

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

### 8.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders, all of whom are either Malaysians (in the case of individuals) or incorporated in Malaysia (in the case of corporations), and their respective shareholdings in our Company before and after the IPO are set out below:-

#### 8.1.1 Shareholdings of Promoters and Substantial Shareholders

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

Promoters/Substantial Shareholders	<sup>(a)</sup> Before the IPO				<sup>(b)</sup> After the IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
<b><u>Promoters</u></b>								
FoundPac Holdings	330,000,000	100.00	-	-	238,000,000	64.32	-	-
Lee Chun Wah	-	-	330,000,000 <sup>(c)</sup>	100.00	-	-	238,000,000 <sup>(c)</sup>	64.32
Tan Sin Khoon	-	-	330,000,000 <sup>(c)</sup>	100.00	-	-	238,000,000 <sup>(c)</sup>	64.32
Ong Choon Heng	-	-	330,000,000 <sup>(c)</sup>	100.00	-	-	238,000,000 <sup>(c)</sup>	64.32
<b><u>Substantial Shareholders</u></b>								
FoundPac Holdings	330,000,000	100.00	-	-	238,000,000	64.32	-	-
Lee Chun Wah	-	-	330,000,000 <sup>(c)</sup>	100.00	-	-	238,000,000 <sup>(c)</sup>	64.32
Tan Sin Khoon	-	-	330,000,000 <sup>(c)</sup>	100.00	-	-	238,000,000 <sup>(c)</sup>	64.32
Ong Choon Heng	-	-	330,000,000 <sup>(c)</sup>	100.00	-	-	238,000,000 <sup>(c)</sup>	64.32

Notes:-

- (a) Based on the existing issued and paid-up share capital of 330,000,000 Shares.  
(b) Based on our enlarged issued and paid-up share capital of 370,000,000 Shares after the IPO.  
(c) Deemed interested pursuant to Section 6A of the Act via FoundPac Holdings.

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## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

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### 8.1.2 Profiles of Promoters

The profiles of our Promoters are as follows:-

- (a) **Lee Chun Wah**, Malaysian, aged 46 is our Executive Director/CEO. He was appointed to our Board on 16 February 2016. He is responsible for overseeing the strategic business planning, development and operations of our Group.

He graduated from Tunku Abdul Rahman College with a Diploma in Technology (Electronic Engineering) in 1994. Thereafter, he obtained a Master of Science in Mechatronics from De Montfort University (UK) in 1995.

He began his career as a Service Engineer with Ever Technologies Sdn. Bhd. (currently known as AEM Microtronics (M) Sdn. Bhd.) in 1995, and in 1997, he was promoted to Sales Engineer. Later, in 2000, he was promoted to Business Manager, where he was responsible for the profitability of the local office in Penang, as well as the procurement, inventory and logistics of the Singapore office. He left Ever Technologies Sdn. Bhd. in November 2005.

In January 2006, he joined our Group as a General Manager, overseeing the trading of precision engineered parts such as stiffeners, test sockets and hand lids and conversion kits. In April of the same year, he assumed his present position as CEO of our Group. With over twenty (20) years of experience and ten (10) years with our Group, he brings with him extensive experience in the precision engineering industry.

He currently sits on the board of FoundPac Holdings, details as disclosed in Section 8.5 of this Prospectus.

- (b) **Tan Sin Khoon**, Malaysian, aged 49, is our Executive Director/COO. He was appointed to our Board on 16 February 2016. He is responsible for overseeing the engineering, manufacturing operations and quality assurance functions of our Group.

He graduated from The University of Southwestern Louisiana (currently known as University of Louisiana at Lafayette) in the US with a Bachelor of Science in Electrical Engineering in 1992. Upon graduation, he started his career with Hitachi Semiconductor (M) Sdn. Bhd. as a Production Engineer. In 1994, he joined Intel Technology Sdn. Bhd. as a Senior Equipment and Process Engineer. The subsequent year, he moved to Talam BSC Sdn. Bhd. where he was a Project Manager.

In 1996, he joined Dijaya Enterprise Sdn. Bhd. as an Assistant General Manager. He subsequently moved to Ever Technologies Sdn. Bhd. (currently known as AEM Microtronics (M) Sdn. Bhd.) in 1999 as an Equipment Manager. He was subsequently promoted in 2004 to Operations Manager. He left Ever Technologies Sdn. Bhd. in July 2006 and was self-employed between the period of August 2006 and June 2007. In July 2007, he joined our Group as Operation cum Business Director and in January 2009, he was promoted to COO. He brings with him over twenty-three (23) years of experience in engineering and manufacturing operations.

He currently sits on the board of FoundPac Holdings, details as disclosed in Section 8.5 of this Prospectus.

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

- (c) **Ong Choon Heng**, Malaysian, aged 40, is our Executive Director/CFO. He was appointed to the Board on 16 February 2016 and he is responsible for the Group's strategic investment, corporate management and planning as well as heading the Finance Division.

He graduated from University of Malaya with Bachelor of Accounting with First Class Honours in 2000. He is an accountant by profession and a member of the Malaysian Institute of Certified Public Accountants (MICPA) as well as the Malaysian Institute of Accountants (MIA).

He started his career as Staff Assistant with an international audit firm, Arthur Andersen & Co. in 2000 and Ernst & Young, Penang after the merger of these two firms in 2002. He left the firm as a Senior Associate in the Assurance and Advisory Business Services in 2004 and joined a plastic recycling company as the Financial Controller. He then left the company in 2006 to set up a business entity with his siblings which mainly involved in general trading as the Finance Manager. The family business expanded and it was subsequently converted to a private limited company where he was appointed as a Director until 2008.

In 2009, he left the family business to his siblings and focus on his new business venture, QL Tech Malaysia Sdn. Bhd. as Director until todate. He was also the Independent, Non-Executive Director of Dufu Technology Corp Berhad, a company listed on the Main Market of Bursa Malaysia from May 2013 to March 2016. He also serves as the Non-Executive Director of Asaka Riken (M) Sdn. Bhd., a subsidiary company of Asaka Riken Co. Ltd., a company listed on the JASDAQ, Japan.

He sits on the board of FoundPac Holdings and is also a director and/or shareholder of several other private companies, details as disclosed in Section 8.5 of this Prospectus.

- (d) **FoundPac Holdings**, was incorporated in Malaysia under the Act on 3 February 2016 as a private limited company under its present name. FoundPac, FoundPac Tech and FPSB are subsidiary companies of FoundPac Holdings. FoundPac Holdings does not have any associated company.

The principal activity of FoundPac Holdings is investment holding.

As at the LPD, the authorised share capital of FoundPac Holdings is RM400,000 comprising 400,000 ordinary shares of RM1.00 each of which 6,000 ordinary shares have been issued and fully paid-up.

As at the LPD, the directors and shareholders of FoundPac Holdings and their respective shareholdings are as follows:-

Directors/ Substantial Shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares of FoundPac Holdings of RM1.00 each	(%)	No. of ordinary shares of FoundPac Holdings of RM1.00 each	(%)
<b>Directors</b>					
Lee Chun Wah	Malaysian	2,907	48.45	-	-
Tan Sin Khoon	Malaysian	2,907	48.45	-	-
Ong Choon Heng	Malaysian	186	3.10	-	-
<b>Substantial Shareholders</b>					
Lee Chun Wah	Malaysian	2,907	48.45	-	-
Tan Sin Khoon	Malaysian	2,907	48.45	-	-

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

### 8.1.3 Profiles of Substantial Shareholder

The profile of our substantial shareholder, FoundPac Holdings, who is also our Promoter, is disclosed in Section 8.1.2 of this Prospectus.

### 8.1.4 Changes in Promoters' and Substantial Shareholders' Shareholdings

Save as disclosed below, there has been no other changes in the shareholdings of our Promoters and substantial shareholders in our Company since our incorporation on 16 November 2015 and up to the LPD:-

Promoters/ Substantial Shareholders	Date	No. of Shares		Balance Held				Reason for change
		Allotment/ Acquisition	(Transfer)/ (Disposal)	Direct		Indirect		
				No. of Shares	(%)	No. of Shares	(%)	
Tan Hui Bin	16.11.15	10	-	10	50.00	-	-	Subscriber's shares
Tan Hui Pien	16.11.15	10	-	10	50.00	-	-	Subscriber's shares
FoundPac Holdings	16.02.16	329,999,980	-	329,999,980	100.00	-	-	Shares issued pursuant to the Acquisition of FPSB and Acquisition of FoundPac Tech by FoundPac
Tan Hui Bin	16.02.16	-	(10)	-	-	-	-	Transferred to FoundPac Holdings
Tan Hui Pien	16.02.16	-	(10)	-	-	-	-	Transferred to FoundPac Holdings
FoundPac Holdings	16.02.16	20	-	330,000,000	100.00	-	-	Transferred from Tan Hui Bin and Tan Hui Pien
Lee Chun Wah	16.02.16	-	-	-	-	330,000,000 <sup>^</sup>	100.00	Note (i)
Tan Sin Khoon	16.02.16	-	-	-	-	330,000,000 <sup>^</sup>	100.00	Note (i)
Ong Choon Heng	16.02.16	-	-	-	-	330,000,000 <sup>^</sup>	100.00	Note (i)

Notes:-

<sup>^</sup> Deemed interested pursuant to Section 6A of the Act via FoundPac Holdings

(i) Shares issued to FoundPac Holdings pursuant to the Acquisition of FPSB and Acquisition of FoundPac Tech by FoundPac

### 8.1.5 Persons Exercising Control over the Corporation

Save for our Promoters who collectively hold approximately 64.32% of our enlarged issued and paid-up share capital upon our Listing, as disclosed in Section 8.1.1 of this Prospectus, we are not aware of any other person who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

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**8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**

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**8.2 DIRECTORS**

FoundPac is satisfied that the composition of the Board is sufficient to meet the suitability of the Listing premised on, amongst others, the following: -

- (a) the Board encompasses diversity in terms of gender and professional background. For example, the Board consists of four (4) male Directors and two (2) female Directors with sound knowledge and expertise in precision engineering, engineering and manufacturing operations, legal, as well as accounting and finance. However, the Board takes cognisance of diversity relating to race and will endeavour to comply with the principles and recommendations of the relevant guidelines in relation to corporate governance by identifying suitable candidate(s) within the industry who are able to contribute to the effectiveness of the Board;
- (b) the executive directors comprising Lee Chun Wah and Tan Sin Khoon whom possess more than ten (10) years and nine (9) years of directorship respectively in our Group;
- (c) the independent directors comprising Tan Cheik Eaik, Chan Bee Cheng and Teoh Lay Fung whom have individually fulfilled the requirements of being classified as "Independent Director" in compliance with the Listing Requirements. Our independent directors possess sound knowledge and expertise in specific areas such as accounting, finance and legal which are suitable to provide a supervisory role together with the executive directors to oversee and deliberate on the overall business and operations of the Group;
- (d) the Board is chaired by Tan Cheik Eaik, one of the Independent and Non-Executive Director of FoundPac and Lee Chun Wah is the Executive Director/Chief Executive Officer of FoundPac. Therefore, there is a clear division between chairman of the Board and the CEO which ultimately allows the chairman of the Board to have the time and capacity to focus on her role and responsibility whilst ensuring clear balance of power and authority and to provide a clear demarcation of power between the strategy and policy-making process and the day-to-day management of FoundPac;
- (e) both our Audit Committee and Nominating Committee comprises independent directors and majority of the members of Remuneration Committee comprises independent directors. In addition, Chan Bee Cheng and Teoh Lay Fung has the requisite qualification in accounting and finance as well as legal respectively; and
- (f) Tan Cheik Eaik and Teoh Lay Fung have directorships in several companies which are deemed competent candidates suitable to be appointed as independent directors of FoundPac.

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## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

### 8.2.1 Particulars and Shareholdings of Directors

The details of our Directors and their shareholdings before and after the IPO are as follows:-

Directors	Designation	Before the IPO <sup>(a)</sup>				After the IPO <sup>(b)</sup>			
		Direct		Indirect		Direct		Indirect	
		No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)
Tan Cheik Eaik	Independent Non-Executive Chairman	-	-	-	-	2,000	0.54	-	-
Lee Chun Wah	Executive Director/CEO	-	-	330,000 <sup>(c)</sup>	100.00	-	-	238,000 <sup>(c)</sup>	64.32
Tan Sin Khoon	Executive Director/COO	-	-	330,000 <sup>(c)</sup>	100.00	-	-	238,000 <sup>(c)</sup>	64.32
Ong Choon Heng	Executive Director/CFO	-	-	330,000 <sup>(c)</sup>	100.00	-	-	238,000 <sup>(c)</sup>	64.32
Chan Bee Cheng	Independent Non-Executive Director	-	-	-	-	1,000	0.27	-	-
Teoh Lay Fung	Independent Non-Executive Director	-	-	-	-	1,000	0.27	-	-

Notes:-

- (a) Based on the existing issued and paid-up share capital of 330,000,000 Shares.
- (b) Based on our enlarged issued and paid-up share capital of 370,000,000 Shares after the IPO and their respective entitlements pursuant to the Pink Form Allocation is assumed fully subscribed.
- (c) Deemed interested pursuant to Section 6A of the Act via FoundPac Holdings.

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**8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**


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**8.2.2 Profiles of Directors**

The profiles of our Directors, Lee Chun Wah, Tan Sin Khoon and Ong Choon Heng who are also our Promoters are disclosed in Section 8.1.2 of this Prospectus. The profiles of our other Directors are as follows:-

- (a) **Tan Cheik Eaik**, Malaysian, aged 51, is our Independent Non-Executive Chairman and was appointed to our Board on 22 November 2016.

He graduated with a Bachelor (Hons) of Electrical Engineering from the University of Malaya in 1990. Upon graduation, he joined Hewlett Packard (M) Sdn. Bhd. as a Design Engineer and was soon promoted to Senior Design Engineer.

In 1992, he left Hewlett Packard (M) Sdn. Bhd. to begin his entrepreneurial career, succeeding his late brother-in-law's electrical wiring business, Siang Electronics Technology, a partnership company. Subsequently, Siang Electronics Technology was converted to Siangtronics Technology Sdn. Bhd. ("**STSB**") of which he became the Managing Director. In 2003, pursuant to a restructuring exercise, STSB transferred its operations to Elsoft Research Berhad ("**Elsoft**"), a public listed company on Main Market of Bursa Securities and subsequently, he assumed the role of Executive Director and Chief Executive Officer in Elsoft until to date.

As an engineer, he specialises in the areas of test metrology and embedded application system design that contribute to the fundamentals of the Elsoft's success. Over the years, an in house research and development team is built under his leadership and business entrepreneurship, supporting the development of a series of customised automated test equipment used in semiconductor and optoelectronic industries. On 28 March 2016, he was appointed as a Non-Independent Non-Executive Director of Leso Holdings Berhad, a position he holds to date.

He currently sits on the board of several private limited companies as disclosed in Section 8.5 of this Prospectus.

- (b) **Chan Bee Cheng**, Malaysian, aged 40, was appointed as Independent Non-Executive Director of FoundPac on 15 March 2016. She holds a Bachelor in Accounting with First Class Honours from University Malaya in 2000. She is an accountant by profession and a member of the Malaysian Institute of Certified Public Accountants (MICPA) as well as the Malaysian Institute of Accountants (MIA).

She started her career with KPMG as an Audit Assistant in 2000 and left the firm as Audit Supervisor in 2004. Subsequently, she joined Astro All Asia Networks Plc as a Senior Executive in Group Finance Division and left in 2005 to join Ernst & Young, People's Republic of China as Audit Manager. In addition, she was the reporting accountant involved in financial due diligence of a company undertaking a dual listing on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

Subsequently, she came back to Malaysia and joined Global Process Systems Sdn. Bhd. in 2008 as Finance Manager, a company providing technology-based design and builds process facilities solutions for the upstream oil & gas industry until 2013. She then served as Finance Manager for Foster Wheeler E&C (Malaysia) Sdn. Bhd., heading the treasury and accounting functions and left the company in 2015 to venture into consultancy services.

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

- (c) **Teoh Lay Fung**, Malaysian, aged 38, is our Independent Non-Executive Director. She was appointed to our Board on 15 March 2016. She graduated with a Bachelor of Laws (Honours) from the University of Northumbria at Newcastle, United Kingdom in June 2002 and thereafter obtained the Certificate of Legal Practice (CLP) from the Legal Profession Qualifying Board of Malaysia in 2003. She started her pupillage in Choy & Associates in 2004. After completion of the pupillage, she had been admitted to the Malaysian Bar as an Advocate & Solicitor of the High Court of Malaya in October 2004.

She commenced her legal career as a legal assistant in Zawiyah & Yeoh and became a partner of the firm in 2009. She specialises in the area of conveyancing and litigation.

### 8.2.3 Directors' Remuneration and Benefits

The aggregate remuneration (including any benefits-in-kind) paid in FYE 2016 and proposed to be paid in FYE 2017 to our Directors for services rendered in all capacities to our Group in the band of RM50,000 are as follows:-

	<b>FYE 2016 Remuneration Band</b>	<b>FYE 2017 Proposed Remuneration Band</b>
<b>Directors</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Tan Cheik Eaik	-	Up to 50
Lee Chun Wah	550-600	750-800
Tan Sin Khoon	550-600	750-800
Ong Choon Heng	250-300	350-400
Chan Bee Cheng	-	Up to 50
Teoh Lay Fung	-	Up to 50

Remuneration, which includes salaries, bonuses, fees, allowances and other benefits-in-kind, must be considered and recommended by the Remuneration Committee and subsequently, be approved by the Board of our Company. The Directors' fees must be further approved and endorsed by our shareholders at a general meeting.

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## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

### 8.3 BOARD PRACTICE

#### 8.3.1 Directors' Terms of Office

According to our Articles, at the first AGM of our Company, all our Directors shall retire from the office and be eligible for re-election and an election of Directors shall take place each year at the AGM of our Company where one third (1/3) of our Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. All our Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

The Directors to retire each year shall be those who have been the 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.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles of Association of our Company. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

As at the LPD, the details of the date of expiration of the current term of office for each and every Director of our Company and the period for which our Directors have served in that office are as follows:-

Directors	Current Designation	Length of Years in Service in Our Group as at the LPD	Length of Years in Service as Director of FoundPac	Date of Expiration of the Current Term of Office
Tan Cheik Eaik	Independent Non-Executive Chairman	Less than one (1) year	Less than one (1) year	Note 1
Lee Chun Wah	Executive Director/ CEO	Ten (10) years nine (9) months	Less than one (1) year	Note 2
Tan Sin Khoon	Executive Director/ COO	Nine (9) years three (3) months	Less than one (1) year	Note 2
Ong Choon Heng	Executive Director/ CFO	Less than one (1) year	Less than one (1) year	Note 2
Chan Bee Cheng	Independent Non-Executive Director	Less than one (1) year	Less than one (1) year	Note 2
Teoh Lay Fung	Independent Non-Executive Director	Less than one (1) year	Less than one (1) year	Note 2

**Notes:**

- (1) *Tan Cheik Eaik was appointed as the Independent Non-Executive Chairman of the Company on 22 November 2016. He shall retire and subject to re-election at the forthcoming AGM of our Company to be held by 31 December 2017.*

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

- (2) *All our Directors have retired and were re-elected at the 1<sup>st</sup> AGM of our Company on 16 November 2016. Their respective expiration of the current term of office will be subject to the relevant provision on retirement by rotation as provided in our Articles of Association.*

### 8.3.2 Audit Committee

The main functions of our Audit Committee include, amongst others, the following:-

- (a) evaluate the quality of the audit conducted by the internal and external auditors;
- (b) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;
- (c) review the adequacy of the scope, function, competency and resources of the internal audit function;
- (d) provide assurance that the financial information presented by management is relevant, reliably and timely; review the quarterly and annual financial statements before submission to the Board for approval;
- (e) consider any related party transaction and conflict of interest situation that may arise within FoundPac Group;
- (f) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (g) determine the adequacy of the Group's control environment.

The Audit Committee may obtain advice from independent parties and other professionals in discharging their duties.

The members of our Audit Committee are as follows:-

Name	Designation	Directorship
Chan Bee Cheng	Chairman	Independent Non-Executive Director
Tan Cheik Eaik	Member	Independent Non-Executive Chairman
Teoh Lay Fung	Member	Independent Non-Executive Director

### 8.3.3 Remuneration Committee

The main functions of our Remuneration Committee include, amongst others, the following:-

- (a) review and recommend to Board regarding the framework of remuneration and terms of employment for each of the executive Directors and non-executive Directors of the Company;
- (b) review and ensure the remuneration packages of Directors are comparable within the industry and comparable companies and are linked to their level of responsibilities undertaken and contribution;
- (c) produce an annual reporting of the remuneration policy which will form part of the Company's Annual Report and/or financial statements; and
- (d) determine the remuneration policy to ensure that members of our executive management are provided with appropriate incentives to encourage enhanced

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of FoundPac Group.

The members our Remuneration Committee are as follows:-

Name	Designation	Directorship
Teoh Lay Fung	Chairman	Independent Non-Executive Director
Chan Bee Cheng	Member	Independent Non-Executive Director
Ong Choon Heng	Member	Executive Director/CFO

### 8.3.4 Nominating Committee

The main functions of our Nominating Committee include, amongst others, the following:-

- (a) review the structure, size and composition of our Board;
- (b) review the nomination for the appointment or reappointment of our Board members;
- (c) recommend Directors who are retiring by rotation to be put forward for re-election;
- (d) establish a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and reviewing the performance of the Board as a whole; and
- (e) review the training needs for the Directors regularly.

The members of our Nominating Committee are as follows:-

Name	Designation	Directorship
Tan Cheik Eaik	Chairman	Independent Non-Executive Chairman
Chan Bee Cheng	Member	Independent Non-Executive Director
Teoh Lay Fung	Member	Independent Non-Executive Director

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## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

### 8.4 KEY MANAGEMENT PERSONNEL

#### 8.4.1 Shareholdings of Key Management Personnel

Our key management personnel, all of whom are Malaysians and their respective shareholdings in our Company before and after the IPO are as follows:-

Key Management	Designation	Before the IPO <sup>(a)</sup>				After the IPO <sup>(b)</sup>			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Low Cher Shyong	Vice President of Sales and Marketing	-	-	-	-	550,000	0.15	-	-
Fathil bin Mohamed	Operations Manager	-	-	-	-	550,000	0.15	-	-
Lam Yoong Leng	Engineering Manager	-	-	-	-	550,000	0.15	-	-
Tan Yong Yong	Senior Finance and Admin Manager	-	-	-	-	250,000	0.07	-	-

Notes:-

(a) Based on the existing issued and paid-up share capital of 330,000,000 Shares.

(b) Based on our enlarged issued and paid-up share capital of 370,000,000 Shares after the IPO and their respective entitlements pursuant to the Pink Form Allocation is assumed fully subscribed.

#### 8.4.2 Profiles of Key Management Personnel

The profiles of our key management personnel are as follows:-

- (a) **Low Cher Shyong**, Malaysian, aged 43, is our Vice President of Sales and Marketing and is responsible for managing overall sales, marketing and business development activities of our Group.

He graduated with Honours from University Science Malaysia with Bachelor of Engineering in Electrical & Electronic Engineering in 1998. Upon graduation, he joined Intel Technology Sdn. Bhd. as a Hardware Development Engineer, and was later promoted to Senior Hardware Engineer in 2002. Subsequently in 2004, he was promoted to Manager. In 2007, through an internal transfer, he joined Intel Products (M) Sdn. Bhd. as a Technical Supplier Manager.

In 2008, he was awarded a certificate from the International Printed Circuit (“IPC”) as an IPC Certified Interconnect Designer. He was promoted to Strategic Sourcing Manager in 2010.

In 2012, he joined our Group as Business Development Director and became the Sales and Marketing Director in 2013. In June 2016, he was re-designated as our Vice President of Sales and Marketing.

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**8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**

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- (b) **Fathil bin Mohamed**, Malaysian, aged 53, is our Operations Manager and is responsible for overseeing the overall manufacturing operations of our Group.

He started his career in 1982 as a Production Operator with Dynacraft Industries Sdn. Bhd. In 1989, he was promoted to Production Executive, followed by another promotion to Production Trainer in 1996. In the subsequent year, he underwent an internal transfer to the Engineering department as a Process Engineer Specialist. He was promoted to Process Engineer in 1999.

Then in 2004, he underwent another internal transfer to the Human Resource department as an In-House Training Officer. During his time in the Human Resource department, he undertook a course with Penang Disted College and subsequently graduated with an Executive Diploma in Human Resource Management in 2004.

Upon graduation, he was promoted to Industrial Relations Officer in the Human Resource department. The next year, he made a move back to the Engineering department, taking on the role as a Product Engineer. In 2006, he continued his career as a QA Manager with Anixter Malaysia Sdn. Bhd. for four (4) years. He then left Anixter Malaysia Sdn. Bhd. in October 2010.

In April 2011, he joined our Group as a QA Assistant Manager. He was promoted to his present position as Operations Manager in 2014.

- (c) **Lam Yoong Leng**, Malaysian, aged 41, is our Engineering Manager and is responsible for overseeing the Engineering department.

He obtained a Certificate in Mechanical Engineering from Polytechnic Sultan Mu'azam Shah in 1996. In the same year, he completed a six (6)-month industrial training programme with Alpha Master Sdn. Bhd. and joined Penang Seagate Industries (M) Sdn. Bhd. in 1996 as a Line Technician. Thereafter, he continued his studies and graduated with a Diploma in Mechanical Engineering in 1997.

