
2. PARTICULARS OF THE IPO

This Prospectus is dated 19 March 2004.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the Application Form, has also been lodged with the ROC who takes no responsibility for its contents..

The approval of the SC obtained vide its letters dated 31 October 2003 and 31 December 2003 shall not be taken to indicate that the SC recommends the IPO and that investors should rely on their own evaluation to assess the merits and risks of the IPO.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the MSEB has prescribed the Shares of the Company as a prescribed security. In consequence thereof, the IPO Shares issued/offered through this Prospectus will be deposited directly with the MCD and any dealings in these Shares will be carried out in accordance with the aforesaid Act and the Rules of MCD.

Application will be made to the MSEB within three (3) Market Days of the issuance of this Prospectus for admission to the Official List and for the listing of and quotation for the entire enlarged issued and fully paid-up share capital of BKG on the Second Board of the MSEB. These Shares will be admitted to the Official List on the Second Board of the MSEB and official quotation will commence upon receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and an undertaking from the Issuing House that the notices of allotment will be despatched to all successful applicants.

Acceptance of Applications for the IPO Shares will be conditional upon permission being granted by the MSEB to deal in and for the quotation of the entire enlarged issued and fully paid-up share capital on the Second Board of the MSEB. Accordingly, monies paid in respect of any Application accepted from the IPO will be returned if the said permission for listing is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC).

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

The MSEB assumes no responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. Admission to the Official List of the Second Board of the MSEB is not to be taken as an indication of the merits of the Company or of its Shares.

Applicants of the IPO Shares must have a CDS account. In the case of an application by way of Application Form, an applicant should state his/her CDS account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

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

2. PARTICULARS OF THE IPO (Cont'd)

The distribution of this Prospectus and the making of the IPO in certain other jurisdictions outside Malaysia shall be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and shall not be used for the purpose of an invitation to subscribe for the IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

2.1 SHARE CAPITAL

	Number of Shares	(RM)
AUTHORISED SHARE CAPITAL	100,000,000	50,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL		
• As at the date of this Prospectus	66,400,000	33,200,000
• New Shares to be issued pursuant to Public Issue	13,600,000	6,800,000
ENLARGED SHARE CAPITAL	80,000,000	40,000,000
• Existing Shares to be offered pursuant to the Offer For Sale	9,396,000	4,698,000

The IPO Price is RM1.00 per Share payable in full upon application, subject to the terms and conditions of this Prospectus.

There is only one class of shares in the Company, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares will rank pari passu in all respects with the other existing issued Shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

Subject to any special rights attaching to any Share which may be issued by the Company in the future, the holders of Shares in the Company shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company, in accordance with its Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held.

2. PARTICULARS OF THE IPO (Cont'd)

2.2 OPENING AND CLOSING OF APPLICATION LISTS

Applications will be accepted from 10.00 a.m. on 19 March 2004 and will remain open until 5.00 p.m. on 26 March 2004 or for such other later date or dates as the Directors of the Company, the Offerors and the Managing Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

2.3 CRITICAL DATES OF THE IPO

Events	Tentative Date
Opening Date of the IPO	19 March 2004
Closing Date of the IPO	26 March 2004
Tentative Balloting Date	30 March 2004
Tentative Listing Date	8 April 2004

The timetable is tentative and is subject to change, which may be necessary to facilitate implementation procedures. The Application for the IPO Shares will close at the date as stated above or for such other later date or dates as the Directors of the Company, the Offerors and the Managing Underwriter may in their absolute discretion mutually decide. In the event the closing date for the Applications is extended, investors will be notified of the change in a widely circulated English and Bahasa Malaysia newspaper in Malaysia.

2.4 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price of RM1.00 per Share was determined and agreed upon by the Company, the Offerors and AmMerchant Bank as Adviser, Managing Underwriter and Placement Agent based on various factors including the following:-

- (i) The Group's operating history and conditions, and financial position as outlined in Sections 4.1 and 9.1 of this Prospectus;
- (ii) The prospects of the industry in which the Group operates as outlined in Section 4.4 of this Prospectus;
- (iii) The estimate and forecast net PE Multiple of 8.83 times and 9.87 times based on the estimate and forecast net EPS of 22.64 sen and 10.13 sen respectively based on the enlarged issued and paid-up share capital of 30,568,843 and 80,000,000 Shares respectively in BKG;
- (iv) The proforma consolidated NTA of BKG as at 31 October 2003 of RM0.64 per Share based on the enlarged issued and paid-up share capital of 80,000,000 Shares in BKG; and
- (v) The forecast gross dividend yield of 2.50% based on the enlarged issued and paid-up share capital of 80,000,000 Shares in BKG.

