- -

Notes:-

* Inclusive of indicative Pink Form Shares Allocation.

(1) Deemed interested by virtue of his / her father, siblings and sibling's spouse's interest in Kayatas.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.4.2 Profiles of the Key Management

Pauline Tay, a Malaysian, aged 39, is the Procurement Manager of ABM Fujiya. She has a Bachelor of Commerce Degree from the University of Western Australia, a Bachelor of Law Degree from Murdoch University, and a Post Graduate Diploma in Business (Business Law) from Curtin University of Technology and a Master in Business Administration from Murdoch University, Australia.

After successfully completing the Legal Professional Program Course with the College of Law in Sydney, she was admitted as a Legal Practitioner of the Supreme Court of New South Wales in 2003.

Her work experience includes working on a pro bono basis at the Southern Community Advocacy and Legal Education Centre in Western Australia and with the Law Society of Western Australia. She had also worked as a Paralegal at Elson Pow & Associates in Sydney, Australia. With these work experiences, she was exposed to many areas of law such as Conveyancing, Corporate and Commercial, Criminal and Family Law.

She has been participating in our Group's operation in the various divisions such as the warehouse division, sales and marketing division and purchasing division. With her diversified role, she remained a valuable asset to our Group as Purchasing Manager.

Pauline Tay was appointed as AB Manufacturing Director in May 2004 and became the Purchasing Manager of our Group in 2008.

Tay Siew Ling, a Malaysian, aged 37, is the Administration cum Human Resource Manager of our Group. With a Bachelor Degree in Commerce (majoring in Marketing, General Management and Human Resource Management) from the University of Western Australia, she commenced her career in ABM Fujiya Group's Warehouse and Purchasing sections before joining the Administrative section. She is also in the 5S Committee and Occupational Safety and Health Committee of our Group.

Her interactive and dynamic style, focusing on optimising human resources and improving performance is highly effective, proven through consistent successful results and positive feedbacks. We are confident that she will play a significant role in the continued growth and development of our Group.

Ir. Lim Tee, a Malaysian, aged 73, is the Factory General Manager and has been with our Group for the past 23 years. He obtained his Bachelor of Science and Bachelor of Engineering in Chemical Engineering, from National Cheng Kung University, Taiwan. He is a registered professional engineer (PE) with Lembaga Jurutera Malaysia, and a Member of Institute of Engineers Malaysia (MIEM).

He has been involved in the battery manufacturing business since 1966, having worked for various companies in the capacities ranging from Quality Controller to Works Manager. His 47 years of experience in the battery manufacturing industry and his technical and management knowledge will continue to benefit our Group.

Jong An Nee, a Malaysian, aged 38, is the Account Manager and Assistant Finance Manager of our Group. She graduated with a Bachelor of Commerce Degree in Accounting from the University of Otago, New Zealand in 1997.

She started her career in 1998 with W.M. Chiew & Company as an Audit Assistant. She joined Arthur Andersen's audit division in 2000 and subsequently in 2002, she joined Ernst & Young as Audit Senior and was promoted to Audit Assistant Manager in 2005.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

She was admitted as a member of the Chartered Institute of Management Accountants (CIMA) in 2004 and became a member of the Malaysian Institute of Accountants (MIA) in 2005.

She joined our Group as an Accountant in February 2006. Later in 2008, she was promoted as Senior Accountant before assuming her current position.

With over 15 years of working experience in professional firms and the commercial sector in the field of accounting, auditing and taxation, she plays an important role in ensuring efficiency of our account division.

Takanobu Nakahashi, a Japanese, aged 71, is the Technical Manager of our Group. He graduated in March 1966 with a Degree in Electric Engineering from the Faculty of Technology of the Kanazawa University, Japan.

In April 1966, he started his career with Yuasa Battery Co. Ltd., ("Yuasa") one of the leading battery manufacturers in Japan and worked within the Quality Control Department until 1972 when he was assigned to the Engineering Department. He was later transferred to Global Yuasa Battery Co., Korea in 1977 as an Engineering Supervisor before he returned to Japan in 1979 to join the Total Quality Control Centre. Then in 1984, he was involved in the Personnel Affair Department before joining the New Production System Promotion Centre in 1987. He was then transferred to the International Division in 1992 and the Department of Technological Strategy from 1994 until 1996.

Subsequently, from 1998 to 2004, he took up an assignment with TBP Indonesia, a subsidiary of Yuasa Indonesia as Chief Engineer, based in Jakarta, Indonesia and acted as the project manager.

In 2005, he joined our Group as Technical Manager. To date, he has over 40 years of experience and skills in the battery manufacturing industry.

Tay Tze Kok, a Malaysian, aged 35, is the Customer Service Manager of our Group. He graduated with a Bachelor of Applied Science Degree from the Curtin University of Technology, Perth, Western Australia.

He joined our Group in 2004 in the export division before assuming his current position. He has devoted his full attention in enhancing our Group's competitiveness particularly in the area of customer service. He played a crucial role in ensuring our Group produces good products and services in order to exceed customers' expectations.

He has also actively participated in several Trade Missions organised by the MATRADE and MITI to various countries to better understand the market sentiment and customer's needs and expectations. His close co-ordination with the customers and our QA / QC division remains a critical success factor towards our Group's future market expansion.

Ong Hui Lian, a Malaysian, aged 47, is the Finance Manager of our Group. She graduated in 1990 with a Bachelor of Commerce Degree from the University of Tasmania, Australia.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

In 1991, she started her career with OCBC Bank (M) Berhad as a Trainee Bank Officer at the Kuala Lumpur Main Branch and subsequently held various positions at the Kuching Branch, including Credit Officer, Head of Credit and Marketing before being promoted to the position as Head of Business Banking, Kuching Branch in 2003. She has vast experience in finance, risk management, business development, customer service, staff development and is well versed in the manufacturing and trading businesses.

She joined our Group in 2009 as the Finance Manager and brings with her over 18 years of professional working experience.

Liew Wee Sam, a Malaysian, aged 44, is the Sales and Marketing Manager of our Group. He graduated from the Curtin University of Technology, Australia, with a Bachelor of Science (Distinction) Degree in Computer Science.

He joined Auto Industries in 1992 as a marketing executive overseeing our Group's sales in Sabah and Labuan. He was later promoted as the General Manager in charge of overall operations. Under his management, Auto Industries has grown substantially and has successfully established itself in the market.

In the course of his duties, he has participated in the International Trade Fair held in Myanmar and Vietnam to promote the company's products overseas.

His 20 years of experience and dedication in the area of sales and marketing in the battery industry remains a success factor towards the growth of Auto Industries which has benefited our Group.

6.5 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS

As at LPD, save as disclosed below, none of our Executive Directors and / or key management personnel are involved in other business activities or corporations:-

Name of company	Principal activity	Position
<u>Datuk Tay Ah Ching @ Tay Chin Kin</u>		
Abang Khalid Development Sdn Bhd	Dormant	Substantial shareholder
Amalgamated Metal Reclamation Sdn Bhd	Dormant	Director and substantial shareholder
Asia Batteries Company	Importer, batteries manufacturer and general trading ⁽¹⁾	Sole proprietor
Sharikat Asia Batteries (Sabah) Company	Dormant	Sole proprietor
Bursaria Sdn Bhd	Oil palm plantation	Director and substantial shareholder
Busaria Agriculture Sdn Bhd	Oil palm plantation	Director and substantial shareholder
Busaria Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Busaria Jaya Plantation Sdn Bhd	Cultivation and processing of oil palm products	Director and substantial shareholder