Upon obtaining his Diploma, he joined Hitachi Nippon Steel Semiconductor Singapore Pte Ltd as a Wafer Testing Technician in 1998. In 2000, he moved to Ever Technologies Sdn. Bhd. as a Mechanical Engineer. He returned to tertiary education and obtained a Bachelor's degree in Mechanical Engineering from the Institute of Engineers Malaysia in 2003.

Prior to joining our Group, he joined Kenstronic Sdn. Bhd. in 2004 as a Mechanical Engineer. In 2006, he joined our Group and assumed his current position as an Engineering Manager.

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## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

- (d) **Tan Yong Yong**, Malaysian, aged 41, is our Senior Finance and Admin Manager. She holds a Degree of Bachelor in Accountancy from University of Malaya and graduated in 1999. She is a Chartered Accountant and a member of Malaysian Institute of Accountants.

She started her career as an Audit Assistant in SH Yeoh & Co from May 1999 to November 1999. Then, she joined Arthur Andersen & Co. Penang in 1999 as Senior Associate 2 in Assurance and Business Services and remained at Ernst & Young, Penang after the merger of these two (2) firms in 2002. She left the firm in 2003 as Senior Associate in Assurance and Business Advisory Services.

She joined Eng Teknologi Holdings Bhd, a Penang-based regional manufacturer and global supplier of hard disk drive components, as Accountant in May 2003. Subsequently she joined Inter-Pacific Securities Sdn. Bhd., a stock broking firm at Penang, as Finance Manager in December 2007. She was responsible for the overall finance functions as well as human resource functions for more than eight (8) years.

In March 2016, she left the stock broking firm and joined our Group as Senior Finance Manager to strengthen our Group's accounting, corporate and internal control functions. She is responsible for the overall finance and accounts functions of our Group. She was re-designated as the Senior Finance and Admin Manager in June 2016.

### 8.5 INVOLVEMENT OF OUR DIRECTORS AND/OR KEY MANAGEMENT PERSONNEL IN OTHER BUSINESSES/CORPORATIONS OUTSIDE OUR GROUP

As at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, or directorship in other businesses or corporations which are carrying on a similar or related trade as our Group or give rise to a situation of conflict of interest with the Group's business.

Save as disclosed below, our Directors and/or key management personnel do not have any other principal directorship held or principal business activities performed by them in other corporations outside our Group within the past five (5) years up to the LPD:-

- (a) **Tan Cheik Eaik**

Company	Principal Activities	Relationship	Date of Appointment/Resignation
AGS Automation (Malaysia) Sdn. Bhd.	Dormant <sup>(1)</sup>	Director/Shareholder <sup>(5)</sup>	20.05.2003/ -
Elsoft Research Berhad	Research, design and development of test, burn-in and application specific embedded system	Director/Shareholder	04.06.2003/ -
Leso Corporation Sdn. Bhd.	Investment holding, research, development, commercialization and service maintenance of video inspection and measuring software solutions	Director/Shareholder <sup>(5)</sup>	21.07.2006/ -
Leso Instruments (M) Sdn. Bhd.	Investment holding company (Note: In members' voluntary winding-up w.e.f. 16.10.2015)	Director/Shareholder <sup>(5)</sup>	21.07.2006/ -

**8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**

Company	Principal Activities	Relationship	Date of Appointment/Resignation
Lesoshoppe Sdn. Bhd.	Sale of test and measurement equipment through the provision of supply chain management solutions for suppliers and customers	Director/Shareholder <sup>(5)</sup>	28.04.2011/ -
Leso Holdings Berhad	Investment holding company <sup>(2)</sup>	Director	28.03.2016/ -
Amlex Technology Sdn. Bhd.	To carry on the business of electro-plating, assembly of semi-conductor and electronic products	Shareholder	30.03.2006/ -
Butterfly House (PG) Sdn. Bhd.	Operates a butterfly farm	Director <sup>(5)</sup>	05.03.2015/ -
Siangtronics Technology Sdn. Bhd.	Electronic devices and module assembly, test and burn-in system integration and producing customized manufacturing solutions	Director/Shareholder <sup>(5)</sup>	07.05.1996/ -
EDT Equities Sdn. Bhd.	Investment holding company <sup>(3)</sup>	Director/Shareholder	14.01.1997/ -
ACE JR Sdn. Bhd.	Dormant <sup>(2)</sup>	Director/Shareholder	17.07.2012/ -
Elsoft Systems Sdn. Bhd.	Design and production of test, burn-in and embedded test equipment and its related modules for electronic industry	Director <sup>(5)</sup>	28.03.2014/ -
Organic Commerce Sdn. Bhd.	Providing upkeep and maintenance of a durian estate and harvesting of durian fruit	Director/Shareholder	09.05.2014/ -
Quality Craft Sdn. Bhd.	Engaged in property investment	Director/Shareholder	05.04.2010/ -
D Piazza Atrium Sdn. Bhd.	Investment holding company <sup>(4)</sup>	Director <sup>(6)</sup>	12.10.2010/ -

Notes:-

- (1) The company has ceased operations.  
(2) The company has not commenced operations.  
(3) The company is in the property investment business and is holding a property. The principal activities for the company are expected to remain the same in the next twelve (12) months from the LPD.  
(4) The company is in the property investment business and are holding properties. The principal activities for the company are expected to remain the same in the next twelve (12) months from the LPD.  
(5) Deemed interested pursuant to Section 6A of the Act via Elsoft Research Berhad  
(6) Deemed interested pursuant to Section 6A of the Act via Quality Craft Sdn. Bhd.

**(b) Lee Chun Wah**

Company	Principal Activities	Relationship	Date of Appointment/Resignation
FoundPac Holdings	Investment holding company*	Director/Shareholder	03.02.2016/ -

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Note:-

\* The principal activities for the company are expected to remain the same in the next twelve (12) months from the LPD.

He was previously a shareholder of Emulous Contact Sdn. Bhd. which was involved in research and development, prototyping and manufacturing of electronic products. The company was dissolved on 3 March 2013 via a members' voluntary winding-up and he ceased to be a shareholder on the same date.

### (c) Tan Sin Khoon

Company	Principal Activities	Relationship	Date of Appointment/Resignation
FoundPac Holdings	Investment holding company*	Director/Shareholder	03.02.2016/ -

Note:-

\* The principal activities for the company are expected to remain the same in the next twelve (12) months from the LPD.

### (d) Ong Choon Heng

Company	Principal Activities	Relationship	Date of Appointment/Resignation
FoundPac Holdings	Investment holding company*	Director/Shareholder	03.02.2016/ -
Garuda Logistics Sdn. Bhd.	Logistic services	Director/Shareholder	15.05.2015/ 18.11.2015
Smart Agrosun Sdn. Bhd.	Cultivation of vegetables and fruits	Director/Shareholder	24.03.2015/ -
AsakaRiken (M) Sdn. Bhd.	Recycling of all type of scraps and as commission agent	Director/Shareholder <sup>(1)</sup>	24.03.2014/ -
Dufu Technology Corp Berhad	Investment holding and providing management services	Director/Shareholder <sup>(2)</sup>	31.05.2013/ 03.03.2016
Instapps Sdn. Bhd.	Dealing in web-technologies, E-commerce and information technology solutions	Director/Shareholder <sup>(3)</sup>	08.03.2013/ 30.01.2015
Semicontek Sdn. Bhd. <sup>#</sup>	Trading and providing of manufacturing services and technical consultation for semiconductor and electronic services	Director/Shareholder	03.01.2013/ 18.03.2013
Accfield Sdn. Bhd.	Providing accounting, business solution, outsourcing and related advisory or consultation services (Note: dissolved on 9.10.2015 via members' voluntary winding-up)	Director	03.09.2012/ 01.07.2014
Trinity Avenue Sdn. Bhd. <sup>^</sup>	Provide professional advice and consulting services	Director/Shareholder	02.08.2011/ -



**8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**

Company	Principal Activities	Relationship	Date of Appointment/Resignation
QL Tech International Sdn. Bhd.	Investment holding and providing management services <i>(Note: dissolved on 30.11.2012 via members' voluntary winding-up)</i>	Director/Shareholder	11.05.2011/ 30.11.2012
Edeve International Sdn. Bhd.	Dormant **	Director/ Shareholder <sup>(4)</sup>	08.02.2011/ 09.06.2011
Temasek Armada Sdn. Bhd.	Property investments holding	Director/ Shareholder <sup>(5)</sup>	08.11.2010/ 01.06.2014
Peoplesoft Sdn. Bhd.	Provision of consultancy and other related services <i>(Note: dissolved on 21.04.2013 via members' voluntary winding-up)</i>	Director	21.04.2010/ 21.04.2013
Emulous Contact Sdn. Bhd.	Research and development, prototyping and manufacturing of electronic products <i>(Note: dissolved on 3.3.2013 via members' voluntary winding-up)</i>	Director/Shareholder	25.03.2010/ 03.03.2013
QL Tech Malaysia Bhd. <sup>#</sup>	Customisation and trading of electric motor cores and electric motor related components and precision tooling sets <i>(Note: In Members' Voluntary Winding-up w.e.f. 01.07.2016)</i>	Director/Shareholder	21.12.2009/ -
Raintree Alliance Sdn. Bhd.	Corporate advisory advices	Director/ Shareholder <sup>(6)</sup>	20.10.2009/ 01.06.2011
Tar Nogard Sdn. Bhd.	Dormant <i>(Note: Struck off by ROC on 15.7.2013)</i>	Director/ Shareholder <sup>(7)</sup>	28.09.2009/ 20.05.2011
RTE Advisory Sdn. Bhd.	Provision of consultancy and other related services	Director/ Shareholder <sup>(8)</sup>	05.08.2009/ 21.06.2011
Supergold Assets Sdn. Bhd.	Property investments <i>(Note: In Members' Voluntary Winding-up w.e.f. 01.06.2016)</i>	Director/ Shareholder <sup>(9)</sup>	01.07.2009/ 25.06.2013
RC Advance Tech Sdn. Bhd.	Dormant <i>(Note: Struck off by ROC on 12.08.2016)</i>	Director/Shareholder	31.07.2008/ -
Eastreet Life Science Sdn. Bhd.	Dormant <i>(Note: Struck off by ROC on 25.02.2014)</i>	Director/Shareholder	01.09.2009/ 17.06.2011
E-FuelCell Technologies Sdn. Bhd.	Dormant <i>(Note: Pending publication in the Gazette to strike the company off the register)</i>	Director/ Shareholder	15.07.2010/ -
Leso Holdings Berhad	Investment holding company	Director	28.03.2016/ 10.09.2016

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Notes:-

- \* *The principal activities for the company are expected to remain the same in the next twelve (12) months from the LPD.*
- # *Semicontek Sdn. Bhd. and QL Tech Malaysia Sdn. Bhd. are involved in the trading of general precision parts. Both companies do not manufacture the same type of products as the Group. These companies are also the customers of FoundPac Tech. As at the LPD, Ong Choon Heng's direct shareholdings in Semicontek Sdn. Bhd. and QL Tech Malaysia Sdn. Bhd. are 40.00% and 50.00% respectively. However, QL Tech Malaysia Sdn. Bhd. ceased its business activities and commenced its liquidation on 01.07.2016.*
- ^ *Trinity Avenue Sdn. Bhd. had rendered consulting services relating to goods and services tax (GST) to FoundPac Tech. As at the LPD, Ong Choon Heng's direct shareholdings in Trinity Avenue Sdn. Bhd. is 42.50%.*
- \*\* *Unable to confirm the activities of the company in the next twelve (12) months as Ong Choon Heng has ceased to be a shareholder on 10 June 2011.*
- (1) *Ceased to be a shareholder on 9 April 2015*  
 (2) *Ceased to be a shareholder of 11 October 2013*  
 (3) *Ceased to be a shareholder on 10 December 2015*  
 (4) *Ceased to be a shareholder on 10 June 2011*  
 (5) *Ceased to be a shareholder on 1 June 2014*  
 (6) *Ceased to be a shareholder on 4 November 2011*  
 (7) *Ceased to be a shareholder on 7 June 2011*  
 (8) *Ceased to be a shareholder on 19 March 2014*  
 (9) *Ceased to be a shareholder on 17 June 2013*

*Ong Choon Heng was previously a shareholder of Eastreet Green Consulting Sdn. Bhd. which was involved in the provision of consultancy services in green strategy management and refinement, project consulting, implementation and management. However, the company was struck off by the ROC on 25 July 2011 and he ceased to be a shareholder on the same date. He was also previously a shareholder of OCK Enterprise Sdn. Bhd., which is a dormant company. He ceased to be a shareholder of OCK Enterprise Sdn. Bhd. on 28 February 2013.*

### (e) Teoh Lay Fung

Company	Principal Activities	Relationship	Date of Appointment/Resignation
Temasek Armada Sdn. Bhd.	Property investment holding	Director/ Shareholder	03.10.2013/ -
RB Ning Properties Sdn. Bhd.	Property investment holding	Director/ Shareholder	22.02.2012/ -
RB Ning Holdings Sdn. Bhd.	Property investment holding	Director/ Shareholder	15.03.2011/ -

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## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

### (f) Lam Yoong Leng

Company	Principal Activities	Relationship	Date of Appointment/Resignation
Manvins Travel & Tours Sdn. Bhd.	Specializing in convention and corporate incentive, worldwide hotel reservation, international and domestic airlines ticketing, international and domestic holidays, international and regional cruises and travel insurance.	Director/Shareholder	23.12.2009/ -

There is no non-principal directorship (i.e. as an alternate director) held by the FoundPac Directors and/or key management personnel. Our Executive Directors and key management personnel believe that their involvement in other business activities outside of our Group will not affect their respective contribution and responsibilities to FoundPac.

### 8.6 INTERESTS AND DIRECTORSHIPS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN OTHER BUSINESSES/CORPORATIONS WHICH CARRY ON A SIMILAR TRADE OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

Save as disclosed in Section 8.5, as at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, or directorship in other businesses or corporations which are customers and/or suppliers of the Group.

As at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, or directorship in other businesses or corporations which are carrying on a similar or related trade as our Group or give rise to a situation of conflict of interest with the Group's business.

### 8.7 RELATIONSHIPS OR ASSOCIATIONS BETWEEN THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

As at the LPD, save for the shareholdings and directorship of Lee Chun Wah, Tan Sin Khoon and Ong Choon Heng in FoundPac Holdings as disclosed in Section 8.1.2 above, there is no other family relationships (as defined under Section 122A of the Act) or association between our Promoters, substantial shareholders, Directors and key management personnel.

### 8.8 SERVICE AGREEMENTS

As at the LPD, we have not entered into any other service agreements with any of our Directors and/or key management personnel.

### 8.9 DECLARATIONS FROM THE PROMOTERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

As at the LPD, none of our Promoters, Directors or key management personnel is or has been involved in any of the following events (whether in or outside Malaysia):-

- (a) a petition under any bankruptcy or insolvency law 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;

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

- (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) any judgment that was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) 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.

### 8.10 EMPLOYEES

#### 8.10.1 Category of Employees

As at the LPD, our Group has a total of 66 employees (including our Executive Directors), all of whom are Malaysians. The detailed breakdown of our Group's employees is as follows:-

Category	No. of Employees as at				Year(s) of services as at LPD		
	30.06. 2014	30.06. 2015	30.06. 2016	LPD	<1	1-5	>5
Executive Directors	2	2	3	3	-	1	2
Engineering	3	6	6	5	-	4	1
Manufacturing	21 <sup>(1)</sup>	28 <sup>(2)</sup>	29 <sup>(3)</sup>	29 <sup>(4)</sup>	7	15	7
Quality Assurance	9	9	10	11 <sup>(5)</sup>	1	3	7
Finance and Administration	2	2	3	3	2	-	1
Sales and Marketing	6	7	6	6	1	2	3
Purchasing and Logistics	6	7	5	9	7	1	1
<b>Total</b>	<b>49</b>	<b>61</b>	<b>62</b>	<b>66</b>	<b>18</b>	<b>26</b>	<b>22</b>

Notes:-

- (1) Exclusive of fourteen (14) contract workers.
- (2) Exclusive of three (3) contract workers.
- (3) Exclusive of nine (9) contract workers.
- (4) Exclusive of five (5) contract workers.
- (5) Exclusive of three (3) contract workers.

The growth in the number of employees from 49 in the FYE 2014 to 62 employees in the FYE 2016 was due to an additional CNC machine which was acquired in December 2014 which required more employees in tandem with the growth in its orders.

None of our employees belong to any labour union. The relationship and cooperation between our management and our employees have always been good and this is expected to continue in the future. The Group is in compliance with statutory minimum wage, Employees' Provident Fund ("EPF") and Social Security Organisation ("SOCSO") statutory contributions in relation to its employees. As at the LPD, there has been no industrial dispute pertaining to our employees.

## 8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

### 8.10.2 Training and Development

We recognise the importance of human resources as a central element to our success. All new employees which we recruit are required to undergo in-house orientation conducted by the respective division heads to familiarise themselves with our corporate vision, culture and policies. New technical personnel are also provided with training to equip them with the necessary working knowledge and skills in order for them to carry out their job responsibilities efficiently. We hold regular in-house training sessions to ensure that all of our personnel are familiar with the latest technology, market trends, technical and functional course for our employees. We also observe the safety and precaution practices which include annual fire drill exercise, regular inspection of fire extinguishers, safety shoes policy as well as disaster recovery plan.

Our employees have had the opportunity to participate in training programmes to develop industry knowledge to enhance proficiency in their daily tasks. Some of the training programmes attended by our employees in FYE 2015, FYE 2016 and up to the LPD are as follows:-

Month/Year	Programme	Facilitator/Organiser
April 2015	ISO 9001: 2015 Interpretation	Neville Clarke (M) Sdn. Bhd.
September 2015	MasterCam Training-MCFSW 2D with Design	IME Technology (Penang) Sdn. Bhd.
November 2015	SolidWorks Advanced Assembly Modelling	IME Technology (Penang) Sdn. Bhd.
December 2015	SolidWorks Advanced Surface Modelling	IME Technology (Penang) Sdn. Bhd.
December 2015	SolidWorks Sheet Metal	IME Technology (Penang) Sdn. Bhd.
December 2015	SolidWorks Weldment	IME Technology (Penang) Sdn. Bhd.
January 2016	ISO 9001 : 2015 Awareness Training	X-Elent Quality Service Sdn. Bhd
January 2016	SolidWorks Assembly Modeling	IME Technology (Penang) Sdn. Bhd.
February 2016	SolidWorks Advanced Part Modelling	IME Technology (Penang) Sdn. Bhd.
March 2016	Geometric Dimensioning & Tolerancing	Penang Skills Development Centre
April 2016	Effective Supervisory & Leadership Skills	Prima Link Training and Consultancy
May 2016	ISO 9001 : 2015 Internal Auditing Training	X-Elent Quality Service Sdn. Bhd
July 2016	ISO 9001 : 2015 Awareness and Internal Auditing Training	X-Elent Quality Service Sdn. Bhd
August 2016	Conflict Management & Human Relation Strategy	SMI Centre of Excellence Asia
September 2016	Microsoft Excel 2013 – Basic & Intermediate	Flexiedge Training Centre
October 2016	SolidWorks Innovation Day 2017	IME Technology (Penang) Sdn. Bhd.

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**8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**

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**8.10.3 Management Succession Plan**

The management of our Group recognises the importance of succession planning for business continuity, and maintaining the level of our competencies and competitiveness in the industry. In view thereof, our Group has taken the appropriate steps to ensure the implementation of succession planning in every department. We encourage senior management to groom the lower and middle management staff, who will be groomed to gradually assume higher responsibilities. In addition, the middle management are continually involved in various operations of the company, and actively participate in the discussion for decision-making to ensure better understanding of the operations and to equip themselves with the necessary knowledge and skills to succeed in senior management roles. This forms part of our employees' career development plan.

Our Board are involved in the process of reviewing the potential successor's readiness, and in identifying key competencies and requirements for managerial and key senior positions for succession planning. Appropriate job functions and candidate profiles are reviewed and matched for management positions, in line with our business goals, strategies and culture. As part of our Group's management succession plan, we have identified middle management personnel across our Group to facilitate skills transfer so as to ensure smooth running and continuity of the operations of our Group.

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## 9. APPROVALS AND CONDITIONS

### 9.1 APPROVALS AND CONDITIONS

#### 9.1.1 Approval from SC

The SC had, via its letter dated 29 August 2016, approved our Listing under Section 214(1) of the CMSA and the resultant equity structure of FoundPac under the equity requirements for public listed companies.

The conditions imposed by the SC and the status of compliance with these conditions are as follows:-

Details of the Conditions Imposed	Status of Compliance
TA Securities and FoundPac to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing.	To be complied.

The SC had via its letter dated 29 August 2016 noted the equity structure of FoundPac would change arising from the implementation of the Listing, as follows:-

Category of Shareholders	Before the Proposed Listing		After the Proposed Listing	
	No of Shares	%	No of Shares	%
<b>Malaysian</b>				
Bumiputera	-	-	46,250,000	12.50*
Government Agencies	-	-	-	-
Non-Bumiputera	330,000,000	100.00	323,750,000	87.50
<b>Total Malaysian</b>	330,000,000	100.00	370,000,000	100.00
Foreigners	-	-	-	-
<b>TOTAL</b>	330,000,000	100.00	370,000,000	100.00

Note: -

\* Assuming full subscription by Bumiputera investors for the 50.00% of the 18,500,000 Public Issue Shares set aside for Bumiputera investors and 37,000,000 Offer Shares to be set aside for application by Bumiputera investors, approved by MITI.

#### 9.1.2 Approval from Bursa Securities

Bursa Securities had, via its letter dated 17 October 2016, approved the admission of our Company to the Official List and listing and quotation for the entire enlarged issued and paid-up share capital of Our Company of RM37,000,000 comprising 370,000,000 Shares on the Main Market.

The conditions imposed by Bursa Securities and the status of compliance with these conditions are as follows:-

No.	Details of the Conditions Imposed	Status of Compliance
1.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, FoundPac is advised to include the Stock Code, Stock Short Name and ISIN Code upon making the announcement on the timetable for the IPO.	To be complied
2.	Furnish Bursa Securities on the first day of listing, a copy of the schedule of distribution showing compliance to the public share spread requirements based on the entire issued and paid-up share capital of FoundPac.	To be complied

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**9. APPROVALS AND CONDITIONS**

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**9.1.3 Approval from MITI**

MITI had, via its letter dated 6 May 2016, has stated that it is agreeable and has no objection on the Listing.

No.	Details of the Conditions Imposed	Status of Compliance
1.	MITI is to be notified of any changes to the Listing Scheme involving the number of Shares and the public shareholding spread prior to the Listing.	Noted and will be complied.
2.	FoundPac is required to inform MITI on the completion of the Listing.	To be complied.

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## 9. APPROVALS AND CONDITIONS (cont'd)

### 9.2 MORATORIUM

Pursuant to Paragraph 5.29 of the Equity Guidelines, a moratorium will be imposed on the sale, transfer or assignment of the entire shareholdings held by the Promoters in FoundPac and FoundPac Holdings for six (6) months from the date of listing of FoundPac on Bursa Securities.

Our Promoters have furnished letters of undertaking prior to the listing that they will not sell, transfer or assign any of their entire shareholdings in FoundPac and FoundPac Holdings for six (6) months from the date of listing of FoundPac on Bursa Securities.

The moratorium shall be imposed on our Promoters are set out as follows:-

Promoters	Direct		Indirect	
	No of Shares ('000)	<sup>(a)</sup> (%)	No of Shares ('000)	<sup>(a)</sup> (%)
FoundPac Holdings	238,000	64.32	-	-
Lee Chun Wah	-	-	238,000 <sup>(b)</sup>	64.32
Tan Sin Khoon	-	-	238,000 <sup>(b)</sup>	64.32
Ong Choon Heng	-	-	238,000 <sup>(b)</sup>	64.32
<b>Total</b>	<b>238,000</b>	<b>64.32</b>	<b>238,000</b>	<b>64.32</b>

Notes:-

(a) Based on our enlarged issued and paid-up share capital of 370,000,000 Shares after the IPO.

(b) Deemed interested pursuant to the Section 6A of the Act via FoundPac Holdings.

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## 10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

### 10.1 EXISTING AND PROPOSED RELATED PARTY TRANSACTION

#### 10.1.1 Non-Recurrent Related Party Transactions

There are no non-recurrent material related party transaction or other subsisting contracts or arrangement, existing or potential, entered or to be entered into by our Group which involved the interest, direct or indirect, of our Directors, substantial shareholders, key management personnel and/or persons connected with them for the past three (3) FYE 2014 to FYE 2016.

#### 10.1.2 Recurrent Related Party Transactions

Save as disclosed below, we have not entered into any other recurrent related party transaction with any of our Directors, substantial shareholders, key management personnel and/or persons connected with them during the past three (3) FYE 2014 to FYE 2016 which are material to our Group.

Related party	Interested Promoter/Director/Substantial Shareholder	Nature of interest with the related party	Nature of Transaction	Transaction value (RM'000)			
				FYE 2014	FYE 2015	FYE 2016	Estimated FYE 2017
TKLE Enterprise Sdn. Bhd. <sup>(1)</sup>	Ong Choon Heng	Ong Choon Heng's brother is a director and shareholder of TKLE Enterprise Sdn. Bhd.	Sale of goods to FoundPac Tech	1,590	2,325	-	-
QL Tech Malaysia Sdn. Bhd. <sup>(1)</sup>	Ong Choon Heng	Ong Choon Heng is a director and shareholder of QL Tech Malaysia Sdn. Bhd.	Purchased goods from FoundPac Tech	127	172	20	-
Semicontek Sdn. Bhd. <sup>(1)</sup>	Ong Choon Heng	Ong Choon Heng is a shareholder of Semicontek Sdn. Bhd.	Purchased goods from FoundPac Tech	2	1	13	15
Trinity Avenue Sdn. Bhd. <sup>(1)</sup>	Ong Choon Heng	Ong Choon Heng is a director and shareholder of Trinity Avenue Sdn. Bhd.	Rendering of services to FoundPac Tech	-	10	89	36
Li Da Electrical Service	Lee Chun Wah	Lee Chun Wah's brother is the owner of Li Da Electrical Service	Rendering of services to FoundPac Tech	8	-	-	-
Found Chemical Trading	Lee Chun Wah	Lee Chun Wah's sister is the owner of Found Chemical Trading	Sales of goods to FoundPac Tech	1	1	2	5

Note:-

(1) Ong Choon Heng was only appointed as a director of FoundPac Tech on 1 October 2015.

