2. INFORMATION SUMMARY

The following summary is only a summary of salient information in the Prospectus that may be important to you. You should read and understand the entire Prospectus carefully before you decide to invest in the IPO Shares.

This Prospectus contains certain forward-looking statements relating to future events or our financial performance and our subsidiaries. You should be aware that such statements are only predictions and that actual result or events may defer materially from those disclosed in this Prospectus. Therefore, you should carefully consider the various factors identified in this Prospectus when evaluating such statements, including the matters included under the heading "Risk Factors" in Section 4 of this Prospectus.

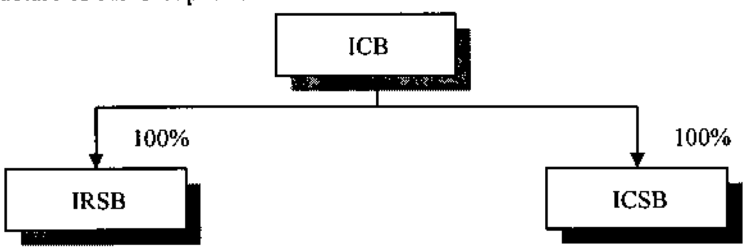
2.1 History, principal activities and our Group structure

We were incorporated on 28 June 2004 as a public company limited by shares in Malaysia under the Act as the vehicle to undertake the Flotation Exercise.

Our principal activity is investment holding while the principal activities of our subsidiaries are as follows:

Subsidiary	**Principal activities**
IRSB	Manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals, and trading of pesticides and other agrochemicals
ICSB	Investment holding company

The structure of our Group is as follows:



The history of our business can be traced back to 1983 when Protrade Sdn Bhd was incorporated. In May 1993, Protrade Sdn Bhd changed its name to IRSB where IRSB's initial principal activity was in the trading of pesticides and other agrochemicals. After a brief association with Protrade Sdn Bhd between 1986 and 1988, Mr Tong Chin Hen bought a stake in IRSB in June 1993 and assumed the position of General Manager. Mr Tong Chin Hen has more than two (2) decades of experience in the pesticide industry and since taking over the helm of IRSB, he has been instrumental in the success, growth and development of our Group.

As part of our Group's geographical expansion, our Group first ventured into export markets in 1993. In 1996, our Group ventured into repacking of pesticides and in 1998, we extended our manufacturing operations to produce a range of pesticides, including herbicides, insecticides and fungicides.

To-date, our Group has successfully sold our products to many countries the world over, including among many others, Russia, Bulgaria, Netherlands, Japan, Taiwan, India, Vietnam, Thailand, Indonesia, Saudi Arabia, South Africa and Australia. To-date, we have established ourselves as a key manufacturer in the pesticide industry in Malaysia. As at 12 December 2005, our Group owns one hundred ninety (190) registered pesticides in Malaysia and overseas.

Please refer to Section 5 of this Prospectus for further details on the history and principal activities of our Group.

2.2 Ownership and management

2.2.1 Promoters

The Promoters and their respective shareholdings in our Company before and after the IPO are as follows:

		Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Tong Chin Hen	Managing Director	3,935,242	6.25	33,947,064[1]	53.94	150,000*	0.19	33,947,064[1]	42.43
Mohd Shafek bin Isa	Non-Executive Chairman	-	-	19,118,704[2]	30.38	150,000*	0.19	19,118,704[2]	23.90

Notes:

* *On the assumption that the respective individuals will subscribe all their entitlements of the proposed Pink Form allocation.*

1 Deemed interest by virtue of his direct interest in SRSB, upon completion of the Share Transfer.

2 Deemed interest by virtue of his direct interest in Sunbina, upon completion of the Share Transfer.

2.2.2 Directors

Our Directors and their respective shareholdings in our Company before and after the IPO are as follows:

		Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Tong Chin Hen	Managing Director	3,935,242	6.25	33,947,064[1]	53.94	150,000*	0.19	33,947,064[1]	42.43
Mohd Shafek bin Isa	Non-Executive Chairman	-	-	19,118,704[2]	30.38	150,000*	0.19	19,118,704[2]	23.90
Tong Ah Wah @ Tong Chun Hwi	Executive Director	-	-	2,571,498[3]	4.09	100,000*	0.13	2,571,498[3]	3.21
Dr Leong Wan Leong	Independent Non-Executive Director	-	-	-	-	50,000*	0.06	-	-

2. INFORMATION SUMMARY *(Cont'd)*

		Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Tai Keat Chai	Independent Non-Executive Director	-	-	-	-	50,000*	0.06	-	-

Notes:

* *On the assumption that the respective individuals will subscribe all their entitlements of the proposed Pink Form allocation.*

1 *Deemed interest by virtue of his direct interest in SRSB, upon completion of the Share Transfer.*

2 *Deemed interest by virtue of his direct interest in Sunbina, upon completion of the Share Transfer.*

3 *Deemed interest by virtue of his wife, Fang Lie Lie's direct interest in our Company.*

2.2.3 Substantial shareholders

Our substantial shareholders and their respective shareholdings in our Company before and after the IPO are as follows:

		Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
SRSB	-	33,947,064#	53.94	-	-	33,947,064#	42.43	-	-
Tong Chin Hen	Managing Director	3,935,242	6.25	33,947,064[1]	53.94	150,000*	0.19	33,947,064[1]	42.43
Sunbina	-	19,118,704#	30.38	-	-	19,118,704#	23.90	-	-
Mohd Shafek bin Isa	Non-Executive Chairman	-	-	19,118,704[2]	30.38	150,000*	0.19	19,118,704[2]	23.90

Notes:

* *On the assumption that the respective individuals will subscribe all their entitlements of the proposed Pink Form allocation.*

\# *Shareholdings upon completion of the Share Transfer.*

1 *Deemed interest by virtue of his direct interest in SRSB, upon completion of the Share Transfer.*

2 *Deemed interest by virtue of his direct interest in Sunbina, upon completion of the Share Transfer.*

2. INFORMATION SUMMARY *(Cont'd)*

2.2.4 Key management and key technical personnel

Our Group's key management and key technical personnels' respective shareholdings in our Company before and after the IPO are as follows:

		Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Tong Chin Hen	Managing Director	3,935,242	6.25	33,947,064[1]	53.94	150,000*	0.19	33,947,064[1]	42.43
Tong Ah Wah @ Tong Chun Hwi	Executive Director	-	-	2,571,498[2]	4.09	100,000*	0.13	2,571,498[2]	3.21
Lai Soon Yip	Corporate Affairs and Finance Manager	-	-	-	-	50,000*	0.06	-	-
Yap Kim Yok	Accounts and Administration Manager	-	-	-	-	150,000*	0.19	-	-
Lee Tan Yan	Regulatory Affairs & Research and Development Manager	-	-	-	-	170,000*	0.21	-	-
Ngo Hea Sing	Production Manager	-	-	-	-	150,000*	0.19	-	-
Ku Kooi Khang	Commercial Manager	989,038	1.57	-	-	1,159,038*	1.45	-	-
Ling Tung Ping	Regional Manager	-	-	-	-	165,000*	0.21	-	-
Hanapi bin Sainon	Public Sector Manager	-	-	-	-	165,000*	0.21	-	-
Lau Pei Yue	National Sales Manager	-	-	-	-	150,000*	0.19	-	-
Si Chee Seng	Senior Executive Supervisor Operations & Planning	-	-	-	-	100,000*	0.13	-	-

Notes:

* *On the assumption that the respective individuals will subscribe all their entitlements of the proposed Pink Form allocation.*

1 *Deemed interest by virtue of his direct interest in SRSB, upon completion of the Share Transfer.*

2 *Deemed interest by virtue of his wife, Fang Lie Lie's direct interest in our Company.*

Set out in Section 6 of this Prospectus are the profiles and details of the Promoters, our substantial shareholders, Directors, key management and key technical personnel, and their respective direct and indirect shareholdings in our Company.

2.3 Financial highlights for the past five (5) financial years

2.3.1 Proforma consolidated income statements

Detailed below is a summary of the proforma consolidated income statements of our Group for the past five (5) financial years ended 30 June 2005. The summary has been prepared based on the audited financial statements of our Group for the relevant financial years, assuming that the current structure of our Group had been in existence throughout the financial years under review:

	<------------Financial year ended 30 June ------------>				
	2001	**2002**	**2003**	**2004**	**2005**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	38,730	35,946	42,102	53,314	63,089
Profit before depreciation, interest and taxation	6,665	6,223	7,245	9,255	11,453
Depreciation	(191)	(217)	(504)	(568)	(765)
Interest expense	(189)	(188)	(168)	(146)	(115)
Interest income	56	44	29	53	73
PBT	6,341	5,862	6,602	8,594	10,646
Taxation	(1,689)	(1,675)	(1,852)	(2,004)	(3,190)
PAT	4,652	4,187	4,750	6,590	7,456
No. of ICB Shares in issue ('000)[1]	62,935	62,935	62,935	62,935	62,935
Gross EPS (sen)[2]	10.08	9.31	10.49	13.66	16.92
Net EPS (sen)[3]	7.39	6.65	7.55	10.47	11.85

Notes:

1. *Based on 62,935,242 ICB Shares in issue in respect of the Acquisitions which were completed on 28 October 2005 but before the Public Issue.*
2. *Defined as PBT divided by the number of ICB Shares in issue.*
3. *Defined as PAT divided by the number of ICB Shares in issue.*
4. *There were no extraordinary or exceptional items for all the years under review.*

The proforma results of our Group have been extracted from and should be read together with the notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus.

The financial statements of our Group for the past five (5) financial years ended 30 June 2005 were not subjected to any audit qualification.

