(c) Identified public investors by way of private placement

4,925,000 Issue Shares representing 6.16% of our enlarged issued and paid-up share capital will be placed to identified public investors by way of private placement.

(d) Malaysian public

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

(viii) Listing

Following the completion of the Public Issue, our Group shall be admitted to the Official List of Bursa Securities and our entire enlarged issued and paid-up share capital of RM40,000,000 comprising 80,000,000 Shares shall be listed and quoted on the Second Board of Bursa Securities.

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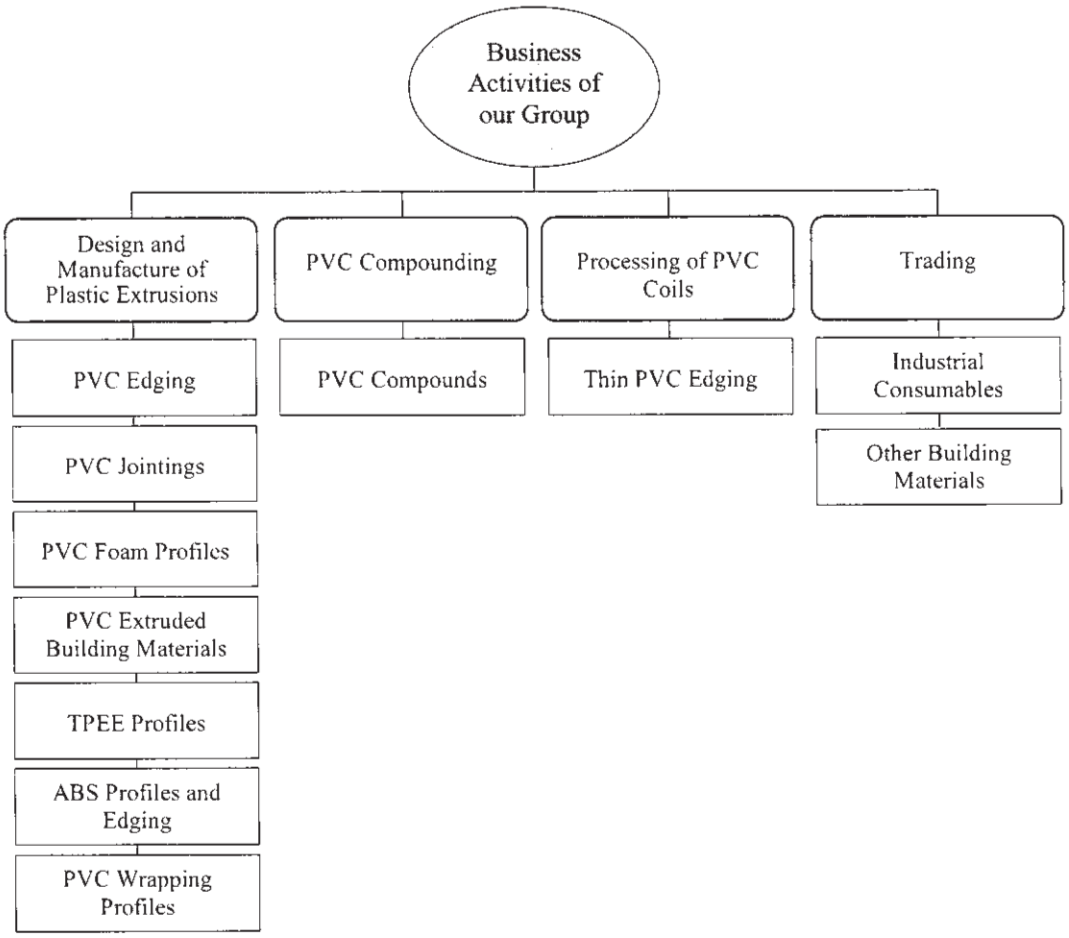
5. INFORMATION ON OUR GROUP *(Cont'd)*

5.4 Business overview

Our Group is primarily a designer and manufacturer of Plastic Extrusions, including PVC Edgings, PVC Jointings, PVC Foam Profiles, PVC extruded building materials, TPEE Profiles, ABS Profiles and Edgings and PVC Wrapping Profiles. Our secondary activities include PVC Compounding, processing of PVC Coils and trading of industrial consumables as well as other building materials. We have the capabilities to design and manufacture Profiles and Edgings using different types of plastic materials including PVC and engineered plastics such as TPEE and ABS.

The business activities of our Group are depicted in the diagram below:



For the FYE 31 March 2007, design and manufacture of Plastic Extrusions contributed RM25.5 million accounting for 81.1% of our Group's total revenue.

Generally, the manufacture of Plastic Extrusions is a process where hot plastic compound is forced through a shaped Die and then pass through a series of cooling trays and jigs to produce a continuous length of plastic strip that has a uniform cross-section. Depending on the design of the Die, plastic can be extruded into various shapes and profiles or various sized rods and flat stocks.

Our Group has the in-house capabilities and expertise to provide customised solutions to meet the diverse needs and specifications of customers incorporating the following:

- Product design and development, including assisting the customers with product conceptualisation and colour matching services;
- In-house design and fabrication of Dies, which is critical to the extrusion process and the quality of output;
- Multi production line to perform large volume production runs;
- Multi colour extrusion and wide colour range supported by in-house compounding and colour matching services; and
- In-house secondary operations including online four-tone colour printing, wrapping and laminating of decorative foils or tapes, and slitting processes.

Our Group also utilises coextrusion process where two different plastic materials or two different grades of the same plastic material are extruded, one above the other material. Coextrusion allows multiple-layer extrusion of profiles, filament coating and extrusion coating. It is also used to obtain desired barrier properties from a second plastic material. This process eliminates the need for a laminator for Plastic Extrusion.

As at 28 May 2007, our Group has successfully designed and manufactured a total of approximately 800 designs of Plastic Extrusions since the commencement of our manufacturing operations. Of these, there are approximately 300 active designs currently being manufactured. For each design, we manufacture at least 20 colour options.

Our Group has in-house capabilities and expertise to produce different types of Plastic Extrusions, including:

- hollow extrusion, where there is a void in the middle of the solid plastic material. The cross section of a hollow would have a void fully enclosed by the plastic material;
- semi-hollow extrusion, where the plastic material partially encloses a void. An example is a U-shaped extrusion; and
- solid extrusion, which has a solid cross-section.

Plastic Extrusions produced by our Group are primarily used in the following user-industries:

- household, office, commercial and industrial furniture;
- architectural applications, for example door and window edgings;
- promotional display and exhibition systems;
- kitchen cabinets and wardrobe systems;
- interior fit-outs for residential and commercial applications; and
- stationery.

Our Group's in-house facilities and capabilities

Our business activities are supported by in-house facilities and capabilities as follows:

Machinery and Equipment

- Integrated and automated Plastic Extrusion plant;
- Machinery for printing, wrapping, laminating and slitting plastic extruded products;
- Machinery for fabrication, modification and maintenance of Dies;
- Machinery for compounding; and
- Machinery and equipment for testing.

Technical and Engineering Services

- Design and fabrication of Dies supported by CAMAX Computer Aided Design (CAD) software;
- Design and fabrication of automated extrusion machinery and systems; and
- Colour matching.

Our Group has in-house facilities and expertise in design and fabrication of Dies to create customised designs and profiles for our extruded products. We have two in-house designers to facilitate the design process using CAMAX CAD software.

Our Group also has the in-house capabilities to design and fabricate downstream machinery, and integrate these into the total automated extrusion line for the manufacture of Plastic Extrusions. Our Group's ability to design and fabricate our own downstream machinery provides us with the following significant advantages:

- cost savings from designing and fabricating our own downstream machinery, and integrate these parts into an automated Plastic Extrusion line as compared to purchasing from third parties;
- increased output, efficiency and product quality as we are able to continuously improve and modify our machinery and systems for better performance;
- create cost advantages through increased output and efficiency; and
- cost effectively addressing new business opportunities through development of new machinery and systems, for example the use of jumbo PVC Coils to address new markets for thinner edgings.

Our Group also has in-house expertise to provide colour-matching consultancy services, as part of the customisation package. Although our Group does not recognise any revenue from these supporting activities, they form an integral part of the business and provide our Group with significant competitive advantages. These supporting activities are also recognised as key to supporting our Group's current business activities, and future development and growth.

Revenue Segmentation by Business Activity

The breakdown of our Group's revenue by business activities and products for the FYE 31 March 2007 is as follows:

	Revenue for the FYE 31 March 2007*	
Business Activities	**RM'000**	**%**
Design and manufacture of Plastic Extrusions	**25,510**	**81.1**
PVC Edgings	*20,598*	*65.5*
PVC Jointings	*2,860*	*9.1*
PVC Foam Profiles	*1,442*	*4.6*
Other Profiles	*610*	*1.9*
PVC Compounding	**542**	**1.7**
Processing of PVC Coils	**1,557**	**5.0**
Trading of industrial consumables / building materials	**3,817**	**12.2**
TOTAL	**31,426**	**100.0**

Note:

* *The revenue segmentation presented above is based on management estimates*

Our Group is primarily involved in the design and manufacture of Plastic Extrusions or plastic extruded products. Plastic Extrusion is the process whereby plastic resins and other additives are melted and the compound is then pushed through a Die to obtain the desired cross-sectional shape. The end result is a continuous length of plastic with the cross-sectional shape determined by the design of the Die.

For the FYE 31 March 2007, the design and manufacture of Plastic Extrusions accounted for 81.1% of our Group's total revenue. Within design and manufacturing of Plastic Extrusions, PVC Edgings represented 65.5% of total Group revenue amounting to RM20.6 million for the FYE 31 March 2007.

PVC Edging is a type of extruded PVC Strip, which commonly has a rectangular cross-section. Hot melt adhesives are applied to one or both sides of the PVC Edgings Strip, depending on the applications and requirements. PVC Edgings are commonly used for edges of furniture, for example the edges of the tops of desks and tables.

PVC Jointing is used to join two boards together, either end-to-end or around corners. Our Group produces both precision and engineered PVC Jointings. PVC Jointing forms the next largest revenue contributor representing 9.1% of total Group revenue amounting to RM2.9 million for the FYE 31 March 2007.

For the FYE 31 March 2007, PVC Foam Profiles accounted for 4.6% of total Group revenue. PVC Foam Profiles is a type of Plastic Extrusion that can be nailed, screwed, drilled, glued, sawn, tapped or welded like wood. This "nailability" characteristic makes it a good alternative for wood and metals like aluminium in architectural applications.

Our Group also designs and manufactures Other Profiles, including PVC Extruded Building Materials, TPEE Profiles, ABS Profiles and Edgings, and PVC Wrapping Profiles. During the FYE 31 March 2007, these products accounted for 1.9% of total Group revenue.

For the FYE 31 March 2007, PVC Compounding, which includes the formulation of resins and additives, and colour matching, contributed 1.7% of total Group revenue. Processing of PVC Coils and trading of industrial consumables contributed the remaining 5.0% and 12.2%, respectively. For the FYE 31 March 2007, our Group did not record any revenue from the trading of other building materials.

5.5 Our products

As at 28 May 2007, our Group has successfully designed and manufactured a total of approximately 800 designs of Plastic Extrusions since the commencement of our Group's manufacturing operations. Of these, there are approximately 300 active designs currently being manufactured. For each design, we manufacture at least 20 colour options.

Currently, our Group has the capabilities to design and manufacture the following types of Plastic Extrusions:

- PVC Edgings;
- PVC Jointings;
- PVC Foam Profiles;
- PVC extruded building materials;
- TPEE Profiles;
- ABS Profiles and Edgings; and
- PVC Wrapping Profiles.

Our other secondary activities include:

- PVC Compounding;
- Processing PVC Coils; and
- Trading of industrial consumables.

5.5.1 PVC Edgings

PVC Edging is a type of extruded PVC Strip, which commonly has a rectangular cross-section. Hot melt adhesives are applied to one or both sides of the PVC Edging Strip, depending on the applications and requirements. PVC Edgings are commonly used for edges of furniture, for example the edges of the tops of desks and tables.

PVC Edgings comes in a seamless continuous roll. Our Group currently manufactures various sizes of PVC Edgings as follows:

- Thickness range from 0.5 mm up to 3.0 mm; and
- Width range from 12.0 mm up to 60.0 mm.

Generally, PVC Edgings can be extruded to any length. Our Group usually manufactures and packs the PVC Edgings in coils of 50 metres, 100 metres, 150 metres, 200 metres, or 400 metres. In addition, our Group has the in-house expertise to design and manufacture PVC Edgings to achieve the following desired properties and characteristics:

- high resistance to damage or cracking;
- high resistance to UV fading compared to other materials such as melamine;
- high resistance to scratching;
- resistance to many common solvents and chemicals;
- wide range of colour and visual design (example Woodgrain) options; and
- wide range of sizes including thickness, width and length.

PVC Edgings produced by our Group is primarily used for edge banding and finishing applications by various user-industries. Our Group manufactures a range of surface finishing for our PVC Edgings, including:

- Different textures such as smooth, rough, dimpled, line textured, and embossed wood pore to provide a natural wood feel;
- Glossy and matte finishes;
- UV coating;
- Acrylic lacquer;
- Hot stamping to provide a stainless steel or aluminium surface effect;
- Homogeneous Woodgrain effect; and
- Transparent 3-dimensional effect.

Our Group currently manufactures the following types of products for PVC Edgings:

(i) PVC Standard Edging

Our Group has the in-house capabilities to design and manufacture a wide range of PVC Standard Edgings incorporating various types finishing and colour options. Currently our Group manufactures the following types of PVC Standard Edgings with different thickness and widths:

Thickness (mm)	Width (mm)						
	19	20	22	29	34	36	40
0.5	√	√	√	√	√	√	√
1.0	√	√	√	√	√	√	√
1.5	√	√	√	√	√	√	√
2.0	√	√	√	√	√	√	√
3.0	√	√	√	√	√	√	√

Our Group currently produces two broad categories of finishes for our in-house manufactured PVC Edgings, as follows:

(a) Solid Colour (Single or Dual Tone) PVC Edging

Solid Colour PVC Edging involves the compounding process where colour pigments are mixed with the PVC Resins and other additives prior to the extrusion process. As such, Solid Colour PVC Edgings will have the same colour for its surface as well as any cross-section of the PVC Edgings. Our Group has the in-house capabilities to manufacture PVC Edgings with a wide range of solid colour, either single or dual tones.

Currently, there are approximately 400 solid colour options provided by our Group. Alternatively, our Group is able to undertake colour matching to meet customers' requirements.

(b) Woodgrain Design PVC Edging

Woodgrain Design PVC Edging primarily uses the printing process to obtain the desired Woodgrain design. The Woodgrain design can also be combined with a number of texture options for example, roughness, and embossed wood pore to simulate a natural wood feel finish.

Printing is carried out on-line, whereby the extruded edging is printed immediately after the extrusion process without machine changeover. This is because our Group's extrusion lines are automated and integrated to increase efficiency, productivity and product quality.

Our Group currently utilises a 4-roller printing system on each of our extrusion and printing lines. This allows our Group to print the PVC Edging with up to 4 colours and patterns. Designs using this process are called Homogeneous Woodgrain Designs.

In addition, our Group can also use an overlay process where Woodgrain vinyl foils are laminated onto the PVC Edging to simulate a natural wood look. Designs using this process are called Woodgrain Inlay Designs.

Examples of the Homogeneous Woodgrain and Woodgrain Inlay PVC Edgings are pictured below:

Homogeneous Woodgrain Design

Woodgrain Inlay Design

Currently, there are approximately 50 active Woodgrain designs being manufactured by our Group. For each design, we provide approximately 20 colour options.

(ii) PVC Inlay Edging

PVC Inlay Edging further value-adds to the PVC Standard Edging where the PVC Standard Edging with Woodgrain design undergoes another printing process to produce additional designs on the Woodgrain design as the background.

Our Group utilises a 4-tone colour printing process to manufacture PVC Inlay Edgings.

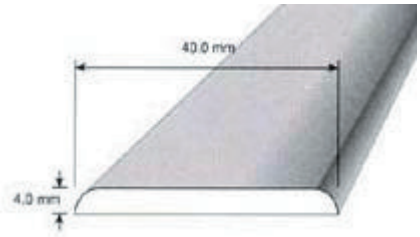


(iii) PVC Soft Edging

PVC Soft Edging uses special in-house developed compounding formulation to make the Edging softer to provide impact resistance and cushioning properties.

It is also used to reduce impact noise for applications where two or more items are constantly coming into direct contact with each other, for example drawers and cabinets that are constantly being opened and closed.

PVC Soft Edgings also provides a softer "feel" which many consumers may find it more appealing. In addition, both edges of the PVC Soft Edging are rounded to avoid sharp edges.



5.5.2 PVC Jointings

Our Group currently undertakes design and manufacture of extruded PVC Jointing, including precision and engineered PVC Jointing. PVC Jointing is used to join two items together, either end-to-end or around corners. PVC Jointing is usually used to join two boards either on the same plane (end-to-end) or at ninety degrees to each other (around corners). PVC Jointing has a strong outer surface and durable cellular core that emulates the strengths of other materials such as wood. Our Group designs and manufactures a wide selection of finishes with approximately 10 colour options.

With in-house capabilities in PVC Compounding, our Group also uses a combination of plasticisers, stabilisers, fillers and other modifiers in conjunction with PVC Resins to manufacture PVC Jointing that are either flexible, semi-flexible or rigid. Our Group also designs and manufactures co-extruded PVC Jointing. Co-extrusion is a Plastic Extrusion technology where two different plastic materials or two different grades of the same plastic material are extruded, one above the other material.

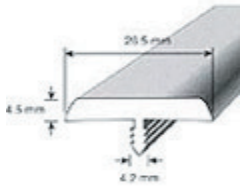
Our Group utilises co-extrusion technology to extrude hard and soft materials together whereby the hard material to be screwed, nailed, stapled or glued to one sealing face, and the soft material to provide the required seal. Our Group currently designs and manufactures the following major types of PVC Jointing:

- T-Moulding (also known as butt-jointing), including flexible ergonomic edgings, flexible tubular edgings, twin-colour edgings, sinusoidal edgings, and others;
- H-profiles (also known as H-jointing); and

- Others, including internal and external corner jointing, F-jointing, angles, U-profiles, lipping, U-profiles for roller shutter profiles and fittings, door profiles, keyboard profiles, hoses, cable trucking, dust seal profiles, chair lining, paper file folder.

PVC T-Mouldings (also known as butt-jointing) commonly joins most board types end-to-end or around corners. It is usually installed by fitting the leg into a suitable groove cut into the substrate. The serrations on the leg of the "T" engage the substrate and create a tight fit.

Following are some of the examples of PVC Jointing design and manufactured by our Group:



T-Moulding (Butt Jointing)

H-Profiles (H-Jointing)

F-Jointing

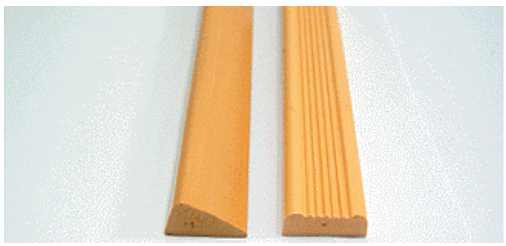
External Corner Jointing

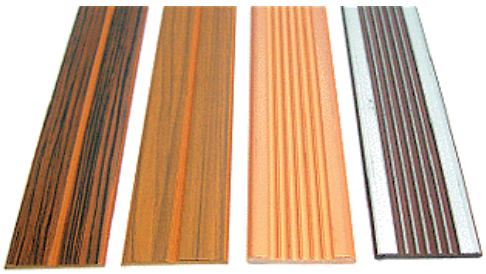
5.5.3 PVC Foam Profiles

Our Group also has the in-house expertise to design and manufacture PVC Foam Profiles that come in different shapes, colours, and finishes. PVC Foam Profiles typically has multitudes of air bubbles spread over the entire material of the extrusion, similar to foam or sponge. These multitudes of air bubbles create a spongy or soft feeling to the PVC Foam Profile.

PVC Foam Profile can be nailed, screwed, drilled, glued, sawn, tapped or welded like wood. This "nailability" characteristic makes it a good alternative for wood and metals like aluminium in architectural applications. In addition, PVC Foam Profiles has various benefits over wood including being water and termite proof, fire and stain resistant, good heat and sound-insulation, lightweight, easy to install and low maintenance. Our Group incorporates foaming or expanding agent in our compounding to create PVC Foam Profiles. In the extrusion process, this expanding agent creates the multitude of small air bubbles in the final extruded product.

Examples of PVC Foam Profiles are illustrated below:





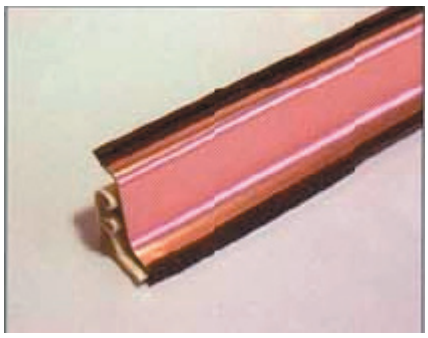
5.5.4 PVC extruded building materials

Our Group is currently involved in design and manufacture of PVC extruded building materials. PVC extruded building materials are focused on relatively small items that are used in the building industry. Some of these include tile grove separators, tile strips, and other common hardware like nails and screws. As part of our Group's product expansion programme, our Group ventured into the design and development of PVC extruded building materials in the third quarter of 2005.

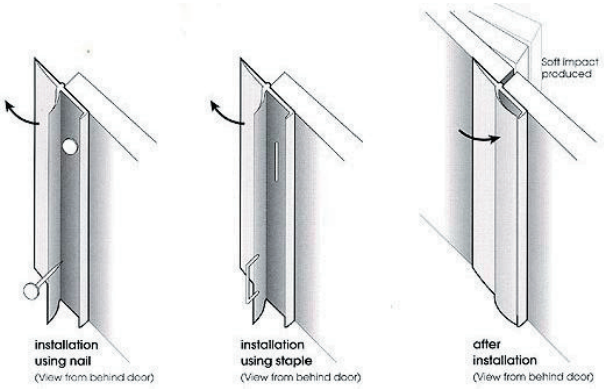
Types of PVC extruded building materials currently designed and manufactured by our Group include PVC Sealing Systems and PVC Tile Strips.

(i) PVC Sealing Systems

PVC Sealing System is used to seal gaps between doors, walls or drawers in cabinets. PVC Sealing Systems designed and manufactured by our Group provides waterproofing and cushioning characteristics. They include the following:



Wall Seal System



Door Seal System

Wall Seal System is used to create a waterproof seal between a kitchen cabinet bottom and floor, and between a kitchen cabinet top and wall. By preventing water from penetrating the space between the wall and cabinet, the Wall Seal Systems prevents water from damaging the kitchen cabinet and its contents.