The Directors, Promoters and Offerors of the Company and AmMerchant Bank are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

2. PARTICULARS OF THE IPO (Cont'd)

2.5 DETAILS OF THE IPO

(a) **Public Issue**

The Public Issue of 13,600,000 new Shares at an issue price of RM1.00 per Share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) **Malaysian Public**

6,000,000 Public Issue Shares representing 7.50% of the enlarged issued and paid-up share capital will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) **Private Placement**

5,596,000 Public Issue Shares representing approximately 7.00% of the enlarged issued and paid-up share capital are reserved by way of Private Placement to selected investors (who are deemed public).

(iii) **Eligible Directors, Employees and Business Associates of the Group**

2,004,000 Public Issue Shares representing approximately 2.51% of the enlarged issued and paid-up share capital will be reserved for the eligible Directors, employees and business associates (which include the suppliers, sales agents, customers and others) of the Group.

Further details of Pink Form Shares allocation are set out in Section 2.5(c) of this Prospectus.

(b) **Offer For Sale**

The Offer For Sale of 9,396,000 Shares at an offer price of RM1.00 per Share are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) **Eligible Directors, Employees and Business Associates of the Group**

1,996,000 Offer Shares representing approximately 2.49% of the enlarged issued and paid-up share capital will be reserved for the eligible Directors, employees and business associates (which include the suppliers, sales agents, customers and others) of the Group.

Further details on Pink Form Shares allocation are set out in Section 2.5(c) of this Prospectus.

(ii) **Bumiputera Investors**

7,400,000 Offer Shares representing 9.25% of the enlarged issued and paid-up share capital will be reserved for Bumiputera investors approved by MITI.

2. PARTICULARS OF THE IPO (Cont'd)**(c) Pink Form Shares Allocation**

The Shares have been allocated to ten (10) eligible Directors and two hundred and thirty one (231) employees of the Group based on the following criteria as approved by the Company's Board of Directors:-

- (a) At least eighteen (18) years old;
- (b) Job position; and
- (c) Length of service.

Details of the Pink Form Shares allocation to the Directors, employees and business associates of the BKG Group are as follows:-

(i) Directors

Name of Directors	Designation	Pink Form Shares Allocation
1. Shamsudin @ Samad Bin Kassim	Chairman	60,000
2. Goh Boon Koon	Managing Director	100,000
3. Goh Boon Leong	Executive Director	100,000
4. Lee Teoh Kee	Executive Director	100,000
5. Goh Boon Siew	Executive Director	100,000
6. Goh Ho Seng	Executive Director	100,000
7. Abd Ghani Bin Ali Kadir	Executive Director	60,000
8. Ho Kok Loon	Independent Director	20,000
9. Loo Chee Hin	Independent Director	20,000
10. Ang Poh Gin	Independent Director	20,000
Total		680,000

(ii) Employees and Business Associates

Category	Number	Average No. of Shares To Be Allocated To Each Person	Pink Form Shares Allocations
Senior managerial, managerial and professional	12	80,000	960,000
Technical and supervisory	36	15,000	540,000
Clerical and related occupations plus sales personnel	47	13,000	611,000
Factory and general workers	136	6,000	816,000
Total eligible employees	231	-	2,927,000
Business associates	65	6,046	393,000
Total eligible employees and business associates	296	-	3,320,000

However, the above pink forms allocation is subject to the Directors, employees and business associates subscribing to their respective allocations.

The summary of the allocations of the IPO Shares is set out in Section 4.1.3(VII) of this Prospectus.

2. PARTICULARS OF THE IPO (Cont'd)

2.6 PURPOSES OF THE IPO

The purposes of the IPO are as follows:-

- (i) To provide the opportunity for the eligible Directors, employees and business associates of the Group and the Malaysian investing public to participate in the equity and continuing growth of the Group;
- (ii) To comply with the National Development Policy requirements in respect of Bumiputera equity participation in the Group;
- (iii) To enable the Group to gain recognition and certain stature through its listing status and further enhance its corporate reputation and assist the Group in expanding its customer base;
- (iv) To provide additional funds to meet the present and future working capital requirement of the Group;
- (v) To enable the Group to gain access to the capital market to raise funds for future expansion, diversification, modernisation and continued growth of the Group; and
- (vi) To obtain the listing of and quotation for the entire issued and paid-up share capital of BKG on the Second Board of the MSEB.

