

App Industries Berhad

(Company No. 504718-U)

PUBLIC ISSUE OF 4,450,000 NEW ORDINARY SHARES OF RM0.50 EACH AND OFFER FOR SALE OF 8,800,000 ORDINARY SHARES OF RM0.50 EACH AT AN ISSUE/OFFER PRICE OF RM0.60 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

- 1) 2,550,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 2) 4,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF APP INDUSTRIES BERHAD AND ITS SUBSIDIARIES;
 - 3) 1,700,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT;
- AND
- 4) 5,000,000 ORDINARY SHARES OF RM0.50 EACH TO BUMIPUTRA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

IN CONJUNCTION WITH ITS LISTING ON SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

Adviser, Managing Underwriter and Placement Agent



AmMerchant Bank Berhad

(23742-V) A member of the AmBank Group

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 HEREOF

This Prospectus is dated 27 June 2003