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2.3.2 Proforma consolidated balance sheets as at 30 June 2005

The following is a summary of the proforma consolidated balance sheets of our Group as at 30 June 2005, which has been prepared based on the audited financial statements of our Group for the said financial year. This summary has been prepared to include the effects of the Acquisitions, Public Issue and utilisation of proceeds from the Public Issue assuming these transactions were completed on 30 June 2005.

The proforma consolidated balance sheets have been extracted from and should be read together with the notes and assumptions included in the proforma consolidated balance sheets set out in Section 10.11 of this Prospectus.

	Audited as at 30 June 2005 RM	Proforma (I) RM	Proforma (II) RM
NON-CURRENT ASSET			
Property, plant and equipment	-	10,641,685	19,641,685
CURRENT ASSETS			
Inventories	-	6,324,824	6,324,824
Trade receivables	-	22,286,700	22,286,700
Other receivables	-	819,441	819,441
Short term deposits with licensed banks	-	4,057,000	4,057,000
Cash and bank balances	2	3,432,808	5,531,377
	2	**36,920,773**	**39,019,342**
CURRENT LIABILITIES			
Trade payables	-	6,019,697	6,019,697
Other payables	1,000	383,197	383,197
Hire purchase payable	-	21,221	21,221
Amount due to director	2,290	2,290	2,290
Bills payables	-	689,400	689,400
Term loan	-	242,595	242,595
Taxation	-	272,384	272,384
	3,290	7,630,784	7,630,784
NET CURRENT (LIABILITIES)/ ASSETS	**(3,288)**	**29,289,989**	**31,388,558**
	(3,288)	**39,931,674**	**51,030,243**
Financed by:			
Share capital	2	31,467,621	40,000,000
Negative goodwill	-	7,459,037	7,459,037
Share premium	-	-	2,566,190
Accumulated loss	(3,290)	(3,290)	(3,290)
Shareholders' equity	**(3,288)**	**38,923,368**	**50,021,937**
NON-CURRENT LIABILITIES			
Term loan	-	391,609	391,609
Deferred tax liabilities	-	616,697	616,697
	(3,288)	**39,931,674**	**51,030,243**
Number of Shares in issue	4	62,935,242	80,000,000
Net tangible (liabilities)/ assets per Share	(822)	0.62	0.63

Notes:

Proforma I : *After the Acquisitions.*

Proforma II : *After the Proforma I and the Public Issue, the utilisation of proceeds and after adjusting the estimated listing expenses of RM1.7 million against the share premium account.*

2.4 Consolidated profit forecast

We forecast that the consolidated financial results of our Group for the financial year ending 30 June 2006 will be as follows:

	Forecast consolidated results 30 June 2006
	RM'000
Revenue	70,459
PBT	11,700
Add: Negative goodwill recognised	9,878
PBT after negative goodwill recognised	21,578
Less: Taxation	(3,236)
PAT	18,342
Less: Pre-acquisition profit[#]	(2,419)
PAT after pre-acquisition profit	15,923
Weighted number of Shares in issue[^] ('000)	50,224
Enlarged number of Shares in issue ('000)	80,000
Gross EPS (sen)[1]	23.30
Gross EPS (sen)[2]	14.63
Net EPS (sen)[3]	16.85
Net EPS (sen)[4]	10.58
Gross PE Multiple based on the IPO Price of RM0.75 per Share	
Based on weighted average number of Shares in issue (times)	3.22
Based on enlarged number of Shares in issue (times)	5.13
Net PE Multiple based on the IPO Price of RM0.75 per Share	
Based on weighted average number of Shares in issue (times)	4.45
Based on enlarged number of Shares in issue (times)	7.09

Notes:

\# *Based on the results of IRSB and ICSB for the four (4) months financial period ended 31 October 2005 as the Acquisitions were completed at the end of October 2005.*

^ *The weighted number of Shares in issue is computed after taking into consideration the Acquisitions which were completed on 28 October 2005 and assuming that the Public Issue is completed by mid-January 2006.*

1. *Defined as consolidated PBT divided by the 50,224,341 weighted average number of ICB Shares assumed in issue.*
2. *Defined as consolidated PBT divided by the enlarged share capital of 80,000,000 ICB Shares.*
3. *Defined as consolidated PAT before negative goodwill recognised divided by the 50,224,341 weighted average number of ICB Shares assumed in issue.*
4. *Defined as consolidated PAT before negative goodwill recognised divided by the enlarged share capital of 80,000,000 ICB Shares.*

We have prepared the consolidated profit forecast of our Group for the financial year ending 30 June 2006 after considering the present economic, operating and other relevant conditions which may influence the business. We have also estimated to our best, future events and actions which we expect to take place. However the assumptions made may not materialise and even if it materialises, the expected results may be different from the forecast results. The details of the profit forecast and the principal assumptions, and the risks involved in the business are illustrated in Sections 10.7 and 4.2 of this Prospectus respectively.

2.5 Dividend forecast

We intend to recommend a dividend payout for the financial year ending 30 June 2006 to be as follows:

	Forecast 2006
Gross dividend per Share (sen)*	3.50
Net dividend per Share (sen)	2.80
Gross dividend yield based on the IPO Price of RM0.75 per Share (%)	4.67
Net dividend yield based on the IPO Price of RM0.75 per Share (%)	3.73
Gross dividend cover (times) [1]	6.66
Gross dividend cover (times) [2]	4.18
Net dividend cover (times) [3]	6.02
Net dividend cover (times) [4]	3.78

Notes:

* *Gross dividend per Share comprises 1% tax-exempt dividend and 2.5% non-tax-exempt dividend.*

1. *The gross dividend cover ratio was computed based on the gross EPS (based on the weighted average number of Shares assumed in issue) over the gross dividend per Share.*
2. *The gross dividend cover ratio was computed based on the gross EPS (based on the enlarged share capital) over the gross dividend per Share.*
3. *The net dividend cover ratio was computed based on the net EPS (based on the weighted average number of Shares assumed in issue) over the net dividend per Share.*
4. *The net dividend cover ratio was computed based on the net EPS (based on the enlarged share capital) over the net dividend per Share.*

We have not declared or paid any dividend since our inception. Our ability to pay dividends or make other distributions to our shareholders is subject to the profitability of our Group, the availability of cash and cash equivalents, the funding requirements for our anticipated expansion programme and the covenants imposed by our lenders, if any. Please refer to Section 10.8 of this Prospectus for further details.

2.6 Principal statistics relating to the IPO

2.6.1 Share capital of ICB

	RM
Authorised share capital	
200,000,000 ordinary shares of RM0.50 each	100,000,000
Issued and paid-up share capital as at the date of this Prospectus	
62,935,242 ordinary shares of RM0.50 each	31,467,621
To be issued pursuant to the Public Issue	
17,064,758 new ordinary shares of RM0.50 each	8,532,379
Enlarged issued and fully paid-up share capital	**40,000,000**

2.6.2 The IPO

The IPO shall involve a public issue by us of 17,064,758 new ICB Shares and an offer for sale by the Offeror of 3,935,242 ICB Shares.

2.6.3 IPO Price

The IPO Price is RM0.75 per ICB Share and we have priced the IPO Shares after taking into consideration the factors set out in Section 3.7 of this Prospectus.

2.6.4 Classes and ranking

We have only one class of shares, being the ordinary shares of RM0.50 each, all of which rank equally with one another. The IPO Shares will upon allotment and issue, rank pari passu in all respects with the other existing shares of our Company including voting rights and rights to all dividends and distributions, the entitlement date of which is subsequent to the date of their allotment.

Subject to any special rights attaching to any shares that may be issued by us in the future, the shareholders of ordinary shares in our 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 us as dividends, distributions and the whole of any surplus in the event of liquidation of our Company in accordance with our Articles of Association.

At any of our general meeting, each ordinary shareholder shall be entitled to vote in person or by other duly authorised representative or by proxy or by attorney and on a show of hands, every person present who is a shareholder or by proxy or by attorney or other duly authorised representative shall have one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of our Company and need not be any of the persons prescribed by Section 149 (1)(b) of the Act. A member may appoint not more than two (2) proxies to attend at the same meeting and shall specify the proportion of his/her shareholdings to be represented by each of the proxy if more than one (1) proxy is appointed.

2.6.5 Proforma consolidated NTA as at 30 June 2005

The proforma consolidated NTA of our Group as at 30 June 2005 is as follows:

Proforma NTA of our Group (RM'000) (after deducting estimated listing expenses of RM1.70 million)	50,022
Proforma NTA per Share of our Group (RM) (based on the enlarged share capital of 80,000,000 ICB Shares)	0.63

Detailed calculations of the proforma consolidated NTA are set out in Section 10.11 of this Prospectus.

2.7 Utilisation of proceeds from the IPO

We expect the gross proceeds from the Public Issue of approximately RM12.80 million to be fully utilised in the following manner:

Details of the proposed utilisation of proceeds from the Public Issue	Proceeds RM'000	Expected time frame for the proposed utilisation of proceeds (from the date of Listing)
Acquisition of a property	5,500	Twelve (12) months
Acquisition of plants and machineries	3,500	Twenty four (24) months
Defray estimated listing expenses	1,700	Six (6) months
Working capital	2,099	Twelve (12) months
	12,799	

The gross proceeds from the Offer for Sale of approximately RM2.95 million shall accrue solely to the Offeror and we shall not receive any part of the proceeds of the Offer for Sale. The Offeror shall bear all expenses including underwriting commission, placement fee, brokerage and stamp duty (if any) in relation to the Offer for Sale.

We have set out further details on the utilisation of proceeds in Section 3.8 of this Prospectus.