2.7 UTILISATION OF PROCEEDS

2.7.1 Gross Proceeds

The Rights Issue and the Public Issue are expected to raise gross proceeds of approximately RM2.63 million and RM13.60 million respectively which shall accrue to the Company.

The Company intends to utilise the proceeds raised in the following manner:-

		Timeframe for Utilisation from the Date of Listing	Amount (RM'000)
(i)	Repayment of bank borrowings	Within 1 year	10,229
(ii)	Working capital	Within 1 year	4,402
(iii)	Estimated listing expenses	Within 1 year	1,600
Total proceeds			16,231

The Company will bear all expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of BKG on the Second Board of the MSEB, which include underwriting commission, placement fees, brokerage, professional fees, authorities fees, advertising and other fees. The aggregate is estimated to be RM1.60 million.

2. PARTICULARS OF THE IPO (Cont'd)

The Offer For Sale will raise gross proceeds of RM9.40 million. This amount shall accrue entirely to the Offerors and no part of the proceeds receivable by the Company. The Offerors shall bear all expenses such as underwriting commission, brokerage, stamp duty, registration and share transfer fees relating to the Offer Shares estimated to be RM0.07 million.

There is no minimum subscription to be raised from the IPO as the total 10,000,000 IPO Shares for subscription by the Malaysian public and eligible Directors, employees and business associates of the Group as set out in Sections 2.5(a)(i), 2.5(a)(iii) and 2.5(b)(i) are fully underwritten.

Notes:-

(i) Repayment of Bank Borrowings

Approximately RM10.23 million of the proceeds from the Rights Issue and Public Issue will be utilised to retire the bank borrowings.

Such borrowings have been utilised to finance, inter alia, the working capital requirements of the Group and to part finance the extension of factory.

(ii) Working Capital

Of the total proceeds, approximately RM4.40 million will be used as general working capital for the Group including the payment of creditors, salaries, purchase of raw materials/stock and operating expenses.

(iii) Estimated Listing Expenses

The estimated listing expenses for the listing of and quotation for the enlarged issued and paid-up share capital of 80,000,000 Shares in BKG on the Second Board of the MSEB are as follows:-

Estimated Listing Expenses	Amount (RM)
Professional fees (<i>Advisers, Auditors and Reporting Accountants, Solicitors, Issuing House, Registrars, Independent Business and Market Research Consultants and etc</i>)	650,000
Fees to authorities	72,000
Underwriting, brokerage fees, printing, advertising and other miscellaneous expenses	878,000
Total	1,600,000

Any variation in the actual listing expenses from the estimated amount will be adjusted via the working capital of BKG Group.

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2. PARTICULARS OF THE IPO (Cont'd)

2.7.2 Financial Impact from Utilisation of Proceeds

The utilisation of the Rights Issue and Public Issue proceeds by the Group is expected to have a financial impact on the Group's interest savings. The repayment of borrowings will slightly reduce the Group's gearing level from approximately 0.38 times to 0.10 times (based on the proforma Group's total borrowings as at 31 December 2004 and proforma Group shareholders' funds as at 31 December 2004). At the prevailing average interest rate of 4.08%, BKG would be able to save interest cost of approximately RM417,000 per annum.

2.8 UNDERWRITING COMMISSION AND BROKERAGE

The Underwriters as mentioned in Corporate Directory Section of this Prospectus, have agreed to underwrite 10,000,000 IPO Shares to be issued/offered to the Malaysian public, the eligible Directors, employees and business associates of the Group. Underwriting commission is payable by the Company in respect of the Public Issue Shares and by the Offerors in respect of the Offer Shares at the rate of 2.25% of the total 10,000,000 Shares underwritten at the IPO Price to the respective Underwriters.

Brokerage is payable by the Company in respect of the Public Issue Shares and by the Offerors in respect of the Offer Shares made available for application by the Malaysian public at the rate of 1.0% of the IPO Price in respect of successful applications which bear the stamp of AmMerchant Bank, member companies of the MSEB, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

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

The following are extract of some Clauses of the Underwriting Agreement dated 13 February 2004 ("**Agreement**"), including escape clauses, which may allow the underwriters to withdraw from obligations under the agreement after the opening of the offer:-

"Clause 3 **WARRANTIES**

Clause 3.1 *In consideration of the Underwriters agreeing to underwrite the Underwritten Shares, the Company hereby represents, warrants and undertakes to the Underwriters and each of them as follows:*

3.1.1 *The Prospectus shall be in form and substance satisfactory and acceptable to the Securities Commission of Malaysia, the Registrar of Companies of Malaysia and the MSEB and shall not contain any untrue or misleading statement or omit to state any material fact required or necessary to be stated therein.*

