

Company Achievements

BENXON®

Super Brand Award Year 2007

ISO 9001 : 2000



Certificate No.: SG01/19310/my

SMI (2003 - 2007)



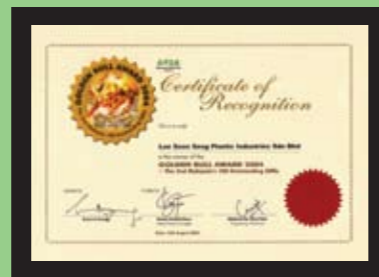
Enterprise 50 (2001 - 2007)



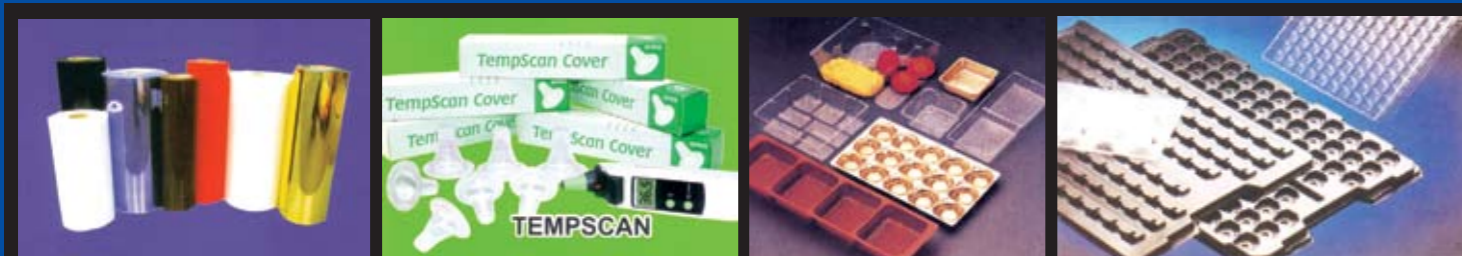
HACCP



Golden Bull Award (2003 - 2007)



One Stop Centre From Resin To Film Sheet Till Final Products



Lot 3304, Batu 24 1/2, Jalan Kulai-Air Hitam, 81000 Kulai, Johor, Malaysia. Tel: 607-6522288 Fax: 607-6522299

SCGM BHD

SCGM BHD

SCGM BHD
(Company No: 779028-H)
(Incorporated in Malaysia under the Companies Act, 1965)

PROSPECTUS

PUBLIC ISSUE OF 12,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AT AN ISSUE PRICE OF RM0.78 PER SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

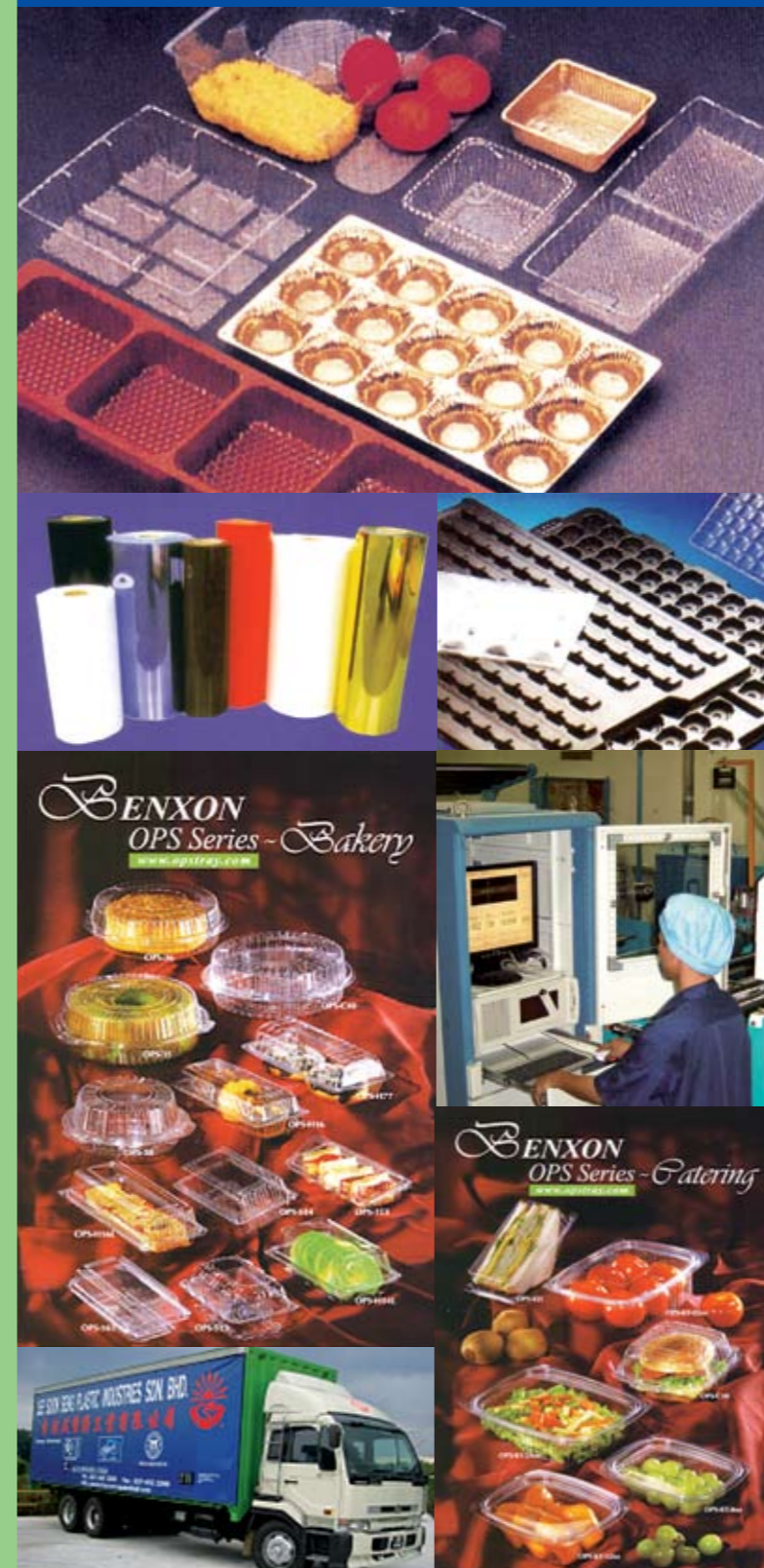
- 6,000,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 4,500,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES, AND OTHER PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS;
- 1,500,000 ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

OFFER FOR SALE OF 24,000,000 ORDINARY SHARES OF RM0.50 EACH TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY AT AN OFFER PRICE OF RM0.78 PER SHARE PAYABLE IN FULL ON APPLICATION

IN CONJUNCTION WITH OUR LISTING ON THE SECOND BOARD OF BURSA MALAYSIA SECURITIES BERHAD.

Adviser, Underwriter and Placement Agent



PROSPECTUS

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" COMMENCING ON PAGE 21 IN SECTION 4 OF THIS PROSPECTUS HEREOF.