Our directors are of the opinion that the above transactions, which involve the interest of our Directors were carried out on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and not be detrimental to our minority shareholders.

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**10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)**

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**10.1.3 Recurrent Related Party Transactions of a Revenue or Trading Nature**

Pursuant to Rule 10.09 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading in nature which are necessary for its day to day operations subject to, inter-alia, 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 more than the threshold prescribed under the Listing Requirements;
- (c) the circular to our shareholders for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities; and
- (d) in a meeting to obtain the 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 may, in the ordinary course of our business, enter into transactions, including but not limited to the transactions described as related party transactions set out in Section 10.1 of this Prospectus, with persons who are considered "related parties" as defined in the Listing Requirements.

Due to the time-sensitive nature of commercial transactions, the shareholders' mandate will enable us, in our normal course of business, to enter into the categories of related party transactions, provided such related party transactions are made at arm's length and on normal commercial terms.

Upon Listing, our Audit Committee will supervise the terms of related party transactions and our Directors will report related party transactions, if any, annually in our Company's annual report. In the event there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his interest to our Board, of the details of the nature and extent of his interest, including all matters in relation to the proposed related-party transactions that he is aware or should reasonably be aware of, which is not in our best interests. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related-party transactions.

In the event there are any proposed related party transactions that require the prior approval of shareholders, the Directors, major shareholders and/or persons connected with a Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

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**10. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (cont'd)**

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**10.2 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS**

Our Board has confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or our subsidiary companies was a party in respect of FYE 2014 to FYE 2016.

**10.3 OUTSTANDING LOANS MADE FOR THE BENEFIT OF THE RELATED PARTIES**

Our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) made by us or our subsidiary companies to or for the benefit of our related parties in respect of FYE 2014 to FYE 2016 and the subsequent financial period up to the LPD.

**10.4 INTEREST IN SIMILAR BUSINESS**

Save as disclosed in Section 8.5, as at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, in any businesses and corporations which are the customers and/or suppliers of the Group.

As at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as our Group or give rise to a situation of conflict of interest with the Group's business.

**10.5 PROMOTION OF MATERIAL ASSETS**

Save for the FPSB SSA and FoundPac Tech SSA, none of the Directors or substantial shareholders of our Company had any interest, direct or indirect, in the promotion of, or in any material assets, which had been within FYE 2014 to FYE 2016, acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to us.

**10.6 INTERESTS IN CONTRACTS OR ARRANGEMENT**

Save as disclosed in Section 10.1.2 of this Prospectus, none of our Directors or substantial shareholders of our Company have any interest in any contracts or arrangements, existing or potential, which are material to our Group.

**10.7 DECLARATION BY THE ADVISERS FOR OUR IPO**

- (a) TA Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sole Underwriter and Sole Placement Agent for the Listing.
- (b) Katherine Khaw & Associates has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for the Listing.
- (c) Crowe Horwath has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for the Listing.
- (d) Smith Zander has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for the Listing.

## 11. HISTORICAL FINANCIAL INFORMATION

### 11.1 HISTORICAL FINANCIAL INFORMATION

FoundPac was incorporated on 16 November 2015. FoundPac acquired the entire issued and paid-up share capital in FPSB and FoundPac Tech on 16 February 2016 and the acquisition was completed on the same date. As such, the financial statements comprise:-

- i) The combined statements of financial position as at 30 June 2014 and 2015, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 30 June 2014 and 2015 and
- ii) The consolidated statement of financial position as at 30 June 2016, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 30 June 2016.

The combined financial statements the financial years ended 30 June 2014 and 2015 were prepared based on the separate audited financial statements of FPSB and FoundPac Tech for the financial years ended 30 June 2014 and 2015. All material intra-group transactions and balances have been eliminated on combination.

The consolidated financial statements for the financial year ended 30 June 2016 was prepared based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2016.

All references to our financial condition and results of operations within Sections 11.1 and 11.4 herein refer to financial condition and results of operations of FoundPac and its subsidiary companies.

The historical financial information presented below should be read in conjunction with the "Management's discussion and analysis of financial condition, results of operations and prospects" as set out in Section 11.4 of this Prospectus and the Accountants' Report, together with its related notes as set out in Section 12 of this Prospectus.

	Audited		
	FYE 2014 (RM'000)	FYE 2015 (RM'000)	FYE 2016 (RM'000)
Revenue	30,204	34,370	44,108
Cost of sales	(17,529)	(18,510)	(23,352)
<b>GP</b>	<b>12,675</b>	<b>15,860</b>	<b>20,756</b>
Other income	275	1,482	1,059
Administrative and general expenses	(1,916)	(2,119)	(3,183)
Selling and distribution expenses	(1,006)	(1,152)	(1,040)
Finance costs	(4)	(1)	-
<b>PBT</b>	<b>10,024</b>	<b>14,070</b>	<b>17,592</b>
Tax expense	(813)	(1,172)	(1,160)
<b>PAT</b>	<b>9,211</b>	<b>12,898</b>	<b>16,432</b>
<b>Other comprehensive income:-</b>			
<i>Items that will not be reclassified to profit or loss:-</i>			
Revaluation increase of property, plant and equipment	-	3,336	-
Deferred tax expense of revaluation increase	-	(800)	-
Deferred tax income relating to the change in tax rate	-	45	-
<b>Other comprehensive income for the financial year</b>	<b>-</b>	<b>2,581</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>	<b>9,211</b>	<b>15,479</b>	<b>16,432</b>

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

	Audited		
	FYE 2014 (RM'000)	FYE 2015 (RM'000)	FYE 2016 (RM'000)
Attributable to:-			
– Owners of our Company	9,211	15,479	16,432
– Non-controlling interest	-	-	-
<b>Total comprehensive income for the financial year</b>	<b>9,211</b>	<b>15,479</b>	<b>16,432</b>
Number of Shares in issue ('000) <sup>(a)</sup>	330,000	330,000	330,000
EBITDA (RM'000) <sup>(b)</sup>	10,800	15,248	18,862
GP margin (%) <sup>(c)</sup>	41.96	46.14	47.06
PBT margin (%) <sup>(d)</sup>	33.19	40.94	39.88
PAT margin (%) <sup>(e)</sup>	30.50	37.53	37.25
Basic EPS (sen) <sup>(f)</sup>	2.88	4.03	5.03
Diluted EPS (sen) <sup>(g)</sup>	2.56	3.59	4.48
Weighted average number of share in issue ('000)	319,762	319,762	326,587
Weighted average number of share in issue after the IPO ('000)	359,762	359,762	366,587

Notes:-

(a) Based on the existing issued and paid-up share capital of 330,000,000 Shares.

(b) EBITDA is computed based on the following:-

	FYE 2014 (RM'000)	FYE 2015 (RM'000)	FYE 2016 (RM'000)
<b>PAT</b>	9,211	12,898	16,432
Add: Tax expense	813	1,172	1,160
Finance costs	4	1	-
Depreciation	809	1,246	1,596
Minus: Interest income	(37)	(69)	(326)
<b>EBITDA</b>	<b>10,800</b>	<b>15,248</b>	<b>18,862</b>

(c) GP Margin is computed based on GP divided by Revenue.

(d) PBT Margin is computed based on PBT divided by Revenue.

(e) PAT Margin is computed based on PAT attributable to owners of our Company divided by Revenue.

(f) Basic EPS is computed based on PAT attributable to owners of our Company divided by the weighted average number of share in issue.

(g) Diluted EPS is computed based on PAT attributable to owners of our Company divided by the weighted average number of share in issue after the IPO.

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## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

### 11.2 REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



30 Nov 2016

The Board of Directors  
**FoundPac Group Berhad**  
Plot 35, Hilir Sungai Keluang 2  
Bayan Lepas Industrial Estate  
Non-Free Industrial Zone Phase IV  
11900 Bayan Lepas  
Penang

**Crowe Horwath** AF 1018  
Chartered Accountants  
Member Crowe Horwath International

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Level 6, Wisma Penang Garden  
42 Jalan Sultan Ahmad Shah  
10050 Penang, Malaysia  
+6 04 2277 061 Main  
+6 04 2278 011 Fax  
www.crowehorwath.com.my  
info.pg@crowehorwath.com.my

Dear Sirs/Madam

#### **FOUNDPAC GROUP BERHAD ("FOUNDPAC" OR "THE COMPANY") REPORT ON THE COMPILATION OF PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016**

We have completed our assurance engagement to report on the compilation of Proforma Consolidated Statements of Financial Position of FoundPac and its subsidiary companies, namely FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"), (hereinafter referred to as "the Group") as at 30 June 2016 and the related notes (as set out in Appendix A which we have stamped for the purpose of identification) prepared by the Board of Directors for inclusion in the Prospectus of FoundPac to be issued in connection with the listing of FoundPac on the Main Market of Bursa Malaysia Securities Berhad ("the Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the Proforma Consolidated Statements of Financial Position are set out in Note 2 of Appendix A, and those specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The Proforma Consolidated Statements of Financial Position have been compiled by the Board of Directors to illustrate the impact of the event or transactions set out in Appendix A of this letter on the Group's financial position as at 30 June 2016.

As part of this process, information about the Group's financial position has been extracted by the Board of Directors from the Company's and its subsidiary companies' audited financial statements for the financial period from 1 July 2015 to 30 June 2016.

#### *Directors' Responsibility for the Proforma Consolidated Statements of Financial Position*

The Board of Directors of FoundPac is solely responsible for compiling the Proforma Consolidated Statements of Financial Position on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

#### *Reporting Accountants' Independence and Quality Control*

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

#### **Offices in Malaysia:**

Kuala Lumpur • Klang • Penang • Johor Bahru • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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*Our Responsibilities*

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Proforma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420, *Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Proforma Consolidated Statements of Financial Position on the basis set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial position used in compiling the Proforma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Consolidated Statements of Financial Position.

The purpose of Proforma Consolidated Statements of Financial Position included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 would have been as presented.

A reasonable assurance engagement to report on whether the Proforma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines involve performing procedures to assess whether the applicable criteria on the basis used by the Board of Directors in the compilation of the Proforma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related proforma adjustments give appropriate effect to those criteria; and
- the Proforma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Proforma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Proforma Consolidated Statements of Financial Position.

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

*Opinion*

In our opinion, the Proforma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guidelines.

**Offices in Malaysia:**

Kuala Lumpur • Klang • Penang • Johor Bahru • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan



**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**



**Other Matters**

We understand that this letter will be used solely for the purpose of inclusion in the Prospectus of FoundPac in connection with the Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A large, stylized handwritten signature in black ink, appearing to be the initials "CH" followed by a long horizontal stroke.

**Crowe Horwath**  
Firm No : AF 1018  
Chartered Accountants

Date: 30 Nov 2016

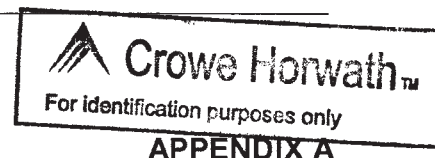
Penang

A large, stylized handwritten signature in black ink, appearing to be "Eddy Chan Wai Hun" written in a cursive style.

**Eddy Chan Wai Hun**  
Approval No : 2182/10/17 (J)  
Chartered Accountant

**Offices in Malaysia:**

Kuala Lumpur • Klang • Penang • Johor Bahru • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

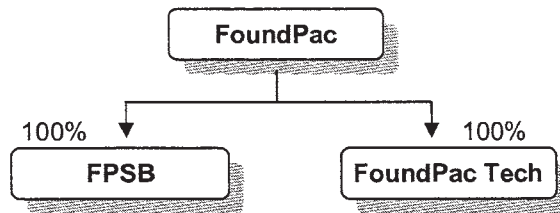
**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****FOUNDPAC GROUP BERHAD AND ITS SUBSIDIARY COMPANIES****NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016****1. ABBREVIATION**

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

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
D&D	:	Design and development
FoundPac or Company	:	FoundPac Group Berhad (1165946-H)
FoundPac Group or Group	:	Collectively, FoundPac and its wholly-owned subsidiary companies, namely FPSB and FoundPac Tech
FoundPac Holdings	:	FoundPac Holdings Sdn. Bhd. (1174756-P)
FoundPac Share(s) or Share(s)	:	Ordinary share(s) of RM0.10 each in FoundPac
FoundPac Tech	:	FoundPac Technologies Sdn. Bhd. (939942-M), a wholly-owned subsidiary company of FoundPac
FPSB	:	FoundPac Sdn. Bhd. (675052-D), a wholly-owned subsidiary company of FoundPac
FYE 2016	:	Financial year ended 30 June 2016
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Price	:	The issue/offer price of RM0.54 per Share pursuant to the IPO
IPO Share(s)	:	The Public Issue Shares and Offer Shares, collectively
NA	:	Net assets
Offer for Sale	:	The invitation by the Offeror to identified investors to purchase the Offer Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Offer Shares	:	The 92,000,000 Shares, which are the subject of the Offer for Sale
Offeror	:	FoundPac Holdings
Prospectus	:	This Prospectus dated 13 Dec 2016 in relation to our IPO
Public Issue	:	Public issue of 40,000,000 new Shares, representing 10.81% of our enlarged issued and paid-up share capital at the IPO Price, subject to the terms and conditions of this Prospectus
RM and sen	:	Ringgit Malaysia and sen, respectively

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****FOUND PAC GROUP BERHAD AND ITS SUBSIDIARY COMPANIES****NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016****2. GROUP STRUCTURE AND BASIS OF PREPARATION****2.1 Group Structure**

The group structure of FoundPac as of the date of this Report is as follows:-

**2.2 Basis of Preparation**

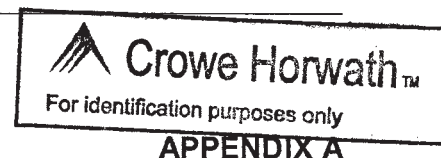
The Proforma Consolidated Statements of Financial Position as at 30 June 2016 have been prepared based on the audited consolidated statement of financial position of FoundPac as at 30 June 2016 which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"). The audited consolidated financial statements of FoundPac for the FYE 2016 were not subject to any audit qualification or modification.

All amounts presented the Proforma Consolidated Statements of Financial Position are in RM and rounded to the nearest thousand (RM'000) except when otherwise indicated.

The Proforma Consolidated Statements of Financial Position together with the accompanying notes thereto, have been prepared solely for illustrative purposes, to show the effects of the IPO and inter-related transactions, had they been implemented and completed on 30 June 2016, for inclusion in the Prospectus of FoundPac in connection with the listing of FoundPac on the Main Market of Bursa Malaysia Securities Berhad.

The Proforma Consolidated Statements of Financial Position, because of its nature, may not be reflective of FoundPac Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of FoundPac Group.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**



**FOUNDPAC GROUP BERHAD AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016**

**2. GROUP STRUCTURE AND BASIS OF PREPARATION (CONT'D)**

**2.3 The Listing Scheme**

FoundPac Group seeks a listing on the Main Market of Bursa Securities. The details of the listing scheme are as follows:-

**(i) Listing Scheme of FoundPac**

Public issue of 40,000,000 new FoundPac Shares at the IPO Price comprising:-

- (a) 18,500,000 new FoundPac Shares made available for application by the Malaysian public;
- (b) 10,500,000 new FoundPac Shares made available for application by the eligible Directors, employees and business associates; and
- (c) 11,000,000 new FoundPac Shares made available for application by way of private placement to identified investors.

Offer for Sale of 92,000,000 Shares in the following manner:-

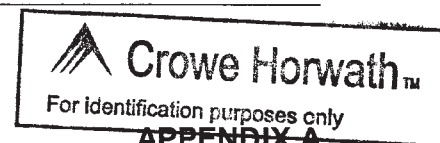
- (a) 55,000,000 Shares by way of placement to identified investors; and
- (b) 37,000,000 Shares by way of placement to Bumiputera investors approved by the Ministry of International Trade and Industry.

The Offer for Sale will not have any financial impact to the Proforma Consolidated Statements of Financial Position.

**(ii) Listing on Bursa Securities**

The admission of FoundPac to the official list of Bursa Securities, and the entire enlarged issued and paid-up share capital of FoundPac of RM37,000,000 comprising 370,000,000 FoundPac Shares shall be listed and quoted on the Main Market of Bursa Securities upon completion of the IPO.

## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

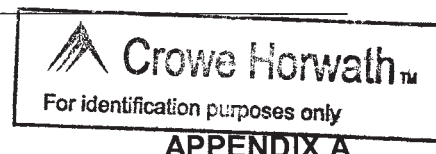


## FOUNDPAC GROUP BERHAD AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

## 3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF FOUNDPAC AS AT 30 JUNE 2016

	Audited As at 30 June 2016 RM'000	Public Issue RM'000	Proforma I After Public Issue RM'000	Utilisation of Proceeds RM'000	Proforma II After Proforma I and Utilisation of Proceeds RM'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	15,789		15,789	8,000	23,789
<b>CURRENT ASSETS</b>					
Inventories	2,627		2,627		2,627
Trade and other receivables	7,634		7,634		7,634
Prepayments	1,256		1,256		1,256
Cash and cash equivalents	20,181	21,600	41,781	(11,000)	30,781
	31,698		53,298		42,298
<b>CURRENT LIABILITIES</b>					
Trade and other payables	3,082		3,082		3,082
Current tax liabilities	114		114		114
	3,196		3,196		3,196
<b>NET CURRENT ASSETS</b>	28,502		50,102		39,102
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities	2,002		2,002		2,002
<b>NET ASSETS</b>	42,289		63,889		60,889
<b>EQUITY</b>					
Share capital	33,000	4,000	37,000		37,000
Share premium	0	17,600	17,600	(3,000)	14,600
Retained profits	9,289		9,289		9,289
<b>TOTAL EQUITY</b>	42,289		63,889		60,889
No. of shares in issue ('000)	330,000		370,000		370,000
NA (RM'000)	42,289		63,889		60,889
NA per share (RM)	0.13		0.17		0.16

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****FOUNDPAC GROUP BERHAD AND ITS SUBSIDIARY COMPANIES****NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016****3.1 Proforma I**

Proforma I incorporates the effects after the Public Issue as set out in Section 2.3(i) above.

**3.2 Proforma II**

Proforma II incorporates the effects after Proforma I and the utilisation of proceeds from the Public Issue.

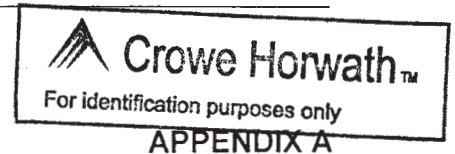
The proceeds from the Public Issue will be utilised as follows:-

	RM'000 <sup>(1)</sup>	%	Estimated time frame for utilisation from the listing date
Purchase of property, plant and equipment	8,000	37.04	Within 24 months
Overseas expansion	4,000	18.52	Within 24 months
Working capital	3,600	16.66	Within 24 months
D&D expenditure	3,000	13.89	Within 24 months
Estimated listing expenses <sup>(2)</sup>	3,000	13.89	Immediate
	21,600	100.00	

**Note:-**

- <sup>(1)</sup> For the purpose of this proforma consolidated statements of financial position, the proceeds from the IPO save for the estimated listing expenses will be placed in interest bearing deposits with licensed financial institutions pending utilisation.
- <sup>(2)</sup> The estimated listing expenses arising from the issuance of new FoundPac Shares pursuant to the IPO amounting to approximately RM3.00 million is to be written off against the share premium account under Section 60 of the Act. If the actual listing expenses are higher than estimated, the shortfall will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than estimated, the excess will be utilised for working capital purposes.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**



FOUNDPAC GROUP BERHAD AND ITS SUBSIDIARY COMPANIES

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors in accordance with a resolution dated 29 Nov 2016

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Lee Chun Wah', is written over a printed name.

Lee Chun Wah

A handwritten signature in black ink, appearing to read 'Ong Choon Heng', is written over a printed name.

Ong Choon Heng

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****11.3 CAPITALISATION AND INDEBTEDNESS**

The following table summarises our proforma cash and cash equivalents, capitalisation and indebtedness as at FYE 2016 based on our proforma consolidated statements of financial position and as adjusted to show the effects of the Listing Scheme, the cash proceeds arising from the IPO and the utilisation of proceeds as set out in Section 2.7 of this Prospectus:-

	<b>Proforma I</b>	<b>Proforma II</b>
	<b>After Public Issue</b>	<b>After Proforma I and Utilisation of Proceeds</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Cash and cash equivalents</b>	<b>41,781</b>	<b>30,781</b>
<b>Total indebtedness</b>	-	-
<b>Capitalisation</b>		
Total shareholders' equity	63,889	60,889
<b>Total capitalisation</b>	<b>63,889</b>	<b>60,889</b>
<b>Total capitalisation and indebtedness</b>	<b>63,889</b>	<b>60,889</b>

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## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

### 11.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The discussion of our business, financial condition and results of operations for the FYE 2014, FYE 2015 and FYE 2016 refers to the historical financial information of FoundPac and its subsidiary companies. The financial information has been prepared based on the assumption that the current structure of our Group has been in existence throughout the FYE 2014, FYE 2015 and FYE 2016.

The discussion of our business, financial condition and results of operations for the FYE 2014, FYE 2015 and FYE 2016 should be read in conjunction with the Accountants' Report set out in Section 12 of this Prospectus.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below or elsewhere in this Prospectus, particularly in the section entitled Risk Factors set out in Section 4 of this Prospectus.

#### 11.4.1 Overview of Our Operations

We are involved in the design, development, manufacture, marketing and sale of stiffeners and accessories for stiffeners, test sockets, hand lids and accessories for test sockets.

Please refer to Sections 6.1 and 6.3 of this Prospectus for further details of our Group's business activities and products.

In line with our future plans as set out in Section 6.15 of this Prospectus, we will acquire property, plant and equipment to expand our production capacity and capability, set up a dedicated D&D team, as well as establish a sales office each in Milan, Italy and California, US to continue expanding our presence in these major markets. Please refer to Section 11.4.10 of this Prospectus for significant factors affecting our financial position and results of operations and Section 4 of this Prospectus for the risk factors that may affect our revenue and financial performance.

#### 11.4.2 Revenue

The detailed breakdown of our Group's revenue for the FYE 2014, FYE 2015 and FYE 2016 is set out below:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Stiffeners and accessories for stiffeners	25,330	83.86	27,187	79.10	33,564	76.10
Test sockets, hand lids and accessories for test sockets	4,874	16.14	7,183	20.90	10,544	23.90
<b>Total</b>	<b>30,204</b>	<b>100.00</b>	<b>34,370</b>	<b>100.00</b>	<b>44,108</b>	<b>100.00</b>

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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Our Group's revenue streams are derived solely from our subsidiary company, FoundPac Tech, which is principally involved in the design, development, manufacture, marketing and sale of stiffeners and accessories for stiffeners, test socket, hand lids and accessories for test sockets. Our products are customisable in terms of size, design and specifications in order to meet our customers' individual needs for the purpose of their product development, testing and manufacturing environments. For example, to meet customers' requests, our test sockets may be customised to comprise different amount of hand lids, clamps, probe pins etc. Hence, in terms of sales, our products may be sold in a bundle with or without parts and accessories. The Group also practices flexible management strategies by outsourcing some of the fabrication works to local and international fabricators whilst we concentrate on quality assurance. With our flexible manufacturing practices, the fabrication of certain parts and accessories may be outsourced for certain orders and in some instances, urgent shipments shall take priority in our production lines.

For the past three (3) FYE 2014 to FYE 2016, our Group's revenue has increased by 46.06% or RM13.91 million from RM30.20 million in the FYE 2014 to RM44.11 million in the FYE 2016. The overall growth was mainly contributed by the increase in sales of stiffeners and accessories for stiffeners as its sales contributed more than 75.00% of our total Group revenue for the FYE 2014, FYE 2015 and FYE 2016. Our Group's revenue derived from stiffeners and accessories for stiffeners has increased by 32.49% or RM8.23 million from RM25.33 million in the FYE 2014 to RM33.56 million in the FYE 2016. The increase in sales of stiffeners and accessories for stiffeners was mainly due to the improved performance of the semiconductor industry, which in turn was driven mainly by the increase in market demand of communication-based products. As majority of our sales are denominated in USD, any significant fluctuations in the currency may have a significant impact, whether positively or negatively on the revenue of the Group. However, to minimise the Group's exposure to currency risk, the Group observes the movements in exchange rates and acts accordingly. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways: -

- (i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies; and
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Our experienced management team, coupled with technical expertise, and our ability to comply with the design and manufacturing requirements set by our multinational customers have allowed us to secure more orders from our customers over the FYE 2014, FYE 2015 and FYE 2016.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

Our Group's revenue categorised by our principal markets in the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
<b>US</b>	<b>20,797</b>	<b>68.86</b>	<b>24,331</b>	<b>70.79</b>	<b>32,058</b>	<b>72.68</b>
<b>Europe</b>						
France	2,354	7.79	2,929	8.52	4,173	9.46
UK	3,212	10.63	3,364	9.79	2,451	5.56
Others <sup>(1)</sup>	351	1.16	425	1.24	672	1.52
	<b>5,917</b>	<b>19.58</b>	<b>6,718</b>	<b>19.55</b>	<b>7,296</b>	<b>16.54</b>
<b>Asia</b>						
Malaysia	1,672	5.54	1,554	4.52	1,285	2.91
Singapore	961	3.18	929	2.70	1,101	2.50
Others <sup>(2)</sup>	857	2.84	838	2.44	2,368	5.37
	<b>3,490</b>	<b>11.56</b>	<b>3,321</b>	<b>9.66</b>	<b>4,754</b>	<b>10.78</b>
<b>Total</b>	<b>30,204</b>	<b>100.00</b>	<b>34,370</b>	<b>100.00</b>	<b>44,108</b>	<b>100.00</b>

Notes:-

- (1) Others include Italy, Belgium and Germany.
- (2) Others include Vietnam, Republic of Korea, the People's Republic of China, Taiwan, Hong Kong, India, Philippines and Japan.