2. PARTICULARS OF THE IPO (Cont'd)

3.1.2 The Prospectus:-

- (a) *will comply in all material respects with the Act, the SC Act and/or any other applicable law and any rules, regulations and guidelines thereunder and shall be in form and substance satisfactory and acceptable to the SC, the MSEB and all other relevant authorities;*
- (b) *will contain all information which is material in context of the Issue, and such information as contained therein will be true, complete, and accurate in all material respect;*
- (c) *will not omit to state or disclose any material fact or information required or necessary to be stated therein with regard to the Issue and all statements of fact and information so made and/or disclosed, in the light of the circumstances under which they are made or disclosed, are true and accurate and not misleading in any respect.*

3.1.3. *The Company shall obtain the approval of the MSEB for listing of and quotation for all its issued ordinary shares including the Issue and Offer Shares on the Second Board of the MSEB and shall comply with the conditions, if any,*

3.1.4 *The Issue and compliance by the Company with the terms of this Agreement do not and will not conflict with, or result in a breach of any of the terms or provisions of the Memorandum and Articles of Association of the Company or any of its subsidiaries or any existing law, regulation or listing requirements applicable to or affecting the Company or any of its subsidiaries or the Issue.*

3.1.5 *The Issue and compliance by the Company with the terms of this Agreement do not and will not infringe the material terms of, or constitute a material default under, any judgment, order, licence, permit, approval, consent, trust deed, agreement or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which the company or any of its subsidiaries or any part of the undertakings, assets, properties or revenues of the Company or any of its subsidiaries is bound or affected.*

2. PARTICULARS OF THE IPO (Cont'd)

- 3.1.6 *Save as disclosed in the Prospectus and the documents (if any) attached thereto and as has been disclosed in writing to the Underwriters prior to the date hereof:-*
- (a) *there is no litigation, arbitration, administrative or winding-up proceedings (including investigations or inquiries by the MSEB and the SC), criminal charge or investigation current or pending, or to the knowledge of the Company (after due and careful enquiry), threatened against the Company or any of its subsidiaries, the effect of which would materially and adversely affect the financial condition of the Company or the Group as a whole; and after making due and careful enquiries, the Company is not aware of any facts or circumstances likely to give rise thereto; and*
 - (b) *neither the Company nor any of its subsidiaries is in default or in breach of any agreement to which it is bound, or of the terms of any licence, permit, approval, directive, legislation or regulation of any relevant authority (including the MSEB and the SC) applicable to or affecting it, the effect of which would materially and adversely affect the financial condition of the Company or the Group as a whole.*
- 3.1.7. *No material information has been withheld from the Underwriters which may in any way affect their decision to underwrite the Underwritten Shares.*
- 3.1.8. *The Company will promptly and without any delay whatsoever notify the Managing Underwriter who shall thereafter inform the Underwriters of any facts, information, situations or circumstances which the Company believes may materially and adversely affect the success of the Issue and the Offer and in particular and without prejudice to the generality of the foregoing representations, warranties or agreements at any time prior to the Closing Date take such steps as may be reasonably requested by the Underwriters to remedy and/or publicise the same.*

2. PARTICULARS OF THE IPO (Cont'd)

- 3.1.9 *Prior to the Closing Date, the Company will give to the Underwriters any or all information which the Underwriters may need or require affecting the accounts or affairs of the Company.*
- 3.1.10. *All consents, approvals, authorisations or other orders required by the Company under the laws of Malaysia for or in connection with the Issue and the Offer will (if not already obtained as at the date hereof) be obtained and be in force and all other actions will be taken by the Company to comply with all legal and other requirements necessary to ensure that the Issue and the Offer will not infringe any existing laws or the terms of any such consent, approvals or authorisations.*
- 3.1.11. *The Issue or as the case may be, the execution and delivery by the Company, of the Prospectus and this Agreement and the performance of the obligations to be assumed thereunder and hereunder by the Company have been duly authorised by all necessary corporate action of the Company, including but not limited to the approval of the shareholders of the Company in a general meeting (if and to the extent it is required) and upon due execution of this Agreement, the obligations assumed hereunder will constitute the legally valid, binding and enforceable obligations of the Company in accordance with their terms.*
- 3.1.12 *The Directors have made all reasonable enquiries to ensure all facts material for the Prospectus have been disclosed, and have verified the completeness and accuracy of all such information and to the best of their knowledge and belief, no material fact has been omitted therefrom.*
- 3.1.13 *Each of the Company and its subsidiaries will carry on and operate its business and affairs with due diligence and efficiency and in accordance with sound financial and commercial standard and practices.*
- 3.1.14 *Save as disclosed in the Prospectus and the documents (if any) attached thereto and as has been disclosed in writing to the Underwriters prior to the date hereof, neither the Company nor any other company in the Group has entered into any contract and/or commitment of an unusual or onerous nature, which, in the context of the Issue, might be material for disclosure.*