2.8 Risk factors

You should carefully consider the risks listed under the following summary of risk factors (which may not be exhaustive) in addition to other information contained in the Prospectus before applying for the IPO Shares. The risks to be considered are as follows:

2.8.1 Risks in relation to our Shares and the IPO

(i) No prior market for our Shares;

(ii) Failure or delay of the Listing;

(iii) Termination of the Underwriting Agreement;

(iv) Indefinite delay between settlement and trading of our Shares;

(v) Sale or possible sale of a substantial number of our Shares could adversely affect the price; and

(vi) Our share price like all publicly traded shares on Bursa Securities is subject to market forces.

2.8.2 Risks relating to the business of our Group

(i) Availability of raw materials;

(ii) Fluctuations in prices of raw materials;

(iii) Risks of business disruption;

(iv) Insurance risks;

(v) Phasing out the manufacture and sale of Paraquat-based herbicides;

(vi) Change in agricultural practices;

(vii) Competition from other agrochemical manufacturers;

(viii) Dependence on key customers;

(ix) Dependence on sale of herbicides;

(x) Geographical risks;

(xi) Dependence on key personnel and continuity of management;

(xii) Control by substantial shareholders;

(xiii) Political, economic and regulatory considerations;

(xiv) Threat of substitutes;

(xv) Absence of long-term sales contracts;

(xvi) Downturn in the local and global economies;

(xvii) Potential acquisitions and joint ventures / investment activities;

(xviii) Illegal pesticides trade;

(xix) Fire and explosion;

(xx) Transportation spillage;

(xxi) Product contamination;

(xxii) Product defects;

(xxiii) Employee safety; and

(xxiv) Absence of long-term supply contracts

2.8.3 Financial risks

(i) Foreign exchange risks;

(ii) Borrowings and interest rate risks;

(iii) Recoverability of debts;

(iv) Profit forecast;

(v) Disclosure regarding forward looking statements; and

(vi) Restrictive covenants.

2.8.4 Risks relating to the business environment

(i) Government control and regulations; and

(ii) Environmental risk.

Further information on the above risks is set out in Section 4 of this Prospectus. If you are unsure about any of the information contained in the section on "Risk Factors", you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

2.9 Working capital, borrowings, material litigation, material contingent liabilities and material capital commitments

2.9.1 Working capital

Our Directors are of the opinion that after taking into consideration our Group's cash flow position and banking facilities available, we shall have sufficient working capital, including proceeds arising from the Public Issue, for the next twelve (12) months from the date of this Prospectus.

2.9.2 Borrowings

As at 12 December 2005, being the latest practicable date prior to the issuance of this Prospectus, our Group's total short-term and long-term borrowings amounted to approximately RM0.46 million and RM0.28 million respectively. Our indebtedness is considered negligible in comparison to our scale of operations and share capital. Details of our borrowings are summarised below:

Banking facilities	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
Bills payable	200	-	200
Hire-purchase	6	-	6
Term loan	250	285	535
Total	456	285	741

Save as disclosed, our Group did not incur any other material indebtedness which may have any substantial impact on the financial position of our Group.

2.9.3 Material litigation

As at the date of this Prospectus, our Group is not engaged in any litigation, either as plaintiff or defendant which has any material effect on the financial position of our Group and we do not have any knowledge of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

2.9.4 Material contingent liabilities

As at the date of this Prospectus, there are no material contingent liabilities incurred by us and our subsidiaries, which may have a substantial impact on the financial position of our Group.

2.9.5 Material capital commitments

As at the date of this Prospectus, there are no material commitments for capital expenditure contracted or known to be contracted by our Group which may have a substantial impact on the financial position of our Group.

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3. PARTICULARS OF THE IPO

3.1 Introduction

This Prospectus is dated 28 December 2005.

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. Neither the SC nor ROC takes any responsibility for their contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed our Shares as a prescribed security. In consequence thereof, the 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 Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. No share certificates will be issued to successful applicants.

We shall make an application to Bursa Securities within three (3) market days from the date of this Prospectus for admission to the Official List of Bursa Securities and for permission to deal in and the listing of and quotation for our entire enlarged issued and paid-up ordinary shares on the Second Board of Bursa Securities. These ordinary shares will be admitted to the Official List of the Second Board of Bursa Securities and the official quotation will commence upon receiving the confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and undertaking from the Issuing House that notices of allotment have been despatched to all successful applicants.

Acceptance of the applications will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation of our entire enlarged issued and paid-up ordinary shares on the Second Board of Bursa Securities. Monies paid in respect of any application accepted will be returned if the said permission is not granted.

As spelled out under the Issues Guidelines and the Listing Requirements, at least 25% of our issued and paid-up share capital must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO and at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, we may not be allowed to proceed with our listing on the Second Board of Bursa Securities. In such as event, we shall return to you the monies paid in full.

You **MUST HAVE** a CDS Account when you submit your Application by way of Application Forms or by way of Electronic Share Applications. You should state your CDS Account in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to the Issuing House/Company for the purpose of crediting the IPO Shares allotted to you in your CDS Account. In the case of an application by way of Electronic Share Application, you must be an individual and have a CDS Account to submit the Electronic Share Application and you shall furnish your CDS Account number to the Participating Financial Institutions by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so. If you are a corporation or institution, you cannot apply for the IPO Shares by way of Electronic Share Application.

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We have not authorised any person to give any information or represent us in relation to this IPO. You should also bear in mind that this Prospectus shall not represent or imply that there has been no change in our affairs since the issuance of this Prospectus.

This Prospectus should not be used for the purpose of an offer to sell or invitation to apply for any IPO Share 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 an invitation. If you have possession of this Prospectus, you are required to inform yourselves of and observe such restrictions. The distribution of this Prospectus is subject to Malaysian laws and we take no responsibility for the distribution of this Prospectus outside Malaysia.

The SC and Bursa Securities assume 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 Bursa Securities is not to be taken as an indication of the merits of our Company or our Shares.

Please consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately if you have any doubt on the contents of this Prospectus.

3.2 Opening and closing dates of the IPO

Tentative / Indicative timetable

We have set out the indicative timetable of events leading up to the listing of and quotation for our Shares for your reference:

Event	Tentative / Indicative Date
Date of Prospectus / Opening date	28 December 2005
Closing date	9 January 2006
Balloting of applications	12 January 2006
Despatch of notices of allotment	19 January 2006
Listing date	20 January 2006

Notes:

1. *The application period will open at 10.00 a.m. on Wednesday, 28 December 2005 and will close by 5.00 p.m. on Monday, 9 January 2006. We and the Managing Underwriter may at our discretion, extend the application for such further period or periods.*
2. *In the event of any change to the closing date of the application, we shall notify you via a widely circulated daily English and Bahasa Malaysia newspaper within Malaysia.*

You should note that if the closing date of the application is extended, the dates for the allotment and listing of our shares on the Second Board of Bursa Securities would be extended accordingly.

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3.3 Share capital

	RM
Authorised share capital	
200,000,000 ordinary shares of RM0.50 each	100,000,000
Issued and paid-up share capital as at the date of this Prospectus	
62,935,242 ordinary shares of RM0.50 each	31,467,621
To be issued pursuant to the Public Issue	
17,064,758 new ordinary shares of RM0.50 each	8,532,379
Enlarged issued and fully paid-up share capital	**40,000,000**

We only have one (1) class of shares being the ordinary shares of RM0.50 each, all of which rank equally with one another. The IPO Shares will upon allotment and issue, rank pari passu in all respects with the other existing shares of our Company including voting rights and rights to all dividends and distributions, the entitlement date of which is subsequent to the date of their allotment.

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

At any of our general meeting, each ordinary shareholder shall be entitled to vote in person or by other duly authorised representative or by proxy or by attorney and on a show of hands, every person present who is a shareholder or by proxy or by attorney or other duly authorised representative shall have one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of our Company and need not be any of the persons prescribed by Section 149 (1)(b) of the Act. A member may appoint not more than two (2) proxies to attend at the same meeting and shall specify the proportion of his/her shareholdings to be represented by each of the proxy if more than one (1) proxy is appointed.

3.4 Details of the IPO

The IPO comprises the Public Issue of 17,064,758 new ICB Shares and an Offer for Sale of 3,935,242 existing ICB Shares, totaling 21,000,000 ICB Shares, at an IPO Price at RM0.75 per Share which is payable in full upon application. The IPO Shares will be allocated in the following manner:

(i) Malaysian Public

6,000,000 IPO Shares to the Malaysian Public (of which 30% or 1,800,000 IPO Shares will be allocated to Bumiputera investors);

(ii) Private Placement

5,618,000 IPO Shares by way of private placement to selected investors (of which 30% or 1,685,400 IPO Shares will be allocated to Bumiputera investors);

(iii) Eligible Directors, employees and business associates of our Group

4,500,000 IPO Shares to the eligible Directors, employees, and business associates of our Group; and

(iv) Bumiputera investors

4,882,000 IPO Shares by way of private placement to Bumiputera investors nominated by MITI.

All the IPO Shares available for application by the Malaysian Public and the eligible employees and business associates of our Group in (i) and (iii) respectively have been fully underwritten, save for the 500,000 IPO Shares allocated to eligible Directors which have been fully taken up. The IPO Shares in (ii) and (iv) are not underwritten as they have been placed out to selected investors and the Bumiputera investor respectively, and irrevocable undertakings have been obtained from them.

In the event of an under-subscription of the Malaysian Public portion of the IPO Shares in (i), the unsubscribed portion of this will be made available to selected investors via placement. Any portion of the IPO Shares which are not taken up by eligible employees and business associates of our Group in (iii) will be made available for application by the Malaysian Public. In the event that these unsubscribed portions are still not fully subscribed by the Malaysian Public, the IPO Shares will then be made available to selected investors via placement. Any balance IPO Shares still not subscribed for will then be taken up by the Underwriters.

The entire 21,000,000 IPO Shares should be fully subscribed and paid for to meet the 25% public shareholding spread required under the Issues Guidelines on Public Offerings and the Listing Requirements for listing on Bursa Securities.