Door Seal Systems are commonly used to provide some forms of cushioning and sound insulation on impact, for example when the door or cabinet door is shut, the Sealing System will provide some form of noise dampening. In addition, our Group has in-house capabilities to apply a range of decorative foils to the extruded PVC Sealing Systems to create an aesthetic appearance and finishing, including:

- Silver aluminium surface;
- Antique brown aluminium surface; and
- Decorated plastic surface.

The Wall Seal System offered by our Group consists of the following major components:

- Extruded PVC profile bracket;
- External surface;
- Suspension brackets; and
- Internal, external and end caps.

Our Group currently designs and manufactures the extruded PVC Profile brackets. The other components are sourced from third-party suppliers.

(ii) PVC Tile Strips

PVC Tile Strips are extruded PVC products that are commonly used to orientate and align wall and floor tiles as they are being laid out during installation. By providing a straight and rigid base with which to orientate tiles, PVC Tile Strips can speed up the tile laying process and improve the quality of the finishing.

5.5.5 TPEE Profiles

In line with our Group's product expansion programme, our Group also design and manufacture engineered plastic Profiles and Edgings.

TPEE is commonly classed as an engineered plastic that exhibits toughness, impact resistance, load bearing capacity, and low temperature flexibility. Our Group has the capability to design and manufacture a wide range of TPEE Profiles for specialised applications.

5.5.6 ABS Profiles and Edgings

Part of our Group's activities also includes the design and manufacture of ABS Profiles and Edgings. ABS is commonly classed as a type of engineered plastic that have higher impact strength, rigidity, durability, and chemical and creep resistance.

With in-house capabilities, our Group is able to design and manufacture ABS Profiles and Edgings with different specifications, dimensions and a range of finishing, such as smooth and embossed finishes, and a wide range of colour options. Our Group has the capability to design and manufacture a wide range of ABS Profiles and Edgings, including:

- ABS standard edging;
- ABS jointing; and
- ABS extruded building materials.

ABS Profiles and Edgings are part of a new product range that was successfully developed and commercialised by our Group since the first quarter of 2006.

5.5.7 PVC Wrapping Profile

PVC Wrapping Profiles that are manufactured by our Group are PVC Foam Profiles that have been laminated with decorative paper. Our Group is able to manufacture a wide variety of surface finishing in terms of colours, patterns and textures, and restricted only by the variety of suitable decorative paper available. The lamination is achieved by the application of an adhesive.

5.5.8 Plastic Compounding

Part of our Group's manufacturing activities also includes Plastic Compounding. With in-house expertise, our Group is able to formulate and customise Plastic Compounds to meet different needs and specifications for in-house extrusion activities as well as for sales to external customers.

Plastic Compounding is the process where plastic (example PVC) resins are mixed in specific proportion according to formulation, with other materials including plasticisers, stabilisers, expanding agent, colour pigments and other additives to achieve desired physical, mechanical, chemical, thermodynamic and aesthetic properties and characteristics. Some of the desired properties achieved through compounding include product flexibility, elasticity, chemical resistance, UV resistance, tensile strength and range of colours. Our Group currently undertakes compounding for the following main types of polymer:

- PVC;
- PVC foam;
- Wood composite;
- Unplasticised PVC (uPVC - also known as rigid PVC); and
- ABS (colour compounding).

The in-house processes carried out for compounding include:

- Formulation of resins and additives; and
- Colour matching.

A sample of the compound formulation is sent to a third-party laboratory for material testing and confirmation of properties.

5.5.9 Processing of PVC Coils

Our Group is also involved in the processing of PVC Coils, which primarily involves secondary activities including printing and slitting. Our Group mainly processes PVC Coils with a thickness of less than or equal to 0.5 mm, and a width ranging from 12 mm to 60 mm.

Following are the reasons for our Group to process PVC Coils purchased from external parties:

- Currently our Group does not manufacture PVC extrusion of thickness less than 0.5 mm. As such, processing PVC Coils of thickness less than 0.5 mm is to supplement our Group's range of products to provide a more extensive range of products to customers; and
- As PVC Extrusions are so diverse, it is not economical for our Group to manufacture all combinations of dimensions or end products. As such, our Group will undertake in-house design and manufacturing of PVC Extrusions that will optimise our profits in the long term, while others will be sourced externally for further value-adding and final sales to customers.

Our Group processes PVC Coils into Thin PVC Edgings, with in-house designs, slit to required width, and wound into coils for packing and shipment.

5.5.10 Trading activities

Our Group also undertakes trading of industrial consumables and other building materials. Trading activities enable our Group to complement our in-house design and manufactured products to provide a one-stop solution centre to our customers. Some of the industrial consumables traded by our Group include:

- Melamine paper/film;
- Compact disc (CD) and digital videodisc (DVD) racks;
- Hot-melt glue;
- Screws and caps;
- Wire caps;
- Locks;
- Metal trimmers;
- Table and kitchen legs;
- Suspension brackets;
- Keyboard trays;
- Door and drawer handles;
- Drawer slides;
- Hinges; and
- Corner caps

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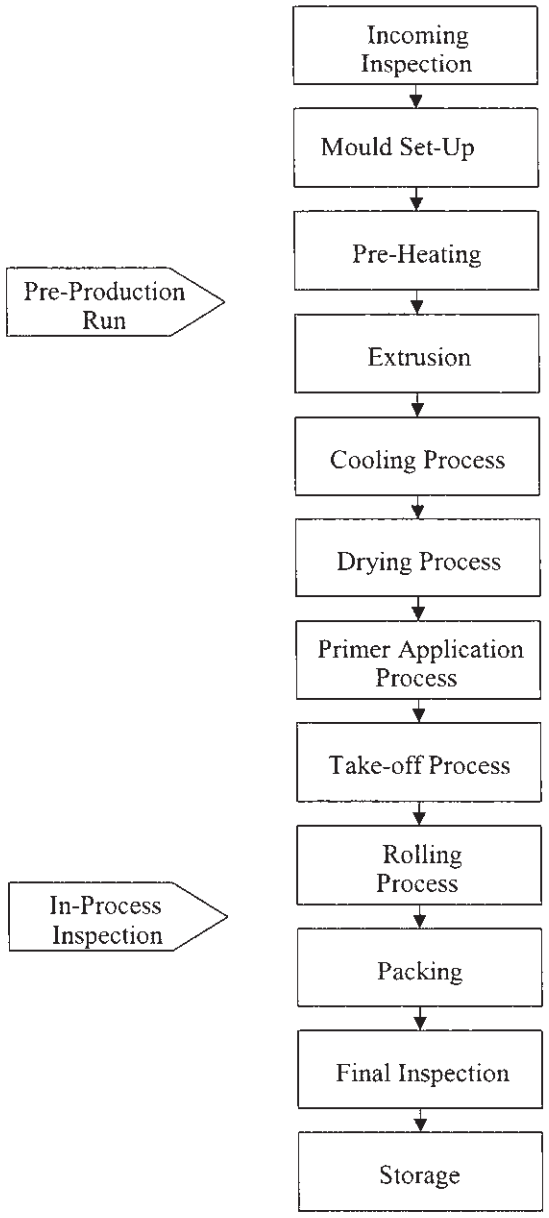
5. INFORMATION ON OUR GROUP *(Cont'd)*

5.6 Our production process

The processes involved in the production of Plastic Extrusions are generally similar with variations based on the specifications of our customers and the type of Plastic Extrusion produced. The following diagrams illustrate the process flow involved in the manufacturing of PVC Standard Edgings (Solid Colour and Woodgrain Design Edgings) and PVC Jointings (T-Mould).

5.6.1 Process Flow for Manufacturing Solid Colour PVC Edgings

The process flow for manufacturing Solid Colour PVC Edgings is depicted in the flowchart below:



5. INFORMATION ON OUR GROUP *(Cont'd)*

Details of the Solid Colour PVC Edgings process flow:

A. Incoming PVC Resins compound is subjected to the "Inspection" to check that the raw materials comply in terms of quantity and purchase order requirements.

B. The correct mould is then "Set-up" in the extrusion machine before a production run.

C. The extrusion machine is then "Pre-Heated" to ensure that the temperature of the barrel and mould Die is within the specified temperature range. The proper temperature is dependent on the type of raw material used.

D. A "Pre-Run" is carried out before a production run to check the barrel temperature and to ensure that the extruded end product is in compliance with specifications.

E. The "Extrusion" production run is then carried out.

F. The extruded PVC Edging is run through a water bath in the "Cooling Process".

G. The extruded PVC Edging is then dried in the "Drying Process".

H. A layer of primer is then applied to the extruded PVC Edging in the "Primer Application Process". Visual inspection of the thickness of the primer is carried out at periodic intervals.

I. The extruded material then proceeds to the take-off rollers, which pull the softened plastic profile from the Die. This is called the "Take-off Process". The take off machine holds a constant speed of the extruded product when leaving the extrusion Die in the soft melted phase in order to be able to stick to the desired dimension of the product.

J. In the "Rolling Process", the PVC Edging is wound into coils of specified length, and cut.

K. "In-Process Inspection" is carried out to check for surface defects, the condition of the primer, and that the PVC Edging meets with specifications.

L. The wound coils are then "Packed" in cardboard boxes.

M. "Final Inspection" is then carried out on a sample from each production lot to check for the following:
- extruded PVC Edging meets with specifications;
- length of coil meets with specifications;
- no surface defects;
- primer condition meets with specifications.

N. The packed Solid Colour PVC Edging is "Stored" before distribution.

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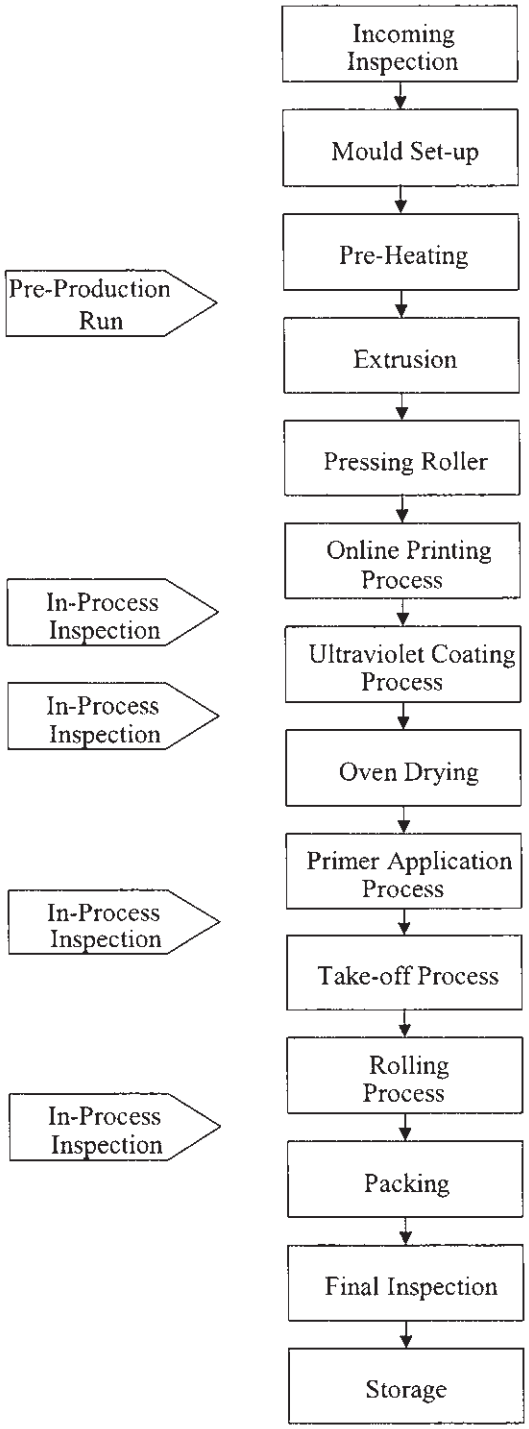
5.6.2 Process Flow for Manufacturing Woodgrain PVC Design Edgings

The process flow for manufacturing Woodgrain Design PVC Edging is depicted in the flowchart below:



5. INFORMATION ON OUR GROUP *(Cont'd)*

Details of the Woodgrain Design PVC Edgings process flow:

Steps A to E of this process flow mimic the steps A to D in the Solid Colour PVC Edgings process flow.

F. The extruded PVC Edging is passed through a "Pressing Roller" to impart texture on the edging.

G. The "Online Printing Process" is then carried out on the extruded PVC Edging. "In-process Inspection" involves checking the colour and viscosity of the ink used, and visual inspection of the printed product.

H. The printed PVC Edging then undergoes the "UV Coating Process", whereby a coating is applied to protect the material from UV radiation. "In-process Inspection" of this stage involves testing the thickness and condition of the coating.

I. "Oven Drying" is then carried out to cure the UV coating.

J. A layer of primer is applied to the printed PVC Edging in the "Primer Application Process". Visual inspection of the thickness of the primer is carried out at periodic intervals.

K. The PVC Edging then move onwards into the take-off rollers, which actually do the pulling of the softened plastic from the Die. This is called the "Take-off" process. The take off equipment consists of a puller that will consistently move the profile at a constant rate.

L. In the "Rolling Process", the printed PVC Edging is wound into coils of specified length, and cut.

M. "In-Process Inspection" is carried out to check for surface defects, the condition of the primer, and that the Woodgrain Design PVC Edging meets specifications.

N. The wound coils are then "Packed" in cardboard boxes.

O. "Final Inspection" is then carried out on a sample from each production lot to check for the following:
- Woodgrain Design PVC Edging meets with specifications;
- length of coil meets with specifications;
- no surface defects;
- primer condition meets with specifications;
- printing condition meets with specifications;
- UV coating meets with specifications.

P. The packed Woodgrain Design PVC Edging is "Stored" before distribution.

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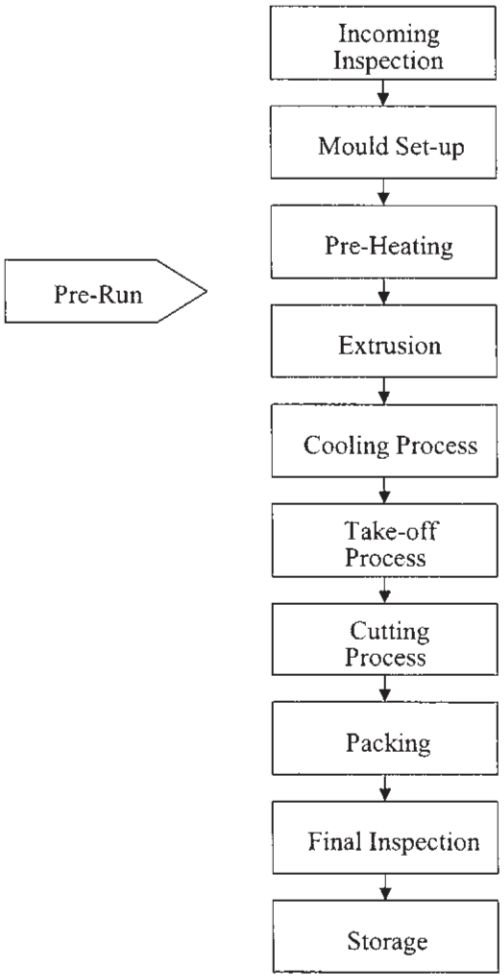
5.6.3 Process Flow for Manufacturing PVC T-Profiles

The Process Flow for Manufacturing PVC T-Profiles is depicted in the flowchart below:



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5. INFORMATION ON OUR GROUP *(Cont'd)*

Details of the PVC T-Profiles process flow:

Steps A to F of this process flow mimic the steps A to F in the Solid Colour PVC Edgings process flow.

G. The "T-Profile Extrusion" then moves onwards into the take-off rollers, which actually do the pulling of the softened plastic from the Die. This is called the "Take-off" process. The take off equipment consists of a puller that will consistently move the profile at a constant rate.

H. The extruded PVC T-Profile is then cut to the specified length in the "Cutting Process". This process is automated.

I. Cut lengths of PVC T-Profiles are then "Packed" in cardboard boxes.

J. "Final Inspection" is then carried out on a sample from each production lot to check for the following:
- extruded PVC Edging meets with specifications;
- length of coil meets with specifications;
- no surface defects;
- primer condition meets with specifications.

K. The packed PVC T-Profiles are "Stored" before distribution.

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5.7 QA/QC

Since the beginning of our operations, our Group has placed great emphasis on product quality. We have established and implemented stringent quality control measures at various stages of production. In line with our Group's emphasis on product quality, we undertake the following during our production process:

(i) Inspection of incoming raw materials and feedstock prior to production;

(ii) Random and sample checking and inspection during the entire production process;

(iii) Checking and inspection of the finished extruded products based on the specifications including size, length, thickness, diameter, straightness and rigidity; and

(iv) Final visual inspection of finished products including surface finishes such as colour matching, textures, glossy or matte finishes, condition of UV coating and design of printing. Final visual inspection is carried out to ensure that finished products are free of surface defects and meet with customer requirements.

In addition, our Group uses in-house resources to undertake material shrinkage test at 90°C, at customers' request. Standard specifications are for the material to shrink by not more than 1.5% after an exposure of 1 hour at 90°C.

As at 28 May 2007, our Group has an experienced QA team of 8 personnel, headed by our CEO, Loo Bin Keong, whose focus is on ensuring that product quality meets with the needs and specifications of our customers.

As part of our Group's commitment to quality, we have obtained, through SPI, ISO 9001:1994 on 20 April 1999. This was subsequently updated to ISO 9001:2000 on 18 July 2005. This is an endorsement of the QA system that is in place for our Group's Plastic Extrusions design and manufacturing operations.

5.8 Production facilities, capacity and output

Our Group's principal place of business and location of our production facilities is as follows:

Facilities	**Approximate Built-up Area (sq. ft.)**	**Location of Production Facility**
SCB's Head office SPI's and SBM's production and warehousing facilities	118,103	Lot P.T. 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan
SPI's production and warehousing facilities	35,300	Lot 192446, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan
SPI's sales and marketing office, and warehouse facility in Kuala Lumpur	12,000	No.10 Jalan Helang Bukit, Kepong Baru, 52100 Kuala Lumpur

5. INFORMATION ON OUR GROUP *(Cont'd)*

Our existing main production facilities are located at Lot P.T. 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan.

Our Group's machinery downtime during the normal course of business is significant as we currently manufacture a wide range of designs, each in a variety of colours. Our Group currently has approximately 300 active designs, with at least 20 colour options per design.

For each change in design and/or colour, the extrusion line has to be stopped, and one or more of the following steps taken:

(i) changing of die;
(ii) cleaning of machinery (where there is a change in product and/or colour scheme);
(iii) cleaning of on-line printing system for new colour scheme; and
(iv) recalibration and testing.

If the new design requires different raw materials, then the new resins will require heating time to make them molten and to the desired temperature. There is also normal machinery downtime for scheduled and unscheduled maintenance.

Our capacity and utilisation rate is calculated as follows:

Type of product	Operational capacity (Tonnes per annum)	Production (Tonnes per annum)	Utilisation (%)
Plastic Extrusion	2,909	2,683	92.0

Annual operational capacity is calculated based on installed machinery running 349 days (365 days less public holidays) and 16 hours per day (24 hours less normal downtime and non-working hours).

Our new facility located at Lot 192446, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan, has recently been completed and is currently in operation. With this new facility, we expect our production capacity to increase to 4,724 tonnes per annum.

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5. INFORMATION ON OUR GROUP *(Cont'd)*

5.9 Plant and Equipment

As at 28 May 2007, our Group has invested approximately RM16.8 million in machinery and factory equipment for our operations since the commencement of our manufacturing operations.

Some of the major machinery and equipment used by our Group include:

Type of Machinery and Factory Equipment	Design capacity (Tonnes per annum)	No. of Units	NBV as at 31 March 2007 RM'000
Twin-screw 50 mm diameter extrusion machine	275	2	1,124
Twin-screw 35 mm diameter extrusion machine	127	2	2
Single-screw 90 mm diameter extrusion machine	127	1	7
Single-screw 80 mm diameter extrusion machine	76	1	6
Single-screw 60 mm diameter extrusion machine	116	5	245
Single-screw 55 mm diameter extrusion machine	76	2	2
Single-screw 50 mm diameter extrusion machine	76	3	185
Single-screw 45 mm diameter extrusion machine	156	9	1,100
Single-screw 35 mm diameter co-extrusion machine	76	2	11
Single-screw 33 mm diameter co-extrusion machine	76	2	43
Single-screw 30 mm diameter co-extrusion machine	76	3	64
Twin-screw 130 mm diameter palletising extrusion machine	1,365	2	322
Single-screw 90 mm diameter palletising extrusion machine	359	1	1
Single-screw 80 mm diameter palletising extrusion machine	180	1	1
Scrap pulveriser machine	1,971	1	110
Slitting machine	176	4	270

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5. INFORMATION ON OUR GROUP *(Cont'd)*

Our Group also utilises the following software, machinery and equipment to design and fabricate Dies:

Mould Design and Fabrication Machinery and Equipment	**Capacity***	**Quantity**	**NBV as at 31 March 2007 RM'000**
CAMAX Computer Aided Design (CAD) Software	-	1 licence	1
Dielectric unit	-	1	1
Grinding machine	-	1	1
Computer Numeric Control (CNC) drilling machine	-	1	30
Air compressor	-	1	1
Turret milling machine	-	1	1
Lathe machine	-	1	13
Wire Electrical Discharge Machining (EDM) system	-	1	74

Note:
* *Capacity is not applicable*

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5.10 Types, sources and availability of raw materials

For the FYE 31 March 2007, the raw materials purchased by our Group for our business operations are as follows:

Raw Materials	Value of Purchases (RM'000)	Percentage of Total Group Purchases (%)	Sources of Supply	
			Local (%)	Import (%)
PVC Resins	5,655	35.1	66.7	33.3
Plasticiser	2,259	14.0	100.0	-
- *Di Isononyl Phthalate (DINP)*	*1,279*	*7.9*		
- *Others#*	*980*	*6.1*		
Stabiliser	603	3.7	100.0	-
PVC Coils	2,550	15.8	-	100.0
Pigment	555	3.4	84.0	16.0
Ink	738	4.6	-	100.0
Primer	356	2.2	-	100.0
Solvent	539	3.3	100.0	-
Others ^	417	2.6	100.0	-
Finished Products				
Industrial Consumables	2,441	15.2	100.0	-
Total	**16,113**	**100.0***	**68.2**	**31.8**

Notes:
* *Does not add up due to rounding*
\# *Others include Epoxidised Soya Bean Oil (ESO), and Impact modifiers*
^ *Others include Crystal compound, UV top coat, and UV ink*

For the FYE 31 March 2007, our Group's total purchases amounted to RM16.11 million, excluding fuel, oil and electricity. Out of this, 31.8% of total purchases of our Group were imported, whilst the remaining 68.2% of purchases were sourced locally.