2. PARTICULARS OF THE IPO (Cont'd)

- 3.1.15 *All necessary consents, waivers, approvals, authorizations or other orders of all regulatory authorities required for or in connection with the execution of this Agreement and the issue of the Issue Shares and any other matters contemplated hereby:-*
- (a) have been or will be unconditionally obtained by the due date therefore; or*
 - (b) if granted subject to conditions, such conditions will be fulfilled to the satisfaction of the Underwriters by the due date thereof; and*
 - (c) are or will remain in full force and effect.*
- 3.1.16 *All information furnished or supplied or to be furnished or supplied to the Underwriters for the purpose of or in connection with the Issue is true, complete and accurate in all material respects and nothing has been furnished or supplied or omitted from such information which would or may make any of the information materially untrue, incomplete, inaccurate or misleading, or which would or may reasonably be expected to affect the willingness of the Underwriters to underwrite the Underwritten Share.*
- 3.1.17 *Every statement of forecast, opinion, intention and expectation (including the profit forecast) made in the Prospectus and the documents (if any) attached thereto are truly, fairly, reasonably, and honestly, held by the Directors of the Company and have been or will be made after due and careful enquiries and consideration and represent or will represent reasonable expectations based on facts known to the Company as at the date of such disclosure, and to the extent it is based on assumptions those assumptions are reasonable.*
- 3.1.18 *Each of the Company and each of its subsidiaries is a company duly incorporated under the laws of its place of incorporation and validly existing with full power and authority to conduct its business in the jurisdiction where it carries on business and is not in liquidation and no steps have been taken by any person for or with a view to the appointment of a liquidator, receiver and/or manager or judicial manager of the Company or any of its subsidiaries or of any of their respective assets or undertakings.*

2. PARTICULARS OF THE IPO (Cont'd)

3.1.19 *The accounts have been prepared in accordance with the law and on a basis consistently applied in accordance with accounting principles, standards and practices generally accepted in Malaysia so as to give a true and fair view of the financial results and state of affairs of the Company and the Group as a whole for the past five (5) financial years ended 31st December 1998 to 31st December 2002 and the 10 months period ended 31 October 2003 as the case may be, and the Company and the Group have made adequate provisions for appropriate disclosures of all known material liabilities whether actual or contingent, of the Company and the Group as a whole as at such dates and have complied in all respects with the requirements of all relevant laws and accounting principles and practices then in force and generally accepted in Malaysia and since 31 October 2003 there has been no material adverse change in the financial position of the Company or the Group taken as a whole, save as may be disclosed in the Prospectus and the documents (if any) attached thereto, or prior to the Closing Date, in any public announcement or publicly available document or has been disclosed to the Underwriters prior to the date of this Agreement.*

3.1.20 *Other than indebtedness contested in good faith by the Company or any of its subsidiaries as disclosed in the Prospectus and the documents (if any) attached thereto and to the best of the knowledge and belief of the Company, no outstanding material indebtedness of the Company or any of its subsidiaries has become or is likely to become payable by reason of default by the Company or any such subsidiary and no event has occurred or is, so far as the Company is aware, impending which with the lapse of time, or the fulfilment of any condition, or the giving of any notice, may result in any such material indebtedness becoming so payable.*

2. PARTICULARS OF THE IPO (Cont'd)

- 3.1.21 *All taxes (whether income tax, property tax or otherwise) of the Company and the Group, in particular but not limited to, all taxes which are material in the context of the Issue, for which the Company and/or the Group is liable or which ought to have been paid, have been duly paid or adequately provided for in the Accounts; all the returns, notices or information which are required to be made or given by the Company or the Group for taxation, have been so made, are up to date, correct and on a proper basis, and are not subject to any dispute with any relevant or appropriate authorities and there are no present circumstances (of which the Company is ought reasonably to be aware) which are likely to give rise to any such dispute.*
- 3.1.22 *The records, statutory books and books of accounts of the Company and the Group are duly entered and maintained in accordance with all legal requirements applicable thereto and contain true, full and accurate records of all matters required to be dealt with therein and all such books and records and documents (including documents of title) are in their possession or under their control and all accounts, documents and returns required to be delivered or made to the Companies Commission of Malaysia or the Registrar of Companies (as the case may be) or other relevant authorities have been duly and correctly delivered or made.*
- 3.1.23 *All the assets of the Company and the Group which are of an insurable nature have at all material times been and are at the date hereof, adequately insured against fire and other risks normally insured against by companies carrying on similar business or owning property of a similar nature. In respect of such insurances, all premiums have been duly paid to date and all the policies are in force and are not voidable on account of any act, omission or non-disclosure on the part of the insured party.*
- 3.1.24 *There will be no variation between the Prospectus in the form attached hereto and the Prospectus in the form registered by the SC without the prior written consent of the Underwriters unless so required by the SC.*