**Commentaries on Revenue****(a) FYE 2014 vs FYE 2013**

Our Group's revenue increased by 24.64% or RM5.97 million to RM30.20 million in the FYE 2014 as compared to the FYE 2013 of RM24.23 million. The increase was mainly attributable to the increase in sales of stiffeners and accessories for stiffeners of RM5.52 million during the year. There was higher demand for our products as we had successfully provided innovative designs and solutions that suited our customers' requirements. The increase in revenue was also due to the growth in the electronics and semiconductor industry.

**(b) FYE 2015 vs FYE 2014**

Our Group's revenue increased by 13.81% or RM4.17 million from RM30.20 million in the FYE 2014 to RM34.37 million in the FYE 2015. The growth in the electronics and semiconductor industry and our continuous improvements of our products, innovative solutions to our customers coupled with the strengthening of USD against RM (as 91.86% of our Group's revenue was denominated in USD) have contributed to the improvement of our revenue during the year.

**(c) FYE 2016 vs FYE 2015**

Our Group's revenue increased by 28.34% or RM9.74 million from RM34.37 million in the FYE 2015 to RM44.11 million in the FYE 2016. The increase was mainly attributable to the increase in sales of stiffeners and accessories for stiffeners of RM6.37 million during the year from RM27.19 million in the FYE 2015 to RM33.56 million in the FYE 2016. In addition, the Group's revenue growth was also attributable to the continuing strengthening of USD against RM during the year as 94.91% of our Group's revenue was denominated in USD.

## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

In general, revenue contribution from US increased by approximately RM11.26 million or 54.13% from RM20.80 million in the FYE 2014 to RM32.06 million in the FYE 2016. The increase was mainly due to higher sales of stiffeners and accessories for stiffeners to our existing major customer in US.

Our revenue contribution from Europe increased by approximately RM1.38 million or 23.31% from RM5.92 million in the FYE 2014 to RM7.30 million in the FYE 2016 was mainly due to the increase in sales of stiffeners and accessories for stiffeners to our existing customer in France.

Whilst, the increase in our revenue contribution from Asia of RM1.26 million or 36.10% from RM3.49 million in the FYE 2014 to RM4.75 million in the FYE 2016 was mainly due to the increase in sales of stiffeners and accessories for stiffeners to our existing customers in the People's Republic of China, Taiwan and Vietnam.

### 11.4.3 Cost of Sales, GP and GP Margin

Our Group's cost of sales mainly comprises material and fabrication costs, labour cost and overheads. Our material and fabrication costs are the main components of cost of sales which include the purchase of aluminium, engineering plastic, stainless steel and other fabricated parts.

Please refer to Section 6.13.2 of this Prospectus for further information on our Group's major suppliers.

#### Cost of Sales

Our Group's cost of sales for the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Material and fabrication costs	14,312	81.65	14,794	79.92	18,659	79.90
Labour cost	1,437	8.20	1,600	8.64	1,812	7.76
Overheads	1,780	10.15	2,116	11.44	2,881	12.34
<b>Total</b>	<b>17,529</b>	<b>100.00</b>	<b>18,510</b>	<b>100.00</b>	<b>23,352</b>	<b>100.00</b>

#### GP and GP Margin

Our Group's GP and GP margin for the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
GP and GP margin	12,675	41.96	15,860	46.14	20,756	47.06

Our Group does not maintain GP and GP margin by products and geographical location as our accounting system does not capture such information. Accordingly, such information is not available. Our Group monitors our performance and profitability based on our overall GP and GP margin. Although the corresponding GP margins have remained relatively constant, the increase in our GP was mainly attributable to the increase in demand of our products.

## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

### Commentaries on Cost of Sales, GP and GP Margin

#### (a) FYE 2014 vs FYE 2013

Our Group's cost of sales increased by 22.85% or RM3.26 million from RM14.27 million in the FYE 2013 to RM17.53 million in the FYE 2014. The increase was mainly due to the increase in material and fabrication costs as a result of increase in revenue.

Our Group's GP increased by 27.31% or RM2.72 million from RM9.96 million in the FYE 2013 to RM12.68 million in the FYE 2014. The improvement in our GP margin from 41.09% in the FYE 2013 to 41.96% in the FYE 2014 was mainly attributed to better absorption of fixed production overheads as a result of higher production volume.

#### (b) FYE 2015 vs FYE 2014

Our Group's cost of sales increased by 5.59% or RM0.98 million from RM17.53 million in the FYE 2014 to RM18.51 million in the FYE 2015. The increase was mainly due to the increase in material and fabrication costs and hiring of additional work force as a result of increase in revenue.

Our Group's GP also increased by 25.08% or RM3.18 million from RM12.68 million in the FYE 2014 to RM15.86 million in the FYE 2015. Our Group's GP margin increased from 41.96% in the FYE 2014 to 46.14% in the FYE 2015. The increase in GP and GP margin was mainly attributed to improvement in production planning and less wastage of raw materials as well as the strengthening of the USD to RM.

#### (c) FYE 2016 vs FYE 2015

Our Group's cost of sales increased by 26.15% or RM4.84 million from RM18.51 million in the FYE 2015 to RM23.35 million in the FYE 2016. The higher cost of sales was mainly due to the increase in material and fabrication costs which was in line with the increase in revenue. In addition, our Group paid a higher incentive to our staff in the form of annual performance bonus as a result of improved financial performance.

Our Group's GP also increased by 30.90% or RM4.90 million from RM15.86 million in the FYE 2015 to RM20.76 million in the FYE 2016. Our GP margin has increased marginally by 0.92% from 46.14% in the FYE 2015 to 47.06% in the FYE 2016.

#### 11.4.4 Other Income

Save for the gain on disposal of property, plant and equipment as disclosed below, our Group did not incur any one-off income or losses for the past three (3) FYE 2014 to FYE 2016.

Other income of our Group comprises mainly the following:-

- (a) Gain on foreign exchange arising from ordinary trade transactions of our Group in foreign currencies and translation of our receivables and payables denominated in foreign currencies into RM; and
- (b) Interest income, which refers to the interest income from our deposits placed with licensed banks.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

Our Group's other income accounted for approximately 0.91%, 4.31% and 2.40% of our Group's revenue for the FYE 2014, FYE 2015 and FYE 2016. The detailed breakdown of our other income for the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Bad debts recovered	-	-	-	-	4	0.38
Gain on disposal of property, plant and equipment*	-	-	6	0.40	6	0.57
Interest income	37	13.45	69	4.66	326	30.78
Realised gain on foreign exchange	238	86.55	1,120	75.57	723	68.27
Unrealised gain on foreign exchange	-	-	287	19.37	-	-
<b>Total</b>	<b>275</b>	<b>100.00</b>	<b>1,482</b>	<b>100.00</b>	<b>1,059</b>	<b>100.00</b>

Note: -

\* Gain on disposal of property, plant and equipment is a non-recurring income of the Group.

**Commentaries on Other Income****(a) FYE 2014 vs FYE 2013**

Our Group's other income increased by RM0.10 million or 55.56% from RM0.18 million in the FYE 2013 to RM0.28 million in the FYE 2014. The increase was mainly attributed to realised gain on foreign exchange of RM0.24 million as a result of strengthening of USD against RM.

**(b) FYE 2015 vs FYE 2014**

Our Group's other income increased by RM1.20 million or 428.57% from RM0.28 million in the FYE 2014 to RM1.48 million in the FYE 2015. The increase was mainly attributed to realised gain on foreign exchange of RM1.12 million in the FYE 2015 as compared to RM0.24 million in the FYE 2014 as a result of strengthening of USD against RM.

**(c) FYE 2016 vs FYE 2015**

Our Group's other income decreased by RM0.42 million or 28.38% from RM1.48 million in the FYE 2015 to RM1.06 million in the FYE 2016. The decrease was mainly attributed to the decrease in realised gain on foreign exchange by RM0.40 million from RM1.12 million in the FYE 2015 to RM0.72 million in the FYE 2016. The decrease was mainly due to higher appreciation of USD in FYE 2015 as compared to the FYE 2016.

**11.4.5 Operating Expenses**

The operating expenses of our Group consist mainly of the following:-

- (a) administrative and general expenses, mainly comprising salaries related expenses, depreciation, loss on foreign exchange, utilities, security fee, professional fee, travelling expenses; and
- (b) selling and distribution expenses, mainly comprising salaries and other marketing staff related expenses, entertainment expenses and travelling expenses.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

Our Group's operating expenses accounted for approximately 9.67%, 9.52% and 9.57% of our Group's revenue for the FYE 2014, FYE 2015 and FYE 2016. The detailed breakdown of our operating expenses for the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	FYE 2014 RM'000	FYE 2015 RM'000	FYE 2016 RM'000
<b><u>Administrative and general expenses</u></b>			
- Staff related expenses	1,005	1,119	1,670
- Depreciation	241	293	285
- Unrealised loss on foreign exchange	105	-	295
- Travelling	130	214	223
- Security fee	78	126	114
- Office expenses	73	64	65
- Utilities	88	89	91
- Professional fee	21	83	132
- Others <sup>(1)</sup>	175	131	308
	1,916	2,119	3,183
<b><u>Selling and distribution expenses</u></b>			
- Staff related expenses	802	870	751
- Carriage outwards	85	146	215
- Travelling	89	114	74
- Others <sup>(2)</sup>	30	22	-
	1,006	1,152	1,040
<b>Total</b>	<b>2,922</b>	<b>3,271</b>	<b>4,223</b>
<b>Total salaries related expenses</b>	<b>1,807</b>	<b>1,989</b>	<b>2,421</b>

Notes:-

- (1) Other administrative and general expenses consisting of insurance, printing and stationery, postages and courier and miscellaneous expenses.
- (2) Other selling and distribution expenses consisting of entertainment expenses and other marketing expenses.

**Commentaries on Operating Expenses****(a) FYE 2014 vs FYE 2013**

Our Group's operating expenses increased by RM0.41 million or 16.33% from RM2.51 million in the FYE 2013 to RM2.92 million in the FYE 2014. The increase was mainly attributed to annual increment of salary and salary related costs and incentive paid to our staff of approximately RM0.35 million as a result of achieving better financial performance.

**(b) FYE 2015 vs FYE 2014**

Our Group's operating expenses increased by RM0.35 million or 11.99% from RM2.92 million in the FYE 2014 to RM3.27 million in the FYE 2015. The increase was mainly attributed to annual increment of salary and salary related costs and incentive paid to our staff of approximately RM0.18 million as a result of achieving better financial performance.

**(c) FYE 2016 vs FYE 2015**

Our Group's operating expenses increased by RM0.95 million or 29.05% from RM3.27 million in the FYE 2015 to RM4.22 million in the FYE 2016. The increase was mainly attributed to annual increment of salary and salary related costs and incentive paid to our staff of approximately RM0.43 million as a result of achieving better financial performance. In addition, unrealised loss on foreign exchange of RM0.30 million in the FYE 2016 also attributable to the increase in operating expenses.

## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

### 11.4.6 Finance Costs

Our Group's finance cost mainly represents interest charges on bank borrowings obtained to finance our Group's property. The bank borrowing interest is insignificant for the FYE 2014 and FYE 2015, while no finance cost in the FYE 2016. Thus, it has no material impact on the financial performance of our Group. Our Group does not have any outstanding bank borrowing balances as at FYE 2016 and as at the LPD.

### 11.4.7 PBT and PBT Margin

The analysis of our Group's PBT and PBT margin for the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PBT and PBT margin	10,024	33.19	14,070	40.94	17,592	39.88

Our Group does not maintain PBT and PBT margin by products and geographical location as our accounting system does not capture such information. Accordingly, such information is not available. Our Group monitors our performance and profitability based on our overall PBT and PBT margin.

#### Commentaries on PBT and PBT Margin

##### (a) FYE 2014 vs FYE 2013

Our Group's PBT increased by RM2.45 million or 32.36% from RM7.57 million in the FYE 2013 to RM10.02 million in the FYE 2014. The increase in PBT and PBT margin were mainly due to increase in GP of RM2.72 million or 27.31% in the FYE 2014.

##### (b) FYE 2015 vs FYE 2014

Our Group's PBT increased by RM4.05 million or 40.42% from RM10.02 million in the FYE 2014 to RM14.07 million in the FYE 2015. The increase in PBT and PBT margin were mainly due to the increase in GP of RM3.18 million or 25.08% coupled with the strengthening of USD against RM in the FYE 2015.

##### (c) FYE 2016 vs FYE 2015

Our Group's PBT increased by RM3.52 million or 25.02% from RM14.07 million in the FYE 2015 to RM17.59 million in the FYE 2016. The increase in PBT was mainly due to the increase in GP by RM4.90 million or 30.90% as compared to FYE 2015. However, PBT margin decreased by 1.06% from 40.94% in the FYE 2015 to 39.88% in the FYE 2016 which was mainly due to the decrease in realised gain on foreign exchange of RM0.40 million.



## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

### 11.4.8 Taxation

The comparison between our effective and statutory tax rates for the FYE 2014, FYE 2015 and FYE 2016 is set out below:-

	Audited		
	FYE 2014	FYE 2015	FYE 2016
Effective tax rate (%) <sup>(*)</sup>	8.12	8.19	6.69
Statutory tax rate (%)	25.00	25.00	24.00

Note:-

\* Effective tax rate is computed based on current year tax expense divided by PBT.

Tax expenses for the FYE 2014, FYE 2015 and FYE 2016 comprise the current financial year's provision for income taxes, under or overprovision of income taxes in the previous financial year and deferred taxation.

The Group enjoyed lower effective tax rate as compared to statutory tax rate throughout the years under review as a result of tax incentives arising from the Pioneer Status granted to FoundPac Tech by MITI from 1 September 2011 to 31 August 2016. Following the expiry of the Pioneer Status, the taxable income generated by FoundPac Tech is subject to the prevailing statutory tax rate i.e 24.00%. For further information relating to the Pioneer Status, kindly refer to Section 11.4.10 (e) of this Prospectus.

### 11.4.9 PAT and PAT Margin

The analysis of our Group's PAT and PAT margins for the FYE 2014, FYE 2015 and FYE 2016 is as follows:-

	Audited					
	FYE 2014		FYE 2015		FYE 2016	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PAT and PAT margin	9,211	30.50	12,898	37.53	16,432	37.25

Our PAT and PAT margin were consistent with the growth in PBT and PBT margin as there were no major fluctuation in our effective tax rates for the FYE 2014, FYE 2015 and FYE 2016.

Please refer to Section 11.4.7 of this Prospectus for further details and analysis on our PBT and PBT margin.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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**11.4.10 Significant Factors Affecting our Financial Position and Results of Operations**

Our Group's financial position and results of operations have been and will continue to be affected by, amongst others, the following factors which may not be within our control:-

**(a) Demand and Supply Conditions**

Our Group's revenue and profits are dependent on the demand and supply conditions as set out in Section 7 of this Prospectus.

**(b) Ability to meet customers' expectation**

Our customers rely on us for quality products delivered in a timely manner. Any defects, errors or delays in our products or failure to meet our customers' specifications or expectations could result in delayed or loss of revenue due to adverse customer reaction which may have material adverse effect on our business and financial condition.

We endeavor to mitigate this risk by having amongst others systematic production processes, comprehensive quality control processes in place as well as having experienced personnel to conduct detailed production planning.

**(c) Dependency on major customer**

Our future performance depends largely on us maintaining our customer relationship with our major customer as stated in Section 6.13.1. We do not have any long term contracts with our customers as the majority of our sales are based on order-by-order basis, which is the norm in the industry. The remainder/minority players obtain their orders based on order-by-order basis. The major customer may also appoint additional companies as suppliers, in which case our business volume may decrease. If any of these events occur, our financial condition could be materially affected. Despite the lack of formal long term contracts, we have developed long term business relationships with our major customer and we have been receiving repeat orders from the major customer. We will continuously strive to develop a good understanding of our major customer and customers' requirements and meet their expectations, ensuring continuity of business with them.

**(d) Competition**

Our Group operates in a competitive semiconductor industry and we face competitors who are larger in size and who may have better access to capital, technology and talent as compared to our Group. This competition could become even more acute in the future if further industry consolidations take place. Please refer to Section 7 of this Prospectus for further discussion on the impact of competition on our Group.

Nevertheless, we will continue to enhance our products quality and set-up a dedicated D&D team to enhance our competitiveness. With continued support from our customers, our Board is of the opinion that we are competent and well positioned to withstand future competition and to secure potential customers while maintaining existing ones.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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**(e) Tax Consideration**

Our subsidiary company, namely FoundPac Tech had enjoyed tax incentive under the Pioneer Status for 70.00% tax exemption on statutory income for the past five (5) years for the production of test socket, hand lid, stiffener and related components pursuant to the Pioneer Status granted by MITI on 1 September 2011. The Pioneer Status had expired on 31 August 2016 as FoundPac Tech did not qualify for the renewal which was based on the income generated from the existing products of FoundPac Tech. FoundPac Tech may submit fresh application(s) to MITI in the future, if there are new products or substantial enhancement/improvement to our existing products which qualify for the Pioneer Status. Following the expiry of the Pioneer Status on 31 August 2016, the taxable income generated by FoundPac Tech is subject to the prevailing statutory tax rate i.e 24.00%.

**(f) Credit risk**

Any defaults in payment or delay in our collection of outstanding payments from our customers may adversely impact our cash flows and profitability. Throughout our working relationships with our customers in the FYE 2014, FYE 2015 and FYE 2016, there was no material provision for bad debts or bad debts written off.

**11.4.11 Material Changes in Sales or Revenue**

A discussion on the reasons for material changes in our revenue for the FYE 2014, FYE 2015 and FYE 2016 is set out in Section 11.4.2 of this Prospectus.

**11.4.12 Impact of Foreign Exchange Rates, Interest Rates and/or Commodity Prices on Our Group's Operations****(a) Impact of Foreign Currency Exchange Rates**

We may be exposed to foreign currency exchange risks from the dealings with customers and suppliers as majority of our customers are primarily located overseas (i.e. Europe and US). Any significant change in foreign exchange rates may affect our Group's financial results.

For the FYE 2016, approximately 94.91% of our revenue and 65.44% of our purchases were denominated in USD. This provides our Group, to a certain extent, a natural hedge against adverse foreign exchange fluctuations i.e. by setting-off the Group's revenue in USD against the cost of purchase in USD, hence there is a natural hedge against foreign exchange fluctuations. We maintain foreign currency bank accounts in USD with our financial institutions to facilitate and support our business operations.

Notwithstanding the above, we may also enter into derivative contracts available in the financial markets to hedge against foreign exchange risks should we deem fit to execute so. Further, our management closely monitors the movement of the USD in managing our foreign currency exchange risks.

**(b) Impact from Interest Rates**

Our Group's financial results for the financial years under review were not materially affected by fluctuations in interest rates as our Group does not have any bank borrowings as at FYE 2016 and as at the LPD.

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## **11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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### **(c) Impact from Commodity Prices**

As set out in Section 6.14, our raw materials mainly consist of stainless steel, aluminium and engineering plastics used for the manufacturing of stiffeners, test sockets and hand lids. As at the LPD, the Group did not experience any major fluctuations in prices of our raw materials that have materially affected our financial position.

#### **11.4.13 Impact of Inflation on Our Group's Operations**

There was no material impact of inflation on our historical profits for FYE 2014, FYE 2015 and FYE 2016.

#### **11.4.14 Impact from Government, Economic, Fiscal or Monetary Policies or Factors on Our Group's Operations**

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations, are set out in Section 4 of this Prospectus.

There were no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for FYE 2014, FYE 2015 and FYE 2016.

#### **11.4.15 Liquidity and Capital Resources**

##### **(a) Working Capital**

Our primary sources of funds are mainly derived from the net cash generated internally from our operations and to a certain extent, external source of funds which comprises credit terms granted by our suppliers. The average credit terms granted to us ranges between 30 days to 90 days. We may raise additional capital or funds through debt or equity offerings in the future to part finance our expansion plans or to meet our financing requirements should the need arise.

Our Board is of the opinion that, after taking into consideration the funds to be generated from our business operations, the internal generated funds to our Group as well as the proceeds to be raised from our Public Issue, our Group will have sufficient working capital for a period of twelve (12) months from the date of this Prospectus.

There are no legal, financial or economic restrictions on the ability of our subsidiary companies to transfer/receive funds to/from our Company in the form of cash dividends, loan or advances. In addition, as stated in Section 11.4.15 (c), our Group does not have bank borrowings as at the FYE 2016. Therefore, we are confident that we can meet our cash obligations.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(b) Cash Flows**

The summary of our statements of cash flows for the FYE 2014, FYE 2015 and FYE 2016 is set out below:-

<b>Cash Flows</b>	<b>FYE 2014 (RM'000)</b>	<b>FYE 2015 (RM'000)</b>	<b>FYE 2016 (RM'000)</b>
Cash flows from operating activities	8,536	13,894	16,554
Cash flows used in investing activities	(320)	(2,947)	(1,163)
Cash flows used in financing activities	(9,270)	(9,321)	(1,400)
Net (decrease)/increase in cash and cash equivalents	(1,057)	1,626	13,991
Effects of changes in exchange rates	-	44	(295)
Cash and cash equivalents at the beginning of the year	5,869	4,815	6,485
<b>Cash and cash equivalents at the end of the year</b>	<b>4,815</b>	<b>6,485</b>	<b>20,181</b>
<b>Cash and cash equivalents comprise the following:</b>			
Short-term highly liquid investments	0	0	800
Term deposits with licensed banks	467	479	15,981
Cash and bank balances	4,348	6,006	3,400
	<b>4,815</b>	<b>6,485</b>	<b>20,181</b>

**FYE 2014****(i) Net cash from operating activities**

For the FYE 2014, we generated an operating cash flow of approximately RM10.91 million. After adjusting for net outflow of approximately RM1.58 million from working capital changes, interest received of RM0.04 million and income tax paid of RM0.83 million, we generated net cash from operating activities of RM8.54 million.

The net outflow of RM1.58 million from working capital changes was derived from the decrease in inventories of RM0.80 million, increase in receivables and prepayments of RM1.25 million and decrease in payables of RM1.13 million.

**(ii) Net cash used in investing activities**

For the FYE 2014, net cash used in investing activities was due to the purchase of property, plant and equipment amounting to RM0.32 million.

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**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

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**(iii) Net cash used in financing activities**

For the FYE 2014, net cash used in financing activities were mainly due to the payment of dividend of RM9.00 million to the existing shareholders of FoundPac Tech and repayment of term loans of RM0.27 million.

**FYE 2015****(i) Net cash from operating activities**

For the FYE 2015, we generated an operating cash flow of approximately RM14.95 million. After adjusting for net outflow of approximately RM0.13 million from working capital changes, interest received of RM0.07 million and net income tax paid of RM1.00 million, we generated net cash from operating activities of RM13.89 million.

The net outflow of RM0.13 million from working capital changes was mainly derived from the increase in inventories of RM1.74 million, decrease in receivables and prepayments of RM1.07 million and increase in payables of RM0.54 million.

**(ii) Net cash used in investing activities**

For the FYE 2015, net cash used in investing activities were mainly due to the purchase of property, plant and equipment amounting to RM2.96 million.

**(iii) Net cash used in financing activities**

For the FYE 2015, net cash used in financing activities were mainly due to the payment of dividend of RM9.30 million to the existing shareholders of FoundPac Tech and repayment of term loans of RM0.02 million.

**FYE 2016****(i) Net cash from operating activities**

For the FYE 2016, we generated an operating cash flow of approximately RM19.15 million. After adjusting for net outflow of approximately RM1.51 million from working capital changes, interest received of RM0.33 million and income tax paid of RM1.42 million, we generated net cash from operating activities of RM16.55 million.

The net outflow of RM1.51 million from working capital changes was mainly derived from decrease in inventories of RM0.69 million, increase in receivables and prepayments of RM2.39 million and increase in payables of RM0.19 million.

**(ii) Net cash used in investing activities**

For the FYE 2016, net cash used in investing activities was mainly due to purchase of property, plant and equipment of RM1.18 million.

**(iii) Net cash used in financing activities**

For the FYE 2016, net cash used in financing activities were mainly due to the payment of second interim dividend declared in respect of the FYE 2015 of RM4.40 million to the existing shareholders of FoundPac Tech and the proceeds of RM3.00 million from the issuance of shares to one of the shareholders.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(c) Borrowings**

As at the FYE 2016, our Group does not have any bank borrowings.

**11.4.16 Financial Instruments**

As at the FYE 2016 and the LPD, we do not have any financial instruments for hedging purposes.

**11.4.17 Funding and Treasury Policies and Objectives**

We have been funding our business operations through net cash generated internally from our operations as well as credit terms extended by our suppliers as our Group does not have any bank borrowings as at the LPD.