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Datuk Tay Ah Ching @ Tay Chin Kin (cont'd)</u>		
Elegant Garden Hotel Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Fanin Sdn Bhd	Letting of factory	Shareholder (less than 5% shareholding)
Fanin Aqua-Culture Sdn Bhd	Dormant	Substantial shareholder
Fanin Development Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Fanin Realty Sdn Bhd	Letting of properties	Substantial shareholder ⁽³⁾
Faupau Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fujiya Batteries Manufacturing Sdn Bhd	Dormant	Substantial Shareholder
Gomatsu Ventures Sdn Bhd	Building maintenance work	Shareholder (less than 5% shareholding)
Hinyon Sdn Bhd	Dormant	Substantial shareholder
Huat Cai Development Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Intan Rajang Sdn Bhd	Dormant	Substantial shareholder
Kayatas Sdn Bhd	Investment holding of shares in ABM Fujiya	Substantial shareholder
Kendalian Emas Sdn Bhd	Property development and motor trading	Substantial shareholder
Mestani Development Sdn Bhd	Dormant	Substantial shareholder
Pan Sheng Realty Sdn Bhd	Property development	Director and substantial shareholder
Quoland Sdn Bhd	Dormant	Substantial shareholder
Seng Leong Hong Sdn Bhd	Letting of land and buildings	Substantial shareholder
Syn Asia Sdn Bhd	Investment holding of shares in private companies ⁽²⁾	Director and substantial shareholder
Syn Hin Yon Sdn Bhd	Letting of properties	Director and substantial shareholder
Syn Hin Yon Holdings Sdn Bhd	Dormant	Substantial shareholder
Syn Hwa Leong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
T. Chin Kin Sdn Bhd	Property development	Director and substantial shareholder ⁽³⁾
TCK Jaya Plantation Sdn Bhd	Dormant	Director and substantial shareholder
TCK Plantation Sdn Bhd	Dormant	Director and substantial shareholder
Tye Heng Credit Sdn Bhd	Provision of mortgages and loans	Director and substantial shareholder
United Borneo Press Sdn Bhd	Advertising and newspaper publishing	Shareholder (less than 5% shareholding)

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Dato' Tay Tze How</u>		
Abang Khalid Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Amalgamated Metal Reclamation Sdn Bhd	Dormant	Director and substantial shareholder
Bursaria Sdn Bhd	Oil palm plantation	Substantial shareholder
Busaria Agriculture Sdn Bhd	Oil palm plantation	Director and substantial shareholder
Busaria Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Busaria Jaya Plantation Sdn Bhd	Cultivation and processing of oil palm products	Substantial shareholder ⁽³⁾
Elegant Garden Hotel Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Fanin Sdn Bhd	Letting of factory	Shareholder (less than 5% shareholding) ⁽³⁾
Fanin Aqua-Culture Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Realty Sdn Bhd	Letting of properties	Substantial shareholder
Faupau Sdn Bhd	Dormant	Director and substantial shareholder
Fujiya Batteries Manufacturing Sdn Bhd	Dormant	Director and substantial shareholder
Gomatsu Ventures Sdn Bhd	Building maintenance work	Substantial shareholder ⁽³⁾
Hinyon Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Huat Cai Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Intan Rajang Sdn Bhd	Dormant	Director and substantial shareholder
Kayatas Sdn Bhd	Investment holding of shares in ABM Fujiya	Substantial shareholder
Kendalian Emas Sdn Bhd	Property development and motor trading	Director and substantial shareholder ⁽³⁾
Mestani Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Pan Sheng Realty Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
Quoland Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Seng Leong Hong Sdn Bhd	Letting of land and buildings	Director and substantial shareholder ⁽³⁾
Syn Asia Sdn Bhd	Investment holding of shares in private companies ⁽²⁾	Substantial shareholder ⁽³⁾

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Dato' Tay Tze How (cont'd)</u>		
Syn Hin Yon Sdn Bhd	Letting of properties	Director and substantial shareholder
Syn Hin Yon Holdings Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Syn Hwa Leong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
T. Chin Kin Sdn Bhd	Property development	Director and substantial shareholder
TCK Jaya Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
TCK Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Tye Heng Credit Sdn Bhd	Provision of mortgages and loans	Substantial shareholder ⁽³⁾
United Borneo Press Sdn Bhd	Advertising and newspaper publishing	Shareholder (less than 5% shareholding) ⁽³⁾
<u>Dato' Tay Tze Poh</u>		
Abang Khalid Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Amalgamated Metal Reclamation Sdn Bhd	Dormant	Director and substantial shareholder
Bursaria Sdn Bhd	Oil palm plantation	Substantial shareholder
Busaria Agriculture Sdn Bhd	Oil palm plantation	Director and substantial shareholder
Busaria Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Busaria Jaya Plantation Sdn Bhd	Cultivation and processing of oil palm products	Substantial shareholder ⁽³⁾
Elegant Garden Hotel Sdn Bhd	Dormant	Director and substantial shareholder
Fanin Sdn Bhd	Letting of factory	Shareholder (less than 5% shareholding) ⁽³⁾
Fanin Aqua-Culture Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Realty Sdn Bhd	Letting of properties	Substantial shareholder ⁽³⁾
Faupau Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fujiya Batteries Manufacturing Sdn Bhd	Dormant	Director and substantial shareholder
Gomatsu Ventures Sdn Bhd	Building maintenance work	Shareholder (less than 5% shareholding) ⁽³⁾
Hinyon Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Huat Cai Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Intan Rajang Sdn Bhd	Dormant	Director and substantial shareholder

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Dato' Tay Tze Poh (cont'd)</u>		
Kayatas Sdn Bhd	Investment holding shares in ABM Fujiya	Substantial shareholder
Kendalian Emas Sdn Bhd	Property development and motor trading	Substantial shareholder ⁽³⁾
Mestani Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Pan Sheng Realty Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
Quoland Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Seng Leong Hong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
Syn Asia Sdn Bhd	Investment holding in shares of private companies ⁽²⁾	Substantial shareholder ⁽³⁾
Syn Hin Yon Sdn Bhd	Letting of properties	Substantial shareholder
Syn Hin Yon Holdings Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Syn Hwa Leong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
T. Chin Kin Sdn Bhd	Property development	Director and substantial shareholder
TCK Jaya Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
TCK Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Tye Heng Credit Sdn Bhd	Provision of mortgages and loans	Substantial shareholder ⁽³⁾
United Borneo Press Sdn Bhd	Advertising and newspaper publishing	Shareholder (less than 5% shareholding) ⁽³⁾
<u>Pauline Tay</u>		
Abang Khalid Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Amalgamated Metal Reclamation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Bursaria Sdn Bhd	Oil palm plantation	Substantial shareholder
Busaria Agriculture Sdn Bhd	Oil palm plantation	Substantial shareholder ⁽³⁾
Busaria Development Sdn Bhd	Dormant	Director and substantial shareholder
Busaria Jaya Plantation Sdn Bhd	Cultivation and processing of oil palm products	Director and substantial shareholder
Elegant Garden Hotel Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Sdn Bhd	Letting of factory	Shareholder (less than 5% shareholding) ⁽³⁾
Fanin Aqua-Culture Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Pauline Tay (Cont'd)</u>		
Fanin Realty Sdn Bhd	Letting of properties	Substantial shareholder ⁽³⁾
Faupau Sdn Bhd	Dormant	Director and substantial shareholder
Fujiya Batteries Manufacturing Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Gomatsu Ventures Sdn Bhd	Building maintenance work	Shareholder (less than 5% shareholding) ⁽³⁾
Hinyon Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Huat Cai Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Intan Rajang Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Kayatas Sdn Bhd	Investment holding of shares in ABM Fujiya	Director and substantial shareholder
Kendalian Emas Sdn Bhd	Property development and motor trading	Substantial shareholder ⁽³⁾
Mestani Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Pan Sheng Realty Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
Quoland Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Seng Leong Hong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
Syn Asia Sdn Bhd *	Investment holding in shares of private companies ⁽²⁾	Substantial shareholder ⁽³⁾
Syn Hin Yon Sdn Bhd	Letting of properties	Director and substantial shareholder ⁽³⁾
Syn Hin Yon Holdings Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Syn Hwa Leong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
T. Chin Kin Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
TCK Jaya Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
TCK Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Tye Heng Credit Sdn Bhd	Provision of mortgages and loans	Substantial shareholder ⁽³⁾
United Borneo Press Sdn Bhd	Advertising and newspaper publishing	Shareholder (less than 5% shareholding) ⁽³⁾
<u>Liew Wee Sam</u>		
Bursaria Sdn Bhd	Oil palm plantation	Substantial shareholder ⁽³⁾
Hinyon Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Huat Cai Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Kayatas Sdn Bhd	Investment holding shares in ABM Fujiya	Substantial shareholder ⁽³⁾
Pan Sheng Realty Sdn Bhd	Property development	Substantial shareholder