This Prospectus is dated 31 January 2008

RESPONSIBILITY

OUR DIRECTORS, PROMOTERS AND OFFERORS HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, AFTER MAKING ALL REASONABLE ENQUIRIES THAT, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING. OUR DIRECTORS ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT FORECAST IN THIS PROSPECTUS AND CONFIRM THAT IT HAS BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

PUBLIC INVESTMENT BANK BERHAD (20027-W) ("PIVB"), BEING THE ADVISER, UNDERWRITER AND PLACEMENT AGENT ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING AND IS SATISFIED THAT THE CONSOLIDATED PROFIT FORECAST (FOR WHICH OUR DIRECTORS ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAS BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL INQUIRY AND HAS BEEN DULY REVIEWED BY OUR REPORTING ACCOUNTANTS.

STATEMENT OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") HAS APPROVED OUR INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER AS A RESULT OF YOUR RELIANCE ON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INITIAL PUBLIC OFFERING AND AN INVESTMENT IN US. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

ADMISSION TO THE OFFICIAL LIST OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") IS NOT TO BE TAKEN AS AN INDICATION OF OUR MERITS, THE MERITS OF OUR SHARES OR OUR COMPANY.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THIS PROSPECTUS AND THE ACCOMPANYING APPLICATION FORMS, HAVE ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

OUR SHARES ARE CLASSIFIED AS SYARIAH-COMPLIANT BY THE SYARIAH ADVISORY COUNCIL ("SAC") OF THE SC BASED ON OUR PROFORMA CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2007 AND THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THE PROSPECTUS UNTIL THE NEXT SYARIAH COMPLIANCE REVIEW IS UNDERTAKEN BY THE SAC OF THE SC, AND THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SYARIAH-COMPLIANT SECURITIES, EITHER ON THE LAST FRIDAY OF THE MONTH OF APRIL OR OCTOBER.

THE SYARIAH STATUS FOR OUR SHARES CANNOT BE USED FOR OTHER FUND-RAISING ACTIVITIES.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE *CAPITAL MARKETS AND SERVICES ACT 2007*.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO YOU PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE INITIAL PUBLIC OFFERING FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE *CAPITAL MARKETS AND SERVICES ACT 2007*, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES WEBSITE AT www.bursamalaysia.com.

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. YOU MAY OBTAIN A COPY OF AN ELECTRONIC PROSPECTUS (AS DEFINED HEREIN BELOW) FROM THE WEBSITE OF CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com. IN ADDITION, YOU MAY ALSO OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF CIMB BANK BERHAD AT www.cimbclicks.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my AND RHB BANK BERHAD AT www.rhbbank.com.my VIA HYPERLINK TO THE WEBSITE OF BURSA SECURITIES.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THE PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THE PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THE PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:-

- (1) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED IN THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES.
- (2) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGES OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (3) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:-

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES.
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH THE WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEMS OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE UNDERWRITER TO UNDERWRITE THE PUBLIC ISSUE SHARES AS AN INDICATION OF THE MERITS OF OUR SHARES.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Event	Tentative Dates
Opening date of application	31 January 2008
Closing date of application	15 February 2008
Tentative date for balloting of application	19 February 2008
Tentative date for despatch of notices of allotment to successful applicants	27 February 2008
Tentative Listing date	28 February 2008

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGE WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL OPEN AT 10.00 A.M. ON THURSDAY, 31 JANUARY 2008 AND WILL REMAIN OPEN UNTIL 5.00 P.M. ON FRIDAY, 15 FEBRUARY 2008 OR SUCH FURTHER PERIOD OR PERIODS AS OUR DIRECTORS AND UNDERWRITER AND IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE.

IF THE CLOSING DATE OF THE APPLICATION IS EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT AND LISTING OF OUR ENTIRE ISSUED AND PAID-UP SHARE CAPITAL ON THE SECOND BOARD OF BURSA SECURITIES WOULD BE EXTENDED ACCORDINGLY AND WE WILL NOTIFY THE PUBLIC VIA AN ADVERTISEMENT IN A WIDELY CIRCULATED DAILY ENGLISH AND BAHASA MALAYSIA NEWSPAPERS WITHIN MALAYSIA.

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FORWARD LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services;
- (ii) our business strategies;
- (iii) plans and objectives of our Management for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the economic, political and investment environment in Malaysia and globally; and
- (ii) government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed elsewhere in Section 4 (Risk Factors). We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward looking-statements are made only as at the date of this Prospectus. We expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Acquisition	: Acquisition of LSSPI by SCGM of the entire equity interest in LSSPI comprising 2,200,000 LSSPI Shares for a total purchase consideration of RM30,427,000 satisfied via the issuance of 60,854,000 new SCGM Shares at par
Act	: Companies Act, 1965
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
AFTA	: Asean free trade area
Applicant	: The applicant for the IPO Shares by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application
Application Form	: The printed application form for the application of the IPO Shares
ASEAN	: Association of South East Asian Countries
ATM	: Automatic Teller Machine
Authorised Financial Institution	: The authorised financial institution(s) participating in the Internet Share Application, with respect to payments for the IPO
Board	: Board of Directors of our Company
Bumiputera Investors	: Bumiputera investors as approved by MITI
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CDS	: Central Depository System
CMSA	: Capital Markets and Services Act 2007 or any statutory modification, amendment or re-enactment thereof for the time being in force
D&B Malaysia	: Dun & Bradstreet (D&B) Malaysia Sdn Bhd (527570-M)
E & E	: Electrical and electronic
EPS	: Earnings per share
Electronic Share Application	: The application for the IPO Shares through a Participating Financial Institution's ATM
FIC	: Foreign Investment Committee
FIC Guideline	: Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests issued by the FIC
Flotation Exercise	: Acquisition, Rights Issue, IPO, Share Transfer and Listing, collectively
FPE	: Financial period ended

DEFINITIONS (Cont'd)

FYE	:	Financial year ended 30 April
GP	:	Gross profit
HDD	:	Hard disk drives
HKSAR	:	Hong Kong Special Administrative Region
Internet Participating Financial Institution	:	Participating organisation in the Internet Share Application as listed in Section 16 of this Prospectus
Internet Share Application	:	The application for the IPO Shares through an online share application provided by the Internet Participating Financial Institution
IPO	:	Public Issue and Offer For Sale, collectively
IPO Share(s)	:	The Public Issue Share(s) and Offer Share(s), collectively
IPO Price	:	RM0.78 for each IPO Share
Issues Guidelines	:	SC's Policies and Guidelines on Issue/Offer of Securities
Issuing House or MIDFCCS	:	MIDF Consultancy and Corporate Services Sdn Bhd (11324-H)
LCD	:	Liquid crystal display
Listing	:	The admission into the Official List of Bursa Securities and the listing of and quotation for our entire issued and paid-up share capital comprising 80,000,000 Shares on the Second Board of Bursa Securities
Listing Requirements	:	Listing Requirements of Bursa Securities
LSSPI	:	Lee Soon Seng Plastic Industries Sdn Bhd (119117-M)
LSSPI Share(s)	:	Ordinary shares of RM1.00 each in LSSPI
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organized under the laws of Malaysia
Market Day	:	Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is open for trading of securities
MI	:	Minority interests
MITI	:	Ministry of International Trade and Industry
NTA	:	Net tangible assets
Offerors	:	Lee Hock Seng, Lee Hock Chai, Lee Hock Guan and Lee Hock Meng, collectively
Offer For Sale	:	Offer for sale by the Offerors of 24,000,000 Shares at the IPO Price to Bumiputera investors approved by the MITI
Offer Shares	:	The 24,000,000 Shares to be offered by the Offerors pursuant to the Offer for Sale
PAT	:	Profit after taxation

DEFINITIONS (Cont'd)

PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
PIVB	:	Public Investment Bank Berhad (20027-W)
Participating Financial Institution(s)	:	The participating financial institutions for Electronic Share Application as listed in Section 16 of this Prospectus
Pink Form Allocation	:	The 4,500,000 Public Issue Shares reserved for subscription by the eligible Directors and employees, and other persons who have contributed to the success of our Group
PRC	:	People's Republic of China
Promoters	:	Lee Hock Seng, Lee Hock Chai, Lee Hock Guan and Lee Hock Meng collectively
Public Issue	:	The issue of 12,000,000 new Shares at the IPO Price payable in full on application, subject to the terms and conditions of this Prospectus
Public Issue Shares	:	The 12,000,000 new Shares to be issued pursuant to the Public Issue
QC	:	Quality control
RDD	:	Research, design and development
Rights Issue	:	Rights issue of 7,144,000 new SCGM Shares on a renounceable basis to the existing shareholders of SCGM on the basis of ten (10) new SCGM Shares for approximately every eighty five (85) existing SCGM Shares held after the Acquisition
Rights Shares	:	7,144,000 new SCGM Shares at an issue price of RM0.50 each to be issued pursuant to the Rights Issue
ROC	:	Registrar of Companies
RM and sen	:	Ringgit Malaysia and sen, respectively
SAC	:	Syariah Advisory Council
SC	:	Securities Commission
SCGM or Company	:	SCGM Bhd (779028-H)
SCGM Group	:	SCGM and its subsidiary company
SCGM Share(s) or Share(s)	:	Ordinary share(s) of RM0.50 each in SCGM
SLSB	:	SCGM Lee Sdn Bhd (792701-P)
Share Transfer	:	Transfer of 24,000,000 Shares held by the Promoters to SLSB during the prescription period
SICDA	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
SMIDEC	:	Small & Medium Industries Development Corporation
U.A.E	:	United Arab Emirates
Underwriter	:	PIVB
USA	:	United States of America

DEFINITIONS (Cont'd)

All references in this Prospectus to “our Company” and “SCGM” are to SCGM Bhd, references to “our Group” and “SCGM Group” are to our Company and our subsidiary and references to “we”, “us”, “our” and “ourselves” are to our Company, and save where the context otherwise requires, and our subsidiary. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of this Prospectus, and statements to our beliefs, expectations, estimates and opinions are those of our Management.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporation.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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DEFINITIONS (Cont'd)

Glossary of Technical Terms

°C	:	Degree Celsius
APET	:	Amorphous polyethylene terephthalate
CAD	:	Computer-aided design
CAM	:	Computer-assisted manufacturing
CNC	:	Computer Numeric Controlled
GAG	:	GAG stands for PET-G-APET-PET-G. It is a three (3)-layer extrusion sheet, whereby the top and bottom layers consist of PET-G sheets, while the middle layer consists of APET sheet
HACCP	:	Hazard Analysis and Critical Control Points
HIPS	:	High impact polystyrene
HDPE	:	High density polyethylene terephthalate
Mm	:	Millimetre
OPS	:	Oriented polystyrene
PA	:	Polyamides
PC	:	Polycarbonate
PE	:	Polyethylene
PET	:	Polyethylene terephthalate
PET-C	:	PET-C stands for polyethylene terephthalate crystalline. It is equipped with clarifiers so that it crystallises quickly during processing and thereby achieves higher temperature resistance. Its crystalline structure makes it opaque
PET-G	:	Glycol modified polyethylene terephthalate
PLA	:	PLA stands for Polylactic acid and it is made of corn. As such, it is environmentally friendly
PP	:	Polypropylene
PVC	:	Polyvinyl chloride
Thermoplastic	:	Material that has the ability to soften when heated and harden when cooled. APET, HIPS, OPS, PET, PET-C, PET-G, PP, PVC and PLA are thermoplastics
Thermo-vacuum forming	:	Process of forming thermoplastic/extrusion sheets through heating the sheet, and stretching as well as forcing it over a mould surface, with the help of a vacuum process

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/(Designation)	Address	Occupation	Nationality
Lee Hock Seng <i>(Executive Chairman/ Managing Director)</i>	MLO 5278, Kelapa Sawit 81030 Kulai Johor	Company Director	Malaysian
Lee Hock Chai <i>(Executive Director)</i>	MLO 5281, Kelapa Sawit 81030 Kulai Johor	Company Director	Malaysian
Lee Hock Guan <i>(Executive Director)</i>	MLO 5279, Kelapa Sawit 81030 Kulai Johor	Company Director	Malaysian
Lee Hock Meng <i>(Executive Director)</i>	MLO 5280, Kelapa Sawit 81030 Kulai Johor	Company Director	Malaysian
Amrik Singh Harcharan Singh <i>(Independent Non- Executive Director)</i>	42, Jalan Seri Orkid 20 Taman Seri Orkid 81300 Skudai Johor	Company Director	Malaysian
Wong Tun Boon <i>(Independent Non- Executive Director)</i>	No 50, Jalan Paya C Sri-Lalang 86000 Kluang Johor	Company Director	Malaysian
Tang Nai Soon <i>(Independent Non- Executive Director)</i>	C-92, Kg. Baru Air Bemban 81020 Kulai Johor	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Wong Tun Boon	Chairman	Independent Non-Executive Director
Amrik Singh Harcharan Singh	Member	Independent Non-Executive Director
Tang Nai Soon	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	:	Lim Seck Wah (MAICSA 0799845) / M. Chandrasegaran A/L S.Murugasu (MAICSA 0781031) Level 15-2, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-26924271
REGISTERED OFFICE	:	Level 15-2, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-26924271
HEAD OFFICE	:	Lot 3304, Batu 24 ½ Jalan Kulai-Air Hitam 81000 Kulai Johor Tel: 07-6522288 E-mail: lss@lsspi.com Website: leesoonsengplastic.com
AUDITORS AND REPORTING ACCOUNTANTS	:	SJ Grant Thornton (AF:0737) Level 11, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-26924022
SOLICITORS FOR THE IPO	:	Teh & Lee Advocates & Solicitors A-3-3 & A-3-4 North Point Offices Mid Valley City No.1, Medan Syed Putra Utara 59200 Kuala Lumpur Tel: 03-22832800
PRINCIPAL BANKER	:	RHB Bank Berhad 45, Jalan Kuning Dua Taman Pelangi 50400 Johor Bahru Tel: 07-6631911
ISSUING HOUSE	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H) Level 8, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-21738657
SHARE REGISTRAR	:	Mega Corporate Services Sdn Bhd (187984-H) Level 15-2, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-26924271

1. CORPORATE DIRECTORY (Cont'd)

ADVISER, UNDERWRITER AND PLACEMENT AGENT	:	Public Investment Bank Berhad (20027-W) 25 th Floor, Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur Tel: 03 - 21669382
INDEPENDENT MARKET RESEARCHER	:	Dun & Bradstreet (D&B) Malaysia Sdn Bhd (527570-M) Level 9-3A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 03 - 20806000
LISTING SOUGHT	:	Second Board of Bursa Securities
SYARIAH STATUS	:	Approved by the Syariah Advisory Council of the SC

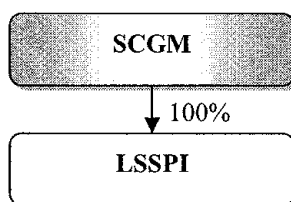
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2. INFORMATION SUMMARY

THIS IS A SUMMARY OF THE SALIENT INFORMATION IN THE PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE ENTIRE PROSPECTUS CAREFULLY BEFORE YOU DECIDE WHETHER TO INVEST IN OUR SHARES.