Our Directors will determine the manner for selecting applicants by deciding on the basis of allocation. The basis of allocation to be determined shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants with a view of broadening our shareholding base to meet the public spread requirements and to establish a liquid and an adequate market for our Shares. In ensuring compliance with the Listing Requirements, the final allocation to any single applicant shall not exceed 5% of our issued and paid-up share capital upon Listing, regardless of the amount of IPO Shares applied for.

3.5 Allocation of Shares to eligible Directors, employees and business associates of our Group

We have reserved 4,500,000 IPO Shares, representing approximately 5.6% of our enlarged issued and paid-up share capital, for application by eligible Directors, employees and business associates of our Group.

The allocation of the IPO Shares will be made after considering the following criteria:

(a) Directors and employees of our Group
- Seniority / Position;
- Length of service;
- Job performance; and
- Other criteria deemed fit by our management.

(b) Business associates of our ICB Group
- Length of relationship;
- Volume and frequency of transactions with us; and
- Other criteria deemed fit by our management.

Directors

The details of allocation of the IPO Shares to the eligible Directors of our Group are as follows:

Directors	**No. of IPO Shares**
Tong Chin Hen	150,000
Mohd Shafek bin Isa	150,000
Tong Ah Wah @ Tong Chun Hwi	100,000
Dr Leong Wan Leong	50,000
Tai Keat Chai	50,000
Total	**500,000**

Employees and business associates

The details of allocation of the IPO Shares to eligible employees and business associates of our Group are as follows:

Category	No. of employees	No. of IPO Shares
Management and professionals	11	1,520,000
Technical professionals	13	561,000
Clerical and administrative personnel	10	87,000
General workers and factory workers	25	81,000
	59	2,249,000
Business associates	N/A	1,751,000
TOTAL#	**59**	**4,000,000**

Note:

\# *Total number of employees excludes Tong Chin Hen and Tong Ah Wah @ Tong Chun Hwi who are only eligible to subscribe for the IPO Shares allocated for Directors.*

3.6 Purposes of the IPO

The IPO is undertaken for the following purposes:

(i) To enable our Group to gain access to the capital market to raise funds for our future expansion and growth;

(ii) To provide an opportunity for our Directors, employees and business associates, and the Malaysian Public to participate in the continuing growth of our Group;

(iii) To meet the 25% public shareholding requirement as stipulated in the Issues Guidelines and the Listing Requirements for listing on Bursa Securities;

(iv) To obtain a listing of and quotation for our Shares on the Second Board of Bursa Securities;

(v) To raise proceeds required for funding of the requirements listed in Section 3.8 of this Prospectus; and

(vi) To enable our Group to gain recognition and stature through our listing status for future expansion of our Group's operations especially in the global market.

3.7 Basis of arriving at the IPO Price

PMBB and ourselves have determined and agreed on the pricing of the IPO Shares at RM0.75 per Share after taking into consideration the following factors:

(i) Our Group's operating and financial history and conditions;

(ii) Our forecasted net PE Multiple of 7.09 times based on the forecasted consolidated net EPS of 10.58 sen for the financial year ending 30 June 2006 based on the enlarged issued and paid-up share capital of 80,000,000 ICB Shares;

(iii) Our proforma consolidated NTA per Share of RM0.63 as at 30 June 2005;

(iv) Our future plans and prospects of the industry and business of our Group as outlined in Sections 5.25 and 5.26 respectively of this Prospectus;

(v) The qualitative and quantitative factors as set out in Sections 5 and 10 of this Prospectus; and

(vi) The prevailing market conditions.

However, you should note that the market prices of our Shares upon and subsequent to the listing on the Second Board of Bursa Securities, like all other publicly traded shares on Bursa Securities, are subject to vagaries of the market forces and other uncertainties, which may affect the price of our Shares that are being traded. You should also bear in mind the risk factors set out in Section 4 of this Prospectus and seek independent advice before you decide on whether or not to invest in the IPO Shares.

3.8 Proceeds from the IPO and the proposed utilisation thereof

The gross proceeds from the Offer for Sale of RM2.95 million shall accrue solely to the Offeror and we shall not receive any part of the proceeds. The Offeror shall bear all expenses including underwriting commission, placement fee, brokerage and stamp duty (if any) in relation to the Offer for Sale.

We expect the proceeds from the Public Issue of approximately RM12.80 million to be fully utilised in the following manner:

Details of the proposed utilisation of proceeds	Note	Proceeds RM'000	Expected time frame for the proposed utilisation of proceeds (from the date of Listing)
Acquisition of a property	*(i)*	5,500	Twelve (12) months
Acquisition of plants and machineries	*(ii)*	3,500	Twenty four (24) months
Defray estimated listing expenses	*(iii)*	1,700	Six (6) months
Working capital	*(iv)*	2,099	Twelve (12) months
		12,799	

Notes:

(i) Acquisition of a property

We intend to acquire a piece of property comprising a piece of land together with a factory building erected thereon in the vicinity of our current factory located at Lot 2, Solok Sultan Hishamuddin 7, Kawasan 20, Selat Klang Utara, 42000 Port Klang, Selangor Darul Ehsan. The estimated cost of the acquisition is approximately RM5.5 million. This property shall host the additional machineries to be acquired, as detailed below.

(ii) Acquisition of plants and machineries

We shall purchase additional types of plants and machineries, namely the Emulsifiable Concentrate Production Plant, Suspension Concentrate Production Plant and the Glyphosate and Desiccant Production Plant. Each production plant comprises mainly the processing plant and packaging station. These production plants will be used to produce insecticides, fungicides and herbicides respectively.

(iii) ***Defray estimated listing expenses***

The estimated listing expenses for the listing of and quotation for our Shares on the Second Board of Bursa Securities are as follows:

	RM'000
Professional fees	*580*
Printing of Prospectus and advertising fees	*350*
Underwriting fee	*140*
Brokerage fee	*130*
Placement fee	*25*
SC's perusal fee and initial listing fee	*55*
Miscellaneous	*420*
Total	*1,700*

(iv) ***Working capital***

We shall utilise the remaining balance of the total gross proceeds to finance the working capital requirement of our Group.

The proforma impact of the proposed utilisation of proceeds on the consolidated balance sheets of our Group is reflected in Section 10.11 of this Prospectus.

3.9 Underwriting commission, brokerage and placement fee

Details of the Managing Underwriter, Underwriters and Placement Agent for the IPO are set out in Section 1 of this Prospectus.

3.9.1 Underwriting commission

We have entered into an underwriting agreement with PMBB, M & A Securities Sdn Bhd and A. A. Anthony Securities Sdn Bhd on 23 November 2005 ("Underwriting Agreement") for the underwriting of 10,000,000 IPO Shares as part of the IPO Shares available for application by the Malaysian Public, and the eligible employees and business associates of our Group.

We shall be paying the underwriting commission at a rate of 1.75% of the 10,000,000 IPO Shares to be underwritten at the IPO Price to the Underwriters.

3.9.2 Brokerage

The brokerage shall be borne by us and the Offeror in respect of the IPO Shares made available for application by the Malaysian Public at the rate of 1% of the IPO Price of RM0.75 per Share in respect of successful applications which bear the stamps of PMBB, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

3.9.3 Placement fee

The placement fee shall be borne by us and the Offeror at the rate of up to 1.75% on the IPO Price of RM0.75 per Share in respect of successful placements.

3.9.4 Salient terms of the underwriting agreement

Set out below is an extract of some of the salient terms of the Underwriting Agreement:

The terms, clauses and references set out in the remainder of this section are in respect of those set out in the Underwriting Agreement.

(a) Conditions Precedent for Underwriting

The several obligations of the Underwriter under this Agreement shall further be conditional upon:

(i) **Execution of Agreement:** this Agreement signed by all parties herein and duly stamped;

(ii) **SC & ROC:** the acceptance for registration with the SC and the lodgement with the ROC respectively of the Prospectus together with copies of all documents required under Section 42 of the Companies Act prior to the issuance of the Prospectus to the public;

(iii) **Bursa Securities Approval for Quotation:** Bursa Securities agreeing in principle to the listing of and quotation for (on terms satisfactory to the Managing Underwriter) the entire issued and paid-up share capital of the Company within three (3) months from the date hereof or such later date as consented by the Underwriters prior to the issuance of the Prospectus, and the Underwriters being reasonably satisfied that such listing and quotation will be granted three (3) Market Days (or such other days as Bursa Securities may permit) after the submission to Bursa Securities of the relevant documents required for such listing and quotation for the entire issued and paid-up share capital of the Company have been accepted and the respective Shares are deposited in or transferred to the securities account maintained by the entitled shareholders under the Securities Industry (Central Depositories) Act, 1991;

(iv) **Material Adverse Condition:** there having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Company and its subsidiaries (which in the reasonable opinion of the Underwriters are or will be material in the context of the issue of the IPO Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect an extent which is or will be material in any of the representations, warranties and undertakings contained in Clauses 3.1, 3.2 and 3.3 of the Underwriting Agreement if they are repeated on and as of the Closing Date;

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(v) **No Prohibition by Laws on the IPO:** the issue, offering and subscription of the IPO Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);

(vi) **Approvals:** all necessary approvals and consents required in relation to the IPO including but not limited to governmental approvals having been obtained and are in full force and effects;

(vii) **Payment of Expenses:** the Underwriters having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 13 of the Underwriting Agreement;

(viii) **Resolutions:** the delivery to the Managing Underwriter prior to the date of registration of the Prospectus of (aa) a copy certified as true copy by an authorised officer of the Company of all the resolutions of the directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the IPO and authorising the execution of this Agreement and the issuance of the Prospectus; (bb) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 4.1(d) of the Underwriting Agreement; and

(ix) **Report & Confirmation:** the delivery to the Managing Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the board of directors of the Company as the Managing Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company or its subsidiaries nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in Clause 3 of the Underwriting Agreement as though they have been given and/or made on such date;

Non-Fulfilment of Conditions Precedent: In the event any of the foregoing conditions set forth in Clause 4.1 are not satisfied by the Closing Date, the Underwriters or any of the Underwriters shall, subject as mentioned below, thereupon be entitled but not bound to terminate this Agreement by notice given to the Company not later than three (3) market days after the Closing Date and upon such termination, the liabilities of the Company and the Underwriters shall become null and void and none of the Company shall have a claim against the other save for antecedent breaches by the parties and claims arising therefrom and that each party shall return any and all moneys paid to the other or others under this Agreement within seventy-two (72) hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses as provided in Clause 13 of the Underwriting Agreement). The Underwriters reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under this Agreement.