As our Group is primarily involved in the manufacture of Plastic Extrusions, the usage of PVC Resins constitutes the largest proportion of raw materials used in our manufacturing operations. This is reflected by the fact that PVC Resins accounted for 35.1% of our Group's total purchases for the FYE 31 March 2007. Our Group sources 33.3% of our PVC Resins from overseas suppliers and manufacturers and the remaining 66.7% of PVC Resins locally.

As part of our business expansion programme, our Group ventured into the processing of PVC Coils in 2005. This involved printing and slitting of PVC Coils to produce Thin PVC Edgings. Currently, our Group stocks up at least 10 different base colour of PVC Coils to cater for our Thin PVC Edgings.

In mitigation, PVC Resin is a widely manufactured and traded commodity. As such, the likelihood of a shortage in the availability of PVC Resin is minimal. Indeed, a significant amount of PVC Resin is manufactured in Malaysia, with local production of 361,738 tonnes valued at RM1.6 billion recorded in 2006. There are currently 3 manufacturers of PVC Resins operating in Malaysia. Other raw materials such as plasticisers, stabilisers, pigment, inks and solvent can be sourced from a wide range of sources overseas. Consequently, the likelihood of a shortage in the availability of these materials is low.

The major raw material used in Processing of PVC Coils is PVC Coils. PVC Coils are available from a range of local and overseas sources. According to the Malaysian Plastics Manufacturers Association, there are manufacturers of PVC Coils currently operating in Malaysia. According to the Department of Statistics, in 2006 Malaysia imported PVC Coils from a total of 15 countries. As a result, the likelihood of a shortage in the availability of PVC Coils is low. In addition, our Group plans to diversify our business by employing Calendering technology to produce PVC Films in 2009. Some of the types of PVC Films that our Group plans to produce are suitable for processing of PVC Coils, and as such we expect our dependency on outside sources of PVC Coils to be reduced.

Our Group has established long-term mutually beneficial relationships with our key suppliers whereby approximately 60% of our top 20 suppliers have been dealing with us for 6 years or more. Of these, 9 of the top 20 suppliers have been engaged with us for the last 8 years or more.

Our Group has a policy of maintaining multiple suppliers for certain raw materials to eliminate over-dependency on any of the suppliers for our business. We currently have a total of 3 suppliers of PVC Resins and 4 suppliers of plasticiser and stabiliser within our top 20 suppliers to eliminate over-dependency on any single supplier thus ensuring continuous supply of raw materials. Our Group currently purchases PVC Coils from Yi Tai Co. Ltd whom we have been dealing with for the past 2 years. Our Group can purchase from other sources, if necessary.

In addition, we currently maintain an average stock buffer of 3 to 5 months for certain raw materials. Furthermore, our main raw materials used, PVC Resins, plasticiser, stabiliser and PVC Coils, are readily available and therefore dependency on any particular supplier is minimal.

Todate, our Group has not experienced any disruption in the supply of any raw materials including PVC Resins, plasticiser, stabiliser and PVC Coils.

5.11 Principal markets

Our Group markets our products locally and in 27 countries worldwide, including among others, Thailand, Bangladesh, Indonesia, Vietnam, Philippines and the Middle East. For the FYE 31 March 2007, we export virtually the entire range of our products including all types of Plastic Extrusions, PVC Compounds and Thin PVC Edgings.

For the FYE 31 March 2007, the breakdown of our Group's sales between local and export markets are as follows:

Market	**RM'000**	**%**
Exports	18,960	60.3
Local	12,466	39.7
Total	31,426	**100.0**

5. INFORMATION ON OUR GROUP *(Cont'd)*

Our Group's revenue contribution by principal markets can be further segmented as follows:

	Revenue for the FYE 31 March 2007 (RM'000)	(%)
Export Markets	**18,960**	**60.3**
Thailand	3,488	11.2
Bangladesh	2,831	9.0
Indonesia	2,420	7.7
Vietnam	1,807	5.7
Iran	1,629	5.2
Philippines	1,483	4.7
United Arab Emirates	1,332	4.2
Singapore	696	2.2
Australia	579	1.8
Nigeria	462	1.5
India	424	1.3
Pakistan	280	0.9
Sri Lanka	266	0.8
Bhutan	258	0.8
Myanmar	214	0.7
Kenya	169	0.5
Republic of Mauritius	144	0.5
Peru	120	0.4
Morrocco	110	0.4
Ethiopia	86	0.3
Qatar	80	0.3
Nepal	71	0.2
Yemen	9	#
Other Countries ^	2	#
Local Market	**12,466**	**39.7**
Total Group Revenue	**31,426**	**100.0**

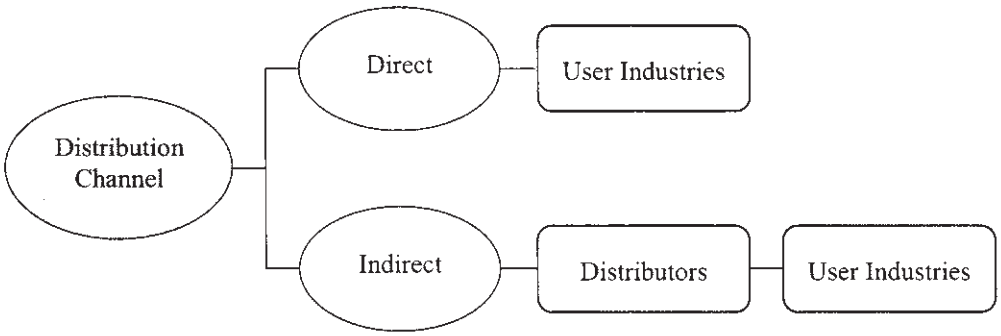
Notes:
 # Negligible
^ Other countries include Saudi Arabia, Taiwan, Oman and Bahrain

5.12 Marketing and distribution network

For the FYE 31 March 2007, our Group has established a wide customer base of 360 customers, comprising various user-industries covering 28 countries including Malaysia. As at the end of March 2007, our Group has a cumulative customer base of approximately 600 customers since our Group's incorporation in 1993. This is testimony of our Group's success in accessing the local and export markets. Our Group currently services the following type of customers:

- Distributors;
- Trading Houses; and
- Manufacturers.

The distribution channel strategy of our Group is based on direct and indirect distribution as depicted in the diagram below:



Our Group adopts a combination of direct and indirect distribution channel strategy.

The direct distribution channel approach is executed through our own sales and marketing team which is focused on selling our products and services directly to customers. In addition to the sales and marketing department located at our Group's head office in Tronoh, Perak, our Group also has a sales and marketing office in Kuala Lumpur. As at 28 May 2007, we have 8 personnel under the sales and marketing division responsible for new business development, which is headed by our Executive Directors. Our sales and marketing team utilises the following marketing strategies to sustain and expand our business:

- Markets itself as a customised manufacturer of Plastic Extrusions incorporating profile designs, fabrication of Dies, compounding, extrusion and finishing.
- Continually provide excellence in customer service including value-adding services such as colour matching services and technical support with the aim of cultivating and developing a long-term business relationship.
- Continually provide quality products and services to establish our reliability as a supplier, thus creating long-term customer loyalty and dependency.
- Keeping abreast of new processes and technological developments to stay ahead of the competition as well as to better meet the needs and requirements of customers.

As part of our strategy to promote our products and services, as well as identify likely trends in customer preferences, we actively participate in exhibitions and trade fairs by setting-up a display booth to exhibit our Group's products.

5. INFORMATION ON OUR GROUP *(Cont'd)*

Some of the exhibitions and trade fairs at which our Group has set-up display booths are as follows:

Exhibition Participated	Location	Date
Malaysia		
Malaysian International Furniture Fair	Kuala Lumpur	March 2002, 2003, 2006 and 2007
Asianwood Woodtech Trade Fair	Kuala Lumpur	September 2005
Export Furniture Exhibition	Kuala Lumpur	March 2005
Malaysia Furniture Export Exhibition	Kuala Lumpur	March 2003 and 2004
International		
Interzum Guangzhou 2006 and 2007	China	March 2006 and 2007
Indiawood 2006	India	February 2006
Index Dubai 2003, 2005 and 2006	United Arab Emirates	October 2003, November 2005 and November 2006
Interzum Cologne 2003 and 2005	Germany	May 2003 and April 2005
International Exhibition of Furniture, Fittings and Upholstery 2005	Russia	November 2004
Firniteno Indonesia 2002	Indonesia	November 2002

In addition, our Group's distributors have also actively participated in exhibitions and trade fairs on behalf of our Group whereby they promote our Group's brands and products. These exhibitions and trade fairs include:

Exhibition Participated	Location	Date	Distributor
WORLDBEX 2005	Philippines	March 2005	Scanwolf Philippines Manufacturing Inc
2nd International Kitchenware and Equipments Exhibition of Iran	Iran	June 2006	Ahmad Kabiri Jazeh

The direct distribution strategy also has its advantages in enabling our Group to work closely with our customers to evaluate and attain a better understanding of their requirements, which serves as a feedback mechanism for continuous product and service improvements.

The strategy of adopting indirect distribution channels, particularly in overseas markets, enables our Group to utilise the existing network of distributors to expand our market coverage without the need for significant investments in marketing and logistics. Our Group uses the indirect distribution strategy in both local and overseas markets. Our Group believes that we can successfully market our products by establishing and maintaining mutually beneficial long-term relationship with our marketing intermediaries to rapidly reach out to a wider market both in Malaysia and globally with minimal costs involved. As distributors are generally aware of the dynamics and latest developments within the industry and have their respective established distribution network, our Group is able to capitalise on our existing distributors' network to distribute and promote our products in the markets where the distributors are located.

5. INFORMATION ON OUR GROUP *(Cont'd)*

Our Group currently has six overseas distributors. The distributors would rely on their own distribution network to reach sub-distributors and end-users. The distributors are responsible for seeking out new customers on behalf of our Group. The six overseas distributors are as follows:-

Distributor	Country
Scanwolf Thailand Co., Ltd	Thailand
Scanwolf Philippines Manufacturing Inc.	Philippines
PT Malindo Jaya	Indonesia
Dong Luc Hong	Vietnam
Ahmad Kabiri Jazeh	Iran
Partnership Morocco Malaysia Corporation ("PMMC")	Morocco

Currently, our Group has contractual agreements with two of our sole distributors who purchase exclusively from our Group, namely Scanwolf Thailand Co., Ltd in Thailand and Scanwolf Philippines Manufacturing Inc. in the Philippines:

(i) Scanwolf Thailand Co., Ltd

SPI has entered into a contractual agreement to appoint Scanwolf Thailand Co., Ltd as its sole distributor in Thailand. The agreement commenced on 1 January 2006 and is valid for a period of five years, and expires on 31 December 2010. Based on the agreement, Scanwolf Thailand Co., Ltd is permitted to use the trademark "Scanwolf" in the ordinary course of its business.

(ii) Scanwolf Philippines Manufacturing Inc.

SPI has also entered into a contractual agreement to appoint Scanwolf Philippines Manufacturing Inc. as a sole distributor in Philippines. The agreement commenced on 1 January 2006 and expires on 31 December 2008. Based on the agreement, Scanwolf Philippines Manufacturing Inc. is permitted to use the trademark "Scanwolf" in the ordinary course of its business.

Our Group has also appointed two other parties as sole distributors by way of letter of appointment:

(i) Ahmad Kabiri Jazeh

SPI has appointed Ahmad Kabiri Jazeh as the sole distributor in Iran for all products manufactured by SPI, with effect from 1 September 2006 to 1 September 2011.

(ii) PMMC

SPI has appointed PMMC as the sole distributor in Morocco, Algeria, Mauritania, Tunisia and Libya for all products manufactured by SPI, with effect from 1 September 2006 to 1 September 2008.

At this stage, our Group does not have any contractual agreements or letter of appointment with PT Malindo Jaya and Dong Luc Hong.

For the FYE 31 March 2007, direct export revenue amounted to RM18.96 million, representing approximately 60% of our total Group revenue, and is derived from 93 customers from 27 countries, including among others, Thailand, Bangladesh, Indonesia, Vietnam, Philippines and the Middle East. For the FYE 31 March 2007, our Group's local sales are derived from a customer base of approximately 267 customers that is spread across 12 states and the Federal Territory (Kuala Lumpur) in Malaysia. Our ability to access the local and overseas markets will provide the platform for future business growth and expansion. Our existing customer base will provide an important reference site for our Group to gain further access into the market in Malaysia and overseas.

5.13 Major customers

Save for Scanwolf Thailand Co., Ltd, our Group does not have any customer that has contributed more than 10% of our Group's total revenue for the past 3 FYE 31 March 2007. Scanwolf Thailand Co., Ltd contributed to approximately 10.4%, 9.4% and 2.1% of our Group's total revenue for FYE 31 March 2007, 2006 and 2005, respectively. Scanwolf Thailand Co., Ltd is our appointed sole distributor in Thailand since 1 January 2006. This contractual agreement is valid for a period of 5 years expiring on 31 December 2010. Part of our Group's future plans is to further cultivate and develop the Thailand market by establishing an operational presence in the country. In this respect, we plan to acquire an equity stake in Scanwolf Thailand Co., Ltd by 2009 in order to optimise on our distributor's existing network to expand our market coverage and products. With an equity stake in Scanwolf Thailand Co., Ltd, we will be able to minimise the risk of dependency on Scanwolf Thailand Co., Ltd as it will be part of our Group.

In addition, as at 31 March 2007, our Group has a cumulative customer base of approximately 600 customers since our Group's incorporation in 1993 and hence we are not dependent on a single customer. Further, approximately 70% of our top 20 customers have been dealing with us for 5 years or more. Of these, 3 of our top 20 customers have been customers of our Group for 10 or more years.

Our Group does not have any formal long-term contracts with our customers. Our Group works from confirmed purchase orders, which is common in the industry. Our Board is of the view that our long-standing customer relationships will ensure business continuity from our existing customers.

5.14 Major suppliers

For the past 3 FYE 31 March 2007, Vinythai Public Company Limited ("VPCL"), Malaysia International Trading Corporation Sdn Bhd ("MITCSB"), Texchem Materials Sdn Bhd ("TMSB"), Industrial Resins (M) Sdn Bhd ("IRM") and Yi Tai Co. Ltd ("YTCL") have contributed to more than 10% each of our Group's total purchases. Details on the purchases of the above-mentioned suppliers for the past 3 FYE 31 March 2007 are as follows:

Supplier	Type of material	Length of relationship (years)	% of our Group's total purchases 2005	2006	2007
VPCL	PVC Resins	4	24.5	25.3	13.4
MITCSB	PVC Resins	6	12.5	15.4	6.6
TMSB	Plasticiser / Stabiliser	8	13.2	13.7	13.4
IRM	PVC Resins	8	12.3	1.2	16.8
YTCL	PVC Coils	2	-	7.2	15.8
			62.5	**62.8**	**66.0**

As part of our Group's philosophy of cultivating long-term relationships with our suppliers, approximately 60% of our top 20 suppliers have been dealing with us for 6 years or more. Of these, 9 of the top 20 suppliers have been dealing with us for the last 8 years or more.

Our Group has been dealing with VPCL, MITCSB, TMSB and IRM for the past 4 to 8 years. Our Board believes that this long-term and established business relationship will ensure regular and adequate supplies of PVC Resins, plasticiser and stabiliser in the foreseeable future. Our Group has a policy of maintaining multiple suppliers for each type of these raw materials to eliminate over-dependency on any of the suppliers for our business. We currently have 3 PVC Resins and 4 plasticiser and stabiliser suppliers within our top 20 suppliers to eliminate over-dependency on any single supplier thus ensuring continuous supply of raw materials.

Our Group has been dealing with YTCL for the past 2 years. Our Group can purchase PVC Coils from other sources, if necessary. According to the Malaysian Plastics Manufacturers Association, there are manufacturers of PVC Coils currently operating in Malaysia. In addition, according to the Department of Statistics, in 2006 Malaysia imported PVC Coils from a total of 15 countries. In addition, our Group plans to diversify our business by employing Calendering technology to produce PVC Films in 2009. Some of the types of PVC Films that our Group plans to produce are suitable for Processing of PVC Coils, and as such we expect purchases of PVC Coils from YTCL will be reduced.

In addition, we currently maintain an average stock buffer of 3 to 5 months for certain raw materials. Furthermore, our main raw material used, PVC Resins, plasticiser, stabiliser and PVC Coils, are readily available and therefore dependency on any particular supplier is minimal.

Todate, our Group has not experienced any disruption in the supply of any raw materials including PVC Resins, plasticiser, stabiliser and PVC Coils.

5.15 R&D

R&D plays a key role for our Group, particularly in creating and sustaining competitive advantages through continuous improvements on existing products and services to ensure customer satisfaction, developing new products to create new areas of growth and opportunity, continuous improvements in manufacturing processes, and continuously developing the capability to utilise new technologies that can be applied to new and existing products.

The constant improvement and enhancement of our competitive advantages are critical in a competitive market place to sustain our Group's business growth and success in the long term.

Through R&D, our Group aims to realise the following benefits:

(i) sustain and grow the business through the development of improved and new products and services;

(ii) increase revenue and profitability by addressing new market segments with enhanced and new products and services;

(iii) lower cost of production through improved manufacturing processes, optimal use of automation and machine integration, and use of recycled materials through in-house compounding; and

(iv) create competitive advantages by leveraging from our in-house capabilities in design and fabrication of Dies, and automated and integrated extrusion machinery systems.

Our Group strives for incremental improvements to our design and manufacturing knowledge and expertise, and production skills base through continuous practical application of these skills. These improvements are internalised and enables us to continuously upgrade our capabilities and to increase the efficiency of our business processes. In addition, our Group continuously evaluates existing and new technologies, implementing those that we believe will improve our business processes or create opportunities for new business development. Our Group also has in-house R&D facilities to undertake certain testing of the finished product as well as colour matching purposes during the compounding process. As at 28 May 2007, our Group has a team of 5 R&D personnel headed by our Executive Director, Tan Sin Keat.

Achievements in R&D

(a) Design and Manufacture of Plastic Extrusions

Our Group has successfully undertaken R&D to develop and commercialise a range of Plastic Extrusions, including:

- PVC Edgings
  - PVC Standard Edging;
  - PVC Soft Edging; and
  - PVC Inlay Edging;
- PVC Jointings
  - T-Moulding (also known as butt-jointing), including flexible ergonomic edgings, flexible tubular edgings, twin-colour edgings, sinusoidal edgings, and others; and
  - Other profiles (such as H-profiles, internal and external corner jointing, F-jointing, angles, U-profiles, lipping, U-profiles for roller shutter profiles and fittings, door profiles, keyboard profiles, hoses, cable trucking, dust seal profiles, chair lining, paper file folder.
- PVC Foam Profiles;
- PVC extruded building materials
  - PVC Seal System; and
  - PVC Tile Strip;
- TPEE Profiles;
- ABS Profiles and Edgings; and
- PVC Wrapping Profiles.

As at 28 May 2007, our Group has successfully designed and manufactured a cumulative total of approximately 800 designs of Plastic Extrusions since the commencement of our Group's manufacturing operations.

Of these, there are approximately 300 active designs currently being manufactured. For each design, our Group manufactures at least a range of 20 colour options.

In most cases, our Group customised the Plastic Extrusions based on customers' specifications and requirements. With in-house capabilities and expertise, our Group undertake the following processes for a new product development:

- Design of profiles;
- Design and fabrication of Dies;
- Colour matching;
- Developing of various surface finishes and print designs; and
- Compounding.

(b) PVC Compounds

Through our in-house R&D, our Group has successfully developed and commercialised a range of customised compounds. Compounding is the process of formulating various raw materials to provide the desired specifications.

Our Group provides value adding by compounding PVC Resins with additives to achieve the desired mechanical and physical properties. Some of these properties include flexibility, rigidity, elasticity, chemical resistance, UV resistance, tensile strength and colour.

Our Group has successfully undertaken compounding for the following main raw materials:

- PVC;
- PVC foam;
- Wood composite;
- Unplasticised PVC (uPVC - also known as rigid PVC); and
- ABS (colour compounding).

(c) In-house Supporting Activities

In-house supporting activities play a significant role to our Group's business. The key supporting activities undertaken by our Group internally include:

- Design and fabrication of Dies; and
- Design and fabrication of Downstream Machinery.

Design and Fabrication of Dies

Our Group has successfully developed the capability to design and fabricate Dies. Our Group currently designs and fabricates all of our Dies required for our in-house manufacturing activities.

This is a result of R&D that has enabled us to undertake a critical supporting activity that would otherwise need to be outsourced to third parties. Our Group's in-house Design and Fabrication Centre for Dies was established in 1996.

Since 1996, our Group estimates that it has designed and fabricated approximately 800 Dies, of which approximately 300 are currently in active use. Non-active Dies are retained by our Group and can generally be re-used should there be a need to.

Design and Fabrication of Downstream Machinery

Through R&D, our Group has successfully designed and fabricated downstream machinery, which is then integrated into the total Automated Extrusion line, which are currently being used on our factory floor. Currently, there are 24 production lines, of which 23 of the Downstream Machinery for the production lines are designed and fabricated by our Group.

Some of the different types of Downstream Machinery fabricated by our Group includes, among others, printing machines, calibration tables, cutter and haul-off machines. Our Group also has the capabilities to integrate the following processes into a continuous automated line with little need for operator intervention:

- Heating of PVC Compounds;
- Extrusion;
- Tactile surface treatment;
- Post extrusion cooling system;
- Laminating or wrapping;
- Automatic printing system, up to 4-colours; and
- Winding.

The main process machineries are also integrated with the following supporting peripheral machine and equipment:

- Conveyor system;
- Calibration machine; and
- Automatic cut-off machine.

As it is not practical to fabricate all components of the Downstream Machinery, some of the parts and components, for example hydraulic system, are purchased from third parties.

(d) On-Going and Future Research and Development

Our Group's on-going and future R&D is focussed on the following areas:

- Development of new products;
- Improvement in manufacturing processes;
- New calendering processing methods; and
- Improvement in design of downstream machinery.