**11.4.18 Material Capital Commitments**

As at the LPD, we do not have any material capital commitments, which upon becoming enforceable may have a material and adverse impact on our financial position.

**11.4.19 Material Litigation**

As at the LPD, neither we nor our subsidiary companies are engaged in any material litigation, claim or arbitration either as plaintiff or defendant and our Board is not aware of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

There is no governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on FoundPac Group's financial position or profitability, in the twelve (12) months immediately preceding the date of this Prospectus.

**11.4.20 Contingent Liabilities**

As at the LPD, we do not have any material contingent liability which has become enforceable or is likely to become enforceable, which in the opinion of our Board, will or may substantially affect the ability of our Group to meet our obligations as and when they fall due.

**11.4.21 Key Financial Ratios**

Set out below is a summary of our trade receivables turnover period, trade payables turnover period, inventories turnover period, current ratio and gearing ratio of our Group for the FYE 2014, FYE 2015 and FYE 2016:-

	Audited		
	FYE 2014	FYE 2015	FYE 2016
Trade receivables turnover period <sup>(1)</sup> (days)	86	65	61
Trade payables turnover period <sup>(2)</sup> (days)	51	58	53
Inventories turnover period <sup>(3)</sup> (days)	33	65	41
Current ratio <sup>(4)</sup> (times)	2.39	2.20	9.92
Gearing ratio <sup>(5)</sup> (times)	*	-	-

Notes:-

(1) Computed based on trade receivables balances as at the dates of the respective statements of financial position over the Group's total revenue of the respective financial years

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

- (2) Computed based on trade payables balances as at the dates of the respective statements of financial position over the Group's total purchases of the respective financial years
- (3) Computed based on inventories balances as at the dates of the respective statements of financial position over the Group's total cost of sales of the respective financial years
- (4) Computed based on current assets as at the dates of the respective statements of financial position over current liabilities
- (5) Computed based on loans and borrowings as at the dates of the respective statements of financial position over total equity

\* Negligible

**(a) Trade Receivables**

The credit period generally granted to our customers is in the range of 30 days to 90 days. Our credit term to customers are assessed and approved on a case-by-case basis by taking into consideration various factors such as our business relationship with the customers, our marketing strategies, the customers' payment history and the customers' creditworthiness while new customers are subject to our credit verification process such as reputation and creditworthiness analysis as well as the existence of potential working relationship in the future. The trade receivables ageing analysis reflect trade debtors that have been outstanding since the respective invoice dates as this will provide better cash flow management for its daily operations.

Our trade receivables turnover periods for the FYE 2014, FYE 2015 and FYE 2016 were within the normal credit period granted, i.e. within the range of 30 to 90 days. Our deliveries, good working relationship with our customers are the key components to prompt payments from customers.

As at FYE 2016, the trade receivables of our Group amounted to RM7.38 million and can be analysed as follows:-

Trade receivables by customer types	Within Credit Period			Exceeding Credit Period	Total (RM'000)
	1-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	91-120 days (RM'000)	
PCB design houses	740	684	863	712	2,999
Fabless semiconductor companies	1,606	765	-	-	2,371
Channel partners	769	568	177	-	1,514
Semiconductor manufacturers / OSATs	362	117	20	-	499
Trade receivables	3,477	2,134	1,060	712	7,383
% of total net trade receivables	47.09	28.90	14.36	9.65	100.00
Subsequent collections as at the LPD	(3,392)	(1,998)	(1,023)	(712)	(7,125)
Trade receivables net of subsequent collections	85	136	37	0	258
% of total trade receivables net of subsequent collections	32.95	52.71	14.34	0.00	100.00



**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

As at the LPD, we have collected RM7.13 million of our total trade receivables of RM7.38 million as at FYE 2016. Our Board is of the opinion that the remaining outstanding trade receivables are recoverable considering that our customers are of reputable standing and have insofar established long-term relationships with our Group. In addition, our customers have not defaulted on payment as at the LPD. For those trade receivables exceeding the credit period, our Group will actively communicate and follow-up with customers to collect the debts.

Our Group will review on quarterly basis for trade receivables aging. For outstanding debts of more than twelve (12) months, full impairment will be made in the financial statements.

**(b) Trade Payables**

The credit period generally granted to our Group by our suppliers ranges between 30 days to 90 days.

Our trade payables turnover periods for the FYE 2014, FYE 2015 and FYE 2016 were within the normal credit period granted by our suppliers, i.e. within the range of 30 to 90 days.

As at FYE 2016, the breakdown of our net trade payables is as follows:-

	Within Credit Period			Exceeding Credit Period	Total (RM'000)
	1-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	More than 90 days (RM'000)	
Trade payables	1,502	690	430	-	2,622
% of total trade payables	57.28	26.32	16.40	-	100.00
Subsequent payment as at the LPD	(1,502)	(690)	(430)	-	(2,622)
Trade payables net of subsequent payment	-	-	-	-	-
% of total trade payables net of subsequent payments	-	-	-	-	-

As at the LPD, all trade payables as at FYE 2016 were settled.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)****(c) Inventories**

Our inventories mainly comprise raw materials such as aluminium, stainless steel, engineering plastic, fabricated parts, work-in-progress and finished goods such as stiffeners and accessories for stiffeners as well as test sockets, hand lids and accessories for test sockets.

The breakdown of our inventories for the FYE 2014, FYE 2015 and FYE 2016 is set out below:-

	Audited		
	FYE 2014	FYE 2015	FYE 2016
	(RM'000)	(RM'000)	(RM'000)
Raw materials	697	2,046	1,004
Work-in-progress	449	638	522
Finished goods	428	628	1,101
	<b>1,574</b>	<b>3,312</b>	<b>2,627</b>
Inventories turnover period (Days)	33	65	41

Our average inventory turnover period ranges from 30 to 60 days.

For the FYE 2014, our inventory turnover period was 33 days which was within our normal operating cycle.

For the FYE 2015, our inventory turnover period was 65 days which was higher than our inventory turnover period. The higher turnover period was as a result of higher closing inventory in anticipation of higher revenue in the following year to meet the demand of customers.

For the FYE 2016, our inventory turnover period was 41 days which was within our normal operating cycle. The improvement in turnover period by 24 days as compared to 65 days for the FYE 2015 was mainly due to continuous improvement in our inventory management.

We review our slow moving/obsolete inventories of more than twelve (12) months by adopting a specific identification approach which requires our management to consider the frequency of demand of our inventories. As our management judgement and estimates are required, possible changes in these estimates could result in impairment to the inventories.

We are of the opinion that there is no material slow moving or obsolete inventories as at the LPD, premised on the following:-

- (i) the work-in-progress and finished goods comprise stiffeners and accessories for stiffeners as well as test socket, hand lids and accessories for test sockets where they were produced according to orders; and
- (ii) there were no instances of damage to the inventory identified.

The Board confirms that there are no obsolete inventories as at the LPD. The slow moving inventories currently held by the Group are ferrous and non-ferrous metals that are useable as at the LPD.

**11. HISTORICAL FINANCIAL INFORMATION (cont'd)**

As at FYE 2014, the inventory ageing analysis is as follows:-

	1-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	More than 90 days but less than 1 year (RM'000)	More than 1 year * (RM'000)	Total (RM'000)
Raw materials	438	15	35	71	138	697
Work-in-progress	449	-	-	-	-	449
Finished goods	166	92	27	120	23	428
	1,053	107	62	191	161	1,574

As at FYE 2015, the inventory ageing analysis is as follows:-

	1-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	More than 90 days but less than 1 year (RM'000)	More than 1 year * (RM'000)	Total (RM'000)
Raw materials	1,723	42	10	220	51	2,046
Work-in-progress	638	-	-	-	0	638
Finished goods	310	140	28	138	12	628
	2,671	182	38	358	63	3,312

As at FYE 2016, the inventory ageing analysis is as follows:-

	1-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	More than 90 days but less than 1 year (RM'000)	More than 1 year * (RM'000)	Total (RM'000)
Raw materials	695	47	87	118	57	1,004
Work-in-progress	522	-	-	-	-	522
Finished goods	503	97	68	389	44	1,101
	1,720	144	155	507	101	2,627

Note:-

\* Consist of long lasting raw materials e.g. aluminium, titanium, alloy and engineering plastic and common finished goods

**(d) Current Ratio**

	Audited		
	FYE 2014	FYE 2015	FYE 2016
Current assets (RM'000)	13,672	16,306	31,698
Current liabilities (RM'000)	5,720	7,396	3,196
Current ratio (times)	2.39	2.20	9.92

As at 30 June 2014, our Group's current ratio was 2.39 times, which was higher than 2.10 times as at 30 June 2013. This was mainly due to the increase in trade receivables which was in tandem with higher sales towards the last financial quarter.

As at 30 June 2015, our Group's current ratio was 2.20 times, which was slightly lower than 2.39 times as at 30 June 2014. This was mainly due to the increase in dividend payable by RM1.10 million from RM3.30 million as at 30 June 2014 to RM4.40 million as at 30 June 2015.

## 11. HISTORICAL FINANCIAL INFORMATION (*cont'd*)

As at 30 June 2016, our Group's current ratio was 9.92 times as compared to 2.20 times as at 30 June 2015. This was mainly due to increase in cash and cash equivalents from operating activities and increase in trade receivables which was in line with the increase in revenue. The increase in cash and cash equivalents was also due to lower payment of dividend of RM4.90 million from RM9.30 million in FYE 2015 to RM4.40 million in FYE 2016 as there was no dividends declared in respect of FYE 2016.

### (e) Gearing Ratio

The gearing ratio of our Group is negligible and our Group does not any have bank borrowings as at FYE 2016 and the LPD.

The Group has been funding its business operations through internally generated funds from its operations as well as credit terms extended by its suppliers. The overall capital management objective of the Group is to optimise returns and benefits to stakeholders. In order to meet this objective, the Group strives to reduce the cost of capital while sustaining its business. As such, the Group maintains minimal gearing level/no borrowings.

FPSB had in the financial year 2010 obtained a term loan of RM5.00 million from a local financial institution for the purchase of the leasehold land and buildings in which the Group is currently located. The loans were originally scheduled to be repaid over a period of ten (10) years. However, the Group had fully repaid the term loan in the FYE 2014 by utilising its internally-generated funds.

#### 11.4.22 Order Book

Generally, we do not have any long-term contracts with our customers as our sales are made based on confirmed orders. As at the LPD, our outstanding confirmed orders stood at approximately RM2.28 million which are expected to be delivered within four (4) weeks. This is in line with our typical sales cycle, where the time taken from receipt of an order to product delivery averages two (2) to four (4) weeks.

#### 11.4.23 Trend Information

As at the LPD, save as disclosed in Sections 4, 6, 7 and 11 of this Prospectus, to the best of their knowledge and belief, our Board is not aware of any of the following:-

- (a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations and capital resources;
- (b) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations of our Group;
- (c) known events, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources; and
- (d) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of our future performance and position.

## 11. HISTORICAL FINANCIAL INFORMATION (cont'd)

Our Board is positive about our future prospects, based on the outlook of the Semiconductor Industry as set out in the Executive Summary of the IMR Report in Section 7 of this Prospectus, in consideration of our competitive strengths as set out in Section 6.4 of this Prospectus and our commitment towards the future plans and strategies of our Group as set out in Section 6.15 of this Prospectus.

### 11.4.24 Significant Changes

Save as disclosed in this Prospectus, there are no significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to the FYE 2016.

## 11.5 DIVIDEND POLICY

Whilst it is our intention to adopt a dividend distribution policy allow our shareholders to participate in our Group's profits, our ability to declare dividends or make other distributions to our shareholders in the future years will also depend upon other various factors such as:-

- (a) our Group's cash flows requirements for operations, financing commitments and capital expenditure;
- (b) the availability of adequate distributable reserves; and
- (c) our financial performance.

It is our Board's policy to recommend and distribute a dividend of at least 30.00% of our annual audited PAT to shareholders of our Company. However, any final dividends declared are subject to the approval of our shareholders at the AGM.

You should note that this dividend policy merely describes our Group's present intention and shall not constitute legally binding statements in respect of our Group's future dividends that are subject to modification at our Board's discretion.

The dividends declared and paid by FoundPac Tech in respect of FYE 2014 and 2015 is as follows:-

FYE	Type of Dividend	Dividend declared and paid (A) (RM'000)	PAT for the respective FYE (B) (RM'000)	Percentage of dividend declared and paid over PAT for the respective FYE (C=A/B) (%)	Payment Date
2014	First interim, tax exempt in respect of FYE 2014	3,000	9,211	32.57	30.04.2014
	Second interim, tax exempt in respect of FYE 2014	3,300		35.83	31.10.2014
	<b>Total</b>	<b>6,300</b>	<b>9,211</b>	<b>68.40</b>	
2015	First interim, tax exempt in respect of FYE 2015	6,000	12,898	46.52	26.06.2015
	Second interim, tax exempt in respect of FYE 2015	4,400		34.11	28.08.2015
	<b>Total</b>	<b>10,400</b>	<b>12,898</b>	<b>80.63</b>	

There were no dividends declared and paid by the FoundPac Group in respect of FYE 2016.

## 12. ACCOUNTANTS' REPORT



**Crowe Horwath** AF 1018  
Chartered Accountants  
Member Crowe Horwath International

30 Nov 2016

The Board of Directors  
**FoundPac Group Berhad**  
Plot 35, Hilir Sungai Keluang 2  
Bayan Lepas Industrial Estate  
Non-Free Industrial Zone Phase IV  
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Penang

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Dear Sirs/Madam

### **FOUNDPAC GROUP BERHAD ACCOUNTANTS' REPORT**

We have audited the accompanying financial statements of FoundPac Group Berhad (the "Company") and its subsidiary companies (collectively known as the "Group"). The financial statements comprise:-

- i) The combined statements of financial position as at 30 June 2014 and 2015, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 30 June 2014 and 2015;
- ii) The consolidated statement of financial position as at 30 June 2016, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 30 June 2016; and
- iii) A summary of significant accounting policies and other explanatory information, as set out on pages 3 to 31.

#### *Directors' Responsibility for the Financial Statements*

The directors of FoundPac are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines - Equity issued by the Securities Commission Malaysia. The directors are also responsible for such internal accounting control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Reporting Accountants' Responsibility*

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

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

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

**12. ACCOUNTANTS' REPORT (cont'd)**



**FOUNDPAC GROUP BERHAD**  
**ACCOUNTANTS' REPORT (CONT'D)**  
(Incorporated in Malaysia)  
Company No: 1165946 - H

*Opinion*

In our opinion, the financial statements of the Group give a true and fair view of its financial position as of 30 June 2014, 2015 and 2016 and of their financial performance and cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines - Equity issued by the Securities Commission Malaysia.

**Other Matter**

The significant events subsequent to the end of the financial year ended 30 June 2016 have been disclosed in Note 22 to this Report.

**Restriction on Distribution and Use**

We understand that this report will be used solely for the purpose of inclusion in the prospectus of FoundPac in connection with the listing of and quotation for the entire issued and paid-up share capital of FoundPac on the Main Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

A large, stylized handwritten signature in black ink, likely belonging to a representative of Crowe Horwath.

**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants

Date: 30 Nov 2016

Penang

A large, stylized handwritten signature in black ink, belonging to Eddy Chan Wai Hun.

**Eddy Chan Wai Hun**  
Approval No: 2182/10/17(J)  
Chartered Accountant

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****STATEMENTS OF FINANCIAL POSITION**

	Note	Combined <sup>^</sup> Audited 2014 RM'000	Combined <sup>^</sup> Audited 2015 RM'000	Consolidated* Audited 2016 RM'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	11,174	16,217	15,789
<b>CURRENT ASSETS</b>				
Inventories	5	1,574	3,312	2,627
Trade and other receivables	6	7,166	6,361	7,634
Prepayments		117	143	1,256
Current tax assets		0	5	0
Cash and cash equivalents	7	4,815	6,485	20,181
		<u>13,672</u>	<u>16,306</u>	<u>31,698</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	8	2,299	2,888	3,082
Dividend payable		3,300	4,400	0
Loans and borrowings - secured	9	20	0	0
Current tax liabilities		101	108	114
		<u>5,720</u>	<u>7,396</u>	<u>3,196</u>
<b>NET CURRENT ASSETS</b>		<u>7,952</u>	<u>8,910</u>	<u>28,502</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	10	1,348	2,270	2,002
<b>NET ASSETS</b>		<u>17,778</u>	<u>22,857</u>	<u>42,289</u>
<b>EQUITY</b>				
Share capital	11	2,000	2,000	33,000
Revaluation surplus		3,382	5,963	0
Retained profits		12,396	14,894	9,289
<b>TOTAL EQUITY</b>		<u>17,778</u>	<u>22,857</u>	<u>42,289</u>

<sup>^</sup> The combined financial statements for the years ended 30 June 2014 and 2015 are the combination or aggregation of financial statements of FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"). based on the separate audited financial statements of both entities for financial years then ended. All material intra-group transactions and balances have been eliminated on combination.

\* On 16 February 2016, FoundPac Group Berhad ("FoundPac") acquired the entire issued and paid-up share capital in FPSB and FoundPac Tech. The acquisition of FPSB and FoundPac Tech by way of share swap is a business combination of entities or businesses under common control. Accordingly, FoundPac prepared the audited consolidated financial statements for the year ended 30 June 2016.



**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Combined <sup>^</sup> Audited 2014 RM'000	Combined <sup>^</sup> Audited 2015 RM'000	Consolidated* Audited 2016 RM'000
Revenue	12	30,204	34,370	44,108
Cost of goods sold		(17,529)	(18,510)	(23,352)
Gross profit		12,675	15,860	20,756
Other income		275	1,482	1,059
Administrative and general expenses		(1,916)	(2,119)	(3,183)
Selling and distribution expenses		(1,006)	(1,152)	(1,040)
Finance costs		(4)	(1)	0
Profit before tax	13	10,024	14,070	17,592
Tax expense	15	(813)	(1,172)	(1,160)
Profit for the financial year		9,211	12,898	16,432
Other comprehensive income:-				
<i>Items that will not be reclassified to profit or loss:-</i>				
Revaluation increase of property, plant and equipment		0	3,336	0
Deferred tax expense of revaluation increase		0	(800)	0
Deferred tax income relating to change in tax rate		0	45	0
Other comprehensive income for the financial year		0	2,581	0
Total comprehensive income for the financial year		9,211	15,479	16,432
Basic earnings per share (sen)	16	2.88	4.03	5.03

<sup>^</sup> The combined financial statements for the years ended 30 June 2014 and 2015 are the combination or aggregation of financial statements of FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"), based on the separate audited financial statements of both entities for financial years then ended. All material intra-group transactions and balances have been eliminated on combination.

\* On 16 February 2016, FoundPac Group Berhad ("FoundPac") acquired the entire issued and paid-up share capital in FPSB and FoundPac Tech. The acquisition of FPSB and FoundPac Tech by way of share swap is a business combination of entities or businesses under common control. Accordingly, FoundPac prepared the audited consolidated financial statements for the year ended 30 June 2016.

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****STATEMENTS OF CHANGES IN EQUITY**

	Note	Share Capital RM'000	Non-distributable Share Premium RM'000	Revaluation Surplus RM'000	Distributable Retained Profits RM'000	Total RM'000
Balance at 1 July 2013		2,000	0	3,382	12,485	17,867
Dividends (representing total transactions with owners)	17	0	0	0	(9,300)	(9,300)
Profit (representing total comprehensive income) for the financial year		0	0	0	9,211	9,211
Balance at 30 June 2014 <sup>^</sup>		2,000	0	3,382	12,396	17,778
Dividends (representing total transactions with owners)	17	0	0	0	(10,400)	(10,400)
Revaluation increase of property, plant and equipment		0	0	3,336	0	3,336
Deferred tax expense of revaluation increase		0	0	(800)	0	(800)
Deferred tax income relating to change in tax rate		0	0	45	0	45
Other comprehensive income for the financial year		0	0	2,581	0	2,581
Profit for the financial year		0	0	0	12,898	12,898
Total comprehensive income for the financial year		0	0	2,581	12,898	15,479
Balance at 30 June 2015 <sup>^</sup>		2,000	0	5,963	14,894	22,857
Issue of shares by subsidiary		50	2,950	0	0	3,000
Bonus issue by subsidiaries		30,950	(2,950)	(5,963)	(22,037)	0
Issue of shares by FoundPac at the date of incorporation		#	0	0	0	#
Effect of share swap		#	0	0	0	#
Total transactions with owners		31,000	0	(5,963)	(22,037)	3,000
Profit (representing total comprehensive income) for the financial year		0	0	0	16,432	16,432
Balance at 30 June 2016 <sup>*</sup>		33,000	0	0	9,289	42,289

# Represent RM2

<sup>^</sup> The combined financial statements for the years ended 30 June 2014 and 2015 are the combination or aggregation of financial statements of FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"), based on the separate audited financial statements of both entities for financial years then ended. All material intra-group transactions and balances have been eliminated on combination.

<sup>\*</sup> On 16 February 2016, FoundPac Group Berhad ("FoundPac") acquired the entire issued and paid-up share capital in FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"). The acquisition of FPSB and FoundPac Tech by way of share swap is a business combination of entities or businesses under common control. Accordingly, FoundPac prepared the audited consolidated financial statements for the year ended 30 June 2016.

## 12. ACCOUNTANTS' REPORT (cont'd)

### FOUNDPAC GROUP BERHAD

#### STATEMENTS OF CASH FLOWS

	Combined <sup>^</sup> Audited 2014 RM'000	Combined <sup>^</sup> Audited 2015 RM'000	Consolidated* Audited 2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax	10,024	14,070	17,592
Adjustments for:-			
Depreciation of property, plant and equipment	809	1,246	1,596
Gain on disposal of property, plant and equipment	0	(6)	(6)
Impairment loss on loans and receivables	3	0	0
Interest expense	4	1	0
Interest income	(37)	(69)	(326)
Property, plant and equipment written off	0	0	1
Unrealised loss/(gain) on foreign exchange	105	(287)	295
Operating profit before working capital changes	10,908	14,955	19,152
Changes in:-			
Inventories	800	(1,738)	685
Receivables and prepayments	(1,247)	1,066	(2,386)
Payables	(1,135)	545	194
Cash generated from operations	9,326	14,828	17,645
Interest received	37	69	326
Tax paid	(827)	(1,027)	(1,417)
Tax refunded	0	24	0
Net cash from operating activities	8,536	13,894	16,554
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment	0	9	12
Purchase of property, plant and equipment	(320)	(2,956)	(1,175)
Net cash used in investing activities	(320)	(2,947)	(1,163)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	(9,000)	(9,300)	(4,400)
Interest expense	(4)	(1)	0
Proceeds from issue of shares	0	0	3,000
Repayment of term loans	(266)	(20)	0
Net cash used in financing activities	(9,270)	(9,321)	(1,400)
Effect of exchange rate changes on cash and cash equivalents	0	44	(295)
Net (decrease)/increase in cash and cash equivalents	(1,054)	1,670	13,696
Cash and cash equivalents brought forward	5,869	4,815	6,485
Cash and cash equivalents carried forward	4,815	6,485	20,181

<sup>^</sup> The combined financial statements for the years ended 30 June 2014 and 2015 are the combination or aggregation of financial statements of FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"). based on the separate audited financial statements of both entities for financial years then ended. All material intra-group transactions and balances have been eliminated on combination.

\* On 16 February 2016, FoundPac Group Berhad ("FoundPac") acquired the entire issued and paid-up share capital in FoundPac Sdn. Bhd. ("FPSB") and FoundPac Technologies Sdn. Bhd. ("FoundPac Tech"). The acquisition of FPSB and FoundPac Tech by way of share swap is a business combination of entities or businesses under common control. Accordingly, FoundPac prepared the audited consolidated financial statements for the year ended 30 June 2016.

## 12. ACCOUNTANTS' REPORT (cont'd)

### FOUNDPAC GROUP BERHAD

#### NOTES TO THE FINANCIAL STATEMENTS

##### 1. GENERAL INFORMATION

##### 1.1 DOMICILE AND ACTIVITIES

FoundPac Group Berhad, FoundPac Sdn. Bhd. and FoundPac Technologies Sdn. Bhd. (collectively known as the "Group") are incorporated in Malaysia and had their registered office at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang.

The principal activities of the companies are as follows:-

Name of company	Principal Activities
FoundPac Group Berhad ("FoundPac")	Investment holding
FoundPac Sdn. Bhd. ("FPSB")	Investment holding
FoundPac Technologies Sdn. Bhd. ("FoundPac Tech")	Design, development, manufacture, marketing and sale of stiffeners, test sockets, hand lids and related accessories

Through its subsidiary company, FoundPac Tech, the Group is principally involved in the design, development, manufacture, marketing and sale of stiffeners, test sockets, hand lids and related accessories.

##### 1.2 BASIS OF PREPARATION

FoundPac was incorporated on 16 November 2015. FoundPac acquired the entire issued and paid-up share capital in FPSB and FoundPac Tech on 16 February 2016 by way of share swap and the acquisition was completed on the same date. As such, the financial statements comprise:-

- i) The combined statements of financial position as at 30 June 2014 and 2015, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 30 June 2014 and 2015; and
- ii) The consolidated statement of financial position as at 30 June 2016, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 30 June 2016.

The combined financial statements the financial years ended 30 June 2014 and 2015 were prepared based on the separate audited financial statements of FPSB and FoundPac Tech for the financial years ended 30 June 2014 and 2015. All material intra-group transactions and balances have been eliminated on combination.

The consolidated financial statements for the financial year ended 30 June 2016 was prepared based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2016.

All the audited financial statements were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"). The audited financial statements used to prepare the financial statements are not subject to any audit qualifications, modifications or disclaimers.