(b) Termination, Lapse of Agreement or Force Majeure

Notwithstanding anything herein contained, the Managing Underwriter and/or the Underwriters, acting through the Managing Underwriter may by notice in writing to the Company and the Offeror given at any time before the Closing Date, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

(i) **Breaches in Representations, Warranties or Undertakings:** there is any material breach by the Company and/or the Offeror of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company and/or the Offeror, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriters, which is required to be disclosed pursuant to this Agreement which, in the opinion of the Managing Underwriter and/or the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the ICB Group, the success of the Public Issue and the Offer for Sale, or the distribution or sale of the Public Issue Shares and the Offer Shares; or

(ii) **Information Withheld:** there is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Initial Public Offering, or the distribution or sale of the Initial Public Offering Shares; or

(iii) **Material and/or Adverse Changes:** there shall have occurred, happened or come into effect any material and/or adverse change to the business or financial condition of the Company or the Group; or

(iv) **Force Majeure / Lapse of Agreement:** there shall have occurred, happened or come into effect any of the following circumstances:

(a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or

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(b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Managing Underwriter and/or the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Managing Underwriter and/or the Underwriters), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or the ICB Group, the success of the Public Issue and the Offer for Sale, or the distribution or sale of the Public Issue Shares and the Offer Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or

(c) if in the reasonable opinion of any Underwriter that the success of the IPO is seriously and/or materially jeopardised by the Bursa Securities Composite Index falling below 600 points for three (3) consecutive Market Days at any time between the date of this Agreement and up to and including the Closing Date;

(v) **Withdrawal or Non-Procurement of Approval for Listing by Bursa Securities:** the approval in principle of Bursa Securities for the admission of the Company to the Official List of Bursa Securities or for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of Bursa Securities is withdrawn or not procured within six (6) weeks from the date of issue of Prospectus or such other period as may be specified by the SC; or

(vi) **Failure to Perform Obligations:** there is failure on the part of the Company and/or the Offeror to perform any of their obligations herein contained.

(vii) **Underwriters Obligations Discharged:** Upon such notice(s) being given under Clause 14.1 of the Underwriting Agreement, the Managing Underwriter and/or the Underwriters shall be released and discharged of its obligations without prejudice to its rights whereby this Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of this Agreement, except that the Company and/or the Offeror shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination and for the payment of any taxes, duties or levies and for any antecedent breach, and their undertaking to indemnify the Underwriters pursuant to the provisions of Clause 3.4 of the Underwriting Agreement.

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4. RISK FACTORS

You should carefully consider the risks listed under the following summary of risk factors (which may not be exhaustive) in addition to other information contained in the Prospectus before applying for the IPO Shares. The risks to be considered are as follows:

4.1 Risks in relation to our Shares and the IPO

4.1.1 No prior market for our Shares

There has been no public market for our Shares prior to the IPO. There can be no assurance that an active market for our Shares will develop upon or subsequent to its listing on the Second Board of Bursa Securities or, if developed, that such market will be sustained. There can also be no assurance that the IPO Price will correspond to the price at which our Shares will be traded on the Second Board of Bursa Securities upon or subsequent to its listing.

The IPO Price of RM0.75 per IPO Share was entirely determined and agreed upon by us and PMBB as Adviser and Managing Underwriter, after taking into consideration a number of factors, including but not limited to, financial and operating history and condition and the prospects of the industry in which we operate, our management and the prevailing market conditions. As such, the price at which our Shares will trade on the Second Board of Bursa Securities would be dependent upon market forces beyond our control.

4.1.2 Failure or delay of the Listing

The occurrence of any one (1) or more of the following events (which may not be exhaustive) may cause a delay in or abortion of the Listing:

(i) the identified investors fail to subscribe for or acquire their respective portions of the IPO Shares placed to them;

(ii) the Underwriters exercises their rights pursuant to the Underwriting Agreement and discharges themselves from their obligations; or

(iii) we are unable to meet the public spread requirement, that is, at least 25% of our issued and paid-up share capital held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon completion of the IPO.

Our Directors will endeavour to ensure compliance by ICB of the various listing requirements, including, inter-alia, the public spread requirement for listing. However, no assurance can be given that the abovementioned events will not occur and cause a delay in or abortion of the Listing.

4.1.3 Termination of the Underwriting Agreement

The Underwriters can terminate the Underwriting Agreement if they view the success of the IPO is likely to be materially and adversely affected by certain events.

As such, no assurance can be given that the Underwriters will not terminate the Underwriting Agreement if they are of the reasonable opinion that the events detailed in Section 3.9.4 of this Prospectus have occurred, which will result in the IPO being unsuccessful. All monies paid in respect of all applications will be returned in full without interest if the IPO could not be completed.

4.1.4 Indefinite delay between settlement and trading of our Shares

After our Shares have been allotted to investors' CDS Accounts with Bursa Depository, which would occur at least two (2) clear market days prior to the anticipated date for admission, it may not be possible to recover immediately the monies paid in respect of these shares from us in the event the Listing does not occur. It is expected that there will be a gap of approximately six (6) weeks between the opening of the application for the IPO Shares and trading of our Shares. In order for us to return monies to investors in respect of IPO Shares following their allotment, a reduction of our share capital would be necessary. This would require a special resolution as approved by our shareholders and the approval of courts in Malaysia. Hence, there can also be no assurance that monies can be recovered within a short period of time.

If Bursa Securities does not admit our Shares onto the Second Board of Bursa Securities, the market for our Shares will be illiquid and it may not be possible to trade the Shares. This may also have a material adverse effect on the value of our Shares.

4.1.5 Sale or possible sale of a substantial number of our Shares could adversely affect the price

Upon completion of the IPO, we shall have a total paid-up share capital of RM40,000,000 consisting of 80,000,000 ordinary shares of RM0.50 each, of which 53,365,768 ordinary shares, or approximately 66.71%, will be held by our substantial shareholders. Our Shares sold in this IPO will be tradable on the Second Board of Bursa Securities without restriction following the Listing. If any of our substantial shareholder sells or is perceived as intending to sell a substantial amount of our Shares, it would be done in an orderly manner in order to minimise disruption to market price movement.

Notwithstanding this, there is no assurance that the market price of our Shares would not be adversely affected. However, as detailed in Section 7.2 of this Prospectus, a total of 36,000,000 ICB Shares held by SRSB and Sunbina will be subjected to a moratorium for one (1) year from the date of Listing.

4.1.6 Our share price like all publicly traded shares on Bursa Securities is subject to market forces

The price of our Shares may fluctuate as a result of, inter-alia, variations in our operating results, changes in the external environment and the prevailing market conditions. If the trading volume of our Shares is low, the price fluctuations may be intensified, particularly as no stabilising transactions can or will be undertaken in respect of our Shares in connection with this IPO or thereafter. The price of our Shares may also be prone to news regarding, amongst others, the gain or loss of significant customers, changes in key personnel, as well as changes in securities analysts' estimates of our financial results.

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4.2 Risks relating to the business of our Group

The business of our Group is subject to certain risks inherent in the pesticide industry including, but not limited to, the following:

4.2.1 Availability of raw materials

A continuous supply of raw materials is essential to ensure the smooth running of the manufacturing processes of our Group. Any shortage of raw materials may disrupt the manufacturing processes of our Group and result in delays in the delivery of our products to our customers.

The major raw materials used in our manufacturing of pesticides are active ingredients and inert ingredients. Active ingredients are mainly imported as these are not produced locally. Most inert ingredients used in the manufacturing of Pesticides are also imported.

To ensure continuity in raw materials supply, we have built up a wide network for sourcing of quality critical raw materials at competitive cost across the globe. Another comforting factor is that the raw materials used by our Group are generally widely traded commodities, thus mitigating the difficulty in sourcing for the required raw materials

4.2.2 Fluctuations in prices of raw materials

Raw materials comprise a significant portion of manufactured agrochemicals and therefore it is vital for us to ensure that raw materials are sourced at the lowest cost possible to maximise the returns to our shareholders. Notwithstanding a good sourcing network, these raw materials are subjected to fluctuations in prices as determined by the open market.

The price of petroleum-based raw materials, such as mineral oil based surfactants and solvents, fluctuates in tandem with movements of crude oil prices which may impact the profitability of the manufacturing operations. We, being an individual buyer of these raw materials will not be able to exercise much control, if any, over the prices of raw materials.

A mitigating factor to us as a manufacturer and as well as the industry in general is that a significant portion of such cost increase could be imputed into our selling price, thus avoiding a squeeze in our profit margin Notwithstanding this, we may absorb part of the rise in prices to remain competitive.