2.1 History and Business

Our Company was incorporated in Malaysia on 29 June 2007 under the Act as a public limited company. Our Company is an investment holding company while our subsidiary, namely LSSPI is principally involved in the manufacturing and trading of plastic products. The structure of our Group is as follows:



Our Group's operations started when Mr. Lee Hock Seng and Mr. Lee Hock Chai, our Executive Chairman/Managing Director and Executive Director, respectively, founded LSSPI in May 1984. Our management decided to set up LSSPI as they believed plastic-based packaging would become a large part of consumers' lifestyle in the near future, and foresaw that the industry held growth potentials.

Equipped with two (2) semi-automated vacuum forming machines and employing eight (8) employees, we started off producing mainly food packaging from two (2) rented shop houses in Kulai, Johor. In 1992, we relocated to our present factory to cater for the expansion of our operations. Within the same year we purchased our first high-speed automated thermo-vacuum forming machine.

Then in 2004, we purchased our first extruder and diversified into the manufacturing of thermoplastic or extrusion sheets. Extrusion sheets are semi-raw materials used in the production of our packaging products.

We have since disposed of the two (2) semi-automated vacuum forming machines, and currently own thirty-one (31) high-speed automated thermo-vacuum forming machines, twenty (20) press cutting machines, two (2) extruders and one (1) CNC machine as at 31 December 2007. Meanwhile, our employees have increased from eight (8) to three hundred and thirty six (336) employees as at 31 December 2007.

Our business activities presently encompass manufacturing and trading of thermo-vacuum formed plastic packaging and extrusion sheets. Our services include customised design and development of new packaging for our customers, from the conceptual stage and design engineering to preparation of the mould and tooling, and mass production of the end products.

For further information on the history, principal activities and business of our Group, please refer to Section 5 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.2 Financial Highlights

2.2.1 Proforma Consolidated Income Statements

The following table is a summary of our proforma consolidated income statements for the past three (3) FYE 2007 and six (6) months FPE 31 October 2006 and 2007 which have been prepared for illustrative purposes only based on the assumption that the Acquisition had been effected throughout the period under review.

	FYE			Six (6) month FPE 31 October	
	2005 RM'000	2006 RM'000	2007 RM'000	2006* RM'000	2007 RM'000
Revenue	35,576	39,843	49,393	23,549	31,651
GP	9,338	11,548	13,971	6,639	8,288
Profit before depreciation, amortisation, interest and taxation	6,259	7,515	10,163	5,110	6,749
Depreciation/amortisation	(1,023)	(1,657)	(1,982)	(885)	(1,220)
Interest expenses	(163)	(268)	(538)	(239)	(314)
PBT	5,073	5,590	7,643	3,986	5,215
Taxation	(1,283)	(1,206)	(1,533)	(766)	(971)
PAT	3,790	4,384	6,110	3,220	4,244
GP margin (%)	26.25	28.98	28.29	28.19	26.19
Net profit margin (%)	10.65	11.00	12.37	13.67	13.41
Number of Shares assumed in issue ('000)	60,856	60,856	60,856	60,856	60,856
Gross EPS (sen)	8.34	9.19	12.56	13.10 [^]	17.14 [^]
Net EPS (sen)	6.23	7.20	10.04	10.58 [^]	13.95 [^]

Notes:

* The proforma consolidated results for the six (6) months FPE 31 October 2006 have not been audited and are provided for comparison only.

[^] Annualised.

There were no exceptional or extraordinary items in the financial years/period under review. Detailed information on our proforma consolidated income statements is set out in Section 11 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.2.2 Proforma Consolidated Balance Sheets

Our proforma consolidated balance sheets as set out below have been prepared for illustrative purposes only to show the effects on our audited balance sheets as at 31 October 2007 had the Flotation Exercise been completed on that date.

	As at 31 October 2007 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000	Proforma IV RM'000
Share Capital	1	30,428	34,000	40,000	40,000
Share Premium	-	-	-	3,360	1,760
Accumulated Loss	(5)	(4)	(4)	(4)	(4)
Total shareholders' equity	(4)	30,424	33,996	43,356	41,756
Non-Current Liabilities					
Deferred Income – government grant [^]	-	198	198	198	198
Borrowings	-	4,479	4,479	4,479	479
Finance creditors	-	1,641	1,641	1,641	641
Deferred taxation	-	1,689	1,689	1,689	1,689
	(4)	38,431	42,003	51,363	44,763
Represented by:-					
Non-current Assets					
Property, plant and equipment	-	21,608	21,608	21,608	24,773
Investment Properties	-	530	530	530	530
Prepaid land lease payments	-	185	185	185	185
Total non-current assets	-	22,323	22,323	22,323	25,488
Current Assets					
Inventories	-	10,619	10,619	10,619	10,619
Trade and other receivables	-	18,222	18,222	18,222	18,222
Tax recoverable	-	71	71	71	71
Fixed deposits with a licensed bank	-	97	97	97	97
Cash and bank balances	1	1,156	1,156	10,516	751
Total current assets	1	30,165	30,165	39,525	29,760
Less: Current Liabilities					
Trade and other payables	5	7,107	7,107	7,107	7,107
Deferred Income – government grant [^]	-	43	43	43	43
Bank borrowings	-	2,663	2,663	2,663	2,663
Dividend payable	-	4,244	672	672	672
Total current liabilities	5	14,057	10,485	10,485	10,485
Net Current Assets/(Liabilities)	(4)	16,108	19,680	29,040	19,275
Net Assets/(Liabilities)	(4)	38,431	42,003	51,363	44,763
Number of shares ('000)	2	60,854	68,000	80,000	80,000
Net Tangible Assets/(Liabilities) Per Share (RM)	(2.00)	0.50	0.50	0.54	0.52

2. INFORMATION SUMMARY (Cont'd)

Notes:

Proforma I : After the Acquisition
 Proforma II : After Proforma I and the Rights Issue
 Proforma III : After Proforma II and the Public Issue
 Proforma IV : After Proforma III and the utilisation of proceeds from the Rights Issue and Public Issue

^ The government grant was obtained from SMIDEC under the matching grant for product and process improvement.

Detailed information on our proforma consolidated balance sheets is set out in Section 11 of this Prospectus.

2.3 Principal Statistics Relating to the IPO

2.3.1 Our Share Capital

	No. of Shares	Share Capital RM
Authorised share capital	<u>200,000,000</u>	<u>100,000,000</u>
Issued and paid-up share capital		
As at the date of this Prospectus	68,000,000	34,000,000
To be issued and credited pursuant to the Public Issue	12,000,000	6,000,000
Enlarged issued and fully paid-up share capital upon Listing	<u>80,000,000</u>	<u>40,000,000</u>
Existing Shares to be offered pursuant to the Offer For Sale	24,000,000	12,000,000

2.3.2 Price per IPO Share RM0.78

2.3.3 Market Capitalisation

Market capitalisation based on the IPO Price and enlarged share capital of 80,000,000 Shares (RM'000) 62,400

2.3.4 Proforma Consolidated NTA as at 31 October 2007

Our Group Proforma NTA (RM'000)
 (After the Flotation Exercise and deducting estimated listing expenses of RM1,600,000) 41,756

Our Group Proforma NTA per Share (RM)
 (based on our enlarged share capital of 80,000,000 Shares) 0.52

2.3.5 Classes and ranking

We have only one class of shares, being ordinary shares of RM0.50 each. The IPO Shares will rank pari passu in all respects with our other existing shares including voting rights and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of allotment thereof.