## 12. ACCOUNTANTS' REPORT (*cont'd*)

### FOUNDPAC GROUP BERHAD

#### NOTES TO THE FINANCIAL STATEMENTS

##### 1. GENERAL INFORMATION

##### 1.2 BASIS OF PREPARATION (CONT'D)

The Group resulting from the acquisition of FPSB and FoundPac Tech by way of share swap, is one involving entities under common control. Accordingly, the combined financial statements have been prepared for the financial years ended 30 June 2014 and 2015 in a manner similar to merger accounting method where financial statement items of the combined entities for the reporting periods in which the common control combination occurs are included in the combined financial statements of the Group as if the combination had occurred from the date when the combined entities first came under the control of the same shareholders.

As such, the combined financial statements for the years ended 30 June 2014 and 2015 which comprise the combined statements of financial position, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows are the combination or aggregation of all of the financial statements of the entities of the Group; i.e. FPSB and FoundPac Tech for the financial years then ended. All significant intercompany transactions and balances between the entities in the Group are eliminated on combination.

For preparation of consolidated financial statements for the financial year ended 30 June 2016, merger accounting has been applied to account for the business combination of entities or businesses under common control. Under the merger accounting method, the cost of merger is cancelled against the par value of shares acquired and any difference arising from the cancellation is taken to equity. The merger accounting method is disclosed in Note 2.1.

The Group has not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective for the financial year ended 30 June 2016:-

MFRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 9 <i>Financial Instruments</i> (IFRS 9 <i>Financial Instruments</i> as issued by IASB in July 2014)	1 January 2018
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 15 Clarifications to MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****1. GENERAL INFORMATION (CONT'D)****1.2 BASIS OF PREPARATION (CONT'D)**

<u>MFRS (Issued as at the end of the reporting period)</u>	Effective for annual periods beginning on or after
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRSs 2012 - 2014 Cycle</i> "	1 January 2016

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements except as follows:-

**MFRS 9 Financial Instruments**

MFRS 9 Financial Instruments, which replaces MFRS 139 *Financial Instruments: Recognition and Measurement*, sets out the requirements for recognising and measuring financial instruments. The major changes introduced by MFRS 9 (that are relevant to the Group) relate to the classification and measurement of financial assets. Under MFRS 9, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the business model within which they are held and their contractual cash flow characteristics. Management foresees that the adoption of these new classifications will not result in any significant changes in the existing measurement bases of financial assets of the Group.

**1.2.1 Statement of Compliance**

The financial statements have been prepared in accordance with MFRS and IFRS.

**1.2.2 Functional and Presentation Currency**

The financial statements are presented in RM and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

**1.2.3 Basis of Measurement**

The financial statements have been prepared on the basis stated in the notes described below using the audited financial statements under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.1 BASIS OF CONSOLIDATION**

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the merger accounting method. In applying merger accounting:-

- (a) the financial statement items of the combining entities or businesses for the reporting period in which the combination occurs are included in the consolidated financial statements as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling parties;
- (b) the assets and liabilities of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. Any excess or deficiency of the nominal value of the shares acquired is taken to the shareholders' equity as a merger reserve or deficit;
- (c) no amount is recognised as consideration for goodwill or bargain purchase gain at the time of combination, to the extent of the continuation of the controlling parties' interests; and
- (d) the effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements.

**2.2 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.3.

Revaluations of land and buildings are made with sufficient regularity at an interval of not more than five years such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period.

A revaluation increase is recognised in other comprehensive income and accumulated in equity as revaluation surplus or recognised in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease is recognised in profit or loss or recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the same asset.

Leasehold land and buildings are depreciated on a straight-line basis over the lease term of 44 years. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Plant and machinery	20%
Office equipment, furniture and fittings	20% - 50%
Renovation	20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 IMPAIRMENT OF NON-FINANCIAL ASSETS**

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset, other than inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss, or, in respect of a revalued asset, treated as a revaluation decrease.

An impairment loss on an asset is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation increase.

**2.4 INVENTORIES**

Inventories of materials and goods are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

**2.5 FINANCIAL ASSETS**

Financial assets of the Group consist of receivables and cash and cash equivalents.

**Recognition and Measurement**

A financial asset is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. A financial asset is initially recognised at fair value plus directly attributable transaction costs. After initial recognition, the financial asset is measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired as well as through the amortisation process.

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred.

**Impairment**

At the end of each reporting period, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets classified under loans and receivables is impaired. If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount and the associated allowance are written off when there is no realistic prospect of future recovery.



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**12. ACCOUNTANTS' REPORT (cont'd)**

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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.5 FINANCIAL ASSETS (CONT'D)****Impairment (cont'd)**

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the increased carrying amount does not exceed what the amortised cost would have been had no impairment loss been recognised at the reversal date. The reversal is recognised in profit or loss.

**2.6 FINANCIAL LIABILITIES**

Financial liabilities of the Group consist of payables and loans and borrowings.

**Recognition and Measurement**

A financial liability is recognised in the statements of financial position when, and only when, the Group became a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value less directly attributable transaction costs. After initial recognition, the financial liability is measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial liability is derecognised as well as through the amortisation process.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

**2.7 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION**

The financial statements are presented in Ringgit Malaysia, which is also the Group' functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

**2.8 SHARE CAPITAL**

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.9 FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

**Non-financial Assets**

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

**Financial Assets and Financial Liabilities**

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

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## 12. ACCOUNTANTS' REPORT (*cont'd*)

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### FOUNDPAC GROUP BERHAD

#### NOTES TO THE FINANCIAL STATEMENTS

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 2.10 INCOME RECOGNITION

Income from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Interest income is recognised using the effective interest method.

##### 2.11 EMPLOYEE BENEFITS

###### Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss in the period in which the associated services are rendered by the employee.

###### Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss in the period in which the associated services are rendered by the employee.

##### 2.12 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 2.13 INCOME TAXES

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

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**12. ACCOUNTANTS' REPORT (cont'd)**

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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.14 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

**3. JUDGEMENTS AND ESTIMATION UNCERTAINTY****Judgements Made in Applying Accounting Policies**

In the process of applying the accounting policies of the Group, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

**Sources of Estimation Uncertainty**

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:-

Allowance for inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 5 of this Report.

Impairment of loans and receivables

The Group makes allowance for impairment based on an assessment of the recoverability of loans and receivables. Allowance is applied to loans and receivables when there is objective evidence that the balances may not be recoverable. Management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment. Where expectations are different from previous estimates, the difference will impact on the carrying amounts of loans and receivables as disclosed in Note 6 of this Report.

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT**

	Short-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
<u>Cost/Valuation</u>						
Balance at 1 July 2013	5,500	4,800	3,634	1,243	45	15,222
Additions	0	0	165	155	0	320
Balance at 30 June 2014	5,500	4,800	3,799	1,398	45	15,542
Additions	0	0	2,639	40	277	2,956
Disposals/Write-offs	0	0	(8)	0	0	(8)
Revaluation	2,700	(300)	0	0	0	2,400
Balance at 30 June 2015	8,200	4,500	6,430	1,438	322	20,890
Additions	0	0	1,126	28	21	1,175
Disposals/Write-offs	0	0	(89)	(1)	0	(90)
Balance at 30 June 2016	8,200	4,500	7,467	1,465	343	21,975
Representing:-						
Balance at 1 July 2013						
- Cost	0	0	3,634	1,243	45	4,922
- Valuation	5,500	4,800	0	0	0	10,300
	5,500	4,800	3,634	1,243	45	15,222
Balance at 30 June 2014						
- Cost	0	0	3,799	1,398	45	5,242
- Valuation	5,500	4,800	0	0	0	10,300
	5,500	4,800	3,799	1,398	45	15,542
Balance at 30 June 2015						
- Cost	0	0	6,430	1,438	322	8,190
- Valuation	8,200	4,500	0	0	0	12,700
	8,200	4,500	6,430	1,438	322	20,890
Balance at 30 June 2016						
- Cost	0	0	7,467	1,465	343	9,275
- Valuation	8,200	4,500	0	0	0	12,700
	8,200	4,500	7,467	1,465	343	21,975

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Short-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Renovation RM'000	Total RM'000
<u>Accumulated Depreciation</u>						
Balance at 1 July 2013	239	209	2,302	798	11	3,559
Depreciation	131	114	376	179	9	809
Balance at 30 June 2014	370	323	2,678	977	20	4,368
Depreciation	130	113	731	222	50	1,246
Disposals/Write-offs	0	0	(5)	0	0	(5)
Revaluation	(500)	(436)	0	0	0	(936)
Balance at 30 June 2015	0	0	3,404	1,199	70	4,673
Depreciation	214	117	1,018	181	66	1,596
Disposals/Write-offs	0	0	(81)	(2)	0	(83)
Balance at 30 June 2016	214	117	4,341	1,378	136	6,186
<u>Carrying amount</u>						
Balance at 1 July 2013	5,261	4,591	1,332	445	34	11,663
Balance at 30 June 2014	5,130	4,477	1,121	421	25	11,174
Balance at 30 June 2015	8,200	4,500	3,026	239	252	16,217
Balance at 30 June 2016	7,986	4,383	3,126	87	207	15,789

The short-term leasehold land and buildings were revalued to fair values on August 2011 and June 2015 based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2). Had the land and buildings been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the financial statements are as follows:-

	Combined Audited 2014 RM'000	Combined Audited 2015 RM'000	Consolidated Audited 2016 RM'000
Short-term leasehold land	937	913	889
Buildings	3,870	3,546	3,223
	<u>4,807</u>	<u>4,459</u>	<u>4,112</u>

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to FPSB are as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Short-term leasehold land	5,130	N/A	N/A
Buildings	4,477	N/A	N/A
	9,607	N/A	N/A

**5. INVENTORIES**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Raw materials	697	2,046	1,004
Work-in-progress	449	638	522
Finished goods	428	628	1,101
	1,574	3,312	2,627

**6. TRADE AND OTHER RECEIVABLES**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Trade receivables	7,132	6,145	7,383
Other receivables	34	216	251
	7,166	6,361	7,634

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****6. TRADE AND OTHER RECEIVABLES (CONT'D)**

The currency profile of trade and other receivables is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Ringgit Malaysia	431	424	462
US Dollar	5,953	5,620	7,041
Euro	782	317	131
	<b>7,166</b>	<b>6,361</b>	<b>7,634</b>

**Trade Receivables**

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 day terms.

The movements in allowance for impairment are as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Balance at 1 July	0	0	0
Impairment loss recognised	3	0	0
Impairment loss written off	(3)	0	0
	<b>0</b>	<b>0</b>	<b>0</b>

The ageing analysis of trade receivables not impaired is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Not past due	4,928	3,392	4,846
Past due 1 to 30 days	1,210	1,039	991
Past due 31 to 120 days	994	1,377	1,258
Past due more than 120 days	0	337	288
	<b>7,132</b>	<b>6,145</b>	<b>7,383</b>

Trade receivables that are neither past due nor impaired mainly relate to creditworthy customers who have regular transactions and good payment records with the Group.



**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****6. TRADE AND OTHER RECEIVABLES (CONT'D)****Trade Receivables (cont'd)**

Management determines credit risk concentrations in terms of counterparties and geographical areas. The details of major customers that accounted for 10% or more of total trade receivables are as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
No. of major customers	2	2	3
Balance at 30 June	3,796	3,106	3,862

The credit risk concentration profile by geographical areas of trade receivables is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Malaysia	399	209	211
Other Asian Countries	263	252	642
North America	4,830	4,457	5,153
Europe	1,640	1,227	1,377
	7,132	6,145	7,383

**Other Receivables**

Other receivables are unsecured and non-interest bearing. The amounts mainly consist of advances and refundable deposits which have no fixed repayment terms.

**7. CASH AND CASH EQUIVALENTS**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Short-term highly liquid investments	0	0	800
Term deposits with licensed banks (fixed rate)	467	479	15,981
Cash and bank balances	4,348	6,006	3,400
	4,815	6,485	20,181

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****7. CASH AND CASH EQUIVALENTS (CONT'D)**

The effective interest rates of term deposits as at the end of the reporting period are as follows:-

	<b>Combined Audited 2014 %</b>	<b>Combined Audited 2015 %</b>	<b>Consolidated Audited 2016 %</b>
Effective interest rates	3.05	3.15	4.15

The currency profile of cash and cash equivalents is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Ringgit Malaysia	952	4,887	16,569
US Dollar	3,611	1,324	3,608
Euro	249	272	2
Others	3	2	2
	<b>4,815</b>	<b>6,485</b>	<b>20,181</b>

**8. TRADE AND OTHER PAYABLES**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Trade payables	1,868	2,598	2,622
Other payables:-			
- Directors	17	0	0
- Unrelated parties	414	290	460
	<b>431</b>	<b>290</b>	<b>460</b>
	<b>2,299</b>	<b>2,888</b>	<b>3,082</b>

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****8. TRADE AND OTHER PAYABLES (CONT'D)**

The currency profile of trade and other payables is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Ringgit Malaysia	1,748	1,677	1,956
US Dollar	500	1,211	1,126
Others	51	0	0
	<u>2,299</u>	<u>2,888</u>	<u>3,082</u>

Trade and other payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

**Trade Payables**

Trade payables are unsecured, non-interest bearing and generally on 30 to 90 day terms.

**Other Payables**

Other payables are unsecured and non-interest bearing. The amounts owing to directors are repayable on demand. The amounts owing to unrelated parties mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days.

**9. LOANS AND BORROWINGS - SECURED**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Term loans (floating rate)	<u>20</u>	<u>0</u>	<u>0</u>

Term loans are secured the short-term leasehold land and buildings (Note 4 of this Report). The effective interest rate of the term loans at the end of the reporting period is as follows:

	<b>Combined Audited 2014 %</b>	<b>Combined Audited 2015 %</b>	<b>Consolidated Audited 2016 %</b>
Effective interest rate	<u>4.60</u>	N/A	N/A

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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****9. LOANS AND BORROWINGS – SECURED (CONT'D)**

Terms loans are repayable over 10 years. The repayment analysis is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Gross loans instalments	20	0	0
Future finance charges	0	0	0
	<hr/>	<hr/>	<hr/>
Present value of term loans	20	0	0
	<hr/>	<hr/>	<hr/>

The fair values of term loans are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of term loans.

**10. DEFERRED TAX LIABILITIES**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Balance at 1 July	1,306	1,348	2,270
Deferred tax expense/(income) relating to origination and reversal of temporary differences:-			
- Profit or loss	42	182	(247)
- Other comprehensive income	0	800	0
Deferred tax income relating to change in tax rate:-			0
- Profit or loss	0	(33)	0
- Other comprehensive income	0	(45)	0
Deferred tax liabilities under/(over) provided in prior year	0	18	(21)
	<hr/>	<hr/>	<hr/>
Balance at 30 June	1,348	2,270	2,002
	<hr/>	<hr/>	<hr/>
In respect of taxable/(deductible) temporary differences:-			
- Property, plant and equipment	1,374	2,201	2,073
- Financial instruments	(26)	69	(71)
	<hr/>	<hr/>	<hr/>
	1,348	2,270	2,002
	<hr/>	<hr/>	<hr/>

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****11. SHARE CAPITAL**

	<b>Combined Audited 2014 Number of share '000</b>	<b>Combined Audited 2015 Number of share '000</b>	<b>Consolidated Audited 2016 Number of share '000</b>
Par value of each ordinary share	RM1.00	RM1.00	RM0.10
Authorised:-			
At 1 July	2,000	2,000	2,000
Increased during the year	0	0	498,000
At 30 June	<u>2,000</u>	<u>2,000</u>	<u>500,000</u>
Issued and fully paid-up:-			
At 1 July	2,000	2,000	2,000
Issued during the year	0	0	328,000
At 30 June	<u>2,000</u>	<u>2,000</u>	<u>330,000</u>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Par value of each ordinary share	RM1.00	RM1.00	RM0.10
Authorised:-			
At 1 July	2,000	2,000	2,000
Increased during the year	0	0	48,000
At 30 June	<u>2,000</u>	<u>2,000</u>	<u>50,000</u>
Issued and fully paid-up:-			
At 1 July	2,000	2,000	2,000
Issued during the year	0	0	31,000
At 30 June	<u>2,000</u>	<u>2,000</u>	<u>33,000</u>

For the purpose of this Report, the authorised, issued and fully paid-up ordinary shares as at 30 June 2014 and 2015 represent the aggregate authorised, issued and fully paid-up ordinary shares of FPSB and FoundPac Tech of RM1.00 each. The authorised, issued and fully paid-up ordinary shares as at 30 June 2016 represent the authorised, issued and fully paid-up shares of FoundPac of RM0.10 each.

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****11. SHARE CAPITAL (CONT'D)**

The movement of issued and fully paid-up share capital of the Group is as follows:-

	Par value RM	No. of Shares
Balance at 1 July 2013:-		
- FPSB	1.00	1,000,000
- FoundPac Tech	1.00	1,000,000
Balance at 30 June 2014	1.00	2,000,000
Movement during the year	1.00	0
Balance at 30 June 2015	1.00	2,000,000
Issue of shares by FoundPac Tech	1.00	50,000
Bonus issue by:-		
- FPSB	1.00	10,500,000
- FoundPac Tech	1.00	20,450,000
		30,950,000
Issue of shares by FoundPac the date of incorporation	0.10	20
Effect of share swap	0.10	(20)
Balance at 30 June 2016	0.10	330,000,000

The Company was incorporated on 16 November 2015. At the date of incorporation, the Company issued 20 subscribers' ordinary shares of RM0.10 each at par for cash.

In February 2016, the Company increased its issued and fully paid-up share capital from RM2 to RM33,000,000 by issuing:-

- (i) 114,999,980 new ordinary shares of RM0.10 each at par as consideration for the acquisition of the entire issued and fully paid-up share capital of FPSB comprising 11,500,000 ordinary shares of RM1.00 each; and
- (ii) 215,000,000 new ordinary shares of RM0.10 each at par as consideration for the acquisition of the entire issued and fully paid-up share capital of FoundPac Tech comprising 21,500,000 ordinary shares of RM1.00 each.

**12. REVENUE**

Revenue represents income from the sale of goods.

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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****13. PROFIT BEFORE TAX**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Profit before tax is arrived at after charging:-			
Auditors' remuneration	10	20	35
Depreciation for property, plant and equipment	809	1,246	1,596
Directors' non-fee emoluments	808	830	1,442
Fee expense for financial instruments not at fair value through profit or loss	29	30	44
Impairment loss on loans and receivables	3	0	0
Incorporation fee	0	0	3
Interest expense for financial liabilities not at fair value through profit or loss	4	1	0
Property, plant and equipment written off	0	0	1
Unrealised loss on foreign exchange	105	0	295
and crediting:-			
Bad debt recovered	0	0	4
Gain on disposal of property, plant and equipment	0	6	6
Gain on foreign exchange:-			
- Realised	238	1,120	723
- Unrealised	0	287	0
Interest income for financial assets not at fair value through profit or loss	37	69	326
	<hr/>	<hr/>	<hr/>

**14. EMPLOYEE BENEFITS EXPENSE**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Short-term employee benefits	3,648	3,756	4,463
Defined contribution plan	308	343	445
	<hr/>	<hr/>	<hr/>
	3,956	4,099	4,908
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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****15. TAX EXPENSE**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Tax based on result for the year:-			
Malaysian income tax	772	1,003	1,424
Deferred tax	42	149	(247)
	<hr/> 814	<hr/> 1,152	<hr/> 1,177
Tax (over)/under provided in prior year:-			
Malaysian income tax	(1)	2	4
Deferred tax	0	18	(21)
	<hr/> 813	<hr/> 1,172	<hr/> 1,160

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate is as follows:-

	<b>Combined Audited 2014 %</b>	<b>Combined Audited 2015 %</b>	<b>Consolidated Audited 2016 %</b>
Applicable tax rate	25.00	25.00	24.00
Non-deductible expenses	1.75	0.59	0.52
Pioneer income exempted	(18.38)	(16.88)	(17.63)
Effect of differential tax rate	(0.25)	(0.52)	(0.20)
	<hr/> 8.12	<hr/> 8.19	<hr/> 6.69

Pursuant to the Finance (No. 2) Act 2014 (Act 764) gazetted on 30 December 2014, the statutory income tax rate has been reduced from 25% to 24% for the financial year under review.

FoundPac Tech has been granted Pioneer Status under the Promotion of Investments Act 1986 with 70% tax exemption on its statutory income for a period of 5 years commencing from 1 September 2011.



**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****16. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the Group's profit for the financial years by the weighted average number of ordinary shares in issue during the financial years as follows:-

	<b>Combined Audited 2014</b>	<b>Combined Audited 2015</b>	<b>Consolidated Audited 2016</b>
Profit for the financial year (RM'000)	9,211	12,898	16,432
Number of shares in issue ('000)	2,000	2,000	2,000
Effect of shares issued ('000)	0	0	33
Effect of bonus issue ('000)*	29,976	29,976	30,625
Effect of share swap ('000)*	287,786	287,786	293,929
Weighted average number of share in issue ('000)	319,762	319,762	326,587
Basic earnings per share (sen)	2.88	4.03	5.03

\* The calculation of earnings per share for the financial year 2014 and 2015 has been adjusted retrospectively to reflect the changes in the number of shares as a result of the bonus issue and share swap during the financial year 2016.

The diluted earnings per share equals the basic earnings per share as there were no dilutive potential ordinary shares during the financial years.

**17. DIVIDENDS**

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Second interim tax exempt dividend of RM4.40 per share in respect of the financial year ended 30 June 2015	0	4,400	0
First interim tax exempt dividend of RM6.00 per share in respect of the financial year ended 30 June 2015	0	6,000	0
Second interim tax exempt dividend of RM3.30 per share in respect of the financial year ended 30 June 2014	3,300	0	0
First interim tax exempt dividend of RM3.00 per share in respect of the financial year ended 30 June 2014	3,000	0	0
Final tax exempt dividend of RM3.00 per share in respect of the financial year ended 30 June 2013	3,000	0	0
	<u>9,300</u>	<u>10,400</u>	<u>0</u>

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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****18. RELATED PARTY DISCLOSURES**

Significant transactions with related parties during the financial years are as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Key management personnel compensation:-			
- Short-term employee benefits	722	742	1,288
- Defined contribution plan	85	87	154
	<b>807</b>	<b>829</b>	<b>1,442</b>

**19. SEGMENT REPORTING****Operating Segments**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the design, development, manufacture, marketing and sale of stiffeners, test sockets, hand lids and related accessories.

**Geographical Information**

The Group operates principally in Malaysia throughout the financial years and generates revenue from the following geographical locations of customers:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
Malaysia	1,672	1,554	1,285
Other Asia countries	1,818	1,767	3,469
United States of America	22,146	26,142	32,058
Europe	4,568	4,907	7,296
	<b>30,204</b>	<b>34,370</b>	<b>44,108</b>

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**12. ACCOUNTANTS' REPORT (cont'd)**


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**FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****19. SEGMENT REPORTING (CONT'D)****Major customers**

There was 1 major customer that contributed 10% or more of the Group's total revenue and the total revenue generated from this major customer is as follows:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>	<b>Segment</b>
Customer A	13,737	16,513	21,040	United States of America

**20. FINANCIAL RISK MANAGEMENT**

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk and currency risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged during the financial years.

**Credit Risk**

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is minimal. They manage its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms.

**Liquidity Risk**

The Group's exposure to liquidity risk relates to their ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

**12. ACCOUNTANTS' REPORT (cont'd)****FOUNDPAC GROUP BERHAD****NOTES TO THE FINANCIAL STATEMENTS****20. FINANCIAL RISK MANAGEMENT (CONT'D)****Currency Risk**

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currencies transacted are US Dollar ("USD") and Euro ("EUR").

The Group observes the movements in exchange rates and acts accordingly to minimise their exposure to currency risk. Where necessary, The Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:-

- (i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	<b>Combined Audited 2014 RM'000</b>	<b>Combined Audited 2015 RM'000</b>	<b>Consolidated Audited 2016 RM'000</b>
<b>Increase/(Decrease) in Profit</b>			
Appreciation of USD against RM by 10%	680	693	724
Depreciation of USD against RM by 10%	(680)	(693)	(724)
Appreciation of EUR against RM by 10%	77	45	10
Depreciation of EUR against RM by 10%	(77)	(45)	(10)

**21. CAPITAL MANAGEMENT**

The overall capital management objective of the Group is to safeguard their ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity to be the key component of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. Management has not formulated any formal policies and processes for monitoring the Group's capital in view of its simple structure. Nevertheless, management will always strive to improve those policies and processes whenever the need arises.

**22. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD**

Subsequent to the financial year ended 30 June 2016, the Company obtained approval from the Securities Commission Malaysia and Bursa Malaysia Securities Berhad for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad.

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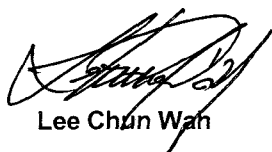
**12. ACCOUNTANTS' REPORT (cont'd)**

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**FOUNDPAC GROUP BERHAD**

**STATEMENT BY DIRECTORS**

We, Lee Chun Wah and Ong Choon Heng, being the two of the directors of FoundPac Group Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 3 to 31 give a true and fair view of the financial position of the Group as at 30 June 2014, 2015 and 2016 and of their financial performance and cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines - Equity issued by the Securities Commission Malaysia.