5.15.1 Development of New Products

Our Group intends to undertake R&D to maximise from our current core competencies in design and manufacturing of Plastic Extrusions to include the following new products:

- Flexible Polymer Filaments;
- Rigid PVC Vertical and Horizontal Blind Profiles;
- Polymer Picture Frames Profiles;
- Polymer Decorative Profiles;
- Plasterwork Trim Profiles; and
- Step Nosing Profiles.

(a) Flexible Polymer Filaments

Our Group proposes to undertake R&D on design and manufacture of Flexible Polymer Filaments.

Flexible Polymer Filament is produced through the extrusion process to obtain a thin or fibre like thread with a small diameter. Flexible Polymer Filament can be used for various applications including emulating rattan to manufacture rattan slats for woven furniture, decorative wall panelling, and window and door blinds.

Our Group intends to use High Density Polyethylene (HDPE) as the main raw material for the manufacturing of Flexible Polymer Filaments. HDPE is able to withstand relatively high temperature and exhibits good resistant to many different solvents. Thus, HDPE based Flexible Polymer Filament will also be suitable for outdoor furniture applications.

In addition, HDPE has the following desirable characteristics that make it suitable for use in manufacturing of Flexible Polymer Filaments:

- High flexibility and tensile strength;
- Resistant to UV radiation;
- Weather resistant; and
- Not degraded by moisture.

With in-house capabilities, our Group also plans to extend our R&D activities to include the following specifications:

- Different diameters ranging from 3 mm to 4 mm;
- Different surface finishes and textures, including embossing and smooth surface; and
- Range of colour options with glossy or matt finishing.

Flexible Polymer Filaments is superior to natural wood for outdoor applications such as garden, park and poolside furniture and fittings, as it is weather proof and resistant to damage caused by continuous exposure to the sun, rain and the environment.

Other potential applications using Flexible Polymer Filaments include ready-to-install chick blind systems, which incorporates simulated wood blind slats with blind system components such as winder system, turning rod system, and mounting frames.

Our Group plans to commence the R&D activities on Flexible Polymer Filament by 2008.

(b) Rigid PVC Vertical and Horizontal Blind Profiles

Our Group plans to undertake R&D to design and develop Rigid PVC Vertical and Horizontal Blind Profiles. Rigid PVC Vertical and Horizontal Blind Profiles are commonly used in homes and offices for interior window treatment. With our Group's in-house capabilities and practical experiences, our Group plans to undertake R&D on the following areas:

- Dimension tolerance such as thickness, width, internal stress, degree of fusion, and other mechanical properties of the PVC Extrusion product;
- Wide range of colours; and
- Different decorative surface finishes.

In addition, Rigid PVC Vertical and Horizontal Blinds usually provide durability, good quality light control and also ease of cleaning and maintenance. Our Group intends to commence R&D on Rigid PVC Vertical and Horizontal Blinds Profiles by 2009.

(c) Polymer Picture Frame Profiles

Our Group also proposes to undertake R&D to design and develop Polymer Picture Frame Profiles, utilising Expanded Polystyrene (EPS) as a feedstock for the extrusion process. Areas of R&D our Group intends to undertake include:

- Incorporation of foaming agent in the compounding process to obtain the desired texture, light weight and savings on less materials used;
- Different surface finishes including embossment, Woodgrain print design, and special coatings to prevent scratches; and
- Wide range of colour options including normal colour, satin colour to emulate metal colour, and glossy or matt finish.

Our Group plans to commence R&D on design and manufacture of Polymer Picture Frame Profiles by 2008.

(d) Polymer Decorative Profiles

Our Group plans to undertake R&D to design and manufacture Polymer Decorative Profiles for potential new applications to substitute wood and plaster based products particularly for architectural applications.

Some of the potential new applications for Polymer Decorative Profiles include:

- Cornices;
- Window and doorframes;
- Skirting boards; and
- Decorative ceiling profiles.

Similarly, our Group will also focus our R&D on the following areas:

- Usage of Expanded Polystyrene (ES) as raw materials;
- Dimensional tolerance;
- Colour option;
- Surface finishes; and
- Designs.

In addition, our Group also intends to undertake R&D on design and develop polymer based Bracketed Attachment System for the Polymer Decorative Profiles, which provides for easy and simple attachment of profiles onto walls. Our Group intends to commence R&D activities to design and manufacture Polymer Decorative Profiles by 2008.

(e) Plasterwork Trim Profiles

Our Group plans to undertake R&D to design and manufacture Plasterwork Trim Profiles for use in the construction industry, particularly in interior fit-out applications. Our Group plans to focus R&D on the following areas:

- Profile design;
- Plastic compound formulation to meet the physical property requirements that are typical for Plasterwork Trim Profiles;
- Colour options; and
- Dimensional tolerance.

Our Group intends to commence R&D activities to design and manufacture Plasterwork Trim Profiles by 2008.

(f) Step Nosing Profiles

Our Group plans to undertake R&D to design and manufacture Step Nosing Profiles for use in the construction industry, as a replacement for traditional ceramic step nosings to decorate and protect the outside edges of steps. Our Group plans to focus R&D on the following areas:

- Profile design;
- Plastic compound formulation to meet the physical property requirements that are typical for Step Nosing Profiles, particularly in terms of impact strength, resistance to chipping, and surface hardness;
- Colour options;
- Surface finishes, particularly for non-slip designs; and
- Dimensional tolerance.

Our Group intends to commence R&D activities to design and manufacture Step Nosing Profiles by 2009.

5.15.2 Improvement in Manufacturing Processes

Our Group continuously undertake R&D on process improvement, particularly in enhancing our manufacturing processes. This is critical as it has a direct impact on manufacturing efficiency, effectiveness, and productivity.

In order to maintain tight dimensional tolerance, our Group place significant emphasis on processing conditions that affect product properties, performance and overall quality. Some of the areas of R&D for process improvement on product quality include:

(a) Degree of Fusion

A proper fusion of materials during the manufacturing process will maximise desirable properties such as tensile strength, tensile modulus, flexural strength, impact resistance, and other properties that contribute to the final product quality.

The degree of fusion and consistency of the melt during the manufacturing process greatly affects chemical compatibility. If the product is not properly fused during the extrusion process it will result in product inconsistency and poor chemical resistance.

(b) Porosity and Contamination

Porosity is where there are undesirable air bubbles in the product. This can be caused by many factors including poor formulation, improper mixing, incorrect operating parameters (for example temperature) and contamination especially using recycled materials. Porosity and material contamination on its own can create costly wastage and downtime.

(c) Dimensional Stability

Our Group is continuously monitoring and reducing internal stress level of the extruded products that may affect the dimensional stability. The residual stresses are inherent in all extruded products due to the nature of the extrusion process. The amount of inherent stress will affect the product's long-term stability, toughness, and machining characteristics.

A low inherent stress level reduces the potential for fatigue and stress fracturing when products are subjected to heat cycling and other different physical demands caused by machining.

(d) Cooling Phase

Extruded articles must be cooled uniformly, top and bottom, so that the surface temperature is below 38 degrees centigrade at the saw. Uniform cooling is required to minimise bending or bowing of the articles. Usually, bowing results from the difference in expansion caused by different surface temperature between the two sides. If there is uneven cooling of these surfaces during extrusion, the thermal expansion in extruded articles will be aggravated.

The R&D Department also works closely with the production and marketing teams to get feedback on our products on quality, usage, durability and specifications. This will enable improvements where necessary in the production process and optimise the extrusion process to achieve higher yields and better product quality.

5.15.3 New Calendering Processing Method

Our Group proposes to undertake R&D on producing new products and applications utilising a new technology (for our Group) of Calendering. Calendered PVC Film is commonly produced in continuous form, which can be used as finished or semi-finished products.

Our Group plans to further process the Calendered PVC Films for edging applications catering to different applications and preferences of our customers.

Calendering is the process whereby hot molten mixture of resin is fed into a series of hot cylindrical calender rollers, which is designed to spread and thinned out the PVC Resin material across the width of the rollers.

With calendering technology, our Group is able to produce PVC Film with wider width of up to 1,300 mm and thinner thickness ranging from 0.08 mm up to 0.60 mm and rolled into a jumbo PVC Film Roll or Coil.

The jumbo PVC Film coil would have many applications.

There are many advantages of manufacturing PVC Edging using calendering over the Extrusion method of which the main advantage is cost effectiveness of producing thinner PVC Edgings. In this circumstance, our Group's calendering process will be used to manufacture thinner PVC Edgings, which we currently are not manufacturing through our PVC Extrusion process. Thus the new Calendering process will complement our Group's current range of products to enable it to meet the needs of a wider cross section of customers.

Our Group's R&D will focus on the following areas:

- different stretch and strength properties;
- different textures and finishes such as embossed;
- level of opacity such as translucent;
- thickness;
- softness;
- colours; and
- different designs and patterns.

Our Group plans to commence the R&D activities to manufacture PVC Film by 2009.

5.15.4 Improvement In Design of Downstream Machinery

Our Group will undertake R&D to further improve and innovate on its manufacturing machinery and equipment. Such improvements and innovation through R&D activities are aimed at providing our Group with the following benefits:

- improve efficiency, productivity and product quality;
- increase integration and automation to reduce labour cost as well as improve product quality through minimising human intervention in the manufacturing process; and
- reduce cost of design and fabrication of downstream machinery and lower capital cost of manufacturing.

The R&D that is undertaken to continually improve the production process by fabricating downstream machinery for integration into the entire extrusion system is an ongoing process.

Our annual R&D expenditure for the past 3 FYE 31 March 2007 are tabulated below:

FYE 31 March	**2005 (RM)**	**2006 (RM)**	**2007 (RM)**
R&D expenditure	323,142	346,143	497,356
% of our Group's turnover	1.44	1.27	1.58

5.16 Competitive strengths

We have been involved in the designing and manufacturing of Plastic Extrusions for over 22 years. Our Directors believe that our competitive strengths are in the following areas:

5.16.1 Our Group as an integrated manufacturer of Plastic Extrusions

Our Group is the leading player in the designing and manufacturing of Plastic Extruded Edgings and Profiles. With our Group's in-house R&D capabilities, we are able to meet the total requirements of customers in terms of Plastic Extrusion including formulation and compounding of PVC Resins, Die design and fabrication, extrusion, printing and finishing. This complete integration of products and services provides us with a competitive advantage over other manufactures that focuses only on one or a few activities.

5.16.2 Our Group's high product quality

Our Group places high emphasis on strict QC procedures to maintain the quality of our products. The ISO 9001:2000 quality accreditations of our subsidiary, SPI is an endorsement of the QA system that is in place for our Group's Plastic Extrusions design and manufacturing operations. These certifications provide customers with the assurance of the quality of our Group's products. Furthermore, the rigorous process of quality checks and inspections on the in-coming raw materials through the various stages of production processes including final inspections on the finished products is a further demonstration of our Group's emphasis on product quality.

5.16.3 We have an established and large customer base

Our Group's products are either distributed through distributors and trading houses or sold directly to manufacturers. Since incorporation, we have established a large customer base of approximately 600 customers. Over the years, we have developed long-term business relationship with our customers. For the FYE 31 March 2007, 70% of our Group's top 20 customers have been dealing with us for 5 years or more. Of these, 3 of our top 20 customers have been dealing with us for 10 or more years. An established customer base provides some stability to our Group but also more importantly, offers opportunities for future business growth.

5.16.4 We have wide market coverage

Our Group has a wide market coverage, which extends to 28 countries including Malaysia for the FYE 31 March 2007. Our overseas markets include among others Thailand, Bangladesh, Indonesia, Vietnam, Philippines and the Middle East. The coverage of different markets helps us to minimise the dependency on any one particular country or market.

5.16.5 Our strong market reputation and established track record

Currently, our Group's products are marketed under the brandname Scanwolf® both locally and overseas. Our brandname has been in existence since 1984. With approximately 22 years of experience (since the commencement of our Group's manufacturing operations in 1984), we have successfully established ourselves as a reputable manufacturer of Plastic Extrusions. Our market reputation is further reinforced through our large customer base of approximately 600 customers locally and overseas since incorporation.

5.16.6 We have in-house profile design capabilities

As Plastic Extrusions have a diverse range of applications, the ability to customise profiles to meet the specifications of customers is critical to the manufacturing operations. Our Group has the in-house profile design capabilities and Die fabrication facilities to meet almost all the varying applications of Plastic Extrusions. This is reflected in our Group's cumulative total of approximately 800 designs of Plastic Extrusions since the commencement of our Group's manufacturing operations. Of these, there are approximately 300 active designs currently being manufactured. For each design, our Group manufactures at least 20 colour options.

5.16.7 Our Group's R&D capabilities

Our Group is constantly undertaking R&D to improve on our products to better meet customer needs and identify areas of opportunities. This requires the ability to keep abreast of developments in technological and process improvements, development of compounding formulations of Plastic Extrusions to attain desired properties and characteristics such as cushioning impact, weather resistance and scratch resistance properties to meet the requirements of the market and customers.

5.17 Interruption/disruption in our operations

Our Group did not experience any material disruption in our operations that had a significant effect on our revenues for the past 12 months prior to the date of this Prospectus. The continuing profitability of our Group during the economic slowdown period in Malaysia in 2001 points to the resilience of our Group in being able to weather an economic downturn.

5.18 Brand names / Trademarks

Our Group, via SPI has registered the "Scanwolf" trademark in Malaysia and Thailand. The details of the trademarks are as follows:

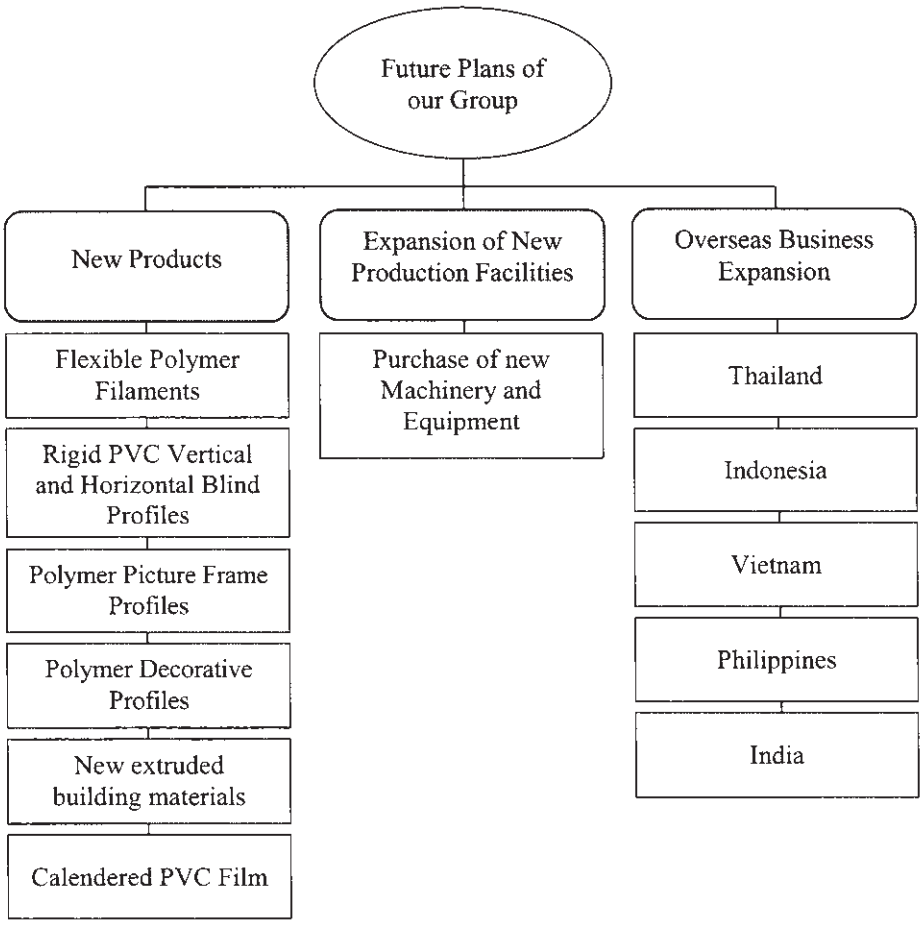
Country	Authority	Trademark	Class	Classification of Goods/Services	Effective Date
Malaysia	The Registrar of Trade Marks, Intellectual Property Corporation of Malaysia	"Scanwolf"	20	"Tray Dan Pemegang Untuk Meja Dalam Kelas 20"	01.08.1996 to 01.08.2013
Thailand	Trademark Bureau, Department of Intellectual Property in Thailand	"Scanwolf"	36	"Plastic for Furniture"	03.02.2005 to 02.02.2015

In addition, SPI had applied for the "Scanwolf" trademark registration in Indonesia, which, as at the date of this Prospectus, is still pending approval. The details of the trademark application are as follows:

Country	Authority	Trademark	Class	Classification of Goods/Services
Indonesia	Direktor Jenderal, Hak Kekayaan Intelektual, Departmen Kehakiman Dan Hak Asasi Manusia Republik Indonesia	"Scanwolf"	20	"Aksesoris Furniture berupa: Pelapis Sisi Furniture yang terbuat dari plastik (Edging PVC) untuk Meja Kantor, Kursi Kantor, Sofa, Meja Komputer, Meja Belajar, Furniture Dapur, Lemari, Pintu, Rak-Rak VCD, Rak TV, Rak Sepatu, Buffet, Bingkai Cermin, dan Engsel Bukan dari Logam/Plastik"

5.19 Future plans, strategies and prospects

The future plans of our Group are focused in three key areas as depicted in the figure below:



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5.19.1 New Products

Part of our Group's future plans is to extend our current range of products and provide a wider portfolio of products to meet the requirements of customers. As such, we intend to develop the following new products:

- Flexible Polymer Filaments;
- Rigid PVC Vertical and Horizontal Blind Profiles;
- Polymer Picture Frames;
- Polymer Decorative Profiles;
- New extruded building materials; and
- Calendered PVC Film.

The new products would provide our Group with new areas of business growth and opportunities.

(a) Flexible Polymer Filaments

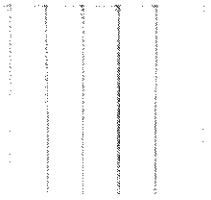
Our Group plans to design and manufacture Flexible Polymer Filaments. Flexible Polymer Filament is a thin or fibre-like thread with a small diameter that can be used for various applications including emulating rattan to manufacture rattan slats for woven furniture, decorative wall panelling purposes, window, door blinds and others. Flexible Polymer Filament is produced using the extrusion process.

We intend to use High Density Polyethylene (HDPE) as raw materials for the manufacturing of Flexible Polymer Filaments. HDPE itself is able to withstand relatively high temperature and exhibit good resistance to many different solvents. Thus, our Group's HDPE based Flexible Polymer Filament will be used by fabricators and manufacturers to produce outdoor furniture applications due to its weather resistant properties.

Our Group intends to embark on the production of this new product by 2008.

(b) Rigid PVC Vertical and Horizontal Blind Profiles

Our Group also has plans to design and manufacture Rigid PVC Vertical and Horizontal Blind Profiles using our existing extrusion technology and machinery. We intend to utilise our in-house capabilities to manufacture Rigid PVC Vertical and Horizontal Blind Profiles, which are commonly used in homes and offices.



Our Group's Rigid PVC Vertical and Horizontal Blinds Profiles will be used by fabricators and manufacturers to produce PVC Vertical and Horizontal Blinds as the final product. PVC Vertical and Horizontal Blinds provide durability, good quality light control and is also easy to clean and maintain.

Our Group plans to commence the production of Rigid PVC Vertical and Horizontal Blind Profiles by 2009.

(c) Polymer Picture Frame Profiles

Part of our Group's future plans is to extend our existing product range to design and manufacture Polymer Picture Frame Profiles.

These profiles will be used by fabricators and manufacturers to produce polymer based picture frames as the final product. Our Group plans to use Expanded Polystyrene (EPS) as the raw material for the manufacture of Polymer Picture Frame profiles.

Our Group plans to commence the manufacturing of Polymer Picture Frame profiles by 2008.

(d) Polymer Decorative Profiles

Our Group intends to manufacture Polymer Decorative Profiles to be used in new applications as a replacement for wood and plaster based products. Some of the potential new applications of Polymer Decorative Profiles include:

- Cornices;
- Window and door frames;
- Skirting boards;
- Decorative ceiling profiles.

With in-house design and Die fabrication capabilities, our Group is in a strong position to undertake the relevant R&D to develop this new product. We plan to commence on the manufacture of this new product by 2008.

(e) New extruded building materials

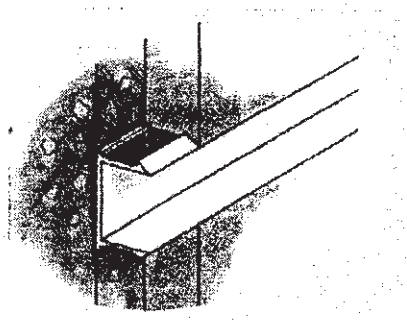
Our Group plans to design and manufacture new extruded building materials to expand on the range of extruded building materials offered by our Group. Our Group plans to design and manufacture the following types of new extruded building materials:

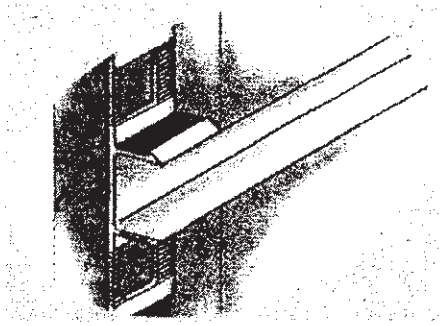
- Plasterwork Trim Profiles; and
- Step Nosing Profiles

Plasterwork Trim Profiles

Plasterwork Trim Profiles are extruded plastic profiles that are used to assist in the finishing and plastering works for the building and construction industry. Plasterwork Trim Profiles are designed to enhance plastering finishes and reduce inconsistent quality in finishing due to variation in workmanship.

Some examples of Plasterwork Trim Profiles are illustrated below:





Our Group intends to commence manufacturing of Plasterwork Trim Profiles by 2008.

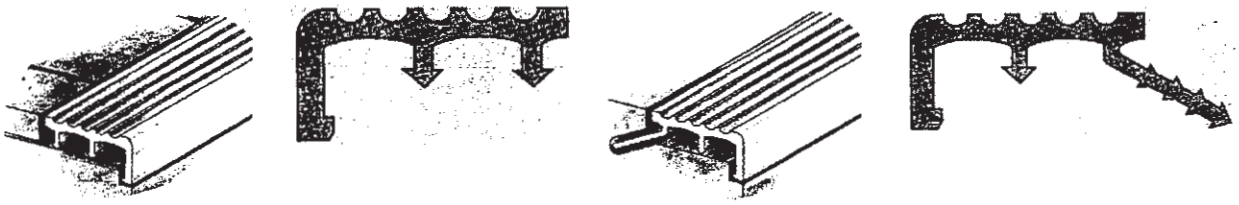
Step Nosing Profiles

Step Nosing Profiles are extruded plastic profiles for use in the building and construction industry to protect and decorate the outside edges of steps.