Please refer to Section 3 of this Prospectus for detailed information of the IPO.

2. INFORMATION SUMMARY (Cont'd)

2.4 Consolidated Profit Forecast

The following is the summary of our consolidated profit forecast for the financial year ending 30 April 2008 and should be read in conjunction with the accompanying notes included in the consolidated profit forecast set out in Section 11 of this Prospectus.

Financial Year Ending 30 April 2008	Forecast Consolidated Results RM'000
Revenue	67,413
Consolidated PBT	10,349
Taxation	(1,829)
Consolidated PAT	8,520
Less : Pre-acquisition profit	(5,680)
	<u>2,840</u>
Weighted average number of ordinary shares in issue ('000)*	27,522
Enlarged issued and paid-up share capital ('000)	80,000
<i>Based on the weighted average number of ordinary shares in issue*:-</i>	
Gross EPS (sen)	⁽¹⁾ 37.60
Net EPS (sen)	⁽²⁾ 30.96
Gross PE Multiple based on the IPO Price (times)	2.07
Net PE Multiple based on the IPO Price (times)	2.52
<i>Based on the enlarged number of ordinary shares upon Listing:-</i>	
Gross EPS (sen)	⁽¹⁾ 12.94
Net EPS (sen)	⁽²⁾ 10.65
Gross PE Multiple based on the IPO Price (times)	6.03
Net PE Multiple based on the IPO Price (times)	7.32

Notes:

* Computed on the basis that the Public Issue will be completed by mid of February 2008.

(1) Based on the consolidated PBT before deducting pre-acquisition profit.

(2) Based on the consolidated PAT before deducting pre-acquisition profit.

2. INFORMATION SUMMARY (Cont'd)

2.5 Dividend Forecast

The following table sets out a summary of our dividend forecast for the financial year ending 30 April 2008 and should be read in conjunction with the notes included in the dividend forecast set out in Section 11 of this Prospectus.

Financial Year Ending 30 April 2008.

Gross dividend per Share ⁽¹⁾ (sen)	1.50
Net dividend per Share ⁽¹⁾ (sen)	1.11
Gross dividend yield ⁽²⁾ (%)	1.92
Net dividend yield ⁽²⁾ (%)	1.42
Net dividend cover ⁽³⁾ (times)	9.59

Notes:

- (1) Based on our enlarged issued and paid-up share capital upon Listing.
- (2) Based on the IPO Price.
- (3) Calculated using net EPS based on consolidated PAT before pre-acquisitions profit and the enlarged issued and paid-up share capital.

2.6 Qualifications of Audited Accounts

The auditors' reports for all the companies within our Group for the financial years/period under review were reported without any audit qualification.

2.7 Risk Factors

In evaluating an investment in the Public Issue Shares, you should read this entire Prospectus carefully, taking into consideration the following summary of the general and specific risk factors of the following investment considerations (which may not be exhaustive):

Risk relating to our Group and Industry

- (i) Business risks;
- (ii) Fluctuating cost of raw and semi-raw materials;
- (iii) Absence of long-term agreements with customers or suppliers;
- (iv) Risk of competition;
- (v) Dependency on our directors and key management;
- (vi) Dependency on supply of labour;
- (vii) Dependence on principal products and markets;
- (viii) Risk of infringement of trade marks and industrial designs;
- (ix) Risk of expansion of business;
- (x) Financial risks;
- (xi) Foreign currency fluctuation risk;
- (xii) Control by promoters/substantial shareholders;
- (xiii) Legal uncertainties concerning contractual agreements;
- (xiv) Emergency risks and system failure;
- (xv) Adequacy of insurance coverage; and
- (xvi) Economic, political and regulatory risks.

Risk relating to investment in our Shares

- (xvii) No prior market for our shares;
- (xviii) Profit forecast and forward looking statements;
- (xix) Failure or delay in the listing;
- (xx) Potential acquisitions and joint ventures/investment activities; and
- (xxi) Future capital injections.

2. INFORMATION SUMMARY (Cont'd)

The details of the aforementioned risks are provided in the "Risk Factors" in Section 4 of this Prospectus. If you are unsure about any of the information contained in the section on "Risk Factors", you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

2.8 Utilisation of Proceeds

We expect the proceeds from the Public Issue and the Rights Issue of approximately RM12,932,000 to be fully utilised by our Group as follows:

	Estimated timeframe for utilisation from the date of Listing	Proceeds RM'000
Acquisition of plant & machinery	Within 24 months	3,165
Repayment of bank borrowings	Within 12 months	5,000
Working capital	Within 12 months	3,167
Defray estimated listing expenses	Within 12 months	1,600
		12,932

Further details on the utilisation of the gross proceeds are set out in Section 3.7 of this Prospectus.

2.9 Syariah Status

Our Company has voluntarily submitted an application to the SC for a Syariah compliance review to be carried out by the SAC of the SC as part of the process of determining our Syariah status at IPO. The SAC of the SC has classified SCGM Shares as Syariah-compliant based on our financial information for the FYE 2007 and the Syariah criteria adopted by the SAC of the SC.

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3. PARTICULARS OF THE IPO

3.1 Introduction

This Prospectus is dated 31 January 2008.

A copy of this Prospectus has been registered with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the ROC who does not take any responsibility for their contents.

The approval of the SC for the Flotation Exercise obtained via its letter dated 14 November 2007, shall not be taken to indicate that the SC recommends the IPO. You should rely on your own evaluation to assess the merits and risks of the IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a prescribed security. In consequence thereof, the Shares offered through this Prospectus will be deposited with the Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

The approval-in-principle has been obtained from Bursa Securities for the admission Our Company to the Official List of the Second Board of Bursa Securities and for the listing of and quotation for our entire issued and paid-up ordinary Shares, on the Second Board of Bursa Securities via its letter dated 25 January 2008. Our Shares will be admitted to the Official List of the Second Board of Bursa Securities and the official quotation will commence upon receipt of confirmation from the Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of the applications for the IPO Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the listing of and quotation for our entire enlarged issued and paid-up ordinary shares on the Second Board of Bursa Securities. Accordingly, all monies paid in respect of any application accepted from you will be returned in full without interest if the said permission for the listing is not granted within six (6) weeks from the date of issue of this Prospectus (or such longer period as may be specified by the SC) provided that we are notified by or on behalf of Bursa Securities within the aforesaid timeframe. If any such monies are not repaid within fourteen (14) days after we become liable to repay it, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

Pursuant to the Listing Requirements, at least 25% of the total number of Shares in which listing is sought must be held by a minimum of 1,000 public shareholders holding not less than 100 shares each at the point of Listing. In the event that the above requirement is not met pursuant to the IPO, we may not be allowed to proceed with our listing on the Second Board of Bursa Securities. In such an event, monies paid in respect of all applications will be returned in full without interest.

Persons submitting applications by way of Application Forms or by way of Electronic Share Application or Internet Share Application must have a CDS account. In the case of an application by way of Application Form, an applicant should state his CDS account in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institutions by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so. In the case of an application by way of Internet Share Application, the applicant can make an application only if he has a CDS account and an existing account with access to the Internet financial services facilities with the Internet Participating Financial Institutions by way of keying in his CDS account number into the online application form. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application.