4.2.3 Risks of business disruption

Our business operations include risks of fire, electrical power crisis and other risks which could affect our operation and financial performance. Our Group has put in place the necessary risk management practices / plans to address these possible risks:

(i) The factory premises is guarded twenty four (24) hours a day;

(ii) Fire fighting system, i.e. fire hose reels and fire extinguishers are installed in our Group's factory premises. Moreover, if there are any consequential loss arising from fire or extraneous periods, we would be compensated by the relevant insurance coverage for the replacement cost of the assets and any consequential loss arising therefrom; and

(iii) It is important that energy is available for the manufacturing operations such as the operation of the plant and machinery of our Group. We have not experienced any disruption in business arising from energy disruption which has a significant effect on our operations for the past five (5) years prior to the date of this Prospectus. To mitigate and minimise the impact of energy disruptions, we have an in-house generator set and we may also rent power generator sets during short-term power crisis.

4.2.4 Insurance risks

Our Directors believe that our Group's production facilities, buildings, plant and machinery as well as stocks located within the factories are adequately insured against unforeseen events such as fire, lightning, storm, disruptions in water and electricity supply, flood, burglary, strikes and malicious damage, and explosions.

We are aware of the consequences arising from inadequate insurance coverage that could have an adverse impact on its business operations. In ensuring such risks are maintained to the minimum, we regularly review and ensure adequate insurance coverage for our assets.

We have the following existing insurance coverage in place in order to alleviate any risk which might disrupt its business:

(i) Loss of profits policy

As most of our Group's business is carried out via IRSB, IRSB is indemnified against loss of profits due to reduction in turnover and increase in working costs resulting from an interruption and interference to the business as a consequence of fire or extraneous perils covered under the fire policy.

(ii) Commercial fire policy

Our Group insures on our stock in trade, raw material, semi-finished and finished products, plant and machinery, furniture, fixtures and fittings including laboratory equipments and utensils resulting from fire, lightning and domestic explosion, storm, flood, riot, strike and malicious damage, explosion, bursting of pipes and sprinkler leakage, including those stocks held in trust or on commission. Our Group also insures our stocks held at the premises of our toll manufacturers.

(iii) Goods in transit (all risk)

Our Group insures our goods in transit which are transported by land within Peninsular Malaysia. These goods insured include raw materials, semi-finished and finished goods including those held in trust or on commission.

(iv) Burglary

We are indemnified against burglary which covers stocks of raw materials, semi-finished goods, finished goods and goods held in trust or on commission including those kept in the open yard but within the fenced in compound, and on furniture and fixtures and fittings including laboratory equipments and utensils, at the premises of our Group's factory.

(v) **Money**

Our Group is indemnified against any loss of money in locked safe during and after business hours as well as money in the personal custody of our Group's authorised employees whilst in direct transit between our Group's premises and the bank.

(vi) **Others**

To further protect our Group's assets, we have also taken up an Electronic Equipment Insurance (EEI) policy to cover sudden and unforeseen physical loss or damage to our computers, servers, office equipment, photocopiers and softwares. A group personal accident policy has also been taken up to provide coverage to our staff in the event of accidental bodily injury including drowning, gassing or poisoning resulting in death or disablement.

We have not taken up Product Liability Insurance as we believe our manufacturing processes in place are sufficient to mitigate the risk of product contamination, as all our manufacturing processes have stringent quality control.

Although we have taken the necessary measures to ensure that our assets are adequately covered by insurance, there can be no assurance that the insurance coverage would be adequate for the replacement cost of all our assets, including but not limited to, any consequential costs arising thereof.

4.2.5 Phasing out the manufacture and sale of Paraquat-based herbicides

On 27 August 2002, the Pesticides Board issued an announcement on the phasing out of manufacture and sale of Paraquat-based herbicides in Malaysia. There will not be any new licence issued after August 2002, and remaining stocks are to be depleted by manufacturers and users. Paraquat-based herbicides accounted for 12.65% of our Group's total turnover for the financial year ended 30 June 2005.

Based on a meeting in June 2005, the Pesticides Board has decided to provide an extension up to 1 July 2007 for the restricted use of Paraquat only on oil palm that are less than two (2) years old. As at 17 November 2005, three (3) companies have been approved to manufacture and supply Paraquat. The Pesticides Board expects to approve an additional two (2) other companies to manufacture and supply Paraquat.

Notwithstanding the current flux surrounding the future of Paraquat use in Malaysia, our Group is nevertheless ready for the eventual phasing out of Paraquat-based herbicides and anticipates that it is likely to increase the demand for similar substitutes, including Glyphosate-based herbicides and our Group is expected to be one of the beneficiaries for such an increase. We are able to minimise any adverse impact caused by the phasing out of Paraquat-based herbicides by developing alternative products which are expected to be commercially attractive, as they have similar mode of action as Paraquat-based herbicides but with lower toxicity levels.

Our Group is currently developing two (2) types of Enhanced Herbicides as an alternative to Paraquat-based herbicides for both the domestic and international markets, and we expect full commercialisation of these products to commence in 2006 for Glufosinate Ammonium and in 2008 for Glyphosate plus Desiccant.

Despite our proactive measures, there is no assurance that the alternative products developed will be fully accepted by the market.

4.2.6 Change in agricultural practices

Notable changes in agricultural practices include organic farming techniques and growing of Genetically Modified Crops (GMC). Organic farming techniques are techniques deployed whereby the use of manufactured agrochemicals such as chemical pesticides and chemical fertilizers is reduced or eliminated. These practices originated in the developed world and they are gaining popularity in the rest of the world. However, the changes in agricultural practices foreseen in Malaysia include the migration to organic farming for non-plantation crops and the introduction of GMC on a limited scale. The demand for agrochemicals, including pesticides, is expected to decline if organic farming and GMC techniques become more prevalent. Consequently, our Group may to a certain extent experience a decline in the demand for our products in certain markets or countries.

These developments are somewhat weighed down by issues such as the demand for organically farmed food is currently limited as organically farmed food is generally more expensive while organic farming techniques are not suitable for every type of agriculture, e.g. cultivation of plantation crops. Currently, as our Group's major market is still Malaysia where the majority of agricultural land in Malaysia is planted with plantation crops such as rubber and oil palm, any decline in the demand for agrochemicals including pesticides is not likely to be significant.

The introduction of GMC in Malaysia would likely be for the non-plantation sector and feature output traits such as higher yields and longer shelf life. In such instances, the need for conventional pesticides will still remain. However, in cases where insect resistance is inbuilt to the crop to control the specific pest, conventional pesticides would still be needed to control other non-specific pests as it is infeasible to build in all insects resistance into a particular crop.

Notwithstanding that, our Group already has in our product portfolio such pesticides used by organic farmers (e.g. five (5) copper-based fungicides and one (1) sulphur-based insecticide). To further mitigate the risks associated with increased acceptance of GMC and organic farming in Malaysia, we will closely monitor such developments and supply the pesticides for non-specific pests needed by GMC and will expand our current product portfolio of pesticides for organic farms if and when sufficient demand arises.

4.2.7 Competition from other agrochemical manufacturers

The pesticide industry operates under normal competitive conditions. As with most free enterprise environments, competition is based on a number of factors, including efficacy of products, cost competitiveness, prompt delivery schedules, quality of products and services and production capabilities and capacities.

However, the barriers to entry into the production of pesticides are high, primarily due to the fact that the pesticide industry is highly regulated and controlled by the Malaysian Government and other governments overseas, the existence of patented products and requirement for in-depth technical expertise and experience in the handling and production of pesticides including formulation and testing. High cost may be involved in product registration which would include data acquisition and regulatory affairs fees. The complexity increases when a company intends to register its products in different countries, and encounters different procedures and tests required for the registration of such products, thereby increasing the cost of registering the products.

Our Directors are confident that we will be able to meet the competition presented by our competitors, as we have in the past, although no assurance can be given that our Group will be able to maintain our market share in the future.

Such confidence is based on the strength of our Group's relationship with our customers, the ability to meet the requirements and the needs of our customers particularly in areas such as delivery and quality, our efforts in the research and development of more effective product formulation of pesticides and improvement to our manufacturing processes and quality standards through quality assurance and quality control processes.

4.2.8 Dependence on key customers

Certain key customers of our Group have contributed significantly to our total revenue over the years. Dependency on these key customers is essential to a certain extent in ensuring growth. However, we are vigilant that our over dependency on such customers may impact our business negatively in the event the financial position and business of these key customers deteriorates significantly.

Our top ten (10) customers accounted for approximately 37.69% of the revenue for the financial year ended 30 June 2005 with none of them individually contributing more than 10% of our revenue. The average length of our business relationship with these top ten (10) customers is approximately seven (7) years. Our customer base also spread across the globe with approximately 32.38% of our sales concentrated on foreign markets, with the remaining 67.62% accounted by the local market. With such diversity of customers, we are able to reduce and manage our dependency risk.

Nevertheless, there can be no assurance that our business relationship with our customers will not be disrupted and the loss of any of our major customers will not have an adverse impact on the operations and financials of our Group.

4.2.9 Dependence on sale of herbicides

Based on the audited financial statements for the financial year ended 30 June 2005, herbicides accounted for 66.50% and 42.48% of the total turnover and gross profit of our Group respectively. Over dependency on certain products may affect the financial performance of our Group in the event the demand for herbicides changes materially and adversely resulting from a specific change in the demand for the product due to changes in weather pattern and reduction in prices of commodities.

We believe that the Government's effort in promoting the agriculture and related sectors as the next engine and source of growth would augur well for our Group as pesticides are necessities in the agriculture sector. In addition, Glyphosate, a major product of our Group, is the most widely used pesticide globally with sales reaching USD4.7 billion in year 2002, approximately five (5) times over the sales value of the next best selling active ingredient, Imidacloprid. *(Source: Assessment of the Pesticide Industry Focusing on the Agriculture Sector)*

In addition, in mitigating such risk, we have begun to venture into the public health sector, developing urban pest control products which are not heavily dependent upon the agriculture sector.