Step Nosing Profiles are designed to replace traditional ceramic step nosing. Step Nosing Profiles offer a number of advantages over traditional ceramic step nosing, including superior impact strength, greater resistance to chipping damage, superior surface hardness, ease of installation, and non-slip surfaces.

In addition, it is possible to design and manufacture Step Nosing Profiles in almost any colour, which makes it easier to customise Step Nosing Profiles to match its intended surroundings.

Some examples of Step Nosing Profiles are illustrated below:



Our Group intends to commence manufacturing Step Nosing Profiles by 2009.

(f) Calendered PVC Films

Currently, our Group is primarily using extrusion technology to produce plastic extruded products. Part of our Group's future plans is to produce PVC Films using the calendering process and technology.

Calendered PVC Film is commonly produced in a continuous form, which can be used as finished or semi-finished products. Currently our Group sources Calendered PVC Films in the form of jumbo coils, which is then further processed internally into thin edgings.

As part of our Group's diversification plans, it intends to employ calendering technology to produce PVC Films for a diverse range of applications. In addition, the production of PVC Films internally would enable our Group to control product quality, reduce dependency on external parties and be more cost competitive.

With Calendering, we will be able to produce PVC Films with wider widths of 1,300 mm and thickness ranging from 0.08 mm up to 0.60 mm in either large rolls or jumbo coils.

Our Group plans to purchase calendering machines to manufacture Calendered PVC Films by 2009.

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5.19.2 Expansion of new production facilities

Our Group's plans also include investing in new machinery and equipment for our operations. This is to cater to future business growth including the production of new products and employing the new Calendering process to produce PVC films.

We will be utilising part of the proceeds from the Rights Issue and Public Issue to purchase new machinery and equipment, which will include:

(a) extrusion machines;

(b) compounding machines;

(c) wire cutting machine for Die fabrication operations; and

(d) calibration machines.

In addition, we also plan to purchase other auxiliary equipment and tools to design and fabricate machinery and equipment to undertake secondary processes. These secondary production lines include:

(a) On-line printing lines in 2008 and 2009; and

(b) On-line primer application lines in 2008.

We expect to acquire the above machinery and equipment for Plastic Extrusion and compounding, and calendering operations by 2008 and 2009 respectively.

5.19.3 Overseas business expansion

For the FYE 31 March 2007, our Group has exported to 27 overseas countries. As part of our future business plans, our Group intends to increase sales and marketing efforts in the following overseas markets:

(a) Thailand

Thailand is one of the export markets for our Group's Plastic Extrusions. For the FYE 31 March 2007, the Thailand market accounted for 11.2% of our Group's total revenue. Currently our Group distributes Plastic Extrusions in Thailand exclusively through our appointed distributor, Scanwolf Thailand Co., Ltd. Our Group also exports directly to manufacturers in Thailand.

Part of our Group's future plans is to further cultivate and develop the Thailand market by establishing an operational presence in the country. As such, subject to successful negotiation/ relevant approvals to be obtained, we plan to expand through the following means:

(i) acquisition of an equity stake in Scanwolf Thailand Co., Ltd by 2009; and

(ii) setting up a manufacturing plant in Thailand for Plastic Extrusion operations by 2010.

With an equity stake in Scanwolf Thailand Co., Ltd, our Group would be able to optimise on our distributor's existing network to expand our market coverage and products. This will be further supported by the establishment of a Plastic Extrusion manufacturing plant. Our expansion in Thailand will provide us with a platform for future business growth, as there is already an existing demand for our Plastic Extrusions.

(b) Indonesia

Indonesia is also one of the export markets for our Group's Plastic Extrusions. For the FYE 31 March 2007, the Indonesian market accounted for 7.7% of our Group's total revenue. Currently, we export directly to the manufacturers as well as through our distributor, PT Malindo Jaya in Indonesia.

Subject to successful negotiation/relevant approvals to be obtained, part of our Group's overseas expansion plans is to further penetrate into the Indonesia market through the following means:

(i) acquisition of an equity stake in PT Malindo Jaya by 2009; and

(ii) establishment of a Plastic Extrusion manufacturing plant in Indonesia by 2010.

Currently, we export our products primarily to larger customers in Indonesia through our sole distributor. By establishing a plant in Indonesia, our Group intend to service a wider group of customers particularly the next level of small and medium sized industries.

(c) Vietnam

Vietnam is also one of the export markets for our Group's Plastic Extrusions. For the FYE 31 March 2007, the Vietnam market accounted for 5.7% of our Group's total revenue. Our Group exports directly to the manufacturers as well as distribute through a trading house in Vietnam.

As part of our overseas expansion plans, we intend to form a joint-venture with Dong Luc Hong, a trading house and also our present distributor in Vietnam, to set-up a Plastic Extrusion manufacturing plant. We are currently in negotiation phase with our potential joint-venture partner.

(d) Philippines

For the FYE 31 March 2007, Philippines accounted for 4.7% of our total Group revenue. Part of our Group's overseas expansion plans is to acquire a stake in Scanwolf Philippines Manufacturing Inc., our Group's sole distributor in Philippines by 2009.

(e) India

For the FYE 31 March 2007, India accounted for 1.3% of our total Group revenue. Part of our overseas expansion plans is to establish a sales office in India by 2010.

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5. INFORMATION ON OUR GROUP *(Cont'd)*

5.20 Milestones

Some of our Group's key milestones are as follows:

Year		Key Milestone
1984	:	Establishment of partnership operating under the name of Scanwolf Plastics Engineering Consultant Firm for the manufacture of PVC pipes and conduits, and Plastic Extrusions for furniture fittings
1985	:	The name of the partnership, Scanwolf Plastics Engineering Consultant Firm, was changed to Scanwolf Plastic Industries
1989	:	First export sales to China
1993	:	Conversion of the partnership to SPI. Ceased manufacturing of pipes and conduits operations
1996	:	Completion of first factory at our current head office. Our production facilities were initially equipped with 12 production lines
		Establishment of our in-house Die design and fabrication centre
		Established our first sales office in Kuala Lumpur
1999	:	SPI awarded ISO 9001:1994 accreditation by SGS United Kingdom Ltd
2001	:	Completion of second factory adjacent to the first factory
2003	:	Our Group recorded exports to approximately 20 overseas countries
2004	:	Application for the "Scanwolf" trademark registration in Indonesia and the revised "Scanwolf" trademark registration in Malaysia
		Acquisition of Thin Chun Sdn Bhd, and subsequently changed its name to SBM
2005	:	SBM commenced present operations
		SPI quality management system accreditation updated to ISO 9001:2000 accreditation by SGS (Malaysia) Sdn Bhd
		Registration of the "Scanwolf" trademark in Thailand
2006	:	Commenced the construction of our third factory cum warehouse building adjacent to the second factory
		Our Group's maiden exports to Central and South America
		Completion of the construction of our third factory cum warehouse building
2007	:	Obtained the Certificate of Registration in respect of the "Scanwolf" trademark in Malaysia

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5.21 Information on subsidiary companies

The details of our subsidiary companies as at 28 May 2007 are as follows:

Name	Date and country of incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
SPI	02.09.1993 / Malaysia	2,300,000	100.00	Design and manufacture of Plastic Extrusions, PVC Compounding, processing of PVC Coils and trading of industrial consumables
SBM	19.09.1987 / Malaysia	100,000	100.00	Sales and marketing of PVC extruded building materials and trading of other building materials

As at 28 May 2007, we do not have any associated companies. Further information on our subsidiary companies is set out below:

5.21.1 SPI

(i) History and business

In 1984, our Promoters established a partnership operating under the name of Scanwolf Plastics Engineering Consultant Firm and commenced business in the same year. The name of the partnership was subsequently changed to Scanwolf Plastic Industries in 1985. In 1993, the partnership was then converted into a private limited company and changed its name to SPI. SPI is currently involved in designing and manufacturing of Plastic Extrusions, PVC Compounding, processing of PVC Coils, and trading of industrial consumables.

On 2 April 2007, following the completion of the Acquisition, SPI has become our wholly-owned subsidiary.

(ii) Share capital

The present authorised share capital of SPI is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which RM2,300,000 comprising 2,300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
02.09.1993	3	1.00	Cash	3
28.04.1994	999,997	1.00	Cash	1,000,000
25.03.1997	1,300,000	1.00	Bonus Issue	2,300,000

As at 28 May 2007, there are no outstanding warrants, options, convertible securities or uncalled capital in SPI.

(iii) Substantial shareholders

SPI is our wholly-owned subsidiary. Please refer to Section 6.1 of this Prospectus for information on our substantial shareholders.

(iv) Subsidiary and associated companies

As at 28 May 2007, SBM is a wholly-owned subsidiary of SPI. However, SPI does not have any associated companies.

5.21.2 SBM

(i) History and business

SBM was incorporated under the Act as a private limited company in Malaysia on 19 September 1987 under the name Thin Chun Sdn Bhd. Subsequently, it assumed its present name on 5 October 2004 after it was acquired by SPI. Prior to the acquisition by SPI, Thin Chun Sdn Bhd was a property investment company. After the acquisition, SBM commenced its business in sales and marketing of PVC extruded building materials in August 2005.

SBM is a wholly-owned subsidiary of SPI.

(ii) Share capital

The present authorised share capital of SBM is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, all of which have been issued and fully paid-up.

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

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
19.09.1987	2	1.00	Cash	2
12.01.1996	99,998	1.00	Cash	100,000

As at 28 May 2007, there are no outstanding warrants, options, convertible securities or uncalled capital in SBM.

(iii) Substantial shareholders

SBM is our wholly-owned subsidiary, via SPI. Please refer to Section 6.1 of this Prospectus for information on our substantial shareholders.

(iv) Subsidiary and associated companies

As at 28 May 2007, SBM does not have any subsidiary or associated companies.

6. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

6.1 Promoters and substantial shareholders

6.1.1 Promoters

Our Promoters and their respective shareholdings in our Company before and after the Public Issue are as follows:

			<----------Before the Public Issue---------->				<----------After the Public Issue---------->			
			<------Direct----->		<-----Indirect----->		<------Direct------>		<-----Indirect----->	
Name	**Designation**	**Nationality/ Country of incorporation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Loo Bin Keong	CEO	Malaysian	23,858,440	36.37	-	-	23,858,440	29.82	-	-
Tan Sin Keat	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Leuk Sing King	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-

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

6.1.2 Substantial shareholders

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

Name	Designation	Nationality/ Country of incorporation	<----------Before the Public Issue---------->				<----------After the Public Issue---------->			
			<------Direct------>		<----Indirect----->		<------Direct------>		<------Indirect---->	
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Loo Bin Keong	CEO	Malaysian	23,858,440	36.37	-	-	23,858,440	29.82	-	-
Tan Sin Keat	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Leuk Sing King	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Zakaria Merican Bin Osman Merican	Non-Independent Non-Executive Chairman	Malaysian	15,415,999	23.50	-	-	15,415,999	19.27	-	-
Azlin Bin Khalid	-	Malaysian	3,804,800	5.80	-	-	3,804,800	4.76	-	-
Saffie Bin Bakar	-	Malaysian	3,804,800	5.80	-	-	3,804,800	4.76	-	-

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

6.1.3 Background information on our Promoters and substantial shareholders

(i) The profiles of Loo Bin Keong, Tan Sin Keat, Leuk Sing King and Zakaria Merican Bin Osman Merican are set out in Section 6.2.1 of this Prospectus.

(ii) Saffie Bin Bakar, 53, is a substantial shareholder of our Group before the Public Issue but will cease to be a substantial shareholder after the Public Issue. He is a graduate from the University of Malaya with a Bachelor of Arts Degree (Honours) in Geography, which he received in 1977. He was also awarded the Postgraduate Diploma in Public Administration (D.P.A) in 1978 from the University of Malaya. He received his Masters of Business Administration from the United States International University in San Diego, California, the USA in 1988. In 1978, he joined the Perlis State Government as an Assistant State Secretary (Economic Planning). In 1983, he became the Business Development Manager of the Perlis State Economic Development Corporation (SEDC) until his optional retirement from government service in August 1994. Currently, he also holds directorships in several listed companies namely KBB Resources Berhad, G.A. Blue International Berhad, MESB Berhad and AE Multi Holdings Berhad and other private companies.

(iii) Azlin Bin Khalid, 42, is a substantial shareholder of our Group before the Public Issue but will cease to be a substantial shareholder after the Public Issue. He completed his legal studies at the University of Buckingham, England in 1988. He was called to the High Court of Malaya to begin his career as a corporate lawyer in 1991. He has been a member of the West Malaysian Bar since 1991. In 1992, he started his law practice, Rithauddin & Azlin, along with another partner. He has vast corporate advisory experience and holds directorships in several private companies.

6.1.4 Promoters' and substantial shareholders' directorships and substantial shareholdings in all other public corporations for the past 2 years

Saved as disclosed below, none of our Promoters and substantial shareholders has any directorships and/or substantial shareholdings in other public corporations for the past 2 years preceding 28 May 2007.

Name	Name of public company	Date of appointment/ (resignation) as a director	<-------Shareholdings as at 28 May 2007-------> <--------Direct -------> No. of shares	%	<-------Indirect ------> No. of shares	%
Zakaria Merican Bin Osman Merican	OCB Berhad	07.02.2006	-	-	-	-
	MEMS Technology Berhad	20.03.2006	150,000	0.02	-	-
	Bumiputra-Commerce Finance Berhad	18.10.2000 / (01.03.2006)	-	-	-	-
	Bumiputra-Commerce Bank (L) Berhad	10.03.2003/ (31.08.2005)	-	-	-	-
Saffie Bin Bakar	KBB Resources Berhad	16.11.2005	30,000	0.03	4,288,800(1)	3.57
	G.A. Blue International Berhad	02.12.2003	250,000	0.20	-	-
	MESB Berhad	13.04.2004	-	-	-	-
	AE Multi Holdings Berhad	16.05.2005	105,580	0.13	-	-

Note:

(1) Deemed interested via his indirect shareholding in Tekun Asas Sdn Bhd pursuant to Section 6A of the Act

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

6.1.5 Changes in our Promoters' and substantial shareholders' shareholdings in our Company since the date of incorporation

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since the date of incorporation are as follows:

Promoters/ substantial shareholders	Date	Par value (RM)	No. of ordinary shares held	%	Ordinary shares acquired/ allotted/ (disposed)	Direct shareholding in our Company after changes[5]	%
Wong Yee Lin	13.07.2006	1.00	-	-	1	1	50.0
	12.03.2007	0.50	1	50.0	1 [1]	2	50.0
	02.04.2007	0.50	2	*	(2) [2]	-	-
Raymond Khor Guan Lye	13.07.2006	1.00	-	-	1	1	50.0
	12.03.2007	0.50	1	50.0	1 [1]	2	50.0
	02.04.2007	0.50	2	*	(2) [2]	-	-
Loo Bin Keong	02.04.2007	0.50	-	-	15,874,644 [3]	15,874,644	36.37
	02.04.2007	0.50	15,874,644	36.37	4 [2]	15,874,648	36.37
	28.05.2007	0.50	15,874,648	36.37	7,983,792 [4]	23,858,440	36.37
Tan Sin Keat	02.04.2007	0.50	-	-	5,571,781 [3]	5,571,781	12.77
	28.05.2007	0.50	5,571,781	12.77	2,802,200 [4]	8,373,981	12.77
Leuk Sing King	02.04.2007	0.50	-	-	5,571,781 [3]	5,571,781	12.77
	28.05.2007	0.50	5,571,781	12.77	2,802,200 [4]	8,373,981	12.77
Zakaria Merican Bin Osman Merican	02.04.2007	0.50	-	-	10,257,316 [3]	10,257,316	23.50
	28.05.2007	0.50	10,257,316	23.50	5,158,683 [4]	15,415,999	23.50
Saffie Bin Bakar	02.04.2007	0.50	-	-	2,531,593 [3]	2,531,593	5.80
	28.05.2007	0.50	2,531,593	5.80	1,273,207 [4]	3,804,800	5.80
Azlin Bin Khalid	2.04.2007	0.50	-	-	2,531,593 [3]	2,531,593	5.80
	28.05.2007	0.50	2,531,593	5.80	1,273,207 [4]	3,804,800	5.80

Notes:

* *Negligible*

(1) *Shares issued pursuant to the Share Split*

(2) *Shares transferred pursuant to the Transfer of Subscribers' Shares*

(3) *Shares issued pursuant to the Acquisition*

(4) *Shares issued pursuant to the Rights Issue*

(5) *The above Promoters and substantial shareholders do not have any indirect shareholdings in our Company*

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

6.2 Board of Directors

6.2.1 Profiles

The profiles of our Board are as follows:

Loo Bin Keong, 49, was appointed as our CEO on 2 April 2007. Upon completion of his secondary education in 1973, he joined Syarikat Leng Mah Sdn Bhd, a company trading in furniture fittings, as a sales executive. Moving forward in 1984, he started up Establish Trading, a partnership involved in trading of furniture fittings and joined Scanwolf Plastics Engineering Consultant Firm as a partner where he was responsible for the sales and marketing and business development. In June 1985, Scanwolf Plastics Engineering Consultant Firm changed its name to Scanwolf Plastic Industries. In September 1993, he was appointed as SPI's Chairman/CEO, a position that he holds to date.

He was responsible for injecting his personal business, Established Trading, into SPI, thus providing our Group with an established pool of customers. To date, he has more than 30 years in the Plastic Extrusion industry. He currently holds directorships in two other private companies, namely Chien Jin Plastics Sdn Bhd and Gathery (M) Resources Sdn Bhd.

Tan Sin Keat, 43, was appointed as our Executive Director on 2 April 2007. Upon completion of his secondary education in 1982, he joined Tarzan Plastic Industries Sdn Bhd as a sales executive. In 1984, he together with Leuk Sing King and Loo Bin Keong formed a partnership, Scanwolf Plastics Engineering Consultant Firm (now known as SPI), which is currently a subsidiary of our Group.

In 1996, Tan Sin Keat together with another business partner incorporated Score Precision Sdn Bhd, a company specializing in design and development of dies for extrusion companies, the assets of which was then injected into SPI in 2001.

He is currently responsible for the product and business development aspects of our Group. Besides being a director, he is among the three promoters who contributed invaluably to the establishment and success of our Group. He is very skillful and knowledgeable in various areas of the PVC extrusion business including machinery fabrication and colour matching, which is very useful in assisting our Group in its quest to achieve new heights.

Leuk Sing King, 46, was appointed as our Executive Director on 2 April 2007. He graduated with a Bachelor's Degree in Management Economics from the University of Guelph, Ontario, Canada in 1983. He started his career as a quality control officer with Subang Plastic Industries Sdn Bhd, a company that is involved in PVC extrusion.

In December 1984, he together with Loo Bin Keong and Tan Sin Keat established the partnership, Scanwolf Plastics Engineering Consultant Firm (now known as SPI), which is currently a subsidiary of our Group. He is responsible for production and quality control aspects of the business. In 1993, he was appointed as SPI's Executive Director, a position he holds to date. He is also the chairman of the Malaysian Plastics Manufacturers Association Perak Branch.

Zakaria Merican Bin Osman Merican, 54, was appointed as our Non-Independent Non-Executive Chairman on 2 April 2007. He graduated with a Diploma in Credit Management in 1976 from Mara Institute of Technology, Malaysia. In 1986, he attended Golden Gate University, San Francisco, USA to do a course in Advanced Credit Analysis, and in 1990, he attended summer school in political economy with the London School of Economics, United Kingdom. In 2001, he attended INSEAD, France to do an Advanced Management Program.

He has been in the banking industry for more than 30 years. He joined Bank of Commerce (M) Berhad (now known as CIMB Bank Berhad) as Branch Manager in 1984. After several promotions, he was appointed as the Senior Executive Vice-President, Policy & Control in 2005. He previously held directorships in various subsidiaries of Bumiputra-Commerce Bank Berhad until February 2006.

He was the Chairman of the Association of Banks in Malaysia (ABM) Committee on Banking Legislations, Policies, Rules, Regulations and Interpretations. He currently holds directorship in public listed companies namely, OCB Berhad and MEMS Technology Berhad as well as several other private limited companies.

Teoh Teik Kean, 50, was appointed as our Executive Director on 2 April 2007. He obtained a diploma in Accountancy from Ungku Omar Polytechnic, Ipoh, Perak in 1977 and is an associate member of the Institute of Bankers, Malaysia. Following his graduation, he started his career as an internal audit clerk with Ban Hin Lee Bank Berhad (now known as CIMB Bank Berhad). After several promotions within the Ban Hin Lee Bank Berhad, he was appointed Branch Manager in 1987 and was responsible for administration and business development. Following the acquisition of Ban Hin Lee Bank Berhad by Southern Bank Berhad, he joined Southern Bank Berhad's Sales and Marketing Department as Manager and was subsequently promoted to the position of Vice President of the Business Development Department in 2002.

In March 2004, he joined SPI as a corporate planner. As the corporate planner of our Group, he formulates and implements strategic plans for our Group as well as advises the Board on financial matters. Currently, he is also a director of Uptown Landmark Sdn Bhd, a private property investment company.

Lau Tiang Hua, 54, was appointed as our Independent Non-Executive Director on 23 May 2007. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He articled with Peat, Marwick, Mitchell & Co (now known as KPMG) and later served as an Audit Manager with Arthur Young & Co (now known as Ernst & Young). He was General Manager, Finance and Administration with Star Publications (Malaysia) Berhad before starting his own practice, JB Lau & Associates, Chartered Accountants in Penang.

Currently, he sits on the board of PanGlobal Berhad, Malaysia Building Society Berhad, Nanyang Press Holdings Berhad and Tomei Consolidated Berhad, all public companies listed on Bursa Securities.

Neoh Choo Kean, 63, was appointed as our Independent Non-Executive Director on 23 May 2007. He obtained his Bachelor of Economics degree from the Universiti of Malaya. He is an associate member of the Institute of Bankers, Malaysia and has over 25 years of experience in the banking industry with expertise in credit & risk management, strategic planning and human resource management. He was Chief Operating Officer in a local public listed bank before leaving it in 2001. He was also a director of BHLB Trustee Berhad and BHLB Properties Sdn Bhd.