3. PARTICULARS OF THE IPO (Cont'd)

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

This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for or an offer to sell any IPO Share in any jurisdiction in which such invitation or offer is not authorised or lawful or to any person to whom it is unlawful to make such an invitation or offer. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus is subject to Malaysian laws and we take no responsibility for the distribution of this Prospectus outside Malaysia.

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

You should rely on your own evaluation to assess the merits and risks of the IPO and an investment in us. In considering the investment, if you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

3.2 Indicative Timetable

The indicative timetable of events leading up to the listing of and quotation for our entire issued and paid-up capital are as follows:

Event	Tentative Dates
Opening date of application	31 January 2008
Closing date of application	15 February 2008
Tentative date for balloting of applications	19 February 2008
Tentative date for despatch of notices of allotment to successful applicants	27 February 2008
Tentative Listing date	28 February 2008

The application period will open at 10.00 a.m. on Thursday, 31 January 2008 and will remain open until 5.00 p.m. on Friday, 15 February 2008 or such further period or periods as our Directors and in their absolute discretion may mutually decide.

If the closing date of the application is extended, the dates for the balloting, allotment and listing of our entire issued and paid-up share capital on the Second Board of Bursa Securities would be extended accordingly and we will notify the public via an advertisement in a widely circulated daily English and Bahasa Malaysia newspapers within Malaysia.

3. PARTICULARS OF THE IPO (Cont'd)

3.3 Purpose of the IPO or Flotation Exercise

The purposes of the IPO or Flotation Exercise are as follows:

- (i) to enhance the stature and corporate profile of our Group. The IPO or Flotation Exercise can help us to create greater public awareness and corporate visibility of our Group through media and publicly filed documents. This will provide indirect benefits such as creating brand awareness, instilling confidence and pride amongst our business partners, employees and customers.
- (ii) to provide an opportunity for the Malaysian Public, eligible Directors and employees, and other persons who have contributed to our success to participate in the continuing growth of our Group by way of equity participation;
- (iii) to enable our Group to gain access to the capital markets for funds to finance our future expansion and continued growth; and
- (iv) to obtain a listing of and quotation for our Company's entire issued and paid-up share capital on the Second Board of Bursa Securities.

3.4 Share Capital

	No. of Shares	RM
Authorised share capital	<u>200,000,000</u>	<u>100,000,000</u>
Issued and paid-up share capital		
As at the date of this Prospectus	68,000,000	34,000,000
To be issued and credited pursuant to the Public Issue	12,000,000	6,000,000
Enlarged issued and fully paid-up share capital upon Listing	<u>80,000,000</u>	<u>40,000,000</u>
Existing Shares to be offered pursuant to the Offer For Sale	24,000,000	12,000,000

We have only one class of shares, being ordinary shares of RM0.50 each. The IPO Shares will rank pari passu in all respects with our other existing shares including voting rights and will be entitled to all rights and dividends and distributions that may be declared subsequent to the date of allotment thereof.

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

At any of our general meeting, each ordinary shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative of a shareholder shall have one vote, and on poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a member of our Company.

3. PARTICULARS OF THE IPO (Cont'd)

3.5 Details of the IPO

3.5.1 Public Issue

The Public Issue of 12,000,000 Shares, representing 15.00% of our enlarged issued and paid-up share capital, at an issue price of RM0.78 per Share are payable in full upon application, is subject to the terms and conditions of this Prospectus and will be allotted in the following manner:

(i) **Malaysian Public**

6,000,000 Public Issue Shares, representing 7.50% of our enlarged issued and paid-up share capital will be made available for application by the Malaysian Public to be allocated via ballot, of which 30.00% will be set aside for Bumiputera investors.

(ii) **Eligible Directors and employees, and other persons who have contributed to the success of our Group**

4,500,000 Public Issue Shares, representing approximately 5.62% of our enlarged issued and paid-up share capital will be made available for application by the eligible Directors and employees, and other persons who have contributed to the success of our Group. A total of three (3) eligible Directors, seventy one (71) employees and/or forty three (43) business associates of our Group have been allocated with pink form shares.

The criteria for the allocation to our eligible employees is based on, inter-alia, their staff grade and length of service in our Company.

The Pink Form Allocation to the Directors are as follows:

Name	Designation	Pink Form Allocation
Amrik Singh Harcharan Singh	Independent Non-Executive Director	80,000 Shares
Wong Tun Boon	Independent Non-Executive Director	20,000 Shares
Tang Nai Soon	Independent Non-Executive Director	400,000 Shares

(iii) **Selected investors by way of private placement**

1,500,000 Public Issue Shares, representing approximately 1.88% of our enlarged issued and paid-up share capital will be made available for application by way of private placement to selected investors.

3.5.2 Offer For Sale

The offer for sale of 24,000,000 Shares representing 30.00% of our enlarged issued and paid-up share capital, at the IPO Price to Bumiputera investors approved by the MITI.

There is no minimum subscription amount to be raised from the Public Issue. All the Public Issue Shares under Section 3.5.1 (i) and 3.5.1 (ii) above have been fully underwritten by the Underwriter.

3. PARTICULARS OF THE IPO (Cont'd)

Any portion of the Public Issue Shares which are not subscribed by the eligible Directors, employees and other persons who have contributed to the success of our Group will be made available for subscription by the members of Malaysian Public. Thereafter, any remaining Public Issue Shares not subscribed for will be made available for subscription by the Underwriter pursuant to the Underwriting Agreement dated 2 January 2008.

The Public Issue Shares under Section 3.5.1 (iii) will not be underwritten as irrevocable undertakings have been obtained from the selected investors to subscribe for their respective entitlements. The Offer Shares under Section 3.5.2 are not underwritten.

3.6 Basis of Arriving at the IPO Price

The IPO price of RM0.78 per Share was determined and agreed upon by our Directors, Offerors and PIVB as the Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:

- (i) our Group's operating and financial history and position as outlined in Section 5 and Section 11 of this Prospectus;
- (ii) our Group's forecasted net EPS of 10.65 sen (computed based on our forecasted consolidated PAT before pre-acquisition profit of approximately RM8.52 million for the financial year ending 30 April 2008 and our enlarged issued and paid-up share capital of 80,000,000 Shares), and our forecasted net PE Multiple of approximately 7.32 times for the financial year ending 30 April 2008 as set out in Section 11 of this Prospectus;
- (iii) future plans, strategies and prospects of our Group as outlined in Section 5 of this Prospectus;
- (iv) our proforma consolidated NTA per Share after the IPO of RM0.52 computed based on the proforma consolidated NTA of RM41.76 million as at 31 October 2007 and the enlarged issued and paid-up share capital of 80,000,000 Shares;
- (v) the forecasted net dividend yield of 1.42% as set out in Section 11 of this Prospectus; and
- (vi) outlook of the thermo-vacuum formed plastic packaging industry as set out in Section 6 of this Prospectus.

Our market capitalisation will be RM62,400,000, derived based on the IPO Price and our enlarged issued and paid-up share capital of 80,000,000 Shares.