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Liew Wee Sam (Cont'd)</u>		
Syn Asia Sdn Bhd	Investment holding in shares of private companies ⁽²⁾	Substantial shareholder ⁽³⁾
<u>Ir. Lim Tee</u>		
Fanin Realty Sdn Bhd	Letting of properties	Director and substantial shareholder
Kayatas Sdn Bhd	Investment holding of shares in ABM Fujiya	Shareholder (less than 5% shareholding)
<u>Tay Siew Ling</u>		
Abang Khalid Development Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Amalgamated Metal Reclamation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Bursaria Sdn Bhd	Oil palm plantation	Director and substantial shareholder ⁽³⁾
Busaria Agriculture Sdn Bhd	Oil palm plantation	Substantial shareholder ⁽³⁾
Busaria Development Sdn Bhd	Dormant	Director and substantial shareholder
Busaria Jaya Plantation Sdn Bhd	Cultivation and processing of oil palm products	Director and substantial shareholder ⁽³⁾
Elegant Garden Hotel Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Sdn Bhd	Letting of factory	Shareholder (less than 5% shareholding) ⁽³⁾
Fanin Aqua-Culture Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Fanin Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Realty Sdn Bhd	Letting of properties	Substantial shareholder ⁽³⁾
Faupau Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fujiya Batteries Manufacturing Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Gomatsu Ventures Sdn Bhd	Building maintenance work	Shareholder (less than 5% shareholding) ⁽³⁾
Hinyon Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Huat Cai Development Sdn Bhd	Dormant	Director and substantial shareholder
Intan Rajang Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Kayatas Sdn Bhd	Investment holding of shares in ABM Fujiya	Substantial shareholder
Kendalian Emas Sdn Bhd	Property development and motor trading	Substantial shareholder
Mestani Development Sdn Bhd	Dormant	Substantial shareholder

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Tay Siew Ling (Cont'd)</u>		
Pan Sheng Realty Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
Quoland Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Seng Leong Hong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
Syn Asia Sdn Bhd	Investment holding in shares of private companies ⁽²⁾	Substantial shareholder ⁽³⁾
Syn Hin Yon Sdn Bhd	Letting of properties	Substantial shareholder ⁽³⁾
Syn Hin Yon Holdings Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Syn Hwa Leong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
T. Chin Kin Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
TCK Jaya Plantation Sdn Bhd	Dormant	Director and substantial shareholder
TCK Plantation Sdn Bhd	Dormant	Director and substantial shareholder
Tye Heng Credit Sdn Bhd	Provision of mortgages and loans	Substantial shareholder ⁽³⁾
United Borneo Press Sdn Bhd	Advertising and newspaper publishing	Shareholder (less than 5% shareholding) ⁽³⁾
<u>Tay Tze Kok</u>		
Abang Khalid Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Amalgamated Metal Reclamation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Bursaria Sdn Bhd	Oil palm plantation	Substantial shareholder
Busaria Agriculture Sdn Bhd	Oil palm plantation	Substantial shareholder ⁽³⁾
Busaria Development Sdn Bhd	Dormant	Director and substantial shareholder
Busaria Jaya Plantation Sdn Bhd	Cultivation and processing of oil palm products	Substantial shareholder ⁽³⁾
Elegant Garden Hotel Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Sdn Bhd	Letting of factory	Director and shareholder (less than 5% shareholding) ⁽³⁾
Fanin Aqua-Culture Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Fanin Development Sdn Bhd	Dormant	Director and substantial shareholder
Fanin Realty Sdn Bhd	Letting of properties	Substantial shareholder ⁽³⁾
Faupau Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of company	Principal activity	Position
<u>Tay Tze Kok (Cont'd)</u>		
Fujiya Batteries Manufacturing Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Gomatsu Ventures Sdn Bhd	Building maintenance work	Shareholder (less than 5% shareholding) ⁽³⁾
Hinyon Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Huat Cai Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Intan Rajang Sdn Bhd	Dormant	Director and substantial shareholder ⁽³⁾
Kayatas Sdn Bhd	Investment holding of shares in ABM Fujiya	Substantial shareholder
Kendalian Emas Sdn Bhd	Property development and motor trading	Substantial shareholder ⁽³⁾
Mestani Development Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Pan Sheng Realty Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
Quoland Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Seng Leong Hong Sdn Bhd	Letting of land and buildings	Substantial shareholder ⁽³⁾
Syn Asia Sdn Bhd	Investment holding in shares of private companies ⁽²⁾	Substantial shareholder ⁽³⁾
Syn Hin Yon Sdn Bhd	Letting of properties	Substantial shareholder
Syn Hin Yon Holdings Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Syn Hwa Leong Sdn Bhd	Letting of land and buildings	Director and Substantial shareholder
T. Chin Kin Sdn Bhd	Property development	Substantial shareholder ⁽³⁾
TCK Jaya Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
TCK Plantation Sdn Bhd	Dormant	Substantial shareholder ⁽³⁾
Tye Heng Credit Sdn Bhd	Provision of mortgages and loans	Substantial shareholder ⁽³⁾
United Borneo Press Sdn Bhd	Advertising and newspaper publishing	Shareholder (less than 5% shareholding) ⁽³⁾

Note:-

- (1) Ceased trading with ABM Fujiya Group since 1 March 2010 and the company has ceased operations in 2012. Datuk Tay Ah Ching @ Tay Chin Kin is in the midst of selling off the business and he will use his best endeavour to complete the sale by the end of 2013.
- (2) Datuk Tay Ah Ching @ Tay Chin Kin together with his family members hold 14% equity stake in Syn Asia Sdn Bhd. Syn Asia Sdn Bhd, in turn holds approximately 9% and 10% equity stake in Yuasa Battery (M) Sdn Bhd and Yuasa Power Systems (M) Sdn Bhd respectively since 1988. Effectively, Datuk Tay Ah Ching @ Tay Chin Kin together with his family members hold only 1.26% and 1.40% in these two companies and Datuk Tay Ah Ching @ Tay Chin Kin together with his family members do not sit on the boards of these companies. The equity stakes in these companies are solely for investment purposes only.
- (3) Deemed interested by virtue of Section 122A (1) and (2) of the Act.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

As set out above, our Executive Directors, namely the Tay Family Directors, are also directors of their private companies (collectively the "**Other Companies**").

Most of the Other Companies have been in operations for over five (5) years and are managed by their respective experienced management team who take care of the daily operations. The Tay Family Directors are only involved in decision making on major issues of the Other Companies, which were raised in the board meetings. Accordingly, the Tay Family Directors are of the opinion that their involvements in the Other Companies will not affect their contribution to our Group nor negatively impact their abilities to act as Executive Directors of ABM Fujiya.

The involvements of the Directors and key management in other business activities or corporations set out above do not require much of their time as the operating companies are managed by their respective management teams and the Directors and key management are not involved in the daily operations of these companies. Accordingly, the Directors and key management are able to spend a substantial portion of their working hours on the affairs of our Group and their involvement in those other business activities will not affect their contribution to our Group.

6.6 DECLARATION OF PROMOTERS, DIRECTORS AND KEY MANAGEMENT

None of our Promoters, Directors, key management personnel or person nominated to become a Director or key management is or has been involved in any of the following events:-

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) charged and / or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) was the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

6.7 RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there is no relationship (*as defined in Section 122A of the Act*) or association between our substantial shareholders, Promoters, Directors or key management personnel:-

- ❖ Dato' Tay Tze How, Dato' Tay Tze Poh, Tay Yoke Ling, Pauline Tay, Tay Siew Ling, Tay Tze Kok and Tay Tze Ping are children of Datuk Tay Ah Ching @ Tay Chin Kin;
- ❖ Liew Wee Sam and Wong Chi Fai are sons-in-law of Datuk Tay Ah Ching @ Tay Chin Kin; and
- ❖ Aini Dahlan and Yu Man Chong are daughters-in-law of Datuk Tay Ah Ching @ Tay Chin Kin.

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.8 AMOUNTS OR BENEFITS PAID TO OUR PROMOTERS, DIRECTORS OR SUBSTANTIAL SHAREHOLDERS WITHIN THE TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save as disclosed in Section 2.3(a)(iii) of this Prospectus, and the remuneration and benefits for services rendered in all capacities to our Group as detailed in Section 6.2.3 of this Prospectus, there are no other amounts or benefits paid or intended to be paid to any of our Promoters, substantial shareholders or Directors, within the two (2) years immediately preceding the date of this Prospectus.

6.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

Save for the Japanese technical personnel, there are no existing or proposed service agreements between our Group and our Directors, key management or key technical personnel.

6.10 EMPLOYEES

We place great emphasis in providing a pleasant working environment for our employees.