Since leaving the banking industry in 2001, he joined an Australian performance management consultancy company as a business associate and sits on the board of a local private IT solutions company. He has also undertaken advisory projects for a development financial institution as well as consultancy assignments for RAM Consultancy Services Sdn Bhd, a subsidiary of Rating Agency Malaysia Berhad.

Lim Beng Huat, 55, was appointed as our Independent Non-Executive Director on 23 May 2007. Upon completion of his secondary school in St Xavier's Institution, Penang, he joined Ban Hin Lee Bank Berhad (now known as CIMB Bank Berhad) in 1973. He held various managerial positions in the bank for a period of 34 years and he was the Head of Credit Service Administration for the bank before leaving in early 2007.

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

6.2.2 Directors' shareholdings in our Company

Our Board and their respective shareholdings in our Company before and after the Public Issue are as follows:

			<----------Before the Public Issue---------->				<----------After the Public Issue---------->			
			<-----Direct----->		<-----Indirect----->		<-----Direct---->		<-----Indirect----->	
Name	**Designation**	**Nationality**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Zakaria Merican Bin Osman Merican	Non-Independent Non-Executive Chairman	Malaysian	15,415,999	23.50	-	-	15,415,999	19.27	-	-
Loo Bin Keong	CEO	Malaysian	23,858,440	36.37	-	-	23,858,440	29.82	-	-
Tan Sin Keat	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Leuk Sing King	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Teoh Teik Kean	Executive Director	Malaysian	1,967,999	3.00	-	-	1,967,999	2.46	-	-
Lau Tiang Hua	Independent Non Executive Director	Malaysian	-	-	-	-	-	-	-	-
Lim Beng Huat	Independent Non Executive Director	Malaysian	-	-	-	-	-	-	-	-
Neoh Choo Kean	Independent Non Executive Director	Malaysian	-	-	-	-	-	-	-	-

Our CEO, Executive Directors and Non-Independent Non-Executive Chairman have served on our Board since 2 April 2007 whilst our Independent Non-Executive Directors were appointed to our Board on 23 May 2007 and they were all re-elected at the first annual general meeting ("AGM"). Further, the duration of their appointment is subject to our Articles of Association whereby one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office in the next AGM PROVIDED ALWAYS that all directors shall retire from office once at least in each three years but shall be eligible for re-election and their re-appointments are subject to the approval of our shareholders in the AGM.

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

6.2.3 Directors' directorships and/or substantial shareholdings in other public companies for the past 2 years

Saved as disclosed below, none of our other Directors have any directorships and/or substantial shareholdings in other public corporations for the past 2 years preceding 28 May 2007.

Name	Name of public company	Date of appointment/ (resignation) as a director	Shareholdings as at 28 May 2007 <-----Direct-----> No. of shares	%	<----Indirect----> No. of shares	%
Zakaria Merican Bin Osman Merican	OCB Berhad	07.02.2006	-	-	-	-
	MEMS Technology Berhad	20.03.2006	150,000	0.02	-	-
	Bumiputra-Commerce Finance Berhad	18.10.2000 / (01.03.2006)	-	-	-	-
	Bumiputra-Commerce Bank (L) Berhad	10.03.2003 / (31.08.2005)	-	-	-	-
Lau Tiang Hua	PanGlobal Berhad	28.05.2001	-	-	-	-
	Malaysia Building Society Berhad	16.08.2001	-	-	-	-
	Nanyang Press Holdings Berhad	19.09.2002	-	-	-	-
	Tomei Consolidated Berhad	21.04.2006	-	-	-	-

6.2.4 Directors' remuneration, fees and benefits-in-kind

The remuneration, fees and benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid for our Directors' services to our Group were approximately RM686,705 for the FYE 31 March 2007. For the FYE 31 March 2008, the amount payable to our Directors is estimated to be approximately RM803,073. Details of the remuneration, fees and benefits-in-kind for each of our Directors are as follows:

Directors	FYE 31 March 2007	FYE 31 March 2008
Zakaria Merican Bin Osman Merican	-	A
Loo Bin Keong	E	F
Tan Sin Keat	D	D
Leuk Sing King	D	D
Teoh Teik Kean	C	C
Lau Tiang Hua	-	A
Lim Beng Huat	-	A
Neoh Choo Kean	-	A

Notes:
Band A – Remuneration and fee (including benefits-in-kind) band below RM50,000 per annum
Band B – Remuneration and fee (including benefits-in-kind) band between RM51,000 and RM100,000 per annum
Band C – Remuneration and fee (including benefits-in-kind) band between RM101,000 and RM150,000 per annum
Band D – Remuneration and fee (including benefits-in-kind) band between RM150,001 and RM200,000 per annum
Band E – Remuneration and fee (including benefits-in-kind) band between RM200,001 and RM250,000 per annum
Band F – Remuneration and fee (including benefits-in-kind) band between RM250,001 and RM300,000 per annum

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

6.2.5 Involvement of our Executive Directors in other business and corporations

Saved as disclosed below, as at 28 May 2007, none of our Executive Directors are involved in the operations of other businesses/corporations:

Name	Name of company	Directorship Date of appointment / (resignation)	<----------Shareholdings----------> <-----Direct----> No. of shares	%	<----Indirect----> No. of shares	%	Principal activities
Loo Bin Keong	Chien Jin Plastic Sdn Bhd	Director 11.05.2004	512,000	32.00	-	-	Manufacturing of thermoplastic fittings for water piping industry and plastic sanitary ware
	Gathery Resources (M) Sdn Bhd (1)	Director 11.05.2004	-	-	100,000 (2)	100.00	Trading of thermoplastic fittings for water piping industry and plastic sanitary ware
Teoh Teik Kean	Uptown Landmark Sdn Bhd	Director 05.04.1996	-	-	-	-	Property investment

Notes:

(1) Gathery Resources (M) Sdn Bhd is a wholly-owned subsidiary of Chien Jin Plastic Sdn Bhd

(2) Deemed interested by virtue of his direct shareholding in Chien Jin Plastic Sdn Bhd pursuant to Section 6A of the Act

However, they allocate majority of their time in our Group.

6.2.6 Description of other Board committees

(i) Audit Committee

The Audit Committee, established on 23 May 2007, is responsible for the recommendation to our Board regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by our Group's external auditors and reviews and evaluates our Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties. The current members of our Audit Committee are as follows:

Name	Designation	Directorship
Lau Tiang Hua	Chairman	Independent Non-Executive Director
Lim Beng Huat	Member	Independent Non-Executive Director
Leuk Sing King	Member	Executive Director

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

(ii) Remuneration Committee

Our Remuneration Committee, established on 23 May 2007, was appointed by our Board and comprises 3 members, a majority of whom are Independent Non-Executive Directors. The Chairman is an Independent Non-Executive Director. The Remuneration Committee is primarily charged with the responsibility of recommending to our Board the policy and framework for our Directors' remuneration including the remuneration and terms of service of our Executive Directors in all its forms, drawing from outside advice, if necessary.

The determination of remuneration of our Executive and Non-Executive Directors shall be a matter to be determined by our Board as a whole after taking into consideration the Remuneration Committee's recommendations. The current members of our Remuneration Committee are set forth below.

Name	Designation	Directorship
Neoh Choo Kean	Chairman	Independent Non-Executive Director
Lim Beng Huat	Member	Independent Non-Executive Director
Loo Bin Keong	Member	CEO

(iii) Nomination Committee

Our Nomination Committee, established on 23 May 2007, was appointed by our Board and comprises 3 members, a majority of whom are Independent Non-Executive Directors. Our Nomination Committee is primarily responsible for proposing new nominees for our Board as well as our Directors to fill the seats on board committees, and assessing our Directors on an ongoing basis.

In particular, our Board through this Committee would review on an annual basis the required mix of skills and experience and other core qualities, including core competencies, which our Non-Executive Directors should bring to our Board. The current members of our Nomination Committee are set forth below.

Name	Designation	Directorship
Lim Beng Huat	Chairman	Independent Non-Executive Director
Lau Tiang Hua	Member	Independent Non-Executive Director
Teoh Teik Kean	Member	Executive Director

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6.3 Key management and key technical personnel

6.3.1 Profiles

Our management team is headed by Loo Bin Keong, who is our CEO, and is assisted by a team of key management and key technical personnel. Save for the profile of Loo Bin Keong, Tan Sin Keat, Leuk Sing King and Teoh Teik Kean, which are as set out in Section 6.2.1 of this Prospectus, the profiles of the other key management and key technical personnel of our Group are as follows:

Ng Chee Wai, 32, is the financial controller of SPI. In 1997, he graduated with a Bachelor of Management Studies, Accounting from the University of Waikato, Hamilton, New Zealand. He is a trained chartered accountant and a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accounting (MIA). He started his career as an audit assistant with Coopers & Lybrand (now known as PricewaterhouseCoopers). In 2004, he left and joined SPI as an accountant and was subsequently promoted to the position of financial controller. He is currently responsible for the overall accounts, finance and treasury functions of our Group.

Siew Teik Fatt, 40, is the Mould, Research & Design Manager of SPI. Upon completion of his secondary education in 1986, he joined Tarzan Plastic Industries Sdn Bhd as a production operator and later, supervisor, overseeing the mixing and testing of compound materials. He joined SPI in 1987 as a production supervisor. He was later promoted to Mould, Research & Design assistant manager and subsequently to manager in 1999. He is currently responsible for the product development aspects of our Group. He has more than 20 years experience in the PVC Extrusion process.

Wong Swee Weng, 40, is the warehouse and logistic manager of SPI. He graduated with a Bachelor of Administration from University Utara Malaysia in 1991. In 2003, he obtained a Masters in Business Administration from Nottingham Trent University in the United Kingdom. He started his career with Makolin Electronics (M) Sdn Bhd as section chief of purchasing and shipping department and subsequently promoted to the position of assistant manager and then manager of the purchasing, shipping, sales and production control department. In 2003, he joined Asahi Best Base Sdn Bhd as a material control manager. Moving ahead, he joined SPI in March 2006 as SPI's warehouse and logistic manager. He is currently responsible for the overall function of the warehouse and logistics of our Group.

Lim Weng Thye, 33, is the Director cum sales manager of SBM. After he graduated from high school, he started his career when he joined Engtile Enterprise Sdn Bhd, as a sales executive. Moving forward in 2004, he joined SBM as a Director cum sales manager where he is responsible for the entire operations of the company.

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

6.3.2 Key management's and key technical personnel's shareholdings

The shareholdings of our key management and key technical personnel in our Company before and after the Public Issue are as follows:

			<----------Before the Public Issue---------->				<----------After the Public Issue---------->			
			<-----Direct------>		<------Indirect----->		<-------Direct------->		<-----Indirect----->	
Name	**Designation**	**Nationality**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Loo Bin Keong	CEO	Malaysian	23,858,440	36.37	-	-	23,858,440	29.82	-	-
Tan Sin Keat	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Leuk Sing King	Executive Director	Malaysian	8,373,981	12.77	-	-	8,373,981	10.47	-	-
Teoh Teik Kean	Executive Director	Malaysian	1,967,999	3.00	-	-	1,967,999	2.46	-	-
Ng Chee Wai	Financial Controller	Malaysian	-	-	-	-	200,000 (1)	0.25	-	-
Wong Swee Weng	Warehouse & Logistic Manager	Malaysian	-	-	-	-	100,000 (1)	0.13	-	-
Siew Teik Fatt	Mould, Research & Design Manager	Malaysian	-	-	-	-	30,000 (1)	0.04	-	-
Lim Weng Thye	Sales Manager	Malaysian	-	-	-	-	20,000 (1)	0.03	-	-

Note:

(1) Assuming full subscription of the Issue Shares allocated to, inter-alia, the eligible employees of our Group pursuant to the pink form allocation

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

6.3.3 Involvement of our key management and key technical personnel in other business and corporations

Save as disclosed below and in Section 6.2.5 of this Prospectus, none of our key management and key technical personnel is involved in the operations of other businesses or corporations:

Lim Weng Thye has a 50% interest in a partnership, Cristallo Enterprise, which is involved in the trading of ceramic tiles.

However, he allocates majority of his time in SBM, a subsidiary of our Group.

6.4 Confirmations from our Promoters, Directors, key management and key technical personnel

None of our Promoters, Directors, key management or key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

(a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;

(b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(c) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

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

(e) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

6.5 Family relationships and associations

As at 28 May 2007 there are no family relationships and/or associations between/amongst our Promoters, substantial shareholders, Directors, key management and key technical personnel.

6.6 Service agreements

None of our Directors, key management or key technical personnel has any existing or proposed service agreements with our Group.

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

6.7 Employees

As at 28 May 2007, our Group employs a total workforce of 206 employees. The employment structure of our Group is set out below:

Category of employees	Total employees	Average number of years of services
Management & Professionals	12	9
Technical Professionals	28	7
Clerical and Administrative	30	6
Factory worker	136	4
Total	206	

None of the employees of our Group belong to any union nor have there been any major industrial disputes in the past. Our employees also enjoy a cordial relationship with us.

Our Group recognises the importance of human resource as a central element of any successful organisation and aims to build an experienced, capable and dynamic team. Hence, as part of our Group's general human resource planning, we conduct in-house training for our production staff to update them of new development within our business operation whilst senior management are encouraged to attend seminars in order to keep abreast with the latest technological and workflow process improvements.

6.8 Management succession planning

We recognise the need to ensure continuity in our management in order to maintain our competitive edge over our competitors. We believe that the continued success of our Group depends, among other factors, on the support and the dedication of our management personnel. Our Group has put in place human resource strategies, which include competitive compensation, fit-for-purpose recruitment and succession plan.

We are aware that the loss of any of our key personnel could materially and adversely affect our Group. In view thereof, our Group has made efforts to motivate and retain our staff through performance-based incentives, and to enhance their skills and competencies by providing training.

To this end, we engage our employees continuously in conferences and trainings for them to acquire and enhance relevant skills and competencies (both functional and developmental) in line with our business objectives and also as part of our employees' career advancement programme. On-the-job training is another significant approach of transferring knowledge from specialists to new or junior employees. Hence, the investment in human capital increases the competency of our existing employees. In addition, these development activities serve to groom the lower and middle management staff to progressively assume the responsibilities of senior management.

7. APPROVALS AND CONDITIONS

7.1 Approvals from the relevant authorities

The Flotation Scheme has been approved by the following relevant authorities:

(i) SC vide its letter dated 30 January 2007;

(ii) SC (under the FIC Guidelines) vide its letter dated 30 January 2007; and

(iii) MITI vide its letter dated 7 December 2006.

Under the FIC Guidelines, the SC, vide its letter dated 30 January 2007, noted that upon implementation of the Flotation Scheme, the equity structure of SCB would change as follows:

	Before Flotation Scheme [1] (%)	After Flotation Scheme [2] (%)
Bumiputera	-	30.01
Non-Bumiputera	100.00	69.99
Foreign	-	-
Total	100.00	100.00

Notes:
(1) As at incorporation
(2) Assuming no Bumiputera or foreign investors subscribe for the new Shares pursuant to the Public Issue

MITI had also vide its letter dated 7 December 2006 approved the following:

(i) The recognition of the following existing Bumiputera shareholders:

Shareholders	No. of Shares	%
Zakaria Merican Bin Osman Merican	15,415,999	19.27
Saffie Bin Bakar	3,804,800	4.76
Azlin Bin Khalid	3,804,800	4.76

MITI's approval is subject to the condition that 30% of the recognised existing Bumiputera shareholdings is allowed to be sold within 3 months after the Listing and the remaining 70% to be sold in stages only upon MITI's prior approval.

(ii) The allocation of 975,000 Shares pursuant to the Public Issue is subject to MITI's approval and will be decided separately by MITI subsequent to the SC's approval being obtained for the Flotation Scheme*.

Note:
* *MITI had vide its letter dated 29 May 2007 allocated 975,000 Shares to the respective Bumiputera investors.*

7. APPROVAL AND CONDITIONS *(Cont'd)*

7.2 Conditions to the approvals and compliance thereof

The approvals from the SC and MITI are subject to the following conditions:

Authority	Conditions imposed	Status of compliance
SC	(i) Moratorium of the sale of SCB Shares for 1 year from the listing date on the following shareholders:	Complied. The undertaking letters from the relevant shareholders have been furnished to the SC on 1 June 2007.

	Shareholdings after the Public Issue		Shareholdings under moratorium	
	No. of Shares	%	No. of Shares	%
Loo Bin Keong	23,858,440	29.82	21,151,932	26.44
Tan Sin Keat	8,373,981	10.47	7,424,034	9.28
Leuk Sing King	8,373,981	10.47	7,424,034	9.28
	40,606,402	50.76	36,000,000	45.00

	(ii) With regard to trade debtors, SCB is to comply with the following conditions:	
	(a) Fully disclose in the listing prospectus the debtors' position, the ageing analysis and, for amounts exceeding the credit period (if any), comments by directors on the recoverability of the amounts;	Complied. Please refer to Section 11.1.4 of this Prospectus.
	(b) Full provision should be made for all overdue trade debtors (if any) which are in dispute or under legal action, or for amounts which have been outstanding for more than 6 months (if any). The Directors of SCB should confirm to the SC that this condition has been complied with prior to the issuance of the listing prospectus; and	Complied. The confirmation letter has been furnished to the SC on 1 June 2007.
	(c) The Directors of SCB to confirm and submit a declaration to the SC that trade debtors exceeding the credit period which have not been provided for as doubtful debts, excluding those under paragraph (ii)(b) above, are recoverable;	Complied. The declaration has been submitted to the SC on 1 June 2007.
	(iii) SCB complying with the NDP requirement whereby Bumiputera investors to be allocated at least 30% of the enlarged share capital of SCB (i.e. representing 28.79% of the enlarged share capital from the existing Bumiputera shareholders to be nominated by MITI and 1.22% of the enlarged share capital from the Public Issue portion) to be approved by MITI;	Complied vide MITI's letters dated 7 December 2006 and 29 May 2007.
	(iv) RHB INVESTBANK / SCB is to inform the SC on the status of compliance with the NDP requirement upon completion of the listing exercise;	To be complied.
	(v) RHB INVESTBANK / SCB is to inform the SC upon completion of the proposal; and	To be complied.
	(vi) SCB is to fully comply with all the relevant requirements as specified by the Policies and Guidelines on Issue / Offer of Securities.	To be complied.

7. APPROVAL AND CONDITIONS *(Cont'd)*

Authority	Conditions imposed	Status of compliance
MITI	(i) SCB is required to obtain the SC's approval for the Flotation Scheme and comply with the FIC Guidelines.	Complied. The SC had approved the Flotation Scheme on 30 January 2007. The SC had also approved the Flotation Scheme under the FIC Guidelines vide the same letter.

7.3 Moratorium on sale of our Shares

The SC, in approving our listing, has imposed a moratorium on the disposal of 36,000,000 Shares held by our Promoters/substantial shareholders, representing 45% of our enlarged issued and paid-up share capital.

Accordingly, our substantial shareholders, as listed in the table below will not be allowed to sell, transfer or assign their shareholdings of 36,000,000 Shares, representing 45% of our enlarged issued and paid-up share capital, within 1 year from the date of our admission to the Official List of the Second Board of Bursa Securities.

	Shareholdings after the Public Issue		Shareholdings under moratorium	
Substantial shareholders	**No. of Shares**	**% of enlarged issued and paid-up share capital**	**No. of Shares**	**% of enlarged issued and paid-up share capital**
Loo Bin Keong	23,858,440	29.82	21,151,932	26.44
Tan Sin Keat	8,373,981	10.47	7,424,034	9.28
Leuk Sing King	8,373,981	10.47	7,424,034	9.28
Total	40,606,402	50.76	36,000,000	45.00

The restriction, which is fully accepted by the abovementioned shareholders, is specifically endorsed on the share certificates representing our shareholders' respective shareholdings, which are under moratorium to ensure that our share registrar does not register any transfer not in compliance with the restriction imposed by the SC.

The endorsement, which will be affixed in the certificates of the securities under moratorium, is as follows:

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission ("Moratorium Period"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."

8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

8.1 Related party transactions

Save as disclosed in Section 8.5 and the recurrent related party transactions as disclosed below, there are no existing and/or proposed related party transactions between our Group and our Directors and/or substantial shareholders and/or persons connected to them, for the past 3 FYE 31 March 2007 and the financial period immediately preceding 28 May 2007:

Company	Principal activities	Interested related party(ies)	Nature of interest	Nature of transaction	Transaction value <----------FYE----------> 2005 (RM)	2006 (RM)	2007 (RM)	Financial period to 28 May 2007 (RM)
Dragonway Furniture Fittings Sdn Bhd ("DFFSB")	Dealers in hardware, woodworking material, furniture parts and provisions in decorating works	Loo Bin Keong	Note (1)	Sale of furniture fittings by SPI	70,869	27,961	51,446	16,958

Note:

(1) Deemed interested by virtue of the directorship and shareholding of his brother, Loo Ming Teik in DFFSB

Our Directors are of the view that the above transactions have been conducted on arms length basis and on terms not more favourable to the related party than those available to the public.

8.2 Interests in similar business

Our Directors and substantial shareholders do not have any interest, whether direct or indirect, in any businesses or companies carrying on a similar trade as our Group.

Loo Bin Keong is a director and substantial shareholder of Chien Jin Plastics Sdn Bhd and Gathery Resources (M) Sdn Bhd, which are principally involved in manufacturing and trading, respectively, of thermoplastic fittings for water piping industry and plastic sanitary ware. These companies are involved in the manufacturing and trading of plastic injection moulding products, which do not compete directly and/or indirectly with our Plastic Extruded Edgings and Profiles products. Loo Bin Keong is also not involved in the day-to-day operations of Chien Jin Plastics Sdn Bhd or Gathery Resources (M) Sdn Bhd. In addition, since the commencement of our operations, our Group has never had any business dealings with Chien Jin Plastics Sdn Bhd or Gathery Resources (M) Sdn Bhd. Furthermore, both companies serve different markets and end-user industries.

In view of the foregoing, our Board is of the opinion that the involvement of Loo Bin Keong as a director and substantial shareholder of Chien Jin Plastics Sdn Bhd and Gathery Resources (M) Sdn Bhd would not give rise to a conflict of interest situation with our Group.

8.3 Transactions that are unusual in nature or condition

Save as disclosed in Section 18.6 of this Prospectus, our Group has not entered into any transactions that are unusual in nature or condition, involving goods, services, tangible or intangible assets, to which we or our subsidiary companies was a party in the past 3 FYE 31 March 2007 and the subsequent financial period immediately preceding the date of this Prospectus.