Lee Chun Wah



Ong Choon Heng

### 13. DIRECTORS' REPORT



#### FoundPac Group Berhad (1165946-H)

Plot 35, Hilir Sungai Keluang 2, Bayan Lepas Non-Free Industrial Zone Phase IV, 11900 Bayan Lepas, Penang, Malaysia  
Tel: +604-630 9336 Fax: +604-630 9333  
www.foundpac.com

**Date: 30 Nov 2016**

The Shareholders of  
**FoundPac Group Berhad**  
Plot 35, Hilir Sungai Keluang 2  
Bayan Lepas Industrial Estate  
Non-Free Industrial Zone Phase IV  
11900 Bayan Lepas  
Penang

Dear Sir/Madam,

On behalf of the Board of Directors of FoundPac Group Berhad ("**FoundPac**" or the "**Company**"), I wish to report after due enquiry by the Board of Directors of FoundPac, that between the period from 30 June 2016 (being the date to which the last audited financial statements of FoundPac and its subsidiary companies (the "**Group**") have been made up) to the date of this letter (being a date not earlier than 14 days before the issuance of this Prospectus), that:-

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

Yours faithfully,  
For and on behalf of the Board of Directors of  
**FOUNDPAC GROUP BERHAD**

A handwritten signature in black ink, appearing to read 'Lee Chun Wah', written over a horizontal line.

**LEE CHUN WAH**  
Executive Director/Chief Executive Officer

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## 14. STATUTORY AND OTHER INFORMATION

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### 14.1 SHARE CAPITAL

- (a) No Shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (b) There is no founder, management or deferred shares in our Company. We have only one class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (c) Save as disclosed in this Prospectus, no shares and/or debentures, warrants, options, convertible securities or uncalled capital of our Company or our Subsidiary Companies have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (d) Save for the Pink Form Allocation, there is no other scheme involving our Directors and employees in the capital of our Group.
- (e) As at the date of this Prospectus, neither our Company nor our subsidiary has any outstanding convertible debt securities.
- (f) There is no limitation on the right to own our Shares, including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by law or by the constituent documents of our Company.

### 14.2 ARTICLES OF ASSOCIATION

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

#### (a) Transfer of Shares

##### **Article 41 – Transfer of Securities by way of a Book Entry**

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security) shares in the Company which have been deposited with the Bursa Depository shall be transferable but every transfer shall be by way of book entry by the Bursa Depository in accordance with the Rules of the Bursa Depository and, notwithstanding Section 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from the compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed securities

##### **Article 42 – Transmission of Securities**

Where:-

- (i) the securities of the Company are listed on another stock exchange; and
- (ii) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Bursa Depository in respect of such securities,

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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the Company shall, upon request by securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

**Article 43 – Refusal to Register Transfer**

- (i) Subject to the Central Depositories Act and the Rules, the Directors may in their absolute discretion and without assigning any reason thereof authorise its registrar to cause the Bursa Depository to decline to register any transfer of share upon which the Company has a lien or which are not fully paid-up.
- (ii) Subject to the Central Depositories Act and the Rules, the Directors may also authorise its registrar to cause the Bursa Depository to decline to register any transfer unless such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer is deposited at such place as the Directors may appoint.

**Article 44 – Closing of Register**

The Register of Members may be closed at such time and for such period as the Directors may from time to time determine PROVIDED ALWAYS that they shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefore shall be given to the Bursa Securities, such notice shall state the books closing date, which shall be at least ten (10) Market Days after the date of notification to the Bursa Securities, and the address of the share registrar at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules to issue the appropriate Record of Depositors.

**Article 45 – Registration of Documents relating to Title of Shares**

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee, as may be permitted by the relevant law and as the Directors may from time to time require or prescribe.

**Article 46 – Renunciation of Allotment by the Allottee**

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

**Article 47 – Deposited Securities**

All transfer of securities deposited with a Bursa Depository, including but not limited to the Deposited Security, shall be in compliance with the relevant laws and Rules.

**Article 48 – Death of Holder of Shares**

In the case of death of a Member, the legal personal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased share holder from any liability in respect of any share which had been held by him.



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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 49 – Rights on Death or Bankruptcy**

Any person becoming entitled to shares in consequence of the death or bankruptcy of any Member may upon such evidence of title being produced as may from time to time be required by the Directors (but subject to the provisions hereinafter contained) elect either to be registered himself as a Member in respect of such shares or to have some person nominated by him registered as transferee thereof but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the shares by that Member before his death or bankruptcy. Before recognizing any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence. Provided Always that where the shares is a Deposited Security, a transfer or withdrawal of the shares may be carried out by the person becoming so entitled, subject to the Rules.

**Article 50 – Election with regard to Registration**

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided Always that where the shares is a Deposited Security and the person so becoming entitled elects to have the shares transferred to him, the aforesaid notice must be served by him on the Bursa Depository. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the shares. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice of transfer were a transfer signed by that Member.

**Article 51 – Person Entitled to Receive and Give Discharge for Dividends**

A person entitled to shares in consequence of the death or bankruptcy of a member shall be entitled upon the production of such evidence as may from time to time be properly required by the Directors in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

**(b) Voting and Borrowing Powers of Directors, including Voting Powers on Proposals, Arrangements or Contracts in which they are Interested****Article 109 – Approval of the Company Required**

Subject to the Act, the Directors shall not without the prior approval of the Company in general meeting:-

- (i) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company, as defined in the Act; or
- (ii) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
- (iii) enter into any arrangement or transaction with a Director or a director of the holding company of the Company, or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of a requisite value as defined in the Act.

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 110(1) – Directors' Borrowing Power**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party Provided Always that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

**Article 114 – Right to hold other Office under the Company**

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that Sections 131 and 132E and all other relevant provisions of the Act and these Articles are complied with.

**Article 129 – Disclosure of Interest in Contracts, Property, Offices, etc**

Every Director shall comply with the provisions of Sections 131 and 134 of the Act in connection with the disclosures of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

**Article 132 – Director may Vote on the Giving of Security or Indemnity where he is interested**

A Director may vote in respect of:-

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

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 133 – Directors may become directors or other officers of any corporation promoted by the Company**

A Director may be or become director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such corporation, unless the Company otherwise directs at the time of his appointment. The Director may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

**(c) Remuneration of Directors****Article 105 – Remuneration of Directors**

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:-

- (i) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (ii) salaries payable to executive Directors shall not include a commission on or percentage of turnover but may include a commission on or percentage of profits;
- (iii) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (iv) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

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**14. STATUTORY AND OTHER INFORMATION (cont'd)****Article 106 – Reimbursement and Special Remuneration**

- (i) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (ii) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

**Article 139 – Remuneration of Managing Directors and Deputy Managing Directors**

The remuneration of the Managing Director and the Deputy Managing Director may subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they may receive pension, gratuity or other benefits upon their retirement.

**(d) Changes in Capital and Variation of Class Rights****Article 4 – Issue of Shares**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act, the Central Depositories Act and to the conditions, restrictions and limitations expressed in these Articles and to the provisions of any resolution of the Company, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights as they think proper, PROVIDED ALWAYS THAT:-

- (i) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (ii) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;
- (iii) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
- (iv) every issue of shares or options to employees and/or Directors of the Company or its subsidiary companies pursuant to a share issuance scheme shall be approved by the Members in general meeting; No director shall participate in a share issuance scheme unless the Members in general meeting have approved the specific allotment to be made to such Director.

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 5 – Issue of Preference Shares**

Without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that:-

- (i) (aa) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements and attending general meetings of the Company. PROVIDED always that preference shareholders shall not have the right to vote at any general meeting of the Company except on each of the following circumstances: -
- (1) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
  - (2) on a proposal to reduce the company's share capital;
  - (3) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (4) on a proposal that affects rights attached to the share;
  - (5) on a proposal to wind up the Company; and
  - (6) during the winding up of the Company.
- (ii) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 19 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

**Article 12 – Share Buy-Back**

Subject to and in accordance with the Act, the Companies Regulations 1966 and the Rules and requirements of the Bursa Securities, the Bursa Depository, the Securities Commission and any other relevant authorities, the Company shall have the power to purchase its own shares. Any ordinary shares in the Company so purchased by the Company shall be dealt with as provided by the Act and the Listing Requirements and or requirements of any other relevant authority.

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 19 – Alteration of Preferential Shareholders' Rights**

Notwithstanding Article 20 hereof, the repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

**Article 20 – Alteration of Class Rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-tenth (1/10) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

**Article 21 – No Alteration of Rights by Issuance of New Shares**

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

**Article 56 – Increase of Share Capital**

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

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**Article 57 – Issue of New Shares to Existing Members**

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under these Articles.

**Article 58 – New Capital to be Considered as Part of the Current Share Capital of the Company**

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

**Article 59 – Alteration of Capital**

- (i) The Company may from time to time by ordinary resolution:-
  - (aa) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (bb) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares; or
  - (cc) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (ii) The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by the law.

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**14.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (a) The names, addresses and occupations of the Directors of our Company are set out in the Corporate Directory of this Prospectus.
- (b) A Director is not required to hold any qualification share in our Company unless otherwise so fixed by the Company in general meeting.
- (c) No commission, discounts, brokerages or other special terms have been paid, granted or are payable by our Company or our subsidiary within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of our Company or our subsidiary or in connection with the issue or sale of any capital of our Company or any of our subsidiary and no Promoters, Directors or experts is or are entitled to receive any such payment.
- (d) Save and except for salaries, employment related benefits, dividends payable to the Promoters and/or substantial shareholders and/or Directors of our Company, related party transactions and remuneration and benefits for services rendered in all capacities to our Group as disclosed in Sections 8.2.3 of this Prospectus, there are no other amounts or benefits paid or intended to be paid or given to any of the Promoters, substantial shareholders or Directors within two (2) years preceding the date of this Prospectus.
- (e) Save as disclosed in Section 10.1.2 of this Prospectus, none of the other Directors and/or substantial shareholders of our Company has interest in any contract or arrangement subsisting at the date of this Prospectus, which is significant in relation to the business of our Company or our Group taken as a whole.
- (f) Save as disclosed in Section 8.1.5 of this Prospectus, the Directors and/or substantial shareholders of our Company are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over our Company.

**14.4 MATERIAL CONTRACTS**

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiary companies within the past two (2) years immediately preceding the date of this Prospectus:-

- (a) FPSB SSA dated 16 February 2016, between FPSB Vendors, FoundPac (as purchaser) and FoundPac Holdings (as nominee company) for the Acquisition of FPSB. The FPSB Vendors had nominated FoundPac Holdings to be the recipient and the legal and beneficial owner of the FoundPac Shares.
- (b) FoundPac Tech SSA dated 16 February 2016 between FoundPac Tech Vendors, FoundPac (as purchaser) and FoundPac Holdings (as nominee company) for the Acquisition of FoundPac Tech. The FoundPac Tech Vendors had nominated FoundPac Holdings to be the recipient and the legal and beneficial owner of the FoundPac Shares.
- (c) Underwriting Agreement dated 29 November 2016 between TA Securities and FoundPac for the underwriting of the 18,500,000 Public Issue Shares made available for application by the Malaysian public at the underwriting commission rate of 2.00% of the total value of the underwritten Shares at the IPO Price.



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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**14.5 MATERIAL LITIGATION AND CONTINGENT LIABILITY**

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and the Directors of our Company do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

As at the date of the Directors' Report and save as disclosed below, there is no contingent liability which, upon becoming enforceable, may have material impact on our financial position or business.

**14.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFITS**

As at the LPD, our Group does not have any foreign incorporated subsidiary company or holding company hence, the Group is not affected by any governmental laws, decrees, regulations or other legislations in other countries relating to the repatriation of capital and the remittance of profit by or to our Group.

**14.7 PUBLIC TAKE-OVER OFFERS**

None of the following has occurred since our incorporation on 16 November 2015 up to the LPD:-

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

**14.8 CONSENTS**

- (a) The written consent of our Principal Adviser, Sole Underwriter and Sole Placement Agent, Company Secretary, Solicitors, Principal Banker, Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of our Reporting Accountants and Auditors to the inclusion in this Prospectus of their names, Accountants' Report and letter relating to the Proforma Consolidated Statements of Financial Position and audit reports in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.
- (c) The written consent of our Independent Market Researcher to the inclusion in this Prospectus of their name and the executive summary of the Independent Market Research Report in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

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**14. STATUTORY AND OTHER INFORMATION (cont'd)**

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**14.9 DOCUMENTS FOR INSPECTION**

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

- (a) The M&A of our Company;
- (b) The audited financial statements of FPSB and FoundPac Tech for the past three (3) FYE 2014 to FYE 2016 and FoundPac for FYE 2016;
- (c) The Independent Market Research Report by Smith Zander of which the executive summary is set out in Section 7 of this Prospectus;
- (d) The Reporting Accountants' letters relating to the Proforma Consolidated Statements of Financial Position as set out in Section 11.2 of this Prospectus;
- (e) The Accountants' Report as included in Section 12 of this Prospectus;
- (f) The Directors' Report referred to in Section 13 of this Prospectus;
- (g) The material contracts referred to in Section 14.4 of this Prospectus; and
- (h) The letters of consent referred to in Section 14.8 of this Prospectus.

**14.10 RESPONSIBILITY STATEMENTS**

Our Directors, Promoters and Offeror have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

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

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## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### 15.1 OPENING AND CLOSING OF APPLICATION

The Application will open at 10.00 a.m. on 13 December 2016 and will remain open until 5.00 p.m. on 19 December 2016 or for such further periods as our Directors, Promoters and Offeror together with the Sole Underwriter in their absolute discretion may mutually decide. If the closing date of the application is extended upon consultation with the SC, the dates for the balloting, allotment and listing of our entire issued and paid-up share capital on the Main Market of Bursa Securities would be extended accordingly and we will notify the public via an advertisement in widely circulated daily English and Bahasa Malaysia newspapers within Malaysia. Late applications will not be accepted.

### 15.2 METHODS OF APPLICATION

Your applications for the IPO Shares may be made using any of the following:-

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

### 15.3 GENERAL CONDITIONS FOR APPLICATIONS

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

#### (a) Application by the Malaysian Public

Applications for our IPO Shares made available for application by the Malaysian Public must be made only on the **WHITE** Application Forms provided or by way of Electronic Share Application through a Participating Financial Institutions' ATM or Internet Share Application through the Internet Participating Financial Institutions, of which 50% is to be set aside strictly for Bumiputera investors. A corporation or institution cannot apply for shares by way of Electronic Share Application through a Participating Financial Institutions' ATM or Internet Share Application through the Internet Participating Financial Institutions.

#### (b) Application by the eligible Directors, employees and business associates (including other persons who have contributed to our success)

Applications for our IPO Shares reserved for the eligible Directors, employees and other persons who have contributed to the success of our Group must be made only on the **PINK** Application Forms provided and **NOT** on any other Application Forms or by way of Electronic Share Application through a Participating Financial Institutions' ATM or Internet Share Application through the Internet Participating Financial Institutions.

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

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

The amount payable in full on application is RM0.54 per Share.

If you submit applications by way of Application Form, you **may not** submit applications by way of Electronic Share Application or Internet Share Application and vice versa.

Persons submitting applications by way of Application Form or by way of Electronic Share Application or Internet Share Application **must have a CDS Account**.

Corporation or institution cannot apply for the Shares by way of Electronic Share Application or Internet Share Application.

Your applications shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

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

- (i) (aa) YOUR NRIC;
- (bb) YOUR RESIT PENGENALAN SEMENTARA (**KPPK 09**) ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; OR
- (cc) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF ARMED FORCES OR POLICE, YOUR NAME AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR AUTHORITY CARD.

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

We and/or the Issuing House shall make no acknowledgement of the receipt of applications or application monies.

### 15.4 APPLICATIONS USING APPLICATION FORMS

#### (a) Types of Application Forms

The following Application Forms issued with the notes and instructions printed therein are accompanied by this Prospectus.

- (i) **WHITE** Application Forms for application by Malaysian Public;
- (ii) **PINK** Application Forms for application by the eligible Directors and employees and business associates (including any other persons who have contributed to our success); and

**WHITE** Application Forms together with copies of this Prospectus may be obtained, subject to availability from TA Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and the Issuing House.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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**(b) Terms and Conditions of Applications Using Application Forms**

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:

- (i) Applicant who is an individual must be a Malaysian Citizen residing in Malaysia with Malaysian address. Applicants must have a CDS Account.
- (ii) Applicant which is a corporation/institution incorporated in Malaysia, with a CDS Account and are subject to the following:-
  - (aa) If the corporation/institution has a share capital, more than half of your issued share capital (excluding preference share capital) is held by Malaysian citizens; and
  - (bb) There is a majority of Malaysian citizens on the board of Directors/trustee.
- (iii) Applicant which is a superannuation, provident and pension fund established or operating in Malaysia and with a CDS Account.
- (iv) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnership or other incorporated bodies or associations, other than corporations/institutions referred to in Sections 16.4 (ii)(b) and 16.4 (ii)(c) above or the trustees thereof.
- (v) You can apply for the Shares using relevant Application Forms issued together with this Prospectus and you must complete the Application Form in accordance with the Notes and Instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 232(2) of the CMA, the Application Form together with the Notes and Instructions printed thereon are accompanied by this Prospectus. We will not accept your applications if they do not strictly conform to the terms of this Prospectus or Application Form or Notes and Instructions printed thereon or which are illegible.
- (vi) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCES IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE EITHER BY:
  - BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera Applicants); OR
  - MONEY ORDER OR POSTAL ORDER (for Applicants from Sabah and Sarawak only); OR
  - GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera Applicants); OR

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

- ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:-
  - Hong Leong Bank Berhad;
  - Malayan Banking Berhad; or
  - RHB Bank Berhad.

MADE OUT IN FAVOUR OF:

**"TIH SHARE ISSUE ACCOUNT NO. 669"**

AND CROSSED "**A/C PAYEE ONLY**" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS.

WE WILL NOT ACCEPT YOUR APPLICATION WHICH IS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE OR INAPPROPRIATE BANKER'S DRAFT/ CASHIER'S ORDER/ MONEY ORDERS OR POSTAL ORDER/ GGO/ ATM STATEMENT. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (vii) YOU **MUST** STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM.
- (viii) YOUR NAME AND ADDRESS, MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, POSTAL ORDER OR GGO FROM BANK SIMPANAN NASIONAL BERHAD.
- (ix) Our Directors reserve the right to require you, if you are successful in your application, to appear in person at the registered office of the Issuing House at anytime within fourteen (14) days of the date of notice issued to you prior to the listing of and quotation for the ordinary shares on the Main Market to ascertain the regularity or propriety of your application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (x) The Issuing House acting on the authority of our Directors reserves the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (xi) The Issuing House acting on the authority of our Directors reserves the right not to accept your application or to accept your application in part only without assigning any reason thereof. Due consideration will be given to the desirability of allocating our IPO Shares to a reasonable number of Applicants with a view of establishing an adequate market for the shares.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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- (xii) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official 'A' envelope you provided by ordinary post (for fully unsuccessful applications) **or by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary post (for partially successful application) within ten (10) Market Days from the date of the final ballot if you have not provided such bank account information to Bursa Depository.**

If your application was rejected because you did not provide a CDS Account number, your application monies will be sent to the address stated in the NRIC or 'Resit Pengenalan Sementara (KPPK 09)' or any valid temporary identity document issued by the National Registration Department from time to time or authority card in the case of Armed Forces/Police personnel where applicable, at your own risk.

Our Issuing House reserves the right to bank in all application monies from unsuccessful applicants. **These monies will be refunded by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary post to your address last maintained with Bursa Depository at your own risk if you have not provided such bank account information to Bursa Depository.**

- (xiii) You shall ensure that your personal particulars as stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xiv) The Issuing House acting on the authority of our Directors reserves the right to bank in all application monies from unsuccessful Bumiputera Applicants and partially successful Applicants, which would subsequently be refunded without interest by ordinary post or registered post at your own risk.
- (xv) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Tricor Investor & Issuing House Services Sdn. Bhd. (11324-H)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No.8 Jalan Kerinchi  
59200 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 19 December 2016 or such further period or periods as our Directors in their absolute discretion may mutually decide.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**


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**We will not accept late applications.**

- (xvi) Directors and employees of the Issuing House and their immediate families are strictly prohibited from applying for our Shares.
- (xvii) YOU MAY DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO THE ISSUING HOUSE.

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

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (ii) You **must** have a CDS Account; and
- (iii) You can apply for our Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.5 (ii) in respect of the terms and conditions for Electronic Share Applications. You have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:-
  - Personal Identification Number ("**PIN**");
  - **TIH Share Issue Account No. 669**;
  - CDS Account number;
  - Number of the shares applied for and/or the RM amount to be debited from the account; and
  - Confirmation of several mandatory statements.
- (iv) Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches with the respective processing fee:-

- Affin Bank Berhad – No fee will be charged for application by their account holders;
- AmBank (M) Berhad – RM1.00;
- CIMB Bank Berhad – RM2.50;
- HSBC Bank Malaysia Berhad – RM2.50;
- Malayan Banking Berhad – RM1.00;
- Public Bank Berhad – RM2.00;
- RHB Bank Berhad – RM2.50; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50.



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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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**(b) Terms and Conditions for Electronic Share Application**

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 16.5(i) of this Prospectus. The Steps set out the actions that the Applicant must take at the ATM to complete an Electronic Share Application.

Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "you" in the terms and conditions for Electronic Share Applications and the Steps shall mean the Applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

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

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

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

You will be allowed to make an Electronic Share Application for our Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) application.

**YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.**

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

- (i) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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- (ii) You are required to confirm the following statements (by depressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:-
- You have attained 18 years of age as at the closing date of the share application;
  - You are a Malaysian citizen residing in Malaysia;
  - You have read the Prospectus and understood and agreed with the terms and conditions of the application; and
  - You thereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 133 of the Financial Service Act, 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House or any relevant regulatory bodies.

- (iii) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that our Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of Shares applied for shall signify, and shall be treated as, your acceptance of the number of Shares that may be allotted or allocated to you and to be bound by the Memorandum and Articles of our Company.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**


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- (vi) We reserve the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of Applicants with a view to establishing an adequate market for our Shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institutions will be informed of the non-successful or partially successful applications. Where your Electronic Share Application is not successful, the relevant Participating Financial Institutions will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. You may check your accounts on the fifth (5th) Market Day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institutions will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by the Participating Financial Institutions by crediting into your account with the Participating Financial Institutions. The cheques will be issued to you not later than ten (10) Market Days from the final ballot of the applications.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

- (viii) You request and authorise us:-
- (aa) to credit the Shares allotted or allocated to you into your CDS Account; or
- (bb) to issue share certificate(s) representing such Shares allocated in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. and send the same to Bursa Depository.
- (ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control, the Issuing House or the Participating Financial Institutions, irrevocably agrees that if:-
- (aa) We or the Issuing House do not receive your Electronic Share Application; and
- (bb) Data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or the Issuing House,

you shall be deemed not to have made an Electronic Share Application and you shall have no claim whatsoever against us, the Issuing House and the Participating Financial Institutions for the Shares applied for or for any compensation, loss or damage.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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- (x) All your particulars in the records of the relevant Participating Financial Institutions at the time you make your Electronic Share Application shall be deemed to be true and correct and our Company, the Issuing House and the Participating Financial Institutions shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.
- (xii) By making and completing an Electronic Share Application, you agree that:-
  - (aa) in consideration of our Company agreeing to allow and accept the making of any application for the Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
  - (bb) our Company, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (cc) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of the offer made by you to subscribe for the Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said Shares;
  - (dd) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee of any instrument of transfer and/or other documents required for the issue or transfer of the shares allocated to the Applicant; and
  - (ee) we agree that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that we irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiii) Our Directors reserve the right to require you, if you are successful in your application, to appear in person at the registered office of the Issuing House within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of the application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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- (xiv) Our Directors reserve the right to reject applications, which do not conform to these instructions.

**15.6 APPLICATIONS USING INTERNET SHARE APPLICATION****(a) Steps for Internet Share Application**

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

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

**PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW:-**

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

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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- (dd) You agree to all terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares.
- (ee) The Internet Share Application is the only application that you are submitting for the IPO Shares.
- (ff) You authorise the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Authorised Financial Institution.
- (gg) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Service Act, 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institutions, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institutions, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority.
- (hh) You are not applying for the IPO Shares as a nominee of other person and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.
- (ii) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application of the IPO Shares.
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application of the IPO Shares is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institutions shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**


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**(b) Terms and Conditions for Internet Share Application**

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

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

- Affin Bank Berhad ([www.affinOnline.com](http://www.affinOnline.com)) – No fee will be charged for application by their account holders;
- Affin Hwang Investment Bank Berhad at [trade.affinhwang.com](http://trade.affinhwang.com)– No fee will be charged for the application by their account holders;
- CIMB Bank Berhad ([www.cimbclicks.com.my](http://www.cimbclicks.com.my)) – RM2.00 for applicants with CDS Accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Accounts with other ADAs;
- CIMB Investment Bank Berhad ([www.eipocimb.com](http://www.eipocimb.com)) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
- Malayan Banking Berhad ([www.maybank2u.com.my](http://www.maybank2u.com.my)) – RM1.00;
- Public Bank Berhad ([www.pbebank.com](http://www.pbebank.com)) – RM2.00; and
- RHB Bank Berhad ([www.rhb.com.my](http://www.rhb.com.my)) – RM2.50.

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

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

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

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

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

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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(cc) be a Malaysian citizen and have a Malaysian address.

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

(ii) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Memorandum and Articles of Association.

(iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screens of the Internet financial services websites of the Internet Participating Financial Institutions) and to undertake that the following information given are true and correct:-

(aa) You have attained 18 years of age as at the date of the application for the IPO Shares.

(bb) You are Malaysian citizen residing in Malaysia.

(cc) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood.

(dd) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares.

(ee) The Internet Share Application is the only application that you are submitting for the IPO Shares.

(ff) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution.

(gg) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 133 of the Financial Service Act, 2013 and Section 45 of the SICDA to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority.