The table below shows employees' summary for FYE 31 December 2008 to FYE 31 December 2012:-

Category	FYE 31 December				
	2008	2009	2010	2011	2012
Management and Professional	12	11	11	11	10
Technical and Supervisory	24	24	22	23	29
Clerical and related occupation	14	14	10	15	13
Sales and Marketing	6	6	6	6	6
General Workers	21	25	20	31	21
Production Workers:-					
- Skilled	94	99	93	64	141
- Unskilled	84	90	85	108	79
Total	255	269	247	258	299

As at LPD, we have workforce strength of 292 employees comprising 84 or approximately 28.8% Malaysians and the remaining 208 or approximately 71.2% foreigners. The table below summarises employees by nationality as at LPD:-

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Category	Malaysian				Foreigner*	Total
	Bumiputera	Chinese	Indian	Total		
Management and Professional	-	10	-	10	-	10
Technical and Supervisory	16	7	2	25	3	28
Clerical and related occupation	11	6	-	17	-	17
Sales and Marketing	2	6	-	8	-	8
General Workers	17	2	-	19	5	24
Production Workers:-						
- Skilled	5	-	-	5	132	137
- Unskilled	-	-	-	-	68	68
Total	51	31	2	84	208	292
%	17.5%	10.6%	0.7%	28.8%	71.2%	100.0%

Note:-

* Foreign employees are contracted with our Group for 2-3 years, subject to renewal.

Our employees are responsible for a variety of functions including production, sales and marketing and administration of our Group. Our workforce comprises approximately 17.5% Bumiputeras, 10.6% Chinese 0.7% Indian, while the remaining are foreigners. The majority of our Group's employees are production workers who are involved in the manufacturing operations of our Group and they account for approximately 71.2% of the total workforce. As at LPD, we have employed 208 foreign workers from Bangladesh, Indonesia and Myanmar. Our Group's employees are not represented by any union and the management enjoys a cordial relationship with our employees. We have not been engaged in any industrial disputes since our inception.

As mentioned in Section 4.2.1 of this Prospectus, our eight (8) sales personnel together with senior management and Directors travel extensively to market our products and to develop new businesses. Our distribution channels principally comprise marketing intermediaries such as Importers, Exporters, Wholesalers and Distributors who have the capacity to procure large quantity orders.

Employees' summary by years of service as at LPD is as follows:-

Category	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Management and Professional	-	1	9	10
Technical and Supervisory	11	11	6	28
Clerical and related occupation	7	6	4	17
Sales and Marketing	1	0	7	8
General Workers	5	13	6	24
Production Workers:-				
- Skilled	44	64	29	137
- Unskilled	10	41	17	68
Total	78	136	78	292
%	26.7%	46.6%	26.7%	100.0%

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Based on the table above, approximately 26.7% of the employees have less than a year's tenure with our Group. Approximately 46.6% of our Group's employees have been with our Group for an average of between one (1) and five (5) years, while 26.7% of our Group's employees have more than five (5) years of service with our Group.

As at LPD, our Group has no temporary employee and none of our employees are members of any labour union and in this regard, there are no industrial disputes involving our Group.

Training and Development

The table below lists training and development programmes completed by the relevant employees of our Group over the last five (5) years and until LPD. The programmes encompass both external and internal training and development programmes.

Date	Programme	Organiser
24 April 2008	Improving Competitiveness through better Cash	MATRADE
30 April 2008	Understanding an ISO 9001:2000 QMS	Neville-Clarke (M) Sdn Bhd
18 December 2008 to 19 December 2008	Understanding International Trade	Adroit & Associated Sdn Bhd
13 March 2009	ISO 9001:2008 Transition	Neville-Clarke (M) Sdn Bhd
10 June 2009 to 11 June 2009	5S Principles & Implementation	Neville-Clarke (M) Sdn Bhd
7 October 2009	Briefing on "Labour (Contents of Contract) (Sarawak) Rules Amended 2009"	Federation of Malaysian Manufacturers
2 November 2009	Seminar on 2010 Budget and Recent Tax Developments	Hii & Lee (Tax Services) Sdn Bhd
31 May 2010	All About Employment of Foreign Workers and Expatriates in the Manufacturing Sector	Federation of Malaysia Manufacturers
16-17 July 2010	Basic First Aid Course	Persatuan Bulan Sabit Merah Malaysia
9-10 August 2010	Overcoming The FRS 139 Challenges	Sunway TES (East Malaysia) Sdn Bhd
25-26 August 2010	Tax Incentives and Double Deductions for the Manufacturing Sector	Malaysia Institute of Accountants
17-18 September 2010	Basic First Aid Course	Persatuan Bulan Sabit Merah Malaysia
26 October 2010	2011 Budget Seminar	Ernst & Young
26 October 2010	2011 Budget Tax Proposals Seminar	KPMG Tax Services Sdn Bhd
6 November 2010	Understanding Of Quality Management System ISO 9001:2008	Preeminent Consultancy
27 November 2010	Continuing Professional Development	Malaysia Association of Company Secretaries
27 November 2010 and 4 December 2010	7 QC Tools	Preeminent Consultancy
16 April 2011 to 23 April 2011	Quality Management System ISO 9001:2008	Preeminent Consultancy

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Date	Programme	Organiser
7 May 2011 to 14 May 2011	Internal Auditing of ISO 9001:2008	Preeminent Consultancy
11 June 2011	Understanding an ISO9001:2008 Quality Management System	Neville-Clarke (M) Sdn Bhd
16 June 2011 to 17 June 2011	Principal Labor Law	Power Edu International Sdn Bhd
17 June 2011 to 18 June 2011	ISO 9001 Process Based Internal Auditing	Neville-Clarke (M) Sdn Bhd
1 July 2011 to 2 July 2011	Basic First Aid	Persatuan Bulan Sabit Merah Malaysia
9 July 2011	Forklift Safety	Times Management Training Sdn Bhd
25 July 2011	An Introduction to the Organisation of the Royal Malaysian Custom Department	Alpha Consultants (M) Sdn Bhd
30 July 2011 to 31 July 2011	Practical Applications to the Principal of Labor Law at Workplace	Power Edu International Sdn Bhd
6 October 2011 to 7 October 2011	Developing HR Policy and Procedure Manual, Letters and Forms	Federation of Malaysian Manufacturers
11 October 2011 to 12 October 2011	Effects of Foreign Exchange	Malaysia Institute of Accountants
21 October 2011 to 22 October 2011	Effective Construction Management and Audit – Building / Infrastructure Contracts	Malaysia Institute of Accountants
1 November 2011 to 2 November 2011	IFRS Convergence in 2012, Deferred Taxation and FRS Application Challenges	Ernst & Young Chartered Accountants Firm
29 November 2011	Seminar OSHMS Regulation, Tataamalan Industri Kualiti Udara Dalam (ICOP IAQ & Generik CHRA)	Jabatan Keselamatan dan Kesihatan Pekerjaan
30 November 2011	Seminar Kesedaran Mengenai Environmentally Hazardous Substances Notification and Registration Scheme.	Institut Alam Sekitar Malaysia (EiMAS)
5 December 2011	Seminar Perakuan Bomba	Jabatan Bomba dan Penyelamat Malaysia
10 December 2011	Schedule Waste Management	Times Management Training Sdn Bhd
15 December 2011 to 16 December 2011	Workplace Payroll Control & Administration	Power Edu International Sdn Bhd
27 February 2012	Foreign Workers 6P Amnesty Programme	Federation of Malaysian Manufacturers
17 May 2012	Corporate Directors Training Programme Fundamental	Malaysian Institute of Accountants
29 May 2012	Seminar Keselamatan Kebakaran	Persatuan Sukan & Kebajikan Bomba Sarawak
4 September 2012 to 5 September 2012	Import/Export Documentation Incoterms 2010 & Letter of Credit	Federation of Malaysian Manufacturers
7 September 2012	ISO 9001:2008 Quality Management Systems Awareness	Preeminent Consultancy

6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Date	Programme	Organiser
11 September 2012	Sarawak Trade and Industrial Seminar – Exploring Opportunities in Trade and Industries	Ministry of Industrial Development Sarawak
15 September 2012	Internal Auditing of ISO 9001:2008	Preeminent Consultancy
1 October 2012	Minimum Retirement age Bill 2012 & Minimum Waged Order 2012	MECA Centre for Industrial Relations Sdn Bhd
2 October 2012 to 3 October 2012	Minimum Wages & Retirement Age (Sarawak) – Impact on the SLO & the Contract of Services	GEM Consultancy
8 October 2012	Scheduled Waste Management	Neville Clarke
9 October 2012 to 10 October 2012	Seminar Pengurusan Pekerja di Syarikat Swasta : Isu-isu Perburuhan Semasa & Cara Penyelesaiannya (Ordinan Buruh [Sarawak Ban 76])	Institut Maklumat & Analisis Pasaran Buruh
17 October 2012	Decoding and Applying the Malaysian Environmental Laws	Neville Clarke
25 October 2012	Budget & Tax Planning	Crowe Horwath
20 November 2012 to 21 November 2012	Pematuhan Keselamatan dan Kesihatan Pekerjaan	Jabatan Keselamatan dan Kesihatan Pekerjaan
19 December 2012	Implementation of Minimum Wage Order 2012 (Sarawak)	Federation of Malaysian Manufacturers
13 March 2013	Sales Tax & Customs Management	GDP Training & Resources Sdn Bhd
27 March 2013	Workshop on Labour Ordinance of Sarawak	Sarawak Chamber of Commerce & Industry (SCCI)
15 April 2013 to 16 April 2013	Malaysian Financial Reporting Standards – Impact on Company Tax	Malaysian Institute of Accountants

Management Succession Plan

We seek to ensure continuity in our management team, in order to ensure the smooth running of operations and maintain to our competitiveness. It is our policy to groom outstanding low-level employees for more job responsibilities and take on supervisory roles, and groom exceptional middle-management staff to gradually assume the responsibilities of senior management. Our Executive Directors and senior management are involved in the process of selecting and identifying key competencies and requirements for managerial and more senior positions. Job candidate profiles are developed for management positions in line with our business goals, strategies and culture.