2. PARTICULARS OF THE IPO (Cont'd)

Clause 3.2 In consideration of the Underwriters agreeing to underwrite the Underwritten Shares, the Offerors hereby represent, warrant and undertake to the Underwriters and each of them as follows:-

3.2:1 that the Offer Shares are beneficially owned by them, free from any claims, charges, liens, encumbrances or equities that the Offerors have and will continue (until completion of the sale of the Offer Shares pursuant to the Offer) to retain the unrestricted right to transfer such Offer Shares, and that there is not, nor will there be, any option over or right to acquire any of such Offer Shares;

3.2:2 to apply for and obtain the approval-in-principle of the MSEB for admission of the Company to the official list of the MSEB and for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the MSEB before the Closing Date and to comply with all requirements and provisions of the Companies Act 1965, the Securities Act 1993, the Listing Requirements of the MSEB and all other applicable laws, rules and regulations and the requirements of all other relevant authorities;

3.2:3 that all consents, approvals, authorisations or other orders required by the laws of Malaysia for or in connection with the Offer will be obtained and in force and all other actions will be taken by them or on their behalf to comply with all legal and other requirements necessary to ensure that the Offer will not infringe any existing laws or the terms of any such consent, approval or authorisation;

3.2:4 that the Offer and the compliance by the Offerors of its terms:-

3.2:4.1 are in accordance with the Memorandum and Articles of Association of the Company; and

3.2:4.2 do not, and up to and on the Closing Date will not, infringe the terms of, or constitute a default under any trust deed, material agreement or other instrument or obligation to which it is a party or by which it is bound;

2. PARTICULARS OF THE IPO (Cont'd)

and the execution and issue or delivery by them to this Agreement and performance of the obligations to be assumed hereunder and in respect of the Offer have been duly authorised by the Offerors so that upon due execution the same will constitute valid and legally binding obligations of the Offerors;

- 3.2:5 that no information had been withheld by the Offerors from the Underwriters, which might in any way affect their decision to underwrite the Underwritten Shares;
- 3.2:6 to pay all and any stamp and other documentary taxes or duties, payable on, or in connection with, the creation, issue and distribution of the Issue Shares and the execution of this Agreement including any interest and penalties resulting from delay or omission on the part of the Company;
- 3.2:7 to comply with all the condition, if any, imposed by the SC and the MSEB and any other relevant authority for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the MSEB;
- 3.2:8 to promptly and without any delay whatsoever notify the Managing Underwriter who shall thereafter inform the other Underwriters of any breach of any of the representations, warranties or agreements or of any facts, information, situations or circumstances which the Company in its reasonable opinion believes may materially and adversely affect the business of the Company and/or the Group as a whole, or the success of the Issue and without prejudice to the generality of the foregoing, to take such steps as may be reasonably requested by the Managing Underwriter and/or the Underwriters (as the case may be) to remedy and/or publicise the same, at any time prior to the Closing Date;
- 3.2:9 to give the Underwriters any or all information which the Underwriters may require in respect of the accounts or affairs of the Company or the Group or in connection with the Issue or the other proposals contained in the Prospectus and the documents (if any) attached thereto;
- 3.2:10 to fix the Closing Date together with the Managing Underwriter;

2. PARTICULARS OF THE IPO (Cont'd)

3.2.11 *to do all other things and sign or execute such other documents as may reasonably be required by the Managing Underwriter and/or the Underwriters (as the case may be);*

3.2.12 *that each of the Offerors has full legal right, authority and power to enter into this Agreement and bind himself by this Agreement and to exercise his rights and perform his obligations hereunder;*

3.2.13 *that each of the Offerors is not an undischarged bankrupt and has not, at any time, been served (in or outside Malaysia) a petition to be made a bankrupt.*