8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS *(Cont'd)*

8.4 Outstanding loans

There are no outstanding loans and/or guarantees of any kind made by us or our subsidiary companies to or for the benefit of our related parties, for the past 3 FYE 31 March 2007 and the subsequent financial period immediately preceding the date of this Prospectus.

8.5 Promotion of any assets acquired/to be acquired

Save as disclosed in Section 5.3 of this Prospectus, none of our Directors or substantial shareholders has any interest, whether direct or indirect, in the promotion of, or in any material assets acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to our Group within the past 3 FYE 31 March 2007 and the subsequent financial period immediately preceding the date of this Prospectus.

8.6 Declaration by advisers

(i) RHB Leasing Sdn Bhd, a wholly owned subsidiary of RHB Bank Berhad (a company related to RHB INVESTBANK), has extended a hire purchase facility to SPI amounting to RM1,049,523 as at 28 May 2007. Part of the proceeds to be raised from the Rights Issue and Public Issue, will be utilised to repay the hire purchase facility. Based on RHB Bank Berhad's gross loan and advances as at 31 December 2006, the above exposure to our Group represents only approximately 0.002% of RHB Bank Berhad's gross loan and advances of RM55,366.3 million.

In view of the foregoing, RHB INVESTBANK confirms that there is no conflict of interest in its capacity as the Financial Adviser for the Flotation Scheme.

(ii) Deloitte KassimChan confirms that there is no conflict of interest in its capacity as our Auditors.

(iii) Shamsir Jasani Grant Thornton confirms that there is no conflict of interest in its capacity as the Reporting Accountants for the Flotation Scheme.

(iv) Susie See, Norbaya & Cheah confirms that there is no conflict of interest in its capacity as the Solicitors for the Flotation Scheme.

(v) Vital Factor confirms that there is no conflict of interest in its capacity as the Independent Business and Market Research Consultants for the Flotation Scheme.

(vi) Colliers, Jordan Lee & Jaafar Sdn Bhd confirms that there is no conflict of interest in their capacity as the Valuer for the Flotation Scheme.

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9. OTHER INFORMATION

9.1 Approvals, major licences and permits

Details of the approvals, major licences and permits held by our Group, which are granted to our subsidiary, SPI, for the purposes of conducting our Group's business are listed below:

Authority	Type of approval/ licence/ permit	Issue date	Validity period	Conditions imposed	Status of compliance as at the date hereof
MITI	Manufacturing Licence (A015020) in respect of Lot P.T. 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan ("Lot 404")	30.03.2005	Valid until terminated	1. The use of Lot 404 is subject to approval of the relevant state authority and of the Department of Environment; 2. MITI must be notified of the sale of the company's shares; 3. The company is to train Malaysian citizens so that the transmission of technology and expertise may be distributed at all levels of employment; and 4. The company is to execute its projects as approved and in compliance with Malaysian laws and regulations.	Complied Complied Complied Complied
MITI	Manufacturing Licence (A016060) in respect of Lot 192446, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan ("Lot 192446")	18.04.2007	Valid until terminated	1. The use of Lot 192446 is subject to approval of the relevant state authority and of the Department of Environment; 2. MITI must be notified of the sale of the company's shares; 3. The company is to train Malaysian citizens so that the transmission of technology and expertise may be distributed at all levels of employment; and 4. The company is to execute its projects as approved and in compliance with Malaysian laws and regulations.	Complied Not applicable Complied Complied
Majlis Daerah Kinta Barat	Business Licence (94012) in respect of Lot 404	01.01.2007	January 2007 to December 2007	No conditions imposed	Not applicable
Dewan Bandaraya Kuala Lumpur	Business Licence (25039912007) in respect of No.10 Jalan Helang Bukit, Kepong Baru, 52100 Kuala Lumpur	18.05.2007	01.05.2007 to 30.04.2008	No conditions imposed	Not applicable

9. OTHER INFORMATION *(Cont'd)*

Authority	Type of approval/ licence/ permit	Issue date	Validity period	Conditions imposed	Status of compliance as at the date hereof
Jabatan Alam Sekitar Negeri Perak	Approval Letter (Ref no. 35/600/105/005(3))	14.02.1995	Valid until terminated	1. "*cadang untuk membuat barang plastik (pvc profile, lining hose pipe) sahaja*" 2. "*tidak terlibat dengan sebarang kerja memproses yang menerbitkan pelepasan effluen dan pencemaran udara*" 3. "*pembakaran terbuka ke atas buangan pepejal/ sampah sarap adalah dilarang*" 4. "*pemasangan alat pembakaran bahanapi (dandang, janakuasa dan lain-lain) hendaklah mendapat kelulusan Ketua Pengarah Alam Sekitar terlebih dahulu*" 5. "*bunyi bising hendaklah dikawal supaya tidak melebihi 65 dBA pada waktu siang dan 55 dBA pada waktu malam bila disukat di sempadan premis*" 6. "*sentiasa mengamalkan kaedah 'good housekeeping'*" 7. "*mematuhi arahan dari masa ke semasa untuk mengawal pencemaran*"	Complied
Royal Customs and Excise, Malaysia	Licence under the Sales Tax Act - Manufacturer's Licence (No. A041551)	19.05.1994	Valid until terminated	1. The Sales Tax Act, 1972, requires that a return of taxable sales be made in respect of each taxable period and that tax be paid thereon on or before the twenty-eighth day of the following month. 2. A new licence is required when: • A partner withdraws or a new partner is added to a partnership; or • A registered company takes over a licensed business or company which is not a registered company. • When a business is leased. 3. In the case of any alternation to the name of the licensed business or company the licence should be forwarded to the Senior Officer of Sales Tax in-charge of the district in which you have your principal place of business for amendment. 4. Correspondence should be addressed to the Senior Tax Officer at the station where tax is payable.	Complied Not applicable Not applicable Noted

Note:
Our Group has on 26 February 2007 applied for a business licence for the use of our premises at Lot 192446, the issuance of which is pending as at 28 May 2007

9. OTHER INFORMATION *(Cont'd)*

9.2 Properties

Details of the properties owned by our Group are as follows:

Registered owner	Postal address/ Title details	Description/ existing use	Tenure/ date of expiry of lease	Date of issuance of certificate of fitness	Approximate age of building (years)	Land area / built-up area (sq. ft)	Restrictions in interest/ encumbrances	Audited NBV as at 31 March 2007 (RM)	Open market value * (RM) / Date of valuation
SPI	Lot P.T. 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan H.S. (D) 44267, Lot No. P.T. 404, Mukim of Belanja, District of Kinta, State of Perak	2 blocks of single storey detached factory with a double storey office each at the front together with some ancillaries	Leasehold / 13.06.2054	30.03.1996 and 27.01.2003	11 and 4	161,172 / 118,103	"Tanah ini tidak boleh dipindahmilik, dipajak dan dipecah sempadankan tanpa kebenaran Menteri Besar Perak." Charged to Public Bank Berhad	6,390,873	6,530,000 / 27.06.2006
SPI	Lot 192446, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan Pajakan Negeri 148201, Lot No. 192446, Mukim of Belanja, District of Kinta, State of Perak	A single storey detached factory	Leasehold / 02.12. 2051	01.11.2006	Less than 1 year	139,419 / 35,300	"Tanah ini tidak boleh dipindahmilik atau dipajak melainkan dengan kebenaran Menteri Besar Perak. Tanah ini tidak boleh dipecah sempadan mengikut Seksyen 135 Kanun Tanah Negara tanpa kebenaran Menteri Besar of Perak." Charged to HSBC Bank (Malaysia) Berhad	3,088,598	3,110,000 / 27.06.2006

9. OTHER INFORMATION *(Cont'd)*

Registered owner	Postal address/ Title details	Description/ existing use	Tenure/ date of expiry of lease	Date of issuance of certificate of fitness	Approximate age of building (years)	Land area / built-up area (sq. ft)	Restrictions in interest/ encumbrances	Audited NBV as at 31 March 2007 (RM)	Open market value * (RM) / Date of valuation
SPI	Located within Rancangan Perkampungan Tersusun Bemban, Bemban, Batu Gajah, Perak Darul Ridzuan HSM 1048, P.T. 4528 HSM 1049, P.T. 4529 HSM 1050, P.T. 4530 HSM 1051, P.T. 4531 HSM 1052, P.T. 4538 HSM 1053, P.T. 4539 HSM 1054, P.T. 4540 HSM 1055, P.T. 4541 HSM 1059, P.T. 4552 HSM 1067, P.T. 4583 HSM 1068, P.T. 4584 HSM 1069, P.T. 4585 HSM 1070, P.T. 4586 HSM 1071, P.T. 4587 HSM 1072, P.T. 4590 HSM 1073, P.T. 4591 HSM 1074, P.T. 4592 HSM 1075, P.T. 4593 HSM 1076, P.T. 4594 HSM 1077, P.T. 4595 Mukim of Sungai Terap, District of Kinta, State of Perak	20 parcels of vacant residential land	Leasehold / 07.10.2093	Not applicable	Not applicable	81,407	"Tanah ini tidak boleh dipindahmilik, dipajak kecil, digadai atau dibebankan tanpa kebenaran Menteri Besar Perak" No encumbrances	295,914	300,000 / 27.06.2006

9. OTHER INFORMATION *(Cont'd)*

Registered owner	Postal address/ Title details	Description/ existing use	Tenure/ date of expiry of lease	Date of issuance of certificate of fitness	Approximate age of building (years)	Land area / built-up area (sq. ft)	Restrictions in interest/ encumbrances	Audited NBV as at 31 March 2007 (RM)	Open market value * (RM) / Date of valuation
SPI	Lot 195536, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan Pajakan Negeri 90115, Lot No. 195536, Mukim of Belanja, District of Kinta, State of Perak	A vacant single storey detached building	Leasehold / 26.05.2052	No certificate of fitness is required. Letter of completion of work issued on 9 October 2006	Less than 1 year	126,329 / 4,425	"Tanah ini tidak boleh dipindahmilik atau dipajak melainkan dengan kebenaran Menteri Besar Perak. Tanah ini tidak boleh dibahagi-bahagi kecilkan mengikut Seksyen 135 K.T.N tanpa kebenaran Menteri Besar Perak." No encumbrances	819,040	830,000 / 27.06.2006
SPI	No. 15 Jalan 3/62A, Bandar Menjalara, 52200 Kuala Lumpur Pajakan Negeri (WP) 16482, Lot No. 44536, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan K.L.	An intermediate 4-storey shop/office currently rented to external parties	Leasehold / 25.08.2077	30.01.2001	6	1,765 / 7,040	No restrictions in interest Charged to OCBC Bank (Malaysia) Berhad	800,000	800,000/ 04.07.2006

Note:
* *Approved by the SC*

None of the existing use of land in the above properties breaches the land-use condition or permissible land use. Our Group did not acquire any properties within the 2 years preceding 28 May 2007.

10. HISTORICAL FINANCIAL INFORMATION

The following sections set out the summary of our Group's proforma financial statements. Our proforma consolidated financial statements are presented for illustrative purpose only and on the assumption that the current structure of our Group had been in existence throughout the financial years under review.

Our proforma consolidated financial statements have been compiled on the basis consistent with the accounting policies adopted by our Group, which are as set out in the Notes to the statement of assets and liabilities in Section 13 of this Prospectus. The financial statements used in the preparation of our proforma consolidated financial statements were prepared in accordance with applicable Malaysian Accounting Standards Board (MASB) approved accounting standards in Malaysia. You should read the proforma consolidated financial statements together with the Reporting Accountants' letter on our proforma consolidated financial information as set out in Section 13 of this Prospectus.

10.1 Proforma consolidated income statements

Our proforma consolidated income statements for the past 3 FYE 31 March 2007 are set out below. You should read the proforma consolidated income statements together with our Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in Section 11 of this Prospectus.

	<---------- FYE 31 March ---------->		
	2005	**2006**	**2007**
	RM'000	**RM'000**	**RM'000**
Revenue	22,478	27,251	31,426
Gross profit	7,798	9,940	11,186
EBITDA	5,890	7,990	8,915
Depreciation	(1,220)	(1,586)	(2,060)
Amortisation of goodwill	-	(9)	-
Interest Expense	(401)	(449)	(718)
PBT	4,269	5,946	6,137
Tax Expense	(971)	(1,013)	(725)
PAT	3,298	4,933	5,412
Enlarged number of ordinary shares assumed in issue ('000) [1]	43,648	43,648	43,648
Gross EPS (sen)	9.8	13.6	14.1
Net EPS (sen)	7.6	11.3	12.4
Gross profit Margin (%)	34.69	36.48	35.59
PBT Margin (%)	18.99	21.82	19.53
PAT Margin (%)	14.67	18.10	17.22
Effective tax rate (%) [2]	23.09	19.02	10.78

Notes:

(1) Based on the number of Shares after Acquisition but before the Rights Issue and Public Issue

(2) The effective tax rate was arrived at after adjustment for over and under provision for the income tax to the respective financial years under review

(3) The results in all the financial years under review were not subject to auditors' qualifications

(4) There were no exceptional or extraordinary items in the financial years under review

(5) There were no minority interests during the financial years under review on a proforma basis

(6) The financial results and position of SBM for the period ended 31 March 2005 are assumed to be the same as for the FYE 31 March 2005

10. HISTORICAL FINANCIAL INFORMATION *(Cont'd)*

10.2 Proforma consolidated balance sheets

Our proforma consolidated balance sheets as at 31 March 2007 have been prepared on the assumption that the Flotation Scheme had been effected on 31 March 2007 and are based on the accounting policies and bases consistent with those previously adopted in the preparation of the audited financial statements of our Company and our subsidiary companies. You should read our proforma consolidated balance sheets together with the Reporting Accountants' letter as set out in Section 13 of this Prospectus.

	Company	<----------Proforma Group---------->		
		(Proforma 1)	(Proforma 2)	(Proforma 3)
	As at 31 March 2007 RM	After Share Split and Acquisition RM	After (Proforma 1) and Rights Issue RM	After (Proforma 2), Public Issue and utilisation of proceeds RM
Share Capital	2	21,824,078	32,800,000	40,000,000
Share Premium	-	-	-	1,600,000
Retained Earnings	(5,575)	116,802	116,802	116,802
Total shareholders' equity	(5,573)	21,940,880	32,916,802	41,716,802
Non-Current Liabilities				
Hire purchase payables	-	1,996,382	1,996,382	-
Borrowings	-	2,351,973	2,351,973	-
Deferred tax liability	-	2,138,228	2,138,228	2,138,228
	(5,573)	28,427,463	39,403,385	43,855,030
Represented by:				
Non-Current Assets				
Goodwill on consolidation	-	34,452	34,452	34,452
Property, plant and equipment	-	27,810,605	27,810,605	28,010,605
Investment property	-	800,000	800,000	800,000
Total non-current assets	-	28,645,057	28,645,057	28,845,057
Current Assets				
Inventories	-	8,301,723	8,301,723	8,301,723
Trade and other receivables	-	10,745,577	10,745,577	10,745,577
Current tax assets	-	349,092	349,092	349,092
Cash and bank balances	2	1,884,616	12,860,538	11,960,538
Total current assets	2	21,281,008	32,256,930	31,356,930
Current Liabilities				
Trade and other payables	5,575	3,626,636	3,626,636	3,626,636
Amount owing to Directors	-	1,942,453	1,942,453	1,942,453
Hire purchase payables	-	1,102,440	1,102,440	-
Borrowings	-	9,413,783	14,827,073	10,777,868
Dividend payable	-	5,413,290	-	-
Total current liabilities	5,575	21,498,602	21,498,602	16,346,957
Net Current (Liabilities) / Assets	(5,573)	(217,594)	10,758,328	15,009,973
	(5,573)	28,427,463	39,403,385	43,855,030
Number of Shares issued	4	43,648,156	65,600,000	80,000,000
NTA per Share (RM)	(1,393.25)	0.50	0.50	0.52

The principal bases and assumptions upon which our proforma consolidated balance sheets have been made are set out in the Reporting Accountants' letter in Section 13 of this Prospectus.

10. HISTORICAL FINANCIAL INFORMATION *(Cont'd)*

10.3 Proforma consolidated cash flow statement

Our proforma consolidated cash flow statement for the FYE 31 March 2007 is set out below. You should read the proforma consolidated cash flow statement together with our Management's Discussion and Analysis of Financial Condition and Results of Operations in Section 11 of this Prospectus.

	RM
Cash Flow from operating activities	
Profit before taxation	6,137,244
Adjustments for:	
Depreciation of property, plant and equipment	2,060,325
Finance costs	770,585
Revaluation deficit of property, plant and equipment	223,263
Tax penalty	117,742
Change in fair value of investment property	(115,435)
Gain on disposal of property, plant and equipment	(4,046)
Investment revenue	(68,885)
	9,120,793
Movements in working capital:-	
(Increase)/Decrease in:-	
Inventories	(2,095,561)
Trade and other receivables	(263,291)
Increase in:	
Trade and other payables	500,728
Cash generated from operations	7,262,669
Income tax paid	(2,170,365)
Tax penalty paid	(88,742)
Net cash generated from operating activities	5,003,562
Cash flow from investing activities	
Rental received	54,500
Purchase of property, plant and equipment	(8,105,402)
Proceeds from disposal of property, plant and equipment	78,000
Withdrawal of fixed deposit	1,253,805
Interest received from fixed and short-term deposits	14,385
Net cash used in investing activities	(6,704,712)
Cash flow from financing activities	
Advance from directors – Net	2,016,889
Proceeds from bankers' acceptance	2,157,000
Repayment of hire-purchase payables	(1,027,313)
Proceeds from term loans	2,000,000
Repayment of term loans	(334,123)
Finance costs paid	(759,705)
Net cash generated from financing activities	4,052,748
Net increase in cash and cash equivalents	2,351,598
Brought forward	(1,256,533)
Carried forward	1,095,065

10. HISTORICAL FINANCIAL INFORMATION *(Cont'd)*

10.4 Statement of assets and liabilities

The statement of assets and liabilities of our proforma Group have been prepared based on the audited financial statements of our Company and our subsidiary companies as at 31 March 2007 and on the assumption that the Flotation Scheme had been effected on 31 March 2007 and should be read in conjunction with the notes set out in the Letter on proforma consolidated financial information in Section 13 of this Prospectus.

	RM
Non-Current Assets	
Goodwill on consolidation	34,452
Property, plant and equipment	28,010,605
Investment property	800,000
Total non-current assets	28,845,057
Current Assets	
Inventories	8,301,723
Trade and other receivables	10,745,577
Current tax assets	349,092
Cash and bank balances	11,960,538
Total current assets	31,356,930
Current Liabilities	
Trade and other payables	3,626,636
Amount owing to Directors	1,942,453
Borrowings	10,777,868
Total current liabilities	16,346,957
Net Current Assets	15,009,973
	43,855,030
Share Capital	40,000,000
Share Premium	1,600,000
Retained Earnings	116,802
Shareholders' Funds	41,716,802
Non-Current Liabilities	
Deferred tax liabilities	2,138,228
	43,855,030

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11. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

11.1 Commentary on our Group's operating results

11.1.1 Significant factors affecting our Group's results

Revenue

We are principally an investment holding company and the core operations of our Group are carried out through our subsidiary companies, SPI and SBM, which are engaged in the design and manufacturing of Plastic Extrusions, PVC Compounding, processing of PVC Coils and trading of industrial consumables as well as other building materials.

Our Group derives our revenue from the sale of a wide range of Plastic Extrusion products, which cater for various applications. Please refer to Section 5.5 of this Prospectus for more information on our products.

The key factors affecting our revenue include the following:

(a) Our product quality and the ability to provide solutions that meet our customers' requirements;

(b) Our ability to provide quality goods and services on a timely basis at competitive prices;

(c) The growth of end-user industries will drive demand for our products;

(d) The extent of competition from other competitors in the Plastic Extrusion industry; and

(e) Our ability to increase our existing customer base.

Please refer to the "Risk Factors" section as set out in Section 3 of this Prospectus for further information on other factors, which may affect our revenue.

Cost of sales

Our cost of sales comprises raw material costs, direct labour, direct expenses and factory overheads and the composition is as follows:

(a) The primary raw materials used to manufacture our Plastic Extrusion products are PVC Resins, plasticiser, stabiliser, PVC Coils, pigment, ink, primer and solvent, depending on the product requirements.

(b) Direct labour comprises mainly salaries, bonuses, wages and other staff related costs of our plant superintendent, QC personnel, production technicians and factory workers who are directly involved in the production process.

(c) Factory overheads comprise mainly depreciation of factory buildings and plant and machinery, upkeep of equipment and machinery, indirect labour, factory utilities, and fuel and diesel expenses.

The key factors affecting our cost of sales include the following:

(a) Raw materials costs. To a large extent, the prices of PVC Resins are vulnerable to fluctuations and determined by global demand and supply.

(b) Direct labour. Additional staffing requirements are dependent upon the scale of our production, levels of salaries and wages and labour market conditions.

(c) Factory overheads. Depreciation of factory buildings and plant and machinery is affected by increases in capital expenditures while indirect labour, factory utilities, and fuel and diesel expenses are dependent on the scale of our production.

Save for the above, there are no other significant factors, including unusual or infrequent events or new developments that will materially affect our Group's operating results.

Please refer to the "Risk Factors" section as set out in Section 3 of this Prospectus for further information on other factors, which may affect our cost of sales.

11.1.2 Segmental analysis of our Group's operational performance

(a) Revenue

(i) By Companies

	<---------- FYE 31 March ---------->					
	2005		**2006**		**2007**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
SCB	-	-	-	-	-	-
SPI	22,478	100.00	27,224	99.90	31,408	99.94
SBM	-	-	90	0.33	57	0.18
Consolidation adjustment	-	-	(63)	(0.23)	(39)	(0.12)
Total	22,478	100.00	27,251	100.00	31,426	100.00

(ii) By Business Segments

	<---------- FYE 31 March ---------->					
	2005		**2006**		**2007**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Manufacturing	21,189	94.27	24,754	90.84	27,609	87.85
Trading	1,289	5.73	2,497	9.16	3,817	12.15
Total	22,478	100.00	27,251	100.00	31,426	100.00

(iii) By Market Segments

	<---------- FYE 31 March ---------->					
	2005		**2006**		**2007**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Domestic	10,691	47.56	11,711	42.97	12,466	39.67
Overseas	11,787	52.44	15,540	57.03	18,960	60.33
Total	22,478	100.00	27,251	100.00	31,426	100.00

(b) PBT

(i) By Companies

	<---------- FYE 31 March ---------->					
	2005		2006		2007	
	RM'000	%	RM'000	%	RM'000	%
SCB	-		-		(6)	(0.09)
SPI	4,272	100.07	5,988	100.71	6,131	99.90
SBM	(3)	(0.07)	(33)	(0.56)	12	0.19
Consolidation adjustment	-	-	(9)	(0.15)	-	-
Total	4,269	100.00	5,946	100.00	6,137	100.00

11.1.3 Review of our Group's past operational results

We have set out below the analysis of our Group's operational results for the past 3 FYE 31 March 2007. The analysis was prepared on the assumption that the current structure of our Group has been in existence throughout the financial years under review.