Our Group takes a continuous and proactive approach towards addressing talent management. This is to ensure our Group has talent readily available from a capability perspective to undertake leadership positions throughout our Group. Our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

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6. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**6.11 SIGNIFICANT CHANGES IN SHAREHOLDINGS IN OUR COMPANY FOR THE PAST THREE (3) YEARS**

Saved as disclosed in the table below, there are no other changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past three (3) years preceding the date of this Prospectus.

Substantial Shareholders	Allotment / Acquisition		Transfer / Disposal		Balance held		Reason for change
	Date	No. of shares	Date	No. of shares	No. of shares	%	
Wee Chu Koon	-	-	01.12.2009	2	-	-	Subscriber's shares
Abdul Rahman bin Salleh	-	-	01.12.2009	2	-	-	Subscriber's shares
Datuk Tay Ah Ching @ Tay Chin Kin	01.12.2009	2	-	-	2	50.0	Shares transfer
Dato' Tay Tze How	01.12.2009	2	-	-	2	50.0	Shares transfer
Kayatas	28.12.2010	142,163,496	-	-	142,163,496	90.55	Acquisitions

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7. APPROVALS AND CONDITIONS

7.1 APPROVALS AND CONDITIONS

The SC, pursuant to the CMSA and Equity Requirements for Public Companies, has approved the IPO vide its letter dated 26 November 2010. Subsequently, the SC had via its letter dated 20 May 2013 given our Company the final extension until 31 July 2013 to implement the Listing. The conditions imposed by the SC and the status of compliance are as follows:-

Conditions Imposed By SC	Status of Compliance
(i) ABM Fujiya is to incorporate the pro forma effects of the dividend once the last practicable date has been ascertained;	Complied. Please refer to Section 10.5.2 of this Prospectus
(ii) ABM Fujiya Group should not utilise, either directly or indirectly, the proceeds raised from the proposed listing or funds from bank borrowings, to pay for dividends, if any;	Complied. Confirmation letter furnished to the SC on 7 June 2013
(iii) The directors of ABM Fujiya Group is to provide the SC with the declaration, confirming that the Group has sufficient working capital for the next 12 months;	Complied. Confirmation letter furnished to the SC on 7 June 2013
(iv) The principal advisor is to provide a written confirmation on the due diligence steps undertaken to satisfy themselves that the declaration mentioned in (iii) above by the directors of the Company has been properly made;	Complied. Confirmation letter furnished to the SC on 7 June 2013
(v) Any future transactions between the ABM Fujiya Group and the directors / substantial shareholders or companies related to the directors / substantial shareholders, if any, must be on an "arm's-length" basis and must not be unfavourable to the ABM Fujiya Group. In this regard, the Audit Committee of ABM Fujiya is to monitor and the directors to report on the position of such transactions, in the annual report of ABM Fujiya;	Complied. Confirmation letter furnished to the SC on 7 June 2013
(vi) Allocation of 11,822,100 new ABM Fujiya shares to Dato' Seri Diraja Syed Razlan Ibni Syed Putra and Bibi Anak Moton pursuant to the proposed acquisition to be recognised by MITI; and	Complied. Please refer to note (i) of the conditions imposed by MITI below
(vii) Allocation of 7,000,000 offer for sale shares to Bumiputera public investors approved by MITI and 5,250,000 public issue shares offered under balloting portion to the retailed Bumiputera investors. In the event that ABM Fujiya / MITI is unable to allocate the shares to the potential Bumiputera investors, the unsubscribed shares shall be offered to the Bumiputera public investors via balloting	To be complied

The SC (under the *Equity Requirements for Public Companies*) has noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholders in the Company would change arising from the implementation of the proposed listing, as follows:-

Shareholders	Before proposal % held	After proposal % held
Bumiputera	-	13.37 ^(a)
Non-bumiputera	100.00	75.24
Foreign	-	11.39
Total	100.00	100.00

Note:-

(a) Include 10.46% of the enlarged issued and paid-up share capital of ABM Fujiya upon listing to be recognised / approved by MITI and 2.91% of the enlarged issued and paid-up share capital of ABM Fujiya set aside for Bumiputera investors through public balloting.

7. APPROVALS AND CONDITIONS (Cont'd)

In addition, the SC, vide its letter dated 30 April 2011, approved the extension of time to implement our IPO until 25 August 2011. Subsequently on 20 May 2013, SC approved the final extension of time to implement our IPO until 31 July 2013.

The MITI has approved the IPO vide its letter dated 2 December 2010. The conditions imposed by the MITI and the status of compliance are as follows:-

Conditions Imposed By MITI	Status of Compliance
(i) MITI recognised Dato' Seri Diraja Syed Razlan Ibni Syed Putra and Bibi Anak Moton as existing Bumiputeras of ABM Fujiya;	Noted
(ii) Allocation of 7,000,000 shares to Bumiputera public investors will require MITI's approval and the distribution to these Bumiputeras will be decided after the listing exercise has been approved by the SC;	Complied
(iii) A subsidiary of ABM Fujiya that is, AB Manufacturing, has manufacturing licenses issued by MITI is given a waiver of one year from the date of this MITI letter to comply with the equity requirements imposed (MITI had, subsequently via its letter dated 31 May 2013 extended the above waiver until 2 December 2013); and	To be complied
(iv) ABM Fujiya is required to inform MITI once the Listing exercise is completed.	To be complied

7.2 MORATORIUM ON SHARES

In accordance with the SC Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company for six (6) months from the date of Listing.

Upon Listing, our Promoters' shareholdings, which will be subjected to the moratorium, are as set out below:-

Promoters	Shareholding after Listing		Shareholding under moratorium	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %
Kayatas	133,163,496	73.98	133,163,496	73.98
Datuk Tay Ah Ching @ Tay Chin Kin	200,002	0.11	200,002	0.11
Dato' Tay Tze How	170,002	0.09	170,002	0.09
Dato' Tay Tze Poh	170,000	0.09	170,000	0.09
Pauline Tay	140,000	0.08	140,000	0.08
Tay Yoke Ling	140,000	0.08	140,000	0.08
Tay Siew Ling	140,000	0.08	140,000	0.08
Tay Tze Kok	140,000	0.08	140,000	0.08

Note:-

(1) Based on our enlarged issued and paid-up share capital of 180,000,000 Shares.

Pursuant to the moratorium to which the Promoters have agreed, they will not be allowed to sell, transfer or assign the Shares they respectively hold within six (6) months from the date of our Listing.

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7. APPROVALS AND CONDITIONS (Cont'd)

Tay Family Directors, Tay Yoke Ling, Pauline Tay, Tay Siew Ling, Tay Tze Kok, Tay Tze Ping, Aini Dahlan, Yu Man Chong, Liew Wee Sam, Wong Chi Fai, Ir. Lim Tee, Low Sang, Law Kiat Jin, Huang Xiuying and Weng Guozhong, being the ultimate shareholders of Kayatas, have provided undertaking letter that they will not sell, transfer or assign their respective shareholdings in Kayatas during the moratorium period.

The moratorium is specifically endorsed on the notice of allotment and share certificates representing the Shares held by the Promoters under moratorium to ensure that trading of these Shares is not allowed during in the moratorium period in compliance with the restriction imposed by the SC.