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

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3. PARTICULARS OF THE IPO (Cont'd)

3.7 Utilisation of Proceeds

The total gross proceeds of approximately RM12.93 million from the Public Issue and Rights Issue will be utilised by our Group in the following manner:

	Note	Estimated timeframe for utilisation from the date of Listing	Proceeds RM'000
Acquisition of plant & machinery	(1)	Within 24 months	3,165
Repayment of bank borrowings	(2)	Within 12 months	5,000
Working capital	(3)	Within 12 months	3,167
Defray estimated listing expenses	(4)	Within 12 months	1,600
			12,932

Notes:

- (1) We propose to utilise approximately RM3.17 million for the expansion of our production lines. We plan to improve the capacity of our production lines by investing in additional five (5) high-speed automated thermo-vacuum forming machines between financial year ending 30 April 2008 and financial year ending 30 April 2009. Automated thermo-vacuum forming machine is used to form thermo-vacuum formed plastic packaging. One of the high-speed automated thermo-vacuum forming machines that we intend to purchase is the thermo-press machine to produce "egg trays" with lock clip. In financial year ending 30 April 2008, we plan to purchase another one (1) unit of single-layer sheet extruder for HIPS and PP sheets. We also plan to purchase two (2) sets of cutting machine, in financial year ending 30 April 2008 and financial year ending 30 April 2009, respectively. This is to cater for the increase in demand of our products and to ensure that our products are delivered on a timely basis to customers.
- (2) We plan to allocate approximately RM5.00 million to repay part of our bank borrowings as follows:

Name of Bank	Type of bank borrowings	Outstanding amount as at 31 October 2007 RM'000	Utilisation of proceeds RM'000
RHB Bank Berhad	Hire purchase	1,803	1,000
Public Bank Berhad	Term loan	5,399	4,000
Total		7,202	5,000

The repayment is expected to contribute to an estimated interest savings of approximately RM225,000 per annum based on the average interest rate of 4.5%.

- (3) The balance of the proceeds will be used as general working capital for our Group to support our existing business operations, which includes financing our purchases and operating expenses.
- (4) The estimated listing expenses are as follows:

	RM'000
Professional fees	820
Underwriting, brokerage and placement fees	200
Printing of Prospectus and advertising fees	200
Issuing House	100
Fees to the authorities	100
Miscellaneous	180
Total	<u>1,600</u>

Any difference arising from the proposed utilisation as set out above will be adjusted accordingly to our working capital requirements.

3. PARTICULARS OF THE IPO (Cont'd)

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

The Offer For Sale will raise gross proceeds of approximately RM18.72 million. This amount shall accrue entirely to the Offerors and no part of the proceeds shall be receivable by us. The Offeror shall bear all expenses such as stamp duty, registration and share transfer fees relating to the Offer Shares.

3.8 Brokerage, Placement Fees and Underwriting Commission

3.8.1 Brokerage

Brokerage fees is payable by us in respect of the Public Issue Shares at the rate of 1.0% on the IPO price of RM0.78 per Share in respect of successful applications which bear the stamps of PIVB, participating organisation of Bursa Securities, members of the Association of Banks in Malaysia, members of Malaysian Investment Banking Association or MIDFCCS.

3.8.2 Placement Fees

The placement fees is payable by our Company to the Placement Agent at a rate of up to 2.0% of the IPO Price for each Public Issue Share placed out.

3.8.3 Underwriting Commission

We had entered into a conditional underwriting agreement with PIVB on 2 January 2008 ("**Underwriting Agreement**") to underwrite 10,500,000 Public Issue Shares available for application by the Malaysian Public, the eligible Directors and employees, and other persons who have contributed to the success of our Group.

The underwriting commission is payable by our Company at a rate of 2.0% of the IPO price of RM0.78 for the 10,500,000 Public Issue Share underwritten.

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3. PARTICULARS OF THE IPO (Cont'd)

3.9 Salient Terms of the Underwriting Agreement

The following salient terms are reproduced from the Underwriting Agreement. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

Clause 4 - Conditions Precedent For Underwriting

4.1 Conditions Precedent: *The several obligations of the Underwriter under this Agreement shall further be conditional upon: -*

- (a) **SC & ROC:** *the acceptance for registration with the SC and the lodgement with the ROC respectively of the Prospectus together with copies of all documents required under Section 42 of the Act prior to the issuance of the Prospectus to the public;*
- (b) **Issuance of Prospectus:** *the issuance of the Prospectus (including advertisement of the Prospectus and all other procedures, requirements, letters and documents) required under Section 42 of the Act to the public within three (3) months from the date hereof or such extension as consented by the Underwriter;*
- (c) **Material Adverse Condition:** *there having been, as at any time hereafter up to and including the Closing Date, the date adopted in the Prospectus as the last date for acceptance and receipt of application for the subscription to the Public Issue Shares or such other later date as the Company and the Underwriter may agree upon; no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Company and its subsidiaries (which in the reasonable opinion of the Underwriter is or will be material in the context of the issue of the Public Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in Clauses 3.1 and 3.2 if they are repeated on and as of the Closing Date;*
- (d) **No Prohibition:** *the issue, offering and subscription of the Public Issue Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);*
- (e) **Approvals:** *all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;*
- (f) **Payment of Expenses:** *the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 13;*

3. PARTICULARS OF THE IPO (Cont'd)

- (g) **Resolutions:** the delivery to the Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 4.1(c);
- (h) **Report & Confirmation:** the delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Board of Directors of the Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company or its subsidiaries nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in Clause 3 as though they have been given and/or made on such date; and
- (i) **Rights Issue:** completion of the Rights Issue prior to the issuance of the Prospectus.
- 4.2 **Non-Fulfilment of Conditions Precedent:** In the event any of the conditions set forth in Clause 4.1 are not satisfied by the Closing Date, the Underwriter shall thereupon be entitled but not bound to terminate this Agreement by notice given to the Company not later than three (3) market days after the Closing Date and upon such termination the Company and the Underwriter shall be released and discharged from their obligations save for the Company's obligations pursuant to Clause 3.3 and 13 and none of the parties shall have a claim against the other save for antecedent breaches by the Company and claims arising therefrom. Each party shall in such event return any and all moneys paid to the other under this Agreement within seventy-two (72) hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses as provided in Clause 13). The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under this Agreement.

Clause 14 - Termination, Lapse of Agreement or Force Majeure

14.1 **Events of Termination:** Notwithstanding anything herein contained, the Underwriter may by notice in writing to the Company given at any time on or before the allotment and issuance of the Public Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if: -

14.1.1 **Breaches in Representations, Warranties or Undertakings:** there is any breach by the Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to this Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company's group, the success of the Public Issue, or the distribution of the Public Issue Shares; or

3. PARTICULARS OF THE IPO (Cont'd)

- 14.1.2 Information Withheld:** *there is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company's group and the success of the Public Issue, or the distribution of the Public Issue Shares; or*
- 14.1.3 Material and/or Adverse Changes:** *there shall have occurred, happened or come into effect any material and/or adverse change to the business or financial condition of the Company or any of its subsidiaries; or*
- 14.1.4 Force Majeure:** *there shall have occurred, happened or come into effect any of the following circumstances: -*
- (a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or*
 - (b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Company or any of its subsidiaries and the success of the Public Issue, or the distribution of the Public Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or*
 - (c) if in the reasonable opinion of the Underwriter that the success of the Public Issue is seriously and/or materially jeopardised by the Kuala Lumpur Composite Index falling below 1,000 points and remaining below 1,000 points for three (3) consecutive Market Days at any time between the date of this Agreement and up to and including the Closing Date;*
- 14.1.5 Failure to Perform Obligations:** *there is failure on the part of the Company to perform any of their respective obligations herein contained.*
- 14.2 Underwriter Obligations Discharged:** *Upon such notice(s) being given under Clause 14.1, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby this Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of this Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies and for any antecedent breach, and its undertaking to indemnify the Underwriter pursuant to the provisions of Clause 3.3.*

4. RISK FACTORS

Prior to making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks set out below. The risks set out below are not an exhaustive list of the challenges that we currently face or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

Risks relating to our Group and Industry

4.1 Business Risks

Our Group is principally involved in the manufacturing and trading of plastic products. Generally, sales of our products are subject to certain risks associated with, amongst others, changes in consumers' preferences, competition, absence of long term written contracts, fluctuating costs of raw and semi-raw materials and operational costs. In addition, demand for our products are dependent on the performance of various industries such as the food processing, E&E and pharmaceutical industries and as such, our Group is also exposed to risks inherent in these industries.