4.2.10 Geographical risks

We perceived ourselves as a diversified group in terms of geographical reach to spread the demand cycle of our products. For the financial year ended 30 June 2005, we registered a turnover of RM63.09 million of which RM42.66 million or 67.62% is derived from local sales while about RM20.43 million or 32.38% of our total sales for the same period was contributed by foreign customers.

Our Directors believe that the risk of over-dependence on customers in the above mentioned geographical locations is minimal as we have a wide distribution network throughout Malaysia and in foreign countries which will enable us to tap the economic growth of other locations.

4.2.11 Dependence on key personnel and continuity of management

We believe that our continued success depends on, to a certain extent, our Group's ability to hire, train and retain qualified and competent personnel. The continued efforts of our Directors and senior management are also vital in formulating the success of our Group. The loss of any key personnel may have an effect on our Group's operations.

In view of the above, we shall strive to ensure that we have the ability to retain our skilled personnel and attract new talent, which involves, inter-alia, the following:

(i) providing continuous on the job technical and management training to improve existing skills;

(ii) grooming in-house younger members of the management in assuming greater responsibilities; and

(iii) allocation of the IPO Shares as recognition for their contribution to the success of our Group.

Our Directors have taken efforts to promote long-term commitment among our key personnel to ensure a smooth and uninterrupted succession in the management of our Group. Opportunities are given to all members of the management team to equip and develop the skills and knowledge in all other areas of the business to ensure an all rounded management team.

4.2.12 Control by substantial shareholders

Upon completion of the IPO, our substantial shareholders will collectively hold, directly and indirectly, 66.71% of our Shares at the point of Listing. As a result, it is likely that these shareholders will be able to effectively control the outcome of certain matters requiring the vote of our shareholders including the constitution of the Board and thus the direction and future operations of our Group, decisions regarding acquisitions and other business opportunities, the declaration of dividends and the issuance of additional shares and other securities, unless they are required to abstain from voting by law and / or relevant authorities.

4.2.13 Political, economic and regulatory considerations

Like all other business entities, adverse developments in political, economic and regulatory conditions in Malaysia could unfavourably affect our financial position and business prospects. These risks include, among others, risks of war, changes in economic conditions, changes in interest rates and unfavourable changes in government policies such as introduction of new regulations, import duties and tariffs.

Our Group has taken efforts to diversify our range of products and markets, improve on our marketing and distribution strategies as well as pre-empting certain regulations to mitigate any possible adverse impact on our Group from any adverse development in political, economic and regulatory authorities.

Whilst we strive to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially affect our operations, financial performance and future prospects.

4.2.14 Threat of substitutes

Pesticides are considered necessity products particularly for the agricultural industry. Pesticides are critical in eradicating or controlling pests including unwanted weeds, insects, diseases and others that may reduce the yield or destroy the entire crop or plantation. Without pesticides, yields from agricultural produce would drop significantly, ranging from at least 10% and up to as high as 50%, depending on the type of produce. The most commonly quoted drop in yield is between 20% and 30% if pesticides are not used.

Substitutes for the use of chemical pesticides include the use of alternative farming methods, e.g. organic farming, and cultivation of genetically modified crops. Alternative farming methods generally seek to reduce negative effects of pests through means other than the application of chemical pesticides and the cost of production associated with this farming method is generally higher than those associated with conventional farming. As a result, this technique is generally unsuitable for large-scale commercial agriculture.

GMC are crops that have been engineered to express a range of characteristics, including resistance to a particular pest or disease, and are a substitute to chemical pesticide in so far as resistance to a particular pest reduces or eliminates the need for the application of that particular chemical pesticide to control that pest. As such, genetically modified crops would still require pesticides to control pests not being addressed by the modified gene pool.

(Source: Assessment of the Pesticide Industry Focusing on the Agriculture Sector)

Notwithstanding thereto, we are unable to determine if there would be any introduction of new products or farming techniques which would pose as a potential threat to substitute our products in the future, thereby adversely affecting the performance of our Group. However, we would continue our efforts in developing quality products at competitive prices for our customers.

4.2.15 Absence of long-term sales contracts

In the agriculture sector, there is always an element of uncertainty in the harvest of certain plantations or the timing of pest outbreaks that would affect profitability of companies. Therefore, customers normally place their orders on an ad-hoc basis and there is usually no contracts signed between us and our customers for continuous supply of products on a long-term basis.

Although our Group does not have any long term sales contracts, this risk is mitigated to a certain extent by our long standing relationships with most of our customers where our top ten (10) customers have been dealing with us for approximately seven (7) years. For the financial year ended 30 June 2005, sales to these top ten (10) customers experienced a further growth of 31.76% as compared to the previous financial year. Our Directors also believe that the non-availability of long term contract would not have any material adverse effect on the financial performance and operations of our Group in view of our Group's established track record and product acceptance, both locally and internationally where our products have been exported to approximately thirty (30) countries worldwide. In addition, we have adopted various strategies to maintain our long term relationship with our existing customers and securing new potential customers via:

(i) Focussing on continuous research and development efforts to ensure our improved formulations meet our customer's evolving crop care requirements and developing new environmentally friendly products for wider market appeal as described in Section 5.13.4 of this Prospectus; and

(ii) Intensifying our marketing efforts by expanding our present international market presence and penetrating into new markets as described in Section 5.26.3 of this Prospectus.

Although there are no assurance that we will be able to continue to maintain the supply relationship as there are no long term sales contracts with our customers, our Directors believe that our continuous research and development efforts to develop improved formulation products and develop new environmentally friendly products, and intensive international marketing efforts can ensure that the acceptance of and demand for our products amongst our customers and end-users would mitigate this risk.

4.2.16 Downturn in the local and global economies

Any downturn in the local and global economies will impact on consumption including consumption of food which will invariably impact on the pesticide industry if the agriculture sector experiences any significant setback.

Our Directors are of the view that any downturn would not severely affect our business as the end-user of our pesticides who are mainly in the agricultural sector is relatively more resilient to such downturns. A significant proportion of the agricultural industry is focused on necessity foods, crops and plantations, which regardless of economic condition, would continue to be consumed by the population as sustenance to life.

However, there is no assurance that there would not be any adverse change in the local and global economic conditions will not affect our business materially.

4.2.17 Potential acquisitions and joint ventures / investment activities

We may from time to time engage in acquisitions of companies with complementary products and services in related areas. If appropriate opportunities present themselves, we intend to acquire businesses, products or technologies that we believe will be in the best interests of our shareholders, although currently, we have no understanding, commitment or agreement with respect to any material acquisition. However, any future acquisitions could expose us to new risks, including those associated with the assimilation of new operations and personnel, the diversion of financial and management resources from existing operations, and the inability of management to integrate successfully any such acquired businesses, personnel and technologies.

In addition, there can be no assurance that we shall be able to successfully identify, negotiate or finance such acquisitions, or to integrate any such acquisitions with our current business. Furthermore, there can be no assurance that we shall be able to generate sufficient revenues from any such acquisitions to offset associated acquisition costs, or that we will be able to maintain uniform standards of quality and service, controls, procedures and policies, which may result in the impairment of relationships with our customers, employees, and new management personnel. We may also evaluate, on a case-by-case basis, joint venture relationships with certain complementary businesses.

The acquisitions may also result in potential dilution via the issuance of equities, the incidence of debt and contingent liabilities and amortisation of expenses related to goodwill and other intangible assets.

We may also undertake new investments or joint ventures which may be relatively new to the Malaysian market or have very long gestations periods, therefore resulting in our Group taking a longer time to recover our initial investments. In addition, any such joint venture investments would involve many of the same risks posed by acquisitions, particularly those risks associated with the diversion of resources, the inability to generate sufficient revenues, the management of relationships with third parties and potential additional expenses, any of which could have a material adverse effect on our business, financial condition or operating results.

Notwithstanding the possible adverse effect of such acquisitions or joint-venture activities, we shall exercise due care in identifying potential investments, by taking into consideration, amongst others, financial resources and management culture, and thorough evaluation of investment opportunities, with the consultation of the necessary professional advisers, approvals from relevant authorities and shareholders of our Company, if necessary.

4.2.18 Illegal pesticides trade

The pesticide industry in Malaysia faces competition from illegal pesticides trade and our Group is no exception from other pesticide businesses.

In Malaysia, trading and use of illegal pesticides increased from RM34 million in 2002 to reach RM35 million in 2003. Although the value of illegal pesticides trade has appeared to be tapering off, there is still cause for alarm as the trade is still rampant. However, authorities namely the Department of Agriculture, Ministry of Internal Trade and Consumer Affairs, Royal Customs and Excise and MCPA will be forming a concerted effort to set up a task force to tackle the illegal pesticide trade. *(Source: Assessment of the Pesticide Industry Focusing on the Agriculture Sector)*

We have taken efforts in contributing to the mitigation of such illegal trade by providing demonstration of the use of our products and educating the farmers and planters on the importance and safety use of approved and registered pesticides by the Pesticides Board.

Nevertheless, the efforts taken by the relevant authorities in combating illegal pesticides usage together with those taken by our Group provides no assurance that our business would not be negatively affected by such illegal trade.

4.2.19 Fire and explosion

Our Group's manufacturing plant stores various types of raw materials used for production of pesticides. Some of the active and inert ingredients used are highly flammable and pose fire risk to our factory premise. In addition, the production process being exothermic, fire and explosion could possibly happen in various degrees that could result in material damage, injury to personnel and destruction of machineries and buildings that could lead to disruption of our Group's manufacturing operations.

We have taken the necessary safety precautions, including amongst others, installation of fire fighting systems and proper handling and storage facilities for highly flammable chemicals. We also restrict our plant utilisation to one 8-hour day shift daily to maintain a margin of safety. Since inception, there has been no incidence of fire or explosion.