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8. RELATED PARTY TRANSACTION / CONFLICT OF INTEREST**8.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

Pursuant to the Listing Requirements, a “related-party” of our Group is a director or a major shareholder having an interest of 10% or more of the aggregate of the nominal amounts of all the voting shares of our Group or our subsidiaries or an interest of 5% or more of the aggregate of the nominal amounts of all the voting shares of our Group or our subsidiaries where such person is the largest shareholder of our Group or our subsidiaries, and includes any person who was or within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or major shareholder as well as a person connected with such director or major shareholder.

Save as disclosed below, for the past five (5) FYE up to 31 December 2012, we do not have any other existing and / or proposed related-party transactions or other subsisting contracts of arrangement entered into which involved the interest, direct or indirect, of our Directors, substantial shareholders and/or key management and / or persons connected to them as defined under Section 122A of the Act:-

(a) Recurrent Related-party Transactions

Save as disclosed in Section 8.4 and below, for the past five (5) FYE up to 31 December 2012, our Group does not have any other existing and / or proposed recurrent related-party transactions entered into by our Group which involved the interest, direct or indirect, of our Directors, substantial shareholders and / or key management and / or persons connected to them as defined under Section 122A of the Act.

Subsidiary of ABM Fujiya	Transacting Parties	Nature of Transaction	Nature of interests	Business Activities of related parties	Transaction Value (RM'000)/% ⁽⁶⁾				
					FYE 31 December				
					2008	2009	2010	2011	2012
AB Manufacturing	Asia Batteries Company ⁽¹⁾	Sales of Automotive Batteries	Director related company ⁽³⁾	Trading of batteries and battery chargers	4,332/ 3%	3,723/ 3%	3,606/ 3%	-	-
AB Manufacturing	Autotrop Sdn Bhd	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Holding of properties for letting and sales of batteries	16,308/ 11%	7,271/ 6%	12,321/ 9%	3,038/ 2%	-
AB Manufacturing	Empire Star Sdn Bhd	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Investment in properties and trading in batteries	11,270/ 8%	9,886/ 8%	8,399/ 6%	1,668/ 1%	-
AB Manufacturing	Syn Asia Battery Enterprise Sdn Bhd	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Trading of batteries and battery chargers	13,180/ 9%	13,783/ 11%	12,934/ 10%	2,892/ 2%	-
AB Manufacturing	Sharikat South Asia (Ong Kee) Trading Sdn Bhd	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Trading in batteries, oils and spark plugs	8,002/ 5%	7,823/ 6%	7,774/ 6%	3,822/ 3%	-

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8. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Subsidiary of AB Manufacturing	Transacting Parties	Nature of Transaction	Nature of interests	Business Activities of related parties	Transaction Value (RM'000)/% ⁽⁶⁾				
					FYE 31 December				
					2008	2009	2010	2011	2012
AB Marketing	Auto Industries	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Dealer in batteries and lubricants	1,833/ 1%	-(2)	-(2)	-(2)	-(2)
AB Marketing	Syn Asia Battery Enterprise Sdn Bhd	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Trading of batteries and battery chargers	-	-	19/ -(7)	-	-
AB Marketing	Sharikat South Asia (Ong Kee) Trading Sdn Bhd	Sales of Automotive Batteries	Director related company ⁽⁴⁾	Trading in batteries, oils and spark plugs	-	-	66/- ⁽⁷⁾	-	-
Total sales to related parties (including sales tax)					54,925/ 37%	42,486/ 33%	45,119/ 34%	11,420/ 9%	-
AB Marketing	Syn Asia Battery Enterprise Sdn Bhd	Purchase of Automotive Batteries	Director related company ⁽⁴⁾	Trading of batteries and battery chargers	-	-	114/- ⁽⁷⁾	-	-
AB Marketing	Sharikat South Asia (Ong Kee) Trading Sdn Bhd	Purchase of Automotive Batteries	Director related company ⁽⁴⁾	Trading in batteries, oils and spark plugs	-	-	51/- ⁽⁷⁾	-	-
Auto Industries	Asia Batteries Company ⁽¹⁾	Purchase of Automotive Batteries	Director related company ⁽³⁾	Trading of batteries and battery chargers	1,444/ 1%	2,179/ 2%	-	-	-
Auto Industries	Autotrop Sdn Bhd	Purchase of Automotive Batteries	Director related company ⁽⁴⁾	Holding of properties for letting and sales of batteries	2,283/ 2%	2,371/ 3%	-	-	-
Auto Industries	Empire Star Sdn Bhd	Purchase of Automotive Batteries	Director related company ⁽⁴⁾	Investment in properties and trading in batteries	2,705/ 3%	2,405/ 3%	1,434/ 2%	-	-
Auto Industries	Syn Asia Battery Enterprise Sdn Bhd	Purchase of Automotive Batteries	Director related company ⁽⁴⁾	Trading of batteries and battery chargers	2,247/ 2%	1,244/ 1%	900/1%	-	-
Auto Industries	Sharikat South Asia (Ong Kee) Trading Sdn Bhd	Purchase of Automotive Batteries	Director related company ⁽⁴⁾	Trading in batteries, oils and spark plugs	2/ -(7)	-	-	-	-

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8. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Subsidiary of ABM Fujiya	Transacting Parties	Nature of Transaction	Nature of interests	Business Activities of related parties	Transaction Value (RM'000)/% ⁽⁶⁾				
					FYE 31 December				
					2008	2009	2010	2011	2012
AB Manufacturing	Sinar Mekar Sdn Bhd	Container haulage and handling services	Director related company ⁽⁶⁾	Air, ocean and overland freight forwarding, customs brokerage, heavy bulky, long length equipment/ machinery transportation and rigging, container inland haulage, general cargo transportation and bonded truck facilities, container depot and warehousing and distribution, project transportation and handling and crane/ fork.	-	1/- ⁽⁷⁾	4/- ⁽⁷⁾	1/- ⁽⁷⁾	1/- ⁽⁷⁾
Total purchases from related parties					8,681/ 8%	8,200/ 9%	2,503/ 3%	1/-⁽⁷⁾	1/-⁽⁷⁾

Notes:-

- (1) The company has ceased trading with ABM Fujiya Group since 1 March 2010. The company has ceased operations in 2012. Datuk Tay Ah Ching @ Tay Chin Kin is in the midst of selling off the business and he will use his best endeavour to complete the sale by the end of 2013.
- (2) Auto Industries became a member of the Group on 31 December 2008.
- (3) The affected person is Datuk Tay Ah Ching @ Tay Chin Kin.
- (4) The affected persons are Datuk Tay Ah Ching @ Tay Chin Kin, Dato' Tay Tze How, Pauline Tay and Dato' Tay Tze Poh. The affected persons had disposed all their interests in the company on 8 June 2011. As such, the transactions after 8 June 2011 and any future transactions with the company will no longer be considered related parties transactions.
- (5) The affected person is Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai.
- (6) As a percentage of group sales (including sales tax) / purchases.
- (7) Negligible.

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8. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

When our Group started manufacturing batteries, distributorships were offered to all parties, including related / former related parties. The related parties have established relationship and track record with our Group and they remain part of our Group's local distribution channel. The related parties also have its own established network of customers and facilities to promote and distribute our batteries. Apart from related parties, our Group has third parties Distributors totalling 138. The terms offered to the related parties are on the same terms, i.e. in terms of selling prices and credit terms, we offered to our local third party Distributors. Going forward, our Group plans to enhance our local market presence by appointing our own Distributors in various states of Peninsular Malaysia. As such, the proportion of sales contribution from these related parties is expected to decrease in the future. Please refer to Section 8.7 below for further details.

(b) Non-Recurrent Related-party Transactions

Save for the Acquisitions and as disclosed below, for the past five (5) FYE to 31 December 2012, our Group does not have any other existing and / or proposed non-recurrent related-party transactions entered into by our Group which involved the interest, direct or indirect, of our Directors, substantial shareholders and / or key management and / or persons connected to them as defined under Section 122A of the Act.

Subsidiary of ABM Fujiya	Transacting Parties	Nature of Transaction	Nature of interests	Business Activities of related parties	Transaction Value (RM'000)			
					2008	2009	2010	2011
AB Manufacturing	T. Chin Kin Sdn Bhd	Purchases of Shophouses	Director related company	Property developer	7,840	-	-	-
AB Manufacturing	Shareholders of Auto Industries*	Acquisition of Auto Industries	Partly owned by Director	Not applicable	5,458	-	-	-

Note:-

* Prior to the acquisition of Auto Industries, the shareholders of Auto Industries were Datuk Tay Ah Ching @ Tay Chin Kin, Datin Lim Meau Siang, Tan Boon Yaw, Tay Yoke Ling, Liew Wee Sam, Ong Choon Kin and Kok Swee Ping.