Clause 3.3

The commitment of the Underwriters to underwrite the Underwritten Shares is being made on the basis of the representations, warranties and undertakings of the Company in this Clause 3.1 and Clause 3.2 and with the intention that such representations, warranties and undertakings shall remain true and accurate in all material respects up to and including the Closing Date, and in consideration of such commitment to underwrite, the Company irrevocably and unconditionally undertakes with the Underwriters that it shall:-

3.3.1 *forthwith notify the Managing Underwriter who shall thereafter inform the other Underwriters of any misrepresentation or of anything which has or may have rendered or will or may render untrue or incorrect any of its representations, warranties or undertakings at any time prior to the Closing Date, which shall come to its notice or of which it becomes aware or which shall occur at any time prior to the Closing Date, but the giving of any such notice shall not affect or prejudice any of the rights of the Underwriters hereunder;*

3.3.2 *not publish any amendment or supplement to the Prospectus which the Underwriters have not previously been notified in writing of or to which the Underwriters or their legal advisers shall reasonably object but the giving of any such notice shall not affect or prejudice any of the rights of the Underwriters hereunder;*

3.3.3 *notify in writing and discuss with the Underwriters any announcement proposed to be made to the public which would conflict in any material respect with any statement in the Prospectus but the giving of any such notice and any such discussion shall not affect or prejudice any of the rights of the Underwriters hereunder;*

2. PARTICULARS OF THE IPO (Cont'd)

3.3.4 to the extent permitted by law, not make public any information which will or is likely to affect the market price of the Issue Shares without prior written notice to and the prior written consent of the Underwriters unless required to do so by law.

Clause 3.4 If any action, proceeding, claim or demand shall be brought or asserted against the Underwriters in respect of which indemnity is sought from the Company, then the Underwriters and/or the Managing Underwriter (as the case may be) shall notify the Company in writing thereof, and the Company shall to the extent required by the Underwriters and permitted by law assume the defence thereof on behalf of and/or in the name of the Underwriters, including the employment of legal advisers selected by the Managing Underwriters and/or the Underwriters (as the case may be), and the Company shall bear all fees and expenses in relation thereto or arising therefrom. The Managing Underwriter and/or the Underwriters (as the case may be) shall have the right to select separate legal advisers to assume such legal defence and otherwise to participate in the defence of such action, proceeding, claim or demand on behalf of the other Underwriters, and the Company shall bear all fees and expenses of such separate legal advisers in relation thereto and arising therefrom.

Clause 3.5 At any time prior to the Closing Date, the Company shall at the request of the Managing Underwriter and/or the Underwriters furnish or deliver to the Managing Underwriter and/or the Underwriters (as the case may be) all information and documents which the Underwriters may reasonably request for, for the purpose of verifying the truth completeness or accuracy of the representations, warranties and undertakings contained herein.

Clause 5 **OBLIGATIONS OF THE UNDERWRITERS AND MANAGING UNDERWRITER**

Clause 5.1. Underwritten Shares

5.1.1. If on or before the Closing Date the whole of the Underwritten Shares shall be subscribed for in full, no obligation shall arise on the part of the Underwriters to apply for any of the Underwritten Shares under this Agreement.

2. PARTICULARS OF THE IPO (Cont'd)

- 5.1.2. *If on the Closing Date any of the Underwritten Shares shall not have been subscribed for in full by the public ("Unaccepted Underwritten Shares"), the Underwriters shall be bound to apply for take up and purchase such number of the Unaccepted Underwritten Shares which have not been applied for by the public in accordance with the numbers and the proportions set out opposite their respective names in the Second and Third Column of the Second Schedule hereto, respectively.*
- 5.1.3. *The Company shall within 14 days after the Closing Date, give notice in writing to the Underwriters of the number of Underwritten Shares required to be applied for taken up and purchased by the Underwriters. Such notice shall be delivered by hand or by registered post or transmitted by telefax by the Company to the Managing Underwriter at its business address hereinabove stated, and shall be deemed to have been received by each of the Underwriters 3 clear business days after the letter containing the same was delivered, posted and transmitted to the Managing Underwriter as aforesaid.*
- Clause 5.2. *The Underwriters, shall forthwith and in any case not later than 3 clear business days after receipt of the notices referred to under sub-clause 5.1.3 (the "Underwriting Notice"), deliver to Malaysian Issuing House Sdn. Bhd. (Company No.: 258345-X) (in their capacity as issuing house) application(s) in the appropriate form(s) for the number of shares which the Underwriters are required to apply for together with the remittance for the amounts payable on such application(s) in respect of the shares so applied for as stipulated in the Prospectus less the amount of the Underwriting Commission payable to the respective Underwriters. If any Underwriter(s) shall fail, within 3 business days after the delivery of the Underwriting Notice, to deliver the application(s) or remittance, then the Company shall with the consent of the Managing Underwriter (which consent shall not be unreasonably withheld or delayed) sign and lodge such application(s) on behalf and in the name of such Underwriter or Underwriters, and this authority and any application(s) made thereunder shall be irrevocable.*