In addition, we have also insurance coverage in respect of fire material damage and fire consequential loss which would mitigate any possible loss resulting from fire.

4.2.20 Transportation spillage

Raw materials that we purchase and the delivery of our products to our customers involves land transportation. During transportation, there is a possibility of spillage occurring which may be hazardous to the handling personnel and its immediate surrounding.

In this respect, we have outsourced our transportation of materials and goods to reliable transportation companies, of which we impress upon them the responsibilities of safe handling of our products and review their performance from time to time. Any cost associated arising from spillage will be borne by the transporter and loss arising from such spillage may be claimed under our Cargo In Transit insurance policy.

We also comply fully with industry requirement that each chemical that we deal in is accompanied by their respective Material Safety Data Sheet ("MSDS") which amongst others include information on reactivity data, stability, incompatibility, hazardous decomposition and hazardous polymerisation. MSDS also spells out the detailed handling procedures that should be followed in the event of accidental spillage so that remedial actions can be taken in a timely and orderly manner.

4.2.21 Product contamination

Our Group's products are developed in accordance to our customer's specifications and are expected to perform in accordance to the expected efficacy and results. However, this may not be possible in the event of product contamination which generally could be the result of contamination occurring at any of the three (3) main stages, i.e. at the point of receiving raw materials from our suppliers, during our manufacturing process, and storage and delivery to our customers thereafter.

Our Group mitigates such risks by implementing stringent quality control checks on the in-coming raw materials, intermediate checks during the production process, and inspections and tests on the final products before these products are sealed and delivered to our customers. In addition, we also outsource the production of certain types of pesticides to third parties to avoid product contamination as they involve different chemical compounds.

These precautionary processes, including the out-sourcing of our production of a number of our products to toll manufacturers with product specific dedicated facilities, have enabled our Group to produce quality products over the years.

4.2.22 Product defects

Any material defect in our products or failure to meet our clients' specifications or expectations could adversely affect the financial results of our Group. Material defects could also result in product recall, action taken against us, whether or not meritorious, and this could result in substantial costs and diversion of our management's attention and our resources, which may result in material adverse impact on our Group's performance.

However, since inception, there have been no claims made by our customers that necessitate our Group to recall our products. Our Group's adoption of stringent quality checks and controls in the various stages of production minimises the incidents of product defects. In addition, samples of our products are kept in storage at our in-house laboratory for a period of time for purposes of lot tracking, which is to protect our Group from any false claims of defective products.

4.2.23 Employee safety

Our production of pesticides involves the handling of chemicals during the storage and manufacturing process. Over exposure to these chemicals may expose our employees to the risk of chemical poisoning unless these chemicals are handled in accordance to our Group's prescribed procedures.

Our Group has taken steps to ensure that our employees are provided with proper training on the handling of chemicals to reduce the risk of improper handling that could lead to product contamination and chemical poisoning. Our employees are equipped with the necessary apparatus and outfit for the handling of chemicals. We normally restrict our production to one 8-hour day shift daily thereby further increasing the margin of safety both at the manufacturing plant level and employee safety level.

However, despite our precautionary efforts, there is no assurance that our employees will not be exposed to any adverse effects from improper handling of chemicals.

4.2.24 Absence of long-term supply contracts

Our Group imports most of the raw materials (active ingredients and inert ingredients) used in the manufacturing of our finished products. In the financial year ended 30 June 2005, approximately 90.35% of our total purchases of raw materials, packing materials and finished products were imported. Currently, we do not have any long term contract with our suppliers which may disrupt our requirements for continuous supplies. However, this risk is mitigated to a certain extent by long term relationship that we enjoy with most of our suppliers, which has ensured continuous uninterrupted supply of raw materials over the years. For the financial year ended 30 June 2005, we have been dealing with both our top ten (10) and twenty (20) suppliers for more than five (5) years. To further mitigate this risk, we have also established relationship with more than one (1) supplier of our raw materials to ensure we are not overly dependent on any single supplier, for example, we can source Glyphosate Technical from any of our three (3) suppliers of the product.

4.3 Financial risks

4.3.1 Foreign exchange risks

Approximately 32.38% of our current sales revenue for the financial year ended 30 June 2005 are denominated in foreign currencies namely USD and Australia Dollar whilst our raw materials purchase is imported and mainly denominated in USD and Euro.

In this respect, our foreign currency exposure risk is mainly in USD as we continue to expand our businesses. The exposure in Australia Dollar and Euro at present is minimal. Nevertheless, as part of our Group's treasury and foreign exchange risk management, we maintain a multi-currency account to manage our commitments in foreign currencies.

Notwithstanding our attempt in mitigating such adverse risks there can be no assurance that any significant fluctuations in exchange rates or any financial crisis will not adversely impact the revenue and earnings of our Group.

4.3.2 Borrowings and interest rate risks

As at 12 December 2005, our total short-term and long-term borrowings amounted to approximately RM0.46 million and RM0.28 million respectively. Our indebtedness is considered negligible in comparison to our scale of operations and share capital. Therefore, we are not susceptible to fluctuations in interest rates.

Moreover, interest rates on our existing hire purchase, lease and term loan facilities have been entered into on fixed rates.

However, there can be no assurance that our gearing level will remain the same in the future and our performance would remain favourable in the event of adverse change in interest rates in respect of new financing facilities that are procured. Notwithstanding this, our Directors shall evaluate the financial position of our Group prior to entering any new credit facilities in order to meet the repayment obligations.

4.3.3 Recoverability of debts

We are principally involved in the manufacturing, marketing and distribution of perticides, plant micronutrients and other agrochemicals. Our Directors opined that our Group's granting of a credit period of ninety (90) to one hundred twenty (120) days to our customers is fairly normal in the industry. However, we also grant a credit period of up to one hundred eighty (180) days to some of our customers outside Malaysia as part of our marketing and penetration strategies.

As at 30 June 2005, approximately RM2.70 million representing 11.92% of our total trade receivables have exceeded the credit period granted to our customers. However, only RM0.26 million or approximately 9.63% of this amount remains outstanding as at 12 December 2005 which is less than the provision for bad and doubtful debt of RM0.37 million made for financial year ended 30 June, 2005. We have implemented a close monitoring of our trade receivables and taken the necessary measures to ensure the recoverability of our receivables. We have only written off trade debts of approximately RM0.2 million in the past five (5) years.

However, the non-recoverability of trade debts form part of our business risks. Accordingly, should the trade debts turn bad, our financial position, will be impaired accordingly. In addition, our Directors and management realise the importance of credit control and are continuously monitoring the outstanding trade debts of our Group. They will undertake relevant measures to ensure that these debts are maintained at a manageable level at all times.

4.3.4 Profit forecast

This Prospectus contains the consolidated profit forecast for the financial year ending 30 June 2006 of our Group which is based on assumptions that are subject to uncertainties and contingencies. Our Directors have considered the assumptions used in the preparation of the consolidated profit forecast to be reasonable. However, due to the inherent uncertainties of profit forecast and as a result of events and circumstances not occurring as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different from those shown or expected. You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the profit forecast contained in this Prospectus.

4.3.5 Disclosure regarding forward looking statements

Certain statements in this Prospectus are based on historical data, which may not be reflective of future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct in the future. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation or warranty by us or our advisers that the plans and objectives of our Group will be achieved.

4.3.6 Restrictive covenants

Pursuant to various credit facility agreements entered into by our Group with banks or financiers, we are bound by certain positive and negative covenants which may limit our Group's operating and financial flexibility. The aforesaid covenants are typically contained in credit facility agreements of such nature. Any act by our Group falling within the ambit or scope of such covenants will require the consent of the relevant bank/financier.

Breach of such covenants may give rise to a right by the bank/financier to terminate the relevant credit facility and/or enforce any security granted in relation to that credit facility, thereby adversely affecting our operations. Our Directors are aware of such covenants and shall take all precautions necessary to prevent any such breach.

4.4 Risks relating to the business environment

4.4.1 Government control and regulations

Our production, sale and storage of pesticides in Malaysia are governed by the Pesticides Act 1974, which falls under the purview of MOA. Our manufacturing and waste disposal process comes under the scrutiny of the Environmental Quality Act 1974. Any change in the Government's control and regulation of pesticides could materially and adversely affect our future growth and profitability. Such changes could apply to regulations governing the manufacture, sale and use of a particular pesticide as a result of a number of factors including scientific findings uncovering new or increased negative effects on humans or the environment, and changes in public opinion.

We have thus far complied with all the regulations and requirements imposed by the relevant governing authorities and our Directors are unaware of any breach of such regulations.

The Government does, from time to time, adopt policies and implement guidelines that may affect the business in Malaysia, such as methods of taxation, currency exchange controls and licensing regulation. There can be no assurance that any change or amendments to the law, policies and regulations by the Malaysian Government will not adversely affect our Group's performance and profitability.

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4.4.2 Environmental risk

Our major production activity involves chemical reaction in the pressure vessel reactor which releases gaseous by-products and vapour emission. Such residues are required to be processed to ensure that there is no harmful impact on the surrounding environment.

We have installed an in-house designed Scrubber System that traps, scrubs and recycles such emission which ensures only clean air is emitted to the environment. The Scrubber System has been certified by the Department of Environment, State of Selangor under Rule 38, Environmental Quality (Clean Air) Regulations 1978, P.U. (A) 280.

Breach of environmental regulations may result in imposition of fines by the governing authorities and disruption or suspension of production which may materially and adversely affect the business of our Group.

We have taken the necessary actions to ensure compliance with relevant environmental regulation and have not been found to be in breach of any environmental regulations. We also practice recycling of waste particularly any excess water resulting from the washing and rinsing of the reactor or mixing tanks are collected and reused in the production process.

Nevertheless, there is no assurance that future environmental regulations imposed will not affect the profitability of our Group.

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