All transactions were based on normal commercial terms and are on arm's length basis. The Audit Committee will supervise the terms of related-party transactions, and the Directors of our Company will report related-party transactions, if any, annually in our Company's annual report.

8. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

(c) Shareholders' Advances

There have been no shareholders' advances by the shareholders of our Group to the companies within our Group.

The Directors of our Company are of the opinion that all business transactions between our Group and the Directors, substantial shareholders and / or key management of our Company and / or persons connected to them are on arm's length basis and on terms not more favourable to the related parties than those generally available to the public. The Audit Committee will supervise the terms of related-party transactions, and the Directors of our Company will report related-party transactions, if any, annually in our Company's annual report.

8.2 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

Our Directors have confirmed that to the best of their knowledge and belief, there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or any of our subsidiaries was a party in respect of the past five (5) FYE up to 31 December 2012 and subsequent financial period thereof immediately preceding the date of this Prospectus.

8.3 OUTSTANDING LOANS (INCLUDING GUARANTEES OF ANY KIND) MADE BY US OR ANY OF OUR SUBSIDIARIES TO / FOR THE BENEFIT OF RELATED PARTIES

Our Directors have confirmed that to the best of their knowledge and belief, there are no outstanding loans (including guarantees of any kind) made by our Company and / or subsidiaries to or for the benefit of our Directors, substantial shareholders, key management and / or persons connected to them as at the end of each of the past five (5) FYE up to 31 December 2012.

8.4 INTERESTS IN SIMILAR BUSINESS

As at LPD, none of our other Directors or substantial shareholders and / or key management and technical personnel are interested, directly or indirectly, in any business carrying on a similar trade as our Group.

8.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED / TO BE ACQUIRED WITHIN THREE (3) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save for the Acquisitions and as disclosed in Section 8.1 (b), there are no material assets acquired / to be acquired within three (3) years preceding the date of this Prospectus.

8.6 CONTRACTS OR ARRANGEMENTS IN WHICH OUR DIRECTORS OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND SIGNIFICANT IN RELATION TO OUR BUSINESS

As at LPD, none of our Directors and / or substantial shareholders has interest in any contract or arrangement, which is significant in relation to the business of our Group.

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8. RELATED PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

8.7 RECURRENT RELATED-PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of related-party transactions involving recurrent transactions of revenue or trading nature subject, inter-alia, to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related-party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under paragraph 2.1 of Practice Note No. 12/2001 of the Listing Requirements;
- (c) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Our Group could, in the ordinary course of our business, enter into transactions, including but not limited to the transactions described in related-party transactions set out in Section 8.1 of this Prospectus, with persons which are considered "related-party" as defined in Chapter 10 of the Listing Requirements. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

8.8 DECLARATION BY THE ADVISERS, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT

AmInvestment Bank hereby confirms that, as at the date of the Prospectus, there is no conflict of interest with respect to its capacity as Principal Adviser to our Group for the IPO.

AmInvestment Bank is the Sole Underwriter and Sole Placement Agent for the IPO Shares. AmInvestment Bank hereby confirms that, as at the date of this Prospectus, there is no conflict of interest with respect to its capacity as the Sole Underwriter and Sole Placement Agent for the IPO Shares. The Underwriting Agreement, which certain details are as set out in Section 2.11 and Section 14 of this Prospectus, was entered into on an arms-length basis and on market terms.

Messrs. Alvin Chong & Partners Advocates hereby confirm that there is no conflict of interest in its capacity as Solicitors to our Group for the IPO and due diligence respectively.

Messrs. KPMG hereby confirms that there is no conflict of interest in its capacity as Auditors and Reporting Accountants to our Group for the IPO.

Infobusiness has given its confirmation that there is no conflict of interest in its capacity as Independent Market Researcher for the IPO.

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9. OTHER INFORMATION CONCERNING OUR GROUP

9.1 INFORMATION ON LAND AND BUILDINGS

A summary of the land and buildings owned and leased by our Group is as follows:-

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
1.	AB Manufacturing Lot 1446, Section 66, Jalan Perdana, Bintawa Industrial Estate, 93450 Kuching, Sarawak.	40 years / Expiring on 31.12.2027	Industrial Land with 1- storey warehouse for storage of goods	3,889.00 m ² / 2,391.70 m ²	Yes 02.03.1979 Permit No. M.O. 117/72&(A)	430
2.	AB Manufacturing Lot No. 2224, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak.	12 years / Expiring on 08.02.2053	Industrial Land with 3- storey office and 1-storey plant (with one mezzanine floor) for batteries manufacturing	10,115.00m ² / 8,977.94 m ²	Yes 24.05.2001 Permit No. M.O. 75/97&(A) & M.O. 76/97&(A)	6,358
3.	AB Manufacturing Lot No. 859, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak.	5 years / Expiring on 05.02.2035	Industrial Land with 5- storey office and 1-storey plant (with one mezzanine floor) for batteries manufacturing	8,053.00 m ² / 7,542.50 m ²	Yes 21.04.2011 Permit No. 35/2011	9,759

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
4.	AB Manufacturing Lot 1159, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching Sarawak.	24 years / Expiring on 28.1.2037	Industrial land with 1-storey plant for batteries manufacturing	6,677.00 m ² / 5,482.40m ²	Yes 17.11.1989 Permit No. M.O. 18/78(A), (C) & (D) 22.04.1994 Permit No. M.O. 18/78(F) 11.03.2011 Permit No. 28/2011	3,722
5.	AB Manufacturing Lot 133, Section 56, Kuching Town Land District, Jalan Mendu, 93200 Kuching, Sarawak.	35 years / Expiring on 31.12.2817	2-storey detached house / Residential Staff residence	795.6.00 m ² / 226.40 m ²	Yes 18.04.1978 Permit No. M.O. 23/76(A) 05.12.2005 Permit No. M.O. 23/76(B)	296
6.	AB Manufacturing Lot 9592, Section 64, Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial Tenanted and staff quarters	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 229/95&(A)	267

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9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
7.	AB Manufacturing Lot 9593, Section 64, Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak	15 years / Expiring on 12.12.2795	4-storey corner shop house / Commercial / Residential Tenanted and staff quarters	136.30 m ² / 522.80 m ²	Yes 06.04.1998 Permit No. M.O. 229/95&(A)	284
8.	AB Manufacturing Lot 9618, Section 64, Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Storage and staff quarters	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 302/95&(A) 08.11.1999 Permit No. M.O. 302/95(B)	414
9.	AB Manufacturing Lot 9619, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Storage and staff quarters	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 302/95&(A) 08.11.1999 Permit No. M.O. 302/95(B)	414
10.	AB Manufacturing PL Plot 854, Block 7, Muara Tebas Land District, Sejingkat Industrial Park, 93450 Kuching, Sarawak.	2 years / Expiring on 19.02.2054	Industrial land / 1-storey Plant for batteries containers sets manufacturing and 3-storey block for storage and office	7,420.00 m ² / 3,078.06 m ²	Yes 19.03.2013 Permit No. M.O. 394/94	4,811

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
11.	AB Manufacturing Lot 9602, Section 64, Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey corner shop house / Commercial / Residential Tenanted ⁽¹⁾	166.50 m ² / 594.70 m ²	Yes 06.04.1998 Permit No. M.O. 230/95&(A)	505
12.	AB Manufacturing Lot 9603, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey corner shop house / Commercial / Residential Vacant ⁽¹⁾	155.10 m ² / 541.82 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	495
13.	AB Manufacturing Lot 9604, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	467
14.	AB Manufacturing Lot 9605, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	467

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
15.	AB Manufacturing Lot 9606, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	467
16.	AB Manufacturing Lot 9607, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	467
17	AB Manufacturing Lot 9608, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	467
18.	AB Manufacturing Lot 9609, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 301/95&(A) 22.11.1999 Permit No. M.O. 301/95(B)	467