Operational results for the FYE 31 March 2005

Our Group recorded a higher revenue of RM22.48 million for the FYE 31 March 2005 as compared to RM17.43 million in the FYE 31 March 2004, representing an increase of RM5.05 million or approximately 29.00%. The increase in our sales is mainly due to our regional expansion to Indonesia and Thailand, with the appointment of a sole distributor in each country, respectively. This has resulted in the growth in export sales by 42.75%, which contributed to 52.44% of total revenue in the FYE 31 March 2005.

In line with higher sales in the FYE 31 March 2005, our Group's gross profit has improved to RM7.80 million as compared to RM6.89 million in the previous financial year, representing an increase of 13.20%. Gross profit margin for the FYE 31 March 2005 reduced to 34.69% from 39.54% in the previous financial year due to continuing increase in average cost of PVC Resins, which were not fully absorbed by the increase in selling price. The cost of PVC Resins increased from an average of RM2,879 per MT in 2004 to RM3,570 per MT in 2005, representing an increase of approximately 24.00%.

In line with the decrease in gross profit margin, the PBT margin had decreased from 22.79% in the FYE 31 March 2004 to 18.99% during the financial under review.

The effective tax rate of 23.09% was lower than the statutory tax rate of 28%. This was primarily due to reinvestment allowance claimed to set-off a portion of the income that would otherwise have been subjected to tax.

Operational results for the FYE 31 March 2006

Our Group recorded a higher revenue of RM27.25 million for the FYE 31 March 2006 as compared to RM22.48 million in the FYE 31 March 2005, representing an increase of RM4.77 million or approximately 21.22%. This increase in our sales is mainly due to the efforts by our Group in participating in various local and international furniture exhibitions that led to increase in sales to existing markets such as Vietnam, India, Thailand and penetration into new markets such as Iran and Qatar. In addition, our Group had launched various new products during the year to cater mainly to the needs of overseas customers. As a result, export sales increased by 31.84% from the previous financial year.

In line with higher sales in the FYE 31 March 2006, our Group's gross profit has increased to RM9.94 million as compared to RM7.80 million in the previous financial year, representing a growth of 27.44%. Our gross profit margin for the FYE 31 March 2006 increased to 36.48% from 34.69% in the previous financial year, due to the following:

(i) the fall in average cost of PVC Resins by 15.80% from RM3,570 per MT in the FYE 31 March 2005 to RM3,006 per MT in the FYE 31 March 2006; and
(ii) the increase in demand for Woodgrain design PVC Edgings which has approximately 30% higher profit margin as compared to our Solid Colour PVC Edgings.

In line with the improvement in gross profit margin, the PBT margin had improved from 18.99% in the FYE 31 March 2005 to 21.82% during the financial under review.

The effective tax rate of 19.02% was lower than the statutory tax rate of 28%. This was primarily due to reinvestment allowance claimed to set-off a portion of the income that would otherwise have been subjected to tax, as a result of new machineries, moulds and equipments purchased and built-up to facilitate the increase in production activity during the year.

Operational results for the FYE 31 March 2007

Our Group recorded a higher revenue of RM31.43 million for the FYE 31 March 2007 as compared to RM27.25 million in the FYE 31 March 2006, representing an increase of RM4.18 million or approximately 15.34%. The increase in sales is mainly due to new products which were launched at the end of the previous financial year.

The Group recorded a PBT of RM6.14 million as compared to RM5.95 million in the FYE 31 March 2006, representing an increase of 3.19%. The improvement of 3.19% is in line with the increase in sales for the FYE 31 March 2007. Gross profit margin of 35.6% for the FYE 31 March 2007 approximates that in the previous year of 36.5%. PBT margin of 19.5% for the FYE 31 March 2007 is slightly lower than the previous year of 21.8% due to higher operating expenses such as foreign exchange loss and higher salaries and wages.

The effective tax rate of 10.78% was lower than the statutory tax rate of 27%. This was primarily due to the double deduction for certain expenses incurred and the utilisation of reinvestment allowances and capital allowances.

11.1.4 Debtors' ageing analysis as at 31 March 2007

Based on the proforma audited consolidated balance sheet of SCB as at 31 March 2007, total trade debtors amounted to RM9.17 million (net of provision for doubtful debts). The normal credit period extended to the customers of the SCB Group is between 30 to 120 days.

The ageing analysis for the trade debtors as at 31 March 2007 is as follows:

Ageing (days)	0 - 30 RM'000	31 - 60 RM'000	61 - 90 RM'000	91 - 120 RM'000	121 - 180 RM'000	> 180 RM'000	Total RM'000	Subsequent receipt as at 28 May 2007 RM'000
Trade debtors	2,986	1,617	1,941	1,306	909	488	9,247	
Less: provision for doubtful debts	-	-	-	-	-	(73)	(73)	
Net trade debtors	2,986	1,617	1,941	1,306	909	415	9,174	3,962
Percentage (%)	32.55	17.63	21.16	14.23	9.91	4.52	100.00	43.19

As at 31 March 2007, our Group has made full provision for all overdue trade debtors which are in dispute or under legal action of approximately RM73,000.

All outstanding debts for more than 6 months as at 31 March 2007 (excluding the above RM73,000 which has been provided for) have been recovered as at 28 May 2007. Our Board confirms that trade debtors exceeding credit period as at 31 March 2007, excluding those mentioned above, are recoverable.

11.2 Commentary on our Group's trend analysis

11.2.1 Production capacity

Our existing main production facilities are located at Lot P.T. 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan.

Our Group's machinery downtime during the normal course of business is significant as we currently manufacture a wide range of designs, each in a variety of colours. Our Group currently has approximately 300 active designs, with at least 20 colour options per design.

For each change in design and/or colour, the extrusion line has to be stopped, and one or more of the following steps taken:

(i) changing of die;
(ii) cleaning of machinery (where there is a change in product and/or colour scheme);
(iii) cleaning of on-line printing system for new colour scheme; and
(iv) recalibration and testing.

If the new design requires different raw materials, then the new resins will require heating time to make them molten and to the desired temperature. There is also normal machinery downtime for scheduled and unscheduled maintenance.

Our capacity and utilisation rate is calculated as follows:

Type of product	Operational capacity (Tonnes per annum)	Production (Tonnes per annum)	Utilisation (%)
Plastic Extrusion	2,909	2,683	92.0

Annual operational capacity is calculated based on installed machinery running 349 days (365 days less public holidays) and 16 hours per day (24 hours less normal downtime and non-working hours).

Our new facility located at Lot 192446, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan, has recently been completed and is currently in operation. With this new facility, we expect our production capacity to increase to 4,724 tonnes per annum.

11.2.2 Stock turnover

The stock turnover period for the past 3 FYE 31 March 2007 is as follows:

	<---------- FYE 31 March ---------->		
	2005	**2006**	**2007**
	RM'000	**RM'000**	**RM'000**
Cost of Sales	14,680	17,311	20,240
Stocks	3,758	6,206	8,302
Stock turnover period (months)	2.77	3.45	4.30

Our stock comprises of finished goods, raw materials, work-in-progress and packing materials and spare parts. The increase in stock turnover period was attributed to higher level of raw materials kept in anticipation of the increase in prices in the following financial year coupled with more finished goods kept to support the substantial increase in customer orders due for delivery in the following financial year.

11.2.3 Average cost and selling prices

We are highly dependent on PVC Resins as a source of raw material. As such, any fluctuation of the price of PVC Resins will have an impact on our average cost of products. We mitigate the effect of any increase in the price of raw material costs by passing on the effect of the price increase to our customers to the extent possible and also conduct R&D to allow the use of recycled materials through in-house compounding without sacrificing the quality of the end product. In addition, our Group stocks up its raw materials, when necessary, in anticipation of the increase in prices and also has a policy of maintaining an average stock buffer of 3 to 5 months for certain raw materials.

11.2.4 Key financial ratios

Our Group's relevant key financial ratios achieved for the past 3 FYE 31 March 2007 are as follows:

	<---------- FYE 31 March ---------->		
	2005	**2006**	**2007**
Average trade debtors' collection period (months) [(1)]	3.26	3.52	3.55
Average trade creditors' payment period (months) [(2)]	0.90	1.02	1.15
Current ratio (times)	1.36	1.39	1.00

Notes:

(1) Our normal credit period granted to our customers ranges from 30 to 120 days

(2) The credit period granted to us by our suppliers ranges from 30 to 120 days. The low average trade creditors' payment period is due to purchases of one of our main raw materials i.e. PVC Resins in cash terms

Save as disclosed in Sections 11.2.1 to 11.2.4 of this Prospectus, as at 28 May 2007, we are not aware of any known trends, demands, commitments, events or uncertainties that:

(i) have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group; and

(ii) would cause the historical financial statements to be not necessarily indicative of future financial information.

11. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

11.3 Commentary on our Group's liquidity and capital resources

11.3.1 Material sources of liquidity

Our Group's principal source of liquidity is cash generated from our operations. As at 31 March 2007, our Group has RM1.10 million in cash and cash equivalents and RM2.35 million of available credit facilities that may be used for any unforeseen capital or other requirements.

The following summarises the various sources of cash flow of our Group for the FYE 31 March 2007:

	RM'000
Net cash generated from/(used in):	
- Operating activities	5,004
- Investing activities	(6,705)
- Financing activities	4,053
Net increase in cash and cash equivalents	2,352

Cash flow of our Group for the FYE 31 March 2007 is mainly derived from net cash generated from our operating activities, which amounted to RM5.00 million. Included in the net cash generated from our operating activities was taxation paid of RM2.17 million for the FYE 31 March 2007.

Net cash used in our investing activities of RM6.71 million in the FYE 31 March 2007 was mainly for the purchase of property, plant and equipment.

Net cash from our financing activities of RM4.05 million in the FYE 31 March 2007 was mainly due to drawdown of bankers' acceptance and term loans during the year which exceeded the repayment of hire purchase, term loans and payment of finance cost of RM2.04 million and net advance from certain Directors of SPI of RM2.02 million.

Our Directors are of the opinion that after taking into account of the existing level of cash and cash equivalents, credit facilities currently available, the expected funds to be generated from our operations and the net proceeds from the Rights Issue and Public Issue, our Group will have adequate working capital for a period of 12 months from the date of this Prospectus.

11.3.2 Material capital commitment

Save as disclosed below, as at 28 May 2007 (being the latest practicable date of which such amounts could be determined prior to the registration of this Prospectus), our Directors are not aware of any material capital commitment incurred or known to be incurred by our Group that may have a substantial impact on our results or financial position.

	RM'000
Approved and contracted for:	
- 3 units of Twin screw extruders	1,097
- 1 unit motor vehicle	600
	1,697

We expect to finance the above capital commitments using our internally generated funds and/or borrowings.

11. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

11.3.3 Contingent liability

As at 28 May 2007 (being the latest practicable date of which such amounts could be determined prior to the registration of this Prospectus), our Directors are not aware of any contingent liabilities, which have become enforceable or is likely to become enforceable, which in the opinion of our Directors, will or may substantially affect the ability of our Company or subsidiary companies to meet our obligations as and when they fall due.

11.3.4 Borrowings

As at 28 May 2007 (being the latest practicable date of which such amounts could be determined prior to the registration of this Prospectus), our Group's total outstanding borrowings amounted to RM15.34 million, all of which are interest bearing and denominated in RM, are set out below.

Types of borrowings	Payable within 12 months RM	Payable after 12 months RM
Term loans	340,531	2,307,785
Bank overdrafts	-	-
Trade facilities - Bankers' Acceptance	9,798,000	-
Hire purchase	1,102,440	1,787,994
	11,240,971	4,095,779

Our Group has not defaulted on payments of either interest and/or principal sums in respect of any borrowings throughout FYE 31 March 2007 and for the financial period up to 28 May 2007. Our gearing ratio is 0.26 times, computed based on the outstanding bank borrowings of RM10.78 million and the proforma shareholders' equity as at 31 March 2007 of RM41.72 million (after the Flotation Scheme and utilisation of proceeds).

11.3.5 Financial instrument for hedging purposes

For the FYE 31 March 2007, our Group's export sales contributed approximately 60% of total Group revenue and these are mainly denominated in USD. For the same financial year, our Group imported approximately 32% of raw materials, which are also mainly denominated in USD. As such, our Group is able to pay for some of our USD denominated purchases with revenue received in USD. To the extent that there are timing differences between collections and payments and for those amounts which are not covered by the natural hedge, we may be exposed to any adverse fluctuations of the USD against RM. This may have an adverse impact on our financial performance.

In mitigating our foreign exchange risk, our Group will continue our current practice in maintaining a natural hedge, whenever possible, by matching our trade receipts which are mainly denominated in USD with the settlement of trade payables on raw material purchases which are also mainly transacted in USD. In addition, our management will constantly monitor our Group's foreign currency exposure. We have taken and will continue to take the necessary steps to minimise the exchange rate exposure whenever deemed appropriate such as, hedging our position by forward sales contract.

12. FUTURE FINANCIAL

12.1 Consolidated profit forecast and assumptions

The table below sets out our Group's proforma consolidated profit forecast for the FYE 31 March 2008 which is prepared on the basis of the assumptions made and is presented on a basis consistent with the accounting principles adopted and disclosed in the audited financial statements of our Company and our subsidiary companies for the FYE 31 March 2007. Our Directors forecast that our proforma consolidated profit forecast for the FYE 31 March 2008 would be as follows:

	RM'000
Revenue	35,449
Consolidated PBT	7,804
Less: Taxation	(718)
Consolidated PAT	7,086
Weighted average number of shares in issue ('000) [1]	72,528
Enlarged issued and paid-up share capital ('000)	80,000
Based on consolidated PAT and weighted average no. of ordinary shares in issue	
Net EPS (sen)	9.8
Net PE multiple (times) [2]	7.7
Based on consolidated PAT and enlarged no. of ordinary shares in issue	
Net EPS (sen)	8.9
Net PE multiple (times) [2]	8.4

Notes:

(1) The Acquisition and Rights Issue were completed on 2 April 2007 and 28 May 2007, respectively and on the assumption that the Public Issue will be completed on 10 July 2007

(2) Based on the issue price of RM0.75 per Share

Please refer to Section 12.5 of this Prospectus for detailed information on the principal bases and assumptions upon which our consolidated profit forecast have been made.

12.2 Directors' comments on the consolidated profit forecast

Our Group expects to achieve higher revenue for the FYE 31 March 2008 by approximately 12.8% to RM35.45 million from RM31.43 million in the previous financial year after taking into account the following:

(i) Increase in the selling price of our products

Our Group expects average cost of PVC Resins, one of our Group's main raw materials to increase by approximately 13.0% in the FYE 31 March 2008. The average cost of PVC Resins in the FYE 31 March 2007 was RM2,935 per MT whilst the forecast average cost of PVC Resins for the FYE 31 March 2008 is RM3,320 per MT. As our Group is able to pass on costs to customers to a certain extent, selling price of its products is expected to increase by approximately 2.0% in the FYE 31 March 2008. Based on historical trends, our Group is able to pass a portion of the increase in raw material cost to our customers by way of increasing the selling price.

Our Group's forecast average selling price is as set out below:

	Forecast 2008 (RM per unit)
Manufacturing:	
Edgeband (Rolls)	
385 x 2MM x 22MM x 100m	64.63
382 x 2MM x 22MM x 100m	49.84
385 x 0.3MM x 22MM x 100m	43.05
Wall Seal (Sets)	36.84
Profile (Pieces)	4.84
PVC Compound (Kgs)	3.31
Trading Goods (Pieces)	0.66

(ii) Increase in demand for our products

For the FYE 31 March 2008, our Group expects the designing and manufacturing of Plastic Extrusions segment to continue to be the main contributor of our Group, contributing approximately 86.3% of our Group's total revenue. Our Group is expected to record sales of RM30.61 million from the designing and manufacturing of Plastic Extrusions segment, representing an increase of 20.0% or RM5.10 million from the previous year.

The increase in revenue for the FYE 31 March 2008 compared to the previous year is mainly due to expected increase in export sales. Our Group expects contribution from the export markets to increase by 18.0% in the FYE 31 March 2008 compared to the previous year. The expected growth in sales is mainly due to the expected increase in demand of our products in our existing as well as new export markets such as Iran, Thailand, Indonesia and the other Middle East countries. This is in line with our Group's future plans to expand our business overseas.

On a consolidated basis, our Group's PBT is expected to improve from approximately RM6.14 million to approximately RM7.80 million, representing an increase of 27.0% for the FYE 31 March 2008. The expected improvement of 27.0% is mainly due to the expected increase in sales for the FYE 31 March 2008 of 12.8% and the interest savings from the utilisation of proceeds for the repayment of bank borrowings. Gross profit margin of 35.7% for the FYE 31 March 2008 is expected to approximate that in the previous year of 35.6%. The PBT margin is expected to improve to 22.02% for the FYE 31 March 2008 compared to the previous year of 19.53% mainly as a result of the interest savings.

Our Group is expected to report a consolidated PAT of RM7.09 million for the FYE 31 March 2008, representing an increase of 31.05% from the proforma consolidated PAT of RM5.41 million in the previous year. Effective tax rate estimated for the FYE 31 March 2008 is 9.2% compared to 10.8% in the FYE 31 March 2007. The lower effective tax rate is primarily due to the expected double deduction for certain expenses incurred and the utilisation of reinvestment allowances and capital allowances.

Our Directors have reviewed the bases and assumptions used in arriving at the consolidated profit forecast of our Group for the FYE 31 March 2008 and are of the opinion that the consolidated profit forecast is achievable after taking into account the future plans, strategies and prospects of our Group as set out in Section 5.19 of this Prospectus, the prospects of the Malaysian economy and the Plastic Extrusion industry in Malaysia as set out in Section 4 of this Prospectus and the forecast gearing level, liquidity and working capital requirements of our Group.

Nevertheless, these bases and assumptions cover future periods for which there are inherent risks, and therefore should be read with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often outside our control. Therefore certain assumptions used in the preparations of the consolidated profit forecast may differ significantly from the actual situation after the date of the consolidated profit forecast and may materially affect the financial information projected. Please refer to the "Sensitivity Analysis" which illustrates the impact of certain key assumptions used in the preparation of the consolidated profit forecasts for the FYE 31 March 2008 and "Commentary on our Group's operating results" which sets out the key factors affecting our revenues and cost of sales in Sections 12.3 and 11.1 of this Prospectus, respectively.

12.3 Sensitivity analysis

The sensitivity analysis is prepared based on the profit forecast assumptions as set out in Section 12.5 of this Prospectus and on the assumption that all other variables remain unchanged except for the 5% and 10% upwards and downward variation in key variables.

The following scenarios illustrate the impact of changes in selling price, sales quantity, cost of sales and operating expenses on our Group's financial performance for the FYE 31 March 2008.

Changes in selling price

	<--------Forecast for the FYE 31 March 2008 ------->				
	Revenue RM'000	**PBT RM'000**	**Change %**	**PAT RM'000**	**Change %**
Forecast	35,449	7,804		7,086	
Changes in selling price by					
+10%	38,990	10,933	+40.1	10,215	+44.2
+5%	37,220	9,369	+20.1	8,650	+22.1
-5%	33,678	6,239	-20.1	5,521	-22.1
-10%	31,908	4,675	-40.1	3,956	-44.2

Changes in sales quantity

	<--------Forecast for the FYE 31 March 2008 ------->				
	Revenue RM'000	**PBT RM'000**	**Change %**	**PAT RM'000**	**Change %**
Forecast	35,449	7,804		7,086	
Changes in sales quantity by					
+10%	38,990	9,456	+21.2	8,737	+23.3
+5%	37,220	8,632	+10.6	7,913	+11.7
-5%	33,678	6,973	-10.7	6,255	-11.7
-10%	31,908	6,139	-21.3	5,421	-23.5

12. FUTURE FINANCIAL *(Cont'd)*

Changes in cost of sales

	<--------Forecast for the FYE 31 March 2008 ------->				
	Cost of sales RM'000	PBT RM'000	Change %	PAT RM'000	Change %
Forecast	22,781	7,804		7,086	
Changes in cost of sales by					
+10%	25,059	5,526	-29.2	4,807	-32.2
+5%	23,920	6,665	-14.6	5,947	-16.1
-5%	21,642	8,943	+14.6	8,225	+16.1
-10%	20,503	10,082	+29.2	9,364	+32.2

Changes in operating expenses

	<--------Forecast for the FYE 31 March 2008 ------->				
	Operating expenses RM'000	PBT RM'000	Change %	PAT RM'000	Change %
Forecast	4,798	7,804		7,086	
Changes in operating expenses by					
+10%	5,261	7,341	-5.9	6,623	-6.5
+5%	5,029	7,572	-3.0	6,854	-3.3
-5%	4,567	8,035	+3.0	7,317	+3.3
-10%	4,335	8,267	+5.9	7,548	+6.5

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12. FUTURE FINANCIAL *(Cont'd)*

12.4 Dividend forecast and policy

It is our policy to recommend dividends to allow shareholders to participate in the profits of our Group as well as to provide for adequate reserves for our future growth.

Based on the forecast consolidated PAT of our Group of RM7.09 million for the FYE 31 March 2008, our Directors anticipate that we will be in a position to propose a tax-exempt dividend of 2.5 sen per Share for the FYE 31 March 2008 based on our enlarged issued and paid-up share capital of 80,000,000 Shares.

The intended appropriations of the consolidated forecast PAT of our Group attributable to shareholders for the FYE 31 March 2008 will be as follows:

FYE 31 March	**2008 RM'000**
PBT	7,804
Taxation	(718)
PAT	7,086
Less: Proposed tax-exempt dividend	(2,000)
Profit retained for the financial year	5,086
Proposed tax-exempt dividend per Share (sen)	2.50
Net dividend yield based on the issue price of RM0.75 per Share (%)	3.33
Net dividend cover (times)	3.54

You should take note that future dividend payments may not be declared and paid if:

(a) our Group is in a loss position for the relevant financial year; or

(b) our Group has insufficient cash flow to meet any dividend payments.

Notwithstanding the above, our Directors have full discretion not to propose any future dividend payments as and when deemed necessary, if it is in our best interests.

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