2. PARTICULARS OF THE IPO (Cont'd)

Clause 5.3 The application(s) of the Underwriters shall be on the terms and conditions of the Prospectus and in the form lodged for registration with the Companies Commission of Malaysia notwithstanding any variation between the Prospectus so lodged and the draft Prospectus in Appendix I PROVIDED ALWAYS that no variations shall have been made in the draft Prospectus without the prior written consent of the Underwriters and the Managing Underwriter with regard to the matters following, namely -

5.3.1. the authorised and issued share capital of the Company;

5.3.2. the number of shares comprised in the Issue, the par value of such shares and the Issue Price thereof;

5.3.3. the number of shares comprised in the Offer, the par value of such shares and the Offer Price thereof ;

5.3.4. the remuneration of the directors of the Company unless approved by the members at a general meeting; and

5.3.5. the intention of the Company to apply to the MSEB for permission to deal in and for quotation of all the issued ordinary shares amounting to 80,000,000 ordinary shares of the Company, inclusive of the Issue and the Offer Shares, on the Second Board of the MSEB;

Clause 5.4. For the purpose of Section 44 of the Companies Act, 1965 the said application and any acceptance thereof shall be deemed to be made pursuant to the Prospectus.

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2. PARTICULARS OF THE IPO (Cont'd)

Clause 5.5 The Company and the Offerors shall, on behalf of the Managing Underwriter and Underwriters, procure that all the Underwritten Shares subscribed for by the Managing Director and Underwriters in discharging their obligations under this Agreement be deposited with the Malaysian Central Depository Sdn Bhd and credited to the accounts of the respective Managing Underwriter and the Underwriters not later than one (1) month from the Closing Date. The Managing Underwriter and the Underwriters may request the Company and the Offerors to register the Underwritten Shares in their respective accounts or their respective nominee or nominees' accounts and the Company's and the Offeror's obligations herein are discharged as soon as the Company and the Offerors have duly complied with such request.

Clause 8 **FORCE MAJEURE AND TERMINATION**

Clause 8.1. No party shall be liable in any manner for failure to perform or delay in performing all or any part of this Agreement which is directly due to any cause or circumstances beyond the control of such party including without limitation, acts of God, fire, flood, storm, earthquake, typhoon, tidal wave, plague or other epidemics, governmental laws, orders, regulations, sanctions or restrictions, war, armed conflict or serious threat of the same, hostilities, mobilization, blockade, or severe economic dislocation or change in national or international monetary, financial, political or economic condition that will directly and materially affect the financial position of the Company or the listing and quotation of the Issue and Offer Shares on the MSEB.

Clause 8.2. Notwithstanding anything contained in sub-clause 8.1, a party shall be entitled to issue a notice to the other party terminating this Agreement if, at any time :-

8.2.1. the other party commits any continuing and material breach of any of its obligations under this Agreement which either -

8.2.1.1. is incapable of remedy; or

8.2.1.2. if capable of remedy, is not remedied within 30 days of its being given notice so to do;

8.2.2. a petition is presented or an order is made or a resolution is passed for the winding up of the other party;

2. PARTICULARS OF THE IPO (Cont'd)

- 8.2.3. *an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the other party and such administrator or receiver or receiver and manager is not discharged, or such distress, attachment or execution is not satisfied by that party within 14 days thereof;*
- 8.2.4. *the other party becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or*
- 8.2.5. *the other party ceases or threatens to cease to carry on the whole or any substantial part of its business (except for the purposes of a bona fide reconstruction or amalgamation which would not result or cause any failure or inability to duly perform or fulfil any obligation under this Agreement).*

Clause 8.3. Notwithstanding anything herein contained, the Underwriters or any of them acting through the Managing Underwriter, may at any time before the Closing Date terminate its obligations under this Agreement if in its reasonable opinion there shall have been such a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates as would in its reasonable opinion prejudice materially the success of the Issue and Offer and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) and thereupon the Underwriter concerned and the Offerors and/or the Company shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 10 hereof incurred prior to or in connection with such termination) be released and discharged from their respective obligations hereunder.

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