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
19.	AB Manufacturing Lot 9622, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey corner shop house / Commercial / Residential Staff quarters	155.10 m ² / 541.82 m ²	Yes 06.04.1998 Permit No. M.O. 302/95&(A) 08.11.1999 Permit No. M.O. 302/95&(B)	495
20.	AB Manufacturing Lot 9623, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey corner shop house / Commercial / Residential Tenanted ⁽¹⁾	165.40 m ² / 594.70 m ²	Yes 06.04.1998 Permit No. M.O. 231/95&(A) 15.10.2002 Permit No. M.O. 231/95 (B) & (C)	505
21.	AB Manufacturing Lot 9624, Section 64, Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 231/95&(A) 15.10.2002 Permit No. M.O. 231/95 (B) & (C)	467
22.	AB Manufacturing Lot 9625, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	111.60 m ² / 417.10 m ²	Yes 06.04.1998 Permit No. M.O. 231/95&(A) 15.10.2002 Permit No. M.O. 231/95 (B) & (C)	467

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
23.	AB Manufacturing Lot 9628, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	194.10 m ² / 725.40 m ²	Yes 06.04.1998 Permit No. M.O. 231/95&(A) 15.10.2002 Permit No. M.O. 231/95 (B) & (C)	794
24.	AB Manufacturing Lot 9629, Section 64 Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	15 years / Expiring on 12.12.2795	4-storey intermediate shop house / Commercial / Residential Vacant ⁽¹⁾	194.20 m ² / 725.40 m ²	Yes 06.04.1998 Permit No. M.O. 231/95&(A) 15.10.2002 Permit No. M.O. 231/95 (B) & (C)	794
25.	AB Manufacturing Lot 1122, Block 8, Muara Tebas Land District 93050 Kuching Sarawak	Not applicable / Expiring on 09.01.2071	Industrial land / Vacant ⁽²⁾	88,620.00 m ²	Not applicable	9,059
26.	AB Manufacturing Lot 1274, Block 8, Muara Tebas Land District 93050 Kuching Sarawak	Not applicable / Expiring on 09.01.2071	Industrial land / Vacant ⁽²⁾	80,660.00 m ²	Not applicable	8,245
27.	Auto Industries Lot 1678, Block 226, KNLD, 4 th Mile, Penrissen Road, Kuching, Sarawak.	Not applicable / Expiring on 31.12.2038	Vacant land ⁽¹⁾ / Suburban Land/ Mixed Zone Land	4,207.00 m ²	Not applicable	719

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
28.	Auto Industries Lot 1679, Block 226, KNLD, 4 th Mile, Penrissen Road, Kuching, Sarawak.	Not applicable / Expiring on 31.12.2038	Vacant land ⁽¹⁾ / Suburban Land/ Mixed Zone Land	4,093.00 m ²	Not applicable	699
29.	Auto Industries Lot 1680, Block 226, KNLD, 4 th Mile, Penrissen Road, Kuching, Sarawak.	Not applicable / Expiring on 31.12.2038	Vacant land ⁽¹⁾ / Suburban Land/ Mixed Zone Land	4,023.00 m ²	Not applicable	687
30.	Auto Industries Lot 1681, Block 226, KNLD, 4 th Mile, Penrissen Road, Kuching, Sarawak.	Not applicable / Expiring on 31.12.2038	Vacant land ⁽¹⁾ / Suburban Land/ Mixed Zone Land	3,820.00 m ²	Not applicable	676
31.	Auto Industries Lot 1682, Block 226, KNLD, 4 th Mile, Penrissen Road, Kuching, Sarawak.	Not applicable/ Expiring on 31.12.2038	Vacant land ⁽¹⁾ / Suburban Land/ Mixed Zone Land	4,041.00 m ²	Not applicable	715
32.	Auto Industries Lot 3, Town Lease, 017702457, Inanam Baru, Kota Kinabalu, Sabah.	34 years / Expiring on 19.02.2031	3-storey intermediate shop lot / Industrial building Office and storage	116.10 m ² / 309.70 m ²	Yes 31.01.1984 Permit No. S/302	519

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Approximate Age of Building/ Date of Expiry of Lease	Description and existing Use	Land and/or Built up area	Whether the OP have been issued /Issuance date	NBV As at 31 December 2012 (RM'000)
33.	Auto Industries Lot 8, Town Lease, 17701021, Inanam Baru, Kota Kinabalu, Sabah.	40 years / Expiring on 19.02.2031	3-storey intermediate shop lot / Commercial and industrial building Office and storage	116.10 m ² / 326.50 m ²	Yes 31.01.1984 Permit No. S/302	808

Notes:-

- (1) Held for investment purposes.
- (2) Held for future expansion purposes, including the construction of a battery recycling centre.

The Directors of ABM Fujiya wish to highlight that, to the best of their knowledge and belief, the properties stated in Section 9.1 above:-

- (a) have not breached any of the land-use conditions / permissible land use; and
- (b) There has not been any material non-compliance with current statutory requirements, land rules or building regulations.

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9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)**9.2 ACQUISITIONS OF PROPERTIES DURING THE TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS**

Listed below are the details of properties acquired during the last two (2) years preceding the date of this Prospectus:-

No	Registered owner / Location	Date of transaction	Premium
1	Lot 1122 and Lot 1274, Block 8 Muara Tebas Land District, 93050 Kuching, Sarawak.	14 June 2010	(RM'000) 18,215

Note:-

Alienation of land vide letter dated 12 March 2010 issued by Land and Survey Department (Kuching Division) was accepted on 11 June 2010. The land premium is paid / payable to the government totaling RM18.2 million by 5 annual instalments. The first instalment and second instalment of RM5.5 million and RM3.6 million was paid in FYE 31 December 2010 and FYE 31 December 2012 respectively. As at LPD, the third instalment of RM3.6 million was paid and the land premium interests incurred was approximately RM0.9 million. Further details on the land are set out in Section 9.1 (Items 25 and 26) of this Prospectus.

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9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)**9.3 MATERIAL PLANT AND EQUIPMENT**

Listed below is the detailed information on material plant and equipment utilised by our Group:-

Production Process	Registered Owner	Description	Existing Use	Units	NBV as at 31 December 2012
Batteries Plates Production	AB Manufacturing	Grid Casting	Used for producing battery cell grid	18	(RM'000) 6,705
	AB Manufacturing	Oxide Mill	Used to produce lead oxide	2	1,370
	AB Manufacturing	Mixer	Used for paste mixing	2	393
	AB Manufacturing	Pasting & Flash Oven	Used for plates pasting and drying	4	1,151
	AB Manufacturing	Curing	Used for plates curing and drying	6	811
					10,430
Tank Formation	AB Manufacturing	Tank Formation - Battery Charger	Used for charging of battery plates	28	1,295
Battery Assembly Preparation	AB Manufacturing	Plate Parting & Lug Brush	Used for brushing the battery lugs of plates to be free of oxidation	6	612
	AB Manufacturing	Enveloping	Used for enveloping of plates	5	495
	AB Manufacturing	Stacker	Used for stacking of plates	2	816
					1,923
Battery Assembly Process and Process Assurance	AB Manufacturing	COS - Machine	Used to group plates into battery cells	9	2,260
	AB Manufacturing	COS – Cells Rotating, Loading and Unloading Machine	Used to rotate, load and unload group plates onto COS Machine	4	2,887
	AB Manufacturing	COS - Mould	Used as casting base of group cells	23	2,235
	AB Manufacturing	Assembly Line	Used for assembly of the battery components to form the finished product	10	7,373
	AB Manufacturing	Inert Gas Plate Drying	Used for drying plates	7	1,954
					16,709

9. OTHER INFORMATION CONCERNING OUR GROUP (Cont'd)

Production Process	Registered Owner	Description	Existing Use	Units	NBV as at 31 December 2012
Unformed Batteries Charging Process	AB Manufacturing	Case Formation – Rectifier	Used for case formation	43	(RM'000) 3,377
	AB Manufacturing	Case Formation – Acid Filler & Leveller	Used for filling up / levelling of acid in battery	12	1,285
					4,662
Quality Assurance Process	AB Manufacturing	Laboratory Equipment	Used for quality check on the Group's products	8	262
Supporting process	AB Manufacturing	Building Equipment	Used for other supportive function of the plant	16	370
Packaging	AB Manufacturing	Packaging – Wrapping Machine	Used for battery packaging	4	54
Battery Containers Set Manufacturing	AB Manufacturing	PP Injection Machine	Used for producing battery containers and covers	13	4,367
	AB Manufacturing	PP Injection Moulds	Used as base for producing battery containers and covers	6	1,323
					5,690
	Total				41,395

At present, our total production capacity for both battery and battery containers and covers are approximately 1.6 million units and 2.9 million units per annum respectively.

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