(hh) You are not applying for the IPO Shares as a nominee of other person and the application is made in your own name, as a beneficial owner and subject to the risks referred to in this Prospectus.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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

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

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 16.6(ii)(c) above.

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

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

- (aa) your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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- (bb) your agreement to be bound by our Memorandum and Articles of Association.
- (vii) You are aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. The Issuing House, on the authority of our Directors, reserve the right to reject or accept any Internet Share Application in whole or in part without assigning any reason. Due consideration will be given to the desirability of allotting the IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our IPO Shares.
- (viii) If your Internet Share Application is unsuccessful or partially successful, the relevant Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date. The Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies or the balance of it (as the case may be) in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from the Issuing House.

A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to these applications which are subsequently rejected, will be refunded (without interest or any share of revenue or other benefit arising therefrom) by the Internet Participating Financial Institutions by crediting into your account with Internet Participating Financial Institutions within ten (10) Market Days from the date of the final ballot.

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

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

- (ix) Internet Share Application will be closed at 5.00 p.m. on 19 December 2016 or such other date(s) as our Directors, Promoters and Offeror, together with our Sole Underwriter may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

- (x) You irrevocably agree and acknowledge that the Internet Share Application is subject to electrical, electronic, technical, transmission and communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of the Issuing House, the Internet Participating Financial Institutions and the Authorised Financial Institution. If we, the Issuing House and/or the Internet Participating Financial Institutions and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment, or if any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, the Issuing House or the Internet Participating Financial Institutions and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage arising from it.
- (xi) All of your particulars in the records of the relevant Internet Participating Financial Institutions at the time of the Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

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

- (xii) By making and completing an Internet Share Application, you are deemed to have agreed that:
- (aa) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institutions acting as your agents, your Internet Share Application is irrevocable;
  - (bb) you have irrevocably requested and authorised us to register the IPO Shares allotted to you for deposit into your CDS Account;
  - (cc) neither us nor the Internet Participating Financial Institutions, shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to the Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 16.6(ii)(j) herein or to any cause beyond our/their control;
  - (dd) you should hold the Internet Participating Financial Institutions harmless from any damages, claims or losses as a consequence of or arising from any rejection of your Internet Share Application by us, the Issuing House, and/or the Internet Participating Financial Institutions for reasons of multiple applications suspected multiple applications, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institutions;

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## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

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- (ee) the acceptance of your offer to subscribe for and the purchase of the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by the issue of a notice by us or on our behalf for prescribed securities in respect of the IPO Shares, notwithstanding the receipt of any payment by us or on our behalf;
- (ff) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
- (gg) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Principal Adviser, the Sole Underwriter and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
- (hh) our acceptance of your Internet Share Application and the contract resulting from the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the Courts of Malaysia.

### 15.7 APPLICATIONS AND ACCEPTANCES

The Issuing House, acting on the authority of our Directors reserves the right not to accept any application, which does not strictly comply with the instructions, or to accept any application in part only without assigning any reason thereof.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

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

In the event of an over-subscription, acceptance of applications by the Malaysian Public shall be subject to ballot to be conducted in a fair and equitable manner and as approved by our Directors. Due consideration will be given to the desirability of distributing the IPO Shares to a reasonable number of Applicants with a view of broadening the shareholding base and establishing an adequate market in our shares.

Pursuant to the Listing Requirements, we need to have at least 25% of the enlarged issued and paid-up share capital in the hands of public shareholders and a minimum of 1000 public shareholders holding not less than 100 Shares each at the point of Listing. However, in the event that the above requirement is not met pursuant to this IPO, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full. The Applicants will be selected in a manner to be determined by our Directors.

Any portion of the Public Issue Shares which are not subscribed by the eligible employees and other persons who have contributed to the success of our Group will be made available for subscription by the Malaysian Public. Thereafter, any Public Issue Shares not subscribed for by the Malaysia Public will be made available for subscription by selected investors. Any further Public Issue Shares not subscribed for will be made available for subscription by the Sole Underwriter as specified in the Underwriting Agreement.

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

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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WHERE AN APPLICATION IS NOT ACCEPTED OR PARTIALLY ACCEPTED, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION BY ORDINARY POST, TO YOUR ADDRESS REGISTERED WITH BURSA DEPOSITORY AT YOUR OWN RISK, OR BY CREDITING INTO YOUR BANK ACCOUNT FOR PURPOSES OF CASH DIVIDEND/DISTRIBUTION IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL AND PARTIALLY SUCCESSFUL APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION BY ORDINARY POST TO YOUR ADDRESS REGISTERED WITH BURSA DEPOSITORY AT YOUR OWN RISK, OR BY CREDITING INTO YOUR BANK ACCOUNT FOR PURPOSES OF CASH DIVIDEND/DISTRIBUTION IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY.

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

**15.8 CDS ACCOUNTS**

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our securities as Prescribed Securities. In consequence thereof, the IPO 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 Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the SICDA, all dealings in our securities including the IPO Shares will be by book entries through CDS Accounts. No share certificates will be issued to successful Applicants.

Only an Applicant who has a CDS Account can make an application by way of Application Form. You shall furnish your CDS Account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS Account to the Issuing House or our Company. Where you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for the IPO Shares. Failure to comply with these specific instructions as the Application Form requires or inaccuracy in the CDS Account number may result in the application being rejected. If a successful Applicant fails to state his/her CDS Account number, the Issuing House under the instruction of our Company, will reject the application.

Only an Applicant who has a CDS Account can make an Electronic Share Application. You shall furnish your CDS Account number to the Participating Financial Institutions by way of keying in your CDS Account number if the instruction on the ATM screen at which you enter your Electronic Share Application requires you to do so. Failure to comply with these specific instructions as the Electronic Share Application requires or inaccuracy in the CDS Account number arising from use of invalid, third party or nominees account, may result in your application being rejected.

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

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

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If you fail to comply with these specific instructions or there is inaccuracy in the CDS Account number, arising from use of invalid, third party or nominee accounts, your application may be rejected. If you are successful in your application but fail to state your CDS Account number, Issuing House on the authority of our Directors and Offerors reserves the right to reject your application. Issuing House on the authority of our Directors also reserves the right to reject any incomplete and inaccurate application. We may also reject your application if your particulars provided in the Application Forms, or your records with the Participating Financial Institutions in the case of Electronic Share Application or Internet Participating Financial Institutions in the case of Internet Share Application, differ from those in Bursa Depository's records such as the NRIC number, name and nationality.

**15.9 NOTICE OF ALLOTMENT**

We will allot and credit the Shares to your CDS Account if you are successful or partially successful in the application. A notice of allotment will then be despatched to you at your address last maintained with the Bursa Depository at your own risk prior to the listing of our Company. For Electronic Share Application or Internet Share Application, the notice of allotment will be despatched to the successful or partially successful Applicant at your address last maintained with the Bursa Depository at your own risk prior to the listing of our Company. This is the only acknowledgement of acceptance of the application.

If your address as stated in the case of an Electronic Share Application, in the records of the Participating Financial Institutions, or Internet Share Application, in the records of the Internet Participating Financial Institutions, as the case may be, is different from the address registered with Bursa Depository, you must inform Bursa Depository of your updated address promptly by adhering to the certain rules and regulations of the Bursa Depository, failing which the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by calling your respective ADAs at the telephone number as stated in Section 15.10 hereof or at the telephone numbers stated below between five (5) to ten (10) Market Days (during office hours only) or checking the website stated below after the date of allotment of the Shares:

Issuing House Enquiry Services : 03-2783 9299  
Issuing House Website : [www.myetricor.com](http://www.myetricor.com)

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)****15.10 LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and Broker Codes are as follows:-

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KUALA LUMPUR</u></b>		
AFFIN HWANG INVESTMENT BANK BHD	Ground, Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BHD	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BHD	17 <sup>th</sup> Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25 Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2036 2633	086-001
BIMB SECURITIES SDN. BHD.	32 <sup>nd</sup> Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887	024-001
CIMB INVESTMENT BANK BHD	Principal Office Level 17 Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel No.: 03-2261 8888	065-001
CITIGROUP GLOBAL MARKETS MALAYSIA SDN. BHD.	Level 43, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2383 3890	038-001
CLSA SECURITIES SDN. BHD.	Bilik 20-01, Aras 20 Menara Dion2 7 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888	033-001
CREDIT SUISSE SECURITIES (MALAYSIA) SDN. BHD.	Suite 7.6, Level 7 Menara IMC8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 2723 2020	036-001
FA SECURITIES SDN. BHD.	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676	021-002

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KUALA LUMPUR (cont'd)</u></b>		
HONG LEONG INVESTMENT BANK BERHAD	Level 6, 7, 17, 19, 22 & 23 Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD	Level 25 & 26 Menara LGB No.1 Jalan Wan Kadir 60000 Kuala Lumpur Tel No.: 03-7723 6300	066-002
AFFIN HWANG INVESTMENT BANK BHD	Tingkat 2, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
INTER-PACIFIC SECURITIES SDN. BHD.	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN. BHD.	Tingkat Bawah, 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN. BHD.	No.33 (First Floor) Jalan Radin Bagus 57000 Bandar baru Seri Petaling Kuala Lumpur Tel No.: 03-9056 2922	054-007
J.P.MORGAN SECURITIES (MALAYSIA) SDN. BHD.	Level 18, Integra Tower The Intermark 348 Jalan Tun Razak 50250 Kuala Lumpur Tel No.: 03-2270470	035-001
JUPITER SECURITIES SDN. BHD.	Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN. BHD.	11 <sup>th</sup> - 14 <sup>th</sup> Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001
KENANGA INVESTMENT BANK BHD	Tingkat 4-10, 15-16, 18 & 20 Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-020



**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KUALA LUMPUR (cont'd)</u></b>		
KENANGA INVESTMENT BANK BERHAD	Ground, Mezzanine, 1st & 2nd Floors (West & Center Wing) & 1st Floor East Wing Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-021
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133	073-029
M & A SECURITIES SDN. BHD.	Aras 1-3, No. 45 & 47 and No. 43-6 The Boulevard, Bandar Mid Valley Lingkar Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002
M & A SECURITIES SDN. BHD.	22A & 22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-7983 9890	057-004
MACQUARIE CAPITAL SECURITIES (MALAYSIA) SDN. BHD.	Aras 10, Menara Dion 27 Jalan Sultan Ismail 50250, Kuala Lumpur Tel. No.: 03-2059 8833	032-001
MALACCA SECURITIES SDN. BHD.	No. 76, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak, Kuala Lumpur Tel No.: 4144 2565	012-012
MAYBANK INVESTMENT BANK BERHAD	Tingkat 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MERCURY SECURITIES SDN. BHD.	L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BHD	8 <sup>th</sup> , 9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> & 12 <sup>th</sup> Floor Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
NOMURA SECURITIES MALAYSIA SDN. BHD.	Suite 16.5, Level 16 Menara IMC, Letter Box 47 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 2027 6811	037-001
PM SECURITIES SDN. BHD.	Ground Floor, Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
PUBLIC INVESTMENT BANK BHD	27 <sup>th</sup> Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03_2031 3011	051-001

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KUALA LUMPUR (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	Tingkat 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001
RHB INVESTMENT BANK BHD	Tingkat 12, 15 (Sebahagian), 20 (sebahagian) & 21 Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	087-018
RHB INVESTMENT BANK BHD	No. 62, 62-1, 64 & 64-1 Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BHD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BHD	Ground, First, Second and Third Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BHD	Tingkat 13-15, 23,28-30,32,34 & 35 No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UBS SECURITIES MALAYSIA SDN. BHD.	Level 7 Wisma Hong Leong 18, Jalan Perak 50450, Kuala Lumpur Tel No.: 03-2781 1100	031-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010
<b><u>SELANGOR DARUL EHSAN</u></b>		
AFFIN HWANG INVESTMENT BANK BHD	3rd & 4th floors, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
AFFIN HWANG INVESTMENT BANK BHD	Lot 229, Tingkat 2, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	068-020
AMINVESTMENT BANK BERHAD	Aras 4, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003
CIMB INVESTMENT BANK BHD	Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-009
AFFIN HWANG INVESTMENT BANK BHD	16 <sup>th</sup> , 18 <sup>th</sup> -20 <sup>th</sup> Floor Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002
AFFIN HWANG INVESTMENT BANK BHD	East Wing & Centre Link Tingkat 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
JF APEX SECURITIES BHD	3 <sup>rd</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> and 10 <sup>th</sup> Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BHD	Level 16, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
JF APEX SECURITIES BHD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No.: 03-5879 0163	079-004
JUPITER SECURITIES SDN. BHD.	No. 42 – 46, 3rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5632 4838	055-004

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
KENANGA INVESTMENT BANK BHD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200	073-005
KENANGA INVESTMENT BANK BHD	55C (2 <sup>nd</sup> Floor) Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-006
KENANGA INVESTMENT BANK BHD	Lot 240, Second Floor The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016
KENANGA INVESTMENT BANK BHD	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118	073-030
KENANGA INVESTMENT BANK BHD	No. 35, Ground, 1 <sup>st</sup> and 2 <sup>nd</sup> Floor Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-035
MALACCA SECURITIES SDN. BHD.	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-002
MALACCA SECURITIES SDN. BHD.	No. 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 1300 221 223	012-003
MALACCA SECURITIES SDN. BHD.	No. 39-2, Jalan Temenggung 21/9 Seksyen 9 43200 Mahkota Cheras Selangor Darul Ehsan Tel No.: 9011 5913	012-011
MAYBANK INVESTMENT BANK BERHAD	Level 8 68 Jalan Batai Laut 4 Taman Bukit Camerlang 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003
MAYBANK INVESTMENT BANK BERHAD	Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
PM SECURITIES SDN. BHD.	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN. BHD.	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
RHB INVESTMENT BANK BHD	24, 24M, 24A, 26M, 28M, 28A, 30, 30M & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BHD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	087-045
RHB INVESTMENT BANK BHD	First Floor, 10 & 11 Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BHD	Unit 1B, 2B & 3B USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8023 6518	087-059
SJ SECURITIES SDN. BHD.	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
SJ SECURITIES SDN. BHD.	101B, Jalan SS 15/5A 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7888	096-002
SJ SECURITIES SDN. BHD.	No.74-2, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3322 1915	096-004

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SELANGOR DARUL EHSAN (cont'd)</u></b>		
SJ SECURITIES SDN. BHD.	No. A-3-11, Block Alamanda 3 <sup>rd</sup> Floor, 10 Boulevard, Lebuhraya Sprint PJU 6A 47400 Damansara Selangor Darul Ehsan Tel No.: 03-7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
<b><u>PERAK DARUL RIDZUAN</u></b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-010
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, Aras 1,2 & 321 Jalan Stesen, Aras 2 & 3, 43 & 45 Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, 1 & 2 No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988	068-015
KENANGA INVESTMENT BANK BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 4 <sup>th</sup> Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
KENANGA INVESTMENT BANK BHD	Ground Floor No. 25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828	073-031

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PERAK DARUL RIDZUAN (cont'd)</u></b>		
M & A SECURITIES SDN. BHD.	5th, 6th, & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Aras Bawah), Aras 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BHD	No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BHD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BHD	Tingkat Bawah, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No.72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261	087-044
RHB INVESTMENT BANK BHD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-052
TA SECURITIES HOLDINGS BHD	Bahagian Kanan Tingkat Bawah Tingkat 1 & 2 Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6216 010	078-009
UOB KAY HIAN SECURITIES (M) SDN. BHD.	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-013

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PENANG</u></b>		
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
CIMB INVESTMENT BANK BHD	Ground Floor Suite 1.01 Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-003
AFFIN HWANG INVESTMENT BANK BHD	Level 2, 3, 4, 5 & 7 Wisma Sri Pinang 60, Green Hall; and Levels 2,3,4,5,6,7 & 8 Wisma Sri Pinang II 42, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BHD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
INTER-PACIFIC SECURITIES SDN. BHD.	Canton Square Level 2 & 3 No. 56 Cantonment Road 10250 Penang Tel No.: 04-2268 288	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-005
JUPITER SECURITIES SDN. BHD.	20-1 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-641 2881	055-003
KENANGA INVESTMENT BANK BHD	7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
M & A SECURITIES SDN. BHD.	332H-1 & 332G-2 Jalan Perak 11600 Georgetown Penang Tel No.: 04-2817 611	057-005
M & A SECURITIES SDN. BHD.	216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Penang Tel No.: 04-2617 611	057-008
MALACCA SECURITIES SDN. BHD.	No. 39-1, Jalan Lenggong Vantage Point 11600 Jelutong Penang Tel No.: 04-2821 533	012-004



**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PENANG (cont'd)</u></b>		
MALACCA SECURITIES SDN. BHD.	48 Jalan Todak 2 13700 Seberang Jaya Penang Tel No.: 04-3905 669	012-006
MALACCA SECURITIES SDN. BHD.	No.17, 1 <sup>st</sup> Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-007
MALACCA SECURITIES SDN. BHD.	Lot 1.02, Tingkat 1 Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04-2816 822	012-014
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, Tingkat 1 Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04 2196 888	098-006
MERCURY SECURITIES SDN. BHD.	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN. BHD.	2 <sup>nd</sup> Floor Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Penang Tel No.: 04-2639 118	093-004
MERCURY SECURITIES SDN. BHD.	70-1-22, Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822	093-006
PM SECURITIES SDN. BHD.	3rd Floor, Wisma Wang 251-A Jalan Burmah 10350 Penang Tel No.: 04-2273 000	064-004
RHB INVESTMENT BANK BHD	Aras Bawah, 1 dan 2 No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu dan Tingkat Dua No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Penang Tel No.: 04-5402 888	087-015

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PENANG (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	Tingkat Bawah – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuah Bishop 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BHD	No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 15-2-5 dan 15-2-6 dan 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042
SJ SECURITIES SDN. BHD.	12th Floor, Office Tower Hotel Royal Penang No. 3 Jalan Larut 10050 Georgetown Penang Tel No.: 04-2289 836	096-003
TA SECURITIES HOLDINGS BHD	3rd Floor, Bangunan Heng Guan 171, Jalan Burmah 10050 Penang Tel No. : 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN. BHD.	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground & 1 <sup>st</sup> Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388	078-003
<b><u>KEDAH DARUL AMAN</u></b>		
ALLIANCE INVESTMENT BANK BHD	2 <sup>nd</sup> Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
AFFIN HWANG INVESTMENT BANK BHD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011
RHB INVESTMENT BANK BHD	No. 112, Jalan Pengkalan Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204 888	087-017
RHB INVESTMENT BANK BHD	35, Tingkat Bawah Jalan Suria 1, Jalan Bayu 9000 Kulim Kedah Darul Aman Tel No.: 04-4964 888	087-019

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>KEDAH DARUL AMAN (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	214-A, 214-B, 215-A & 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Lot 4, 5 & 5A 1 <sup>st</sup> Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 5150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111	078-007
<b><u>NEGERI SEMBILAN DARUL KHUSUS</u></b>		
AFFIN HWANG INVESTMENT BANK BHD	1 <sup>st</sup> Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288	068-007
AFFIN HWANG INVESTMENT BANK BHD	No. 6, Tingkat Atas Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
KENANGA INVESTMENT BANK BHD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-033
MAYBANK INVESTMENT BANK BERHAD	Wisma HM, Ground Floor No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
PM SECURITIES SDN. BHD.	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
RHB INVESTMENT BANK BHD	Tingkat Satu No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421 000	087-037
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Mezanin No. 346 & 347, Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6461 234	087-046

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>MELAKA</u></b>		
CIMB INVESTMENT BANK BHD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 800	065-006
KENANGA INVESTMENT BANK BHD	71 (Ground, A&B) & 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-028
KENANGA INVESTMENT BANK BHD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550	073-034
MALACCA SECURITIES SDN. BHD.	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No.: 06-3371 533	012-001
MERCURY SECURITIES SDN. BHD.	No. 81-B & 83-B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
PM SECURITIES SDN. BHD.	No. 6-1, Jalan Lagenda 2 Taman 1 Legenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BHD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2833 622	087-002
RHB INVESTMENT BANK BHD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BHD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-008
UOB KAY HIAN SECURITIES (M) SDN. BHD.	7-2 Jalan PPMS Malim Business Park 75250 Melakar Tel No.: 06-3352 511	078-014
<b><u>JOHOR DARUL TAKZIM</u></b>		
ALLIANCE INVESTMENT BANK BHD	No. 73, Ground & 1 <sup>st</sup> Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
AMINVESTMENT BANK BERHAD	2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-002
AMINVESTMENT BANK BERHAD	18 <sup>th</sup> & 31 <sup>st</sup> Floor Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 855	086-001
CIMB INVESTMENT BANK BERHAD	No. 73 Ground Floor, No. 73A First Floor & No.79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-011
AFFIN HWANG INVESTMENT BANK BHD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
INTER-PACIFIC SECURITIES SDN. BHD.	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
JUPITER SECURITIES SDN. BHD.	30-1 Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3538 878	055-002
KENANGA INVESTMENT BANK BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Mezzanine No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 500	073-009
KENANGA INVESTMENT BANK BHD	No. 33 & 35, (Tingkat Bawah dan Tingkat Satu A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-010
KENANGA INVESTMENT BANK BHD	Tingkat Bawah No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-011

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
KENANGA INVESTMENT BANK BHD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-017
KENANGA INVESTMENT BANK BHD	Suite 16-02, 16-03 & 16-03A Level 16, Manara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2237 423	073-019
KENANGA INVESTMENT BANK BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-024
KENANGA INVESTMENT BANK BHD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4678 885	073-025
KENANGA INVESTMENT BANK BHD	916 Ground Floor Jalan Bakek 82000 Pontian Johor Darul Takzim Tel No.: 07-6861 121	073-037
M & A SECURITIES SDN. BHD.	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
M & A SECURITIES SDN. BHD.	26 Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2366 288	057-006
M & A SECURITIES SDN. BHD.	No. 27, 27A & 27 B Jalan Molek 3/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 3551 988	057-007
MALACCA SECURITIES SDN. BHD.	74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No: 07-3351 533	012-005
MALACCA SECURITIES SDN. BHD.	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulai Jaya Johor Darul Takzim Tel No: 07-6638 877	012-010

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
MERCURY SECURITIES SDN. BHD.	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005
PM SECURITIES SDN. BHD.	Ground & 1 <sup>st</sup> Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333608	064-008
RHB INVESTMENT BANK BHD	6 <sup>th</sup> Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821	087-006
RHB INVESTMENT BANK BHD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BHD	No. 33-1 Tingkat 1 & 2 (Unit Penjuru) Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 40 Jalan Haji Mana 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-9787 180	087-038

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>JOHOR DARUL TAKZIM (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	Tingkat Satu No 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881	087-039
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat 1 & Tingkat 2 No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043
TA SECURITIES HOLDINGS BHD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-005
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633	078-008
<b><u>KELANTAN DARUL NAIM</u></b>		
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 3953-H, PT225, 1 <sup>st</sup> Floor Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388	058-004
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground Floor & First Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim Bandar Kota Bharu 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-015



**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>PAHANG DARUL MAKMUR</u></b>		
ALLIANCE INVESTMENT BANK BHD	Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
CIMB INVESTMENT BANK BHD	Ground 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-2057 800	065-007
JUPITER SECURITIES SDN. BHD.	2 <sup>nd</sup> Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136	055-005
KENANGA INVESTMENT BANK BHD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-027
MALACCA SECURITIES SDN. BHD.	P11-3 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No: 09-2501 282	012-008
RHB INVESTMENT BANK BHD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811	087-007
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 943	087-022
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913	087-041
<b><u>TERENGGANU DARUL IMAN</u></b>		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
FA SECURITIES SDN. BHD.	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6238 128	021-001

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>TERENGGANU DARUL IMAN (cont'd)</u></b>		
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109	087-027
RHB INVESTMENT BANK BHD	1 <sup>st</sup> Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No.37-B, 1 <sup>st</sup> Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016
<b><u>SABAH</u></b>		
CIMB INVESTMENT BANK BHD	1 <sup>st</sup> – 3 <sup>rd</sup> Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005
AFFIN HWANG INVESTMENT BANK BHD	Suite 1-9-E1, 9 <sup>th</sup> Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
KENANGA INVESTMENT BANK BHD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BHD	2nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
RHB INVESTMENT BANK BHD	Tingkat Bawah, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-229 286	087-057
UOB KAY HIAN SECURITIES (M) SDN. BHD.	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090	078-011
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Lot 177 & 178 Ground Floor, Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SARAWAK</u></b>		
AMINVESTMENT BANK BERHAD	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 162, 164, 166 & 168 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CIMB INVESTMENT BANK BERHAD	Aras 1 (Utara) Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibul Sarawak Tel No.: 084-367 700	065-008
AFFIN HWANG INVESTMENT BANK BHD	Ground Floor & 1 <sup>st</sup> Floor No. 1, Jalan Pending 1 <sup>st</sup> Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005
AFFIN HWANG INVESTMENT BANK BHD	No. 282, 1 <sup>st</sup> Floor Park City Commercial Centre Phase 4 Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016
KENANGA INVESTMENT BANK BHD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002
KENANGA INVESTMENT BANK BHD	Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BHD	No. 11-12, (Ground & 1 <sup>st</sup> Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-012
KENANGA INVESTMENT BANK BHD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588	073-018
KENANGA INVESTMENT BANK BERHAD	Yung Kong Abell Suite 9 & 10, 3 <sup>rd</sup> Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877	073-036

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**

<b>Name</b>	<b>Address and Telephone Number</b>	<b>Broker Code</b>
<b><u>SARAWAK (cont'd)</u></b>		
MERCURY SECURITIES SDN. BHD.	1 <sup>ST</sup> Floor No.16 Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093 007
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2 <sup>nd</sup> Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	Lot 1268, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Lot 1269, 2 <sup>nd</sup> Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	087-012
RHB INVESTMENT BANK BERHAD	102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100	087-013
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BHD	12G, Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002

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