Our Group seeks to limit these business risks by focusing our resources on continuous marketing efforts, improvements in product RDD and mould design capabilities, and maintaining excellent customer service. Our Group is also able to constantly update our product and mould designs as we focus on conducting RDD to gather market information through customers' feedback and market observation to better understand customers' preferences and keep abreast with the latest development in the industry. In addition, our Group is also able to concentrate on our product quality by implementing stringent QC procedures and focus on developing marketing plans to enhance our market presence. Due to the wide range of customers from various industries stated above, our Group has, to a certain extent, limited the risks inherent in these different industries. As a result, we are able to cushion any decrease in demand from any of these industries.

Nevertheless, there can be no assurance that any change to the business risks will not have a material adverse effect on our Group's business.

4.2 Fluctuating Cost of Raw and Semi-Raw Materials

We are subjected to increasing costs of raw and semi-raw materials as a result of escalating crude oil prices. In addition, it is normally difficult to keep a large amount of stock as there are different varieties of thickness and type of extrusion sheets. We mitigate the increases in the cost of our raw and semi-raw materials by transferring this cost to our customers. We believe that our customers will remain with us, even though there is an increase in price, due to the superior attributes of our products and services.

Nevertheless, we consistently strive to keep our cost of production low for our benefit as well as for the benefit of our customers. In order to cut our production cost and to increase our stock of materials, we have started manufacturing some of our own semi-raw materials, namely APET, PET-G, GAG, HIPS and PP sheets. Besides that, in the financial year ending 30 April 2008, we plan to purchase another unit of extruder machine to further increase the production of our own semi-raw materials. In addition, due to our long-term relationships with most of our customers, we are able to gauge the raw and semi-raw materials that we will need and are able to keep approximately 2½ months worth of stock.

However, there is no assurance that increases in the costs of raw and semi-raw materials would not materially affect our Group's operations and financial condition.

4. RISK FACTORS *(Cont'd)*

4.3 Absence of Long-Term Agreements with Customers or Suppliers

The nature of the thermo-vacuum formed plastic packaging industry is such that companies do not have any long-term agreement with its customers and/or suppliers due to the price competitiveness of the industry. The failure to secure future orders due to the absence of long-term contracts may have a material adverse effect on the future financial performance of companies.

Despite the absence of long-term agreements with its customers, established industry players do not foresee termination of service from their customers as these companies have the capability to collaborate with customers on many aspects including mould and tooling design, as well as product quality issues. These companies would have earned the confidence and recognition of their customers due to the proven track records in delivering high quality products that satisfy the stringent specifications and requirements in a consistently prompt manner. Furthermore, in the event of complete termination of orders, the “switching-cost” of moving from one (1) supplier to another, from the customer’s point of view, is also not economically viable and requires a long gestation period of acceptance.

(Source : Independent Market Research Report by D&B Malaysia)

In order to mitigate the risk of having no long-term agreements, we have established a close working relationship with our customers and suppliers.

We constantly strive to meet or exceed our customers’ expectations in terms of the quality of our products and the timeliness of our delivery. As such, we have seventy nine (79) customers who have been customers for more than ten (10) years as at 31 October 2007. These customers collectively contribute more than 42% of our sales for the financial period ended 31 October 2007. Meanwhile, we maintain good relationships with our suppliers by being good paymasters. At present, more than 41% of the suppliers for our thermo-vacuum forming process-related materials have been with us for more than five (5) years as at 31 October 2007. Similarly, more than 59% of the suppliers for our extrusion materials have been our suppliers since we started manufacturing extrusion sheets three (3) years ago.

Our Board is of the opinion that most of our customers are repeat customers, and will continue to be customers until there is a negative development relating to our plastic packaging products or other products that come into the market that are more cost effective. Further, although our Group does not have long-term agreements in place, our Group has over the years, through our Directors, enjoyed good relationships with our customers and suppliers. With our Group’s ability to cater to our customers’ need and demand for high product quality, as well as maintaining timely product delivery to them, we have consistently obtained recurring orders. To alleviate the dependence on key customers, we are also expanding our product range as well as our target markets. We also enjoy long-term relationships with our suppliers and are not dependent on any one (1) supplier, and can easily obtain our materials from other suppliers should the need arise.

However, there can be no assurance that our Group’s business relationship with the customers or suppliers will not be disrupted and the loss of any of our customers or suppliers will not have adverse impact on the operations and financial condition of our Group.

4. RISK FACTORS *(Cont'd)*

4.4 Risk of Competition

Overall, players in the thermo-vacuum formed plastic packaging industry are fragmented with each player servicing different end-users, which include industries such as food and beverage, E&E, healthcare and medical devices, pharmaceuticals, textiles and apparels, agriculture and plantation, as well as to other manufacturing industries in general.

Most of the industry players, especially those of a smaller outfit, are focused on producing common low-quality plastic packaging products. However, some of these players were also found to be exporting to a limited number of countries. The larger players are involved in a diverse range of plastic packaging products which are usually customised to comply with customers' specifications and requirements to meet the end-product dimensions and characteristics. Over the years, the demand for thermo-vacuum formed plastic packaging products has been on a rising trend and standards required by customers have also been increasingly more stringent and challenging.

Some larger players have moved up the value-chain towards higher-end thermo-vacuum formed plastic packaging services in terms of materials used and processes, which are commonly integrated with complementary services such as logistics and other forms of value-added services. Examples of key local industry players include the SCGM Group, Hiro Food Packages Manufacturing Sdn Bhd, Asiatic Plastic Packaging Industries Sdn Bhd, GWI Manufacturing Sdn Bhd, Guang Heng Plastic Industries Sdn Bhd, Multiplex Packaging Sdn Bhd and Sup-Form Industries Sdn Bhd. These selected players make up the majority of the thermoformed plastic packaging market in Malaysia.

(Source : Independent Market Research Report by D&B Malaysia)

Our Group competes with the larger players in the industry, which includes moving up the value chain towards higher quality thermo-vacuum formed plastic packaging products as well as providing value-added services such as preparing new mould patterns or designs from information received from customers and competing in provision of excellent customer services, amongst others. Other principal elements of competition include amongst others, ability to achieve economies of scale, quality product and prompt delivery, strong financial backing, quickness of time-to-market for products and good cost control management. In addition, as we expand into new overseas markets or new product lines, we may face significant competition in these new markets on new product lines which may adversely affect our operations and financial condition.

In order to compete effectively in the industry, our Group will strive to expand our production lines by investing in additional thermo-vacuum forming machines and extruder machines. Our Group also has plans to enhance its manufacturing facilities and improve its mould design capabilities. Our Group's management believes that our innovative mould making capabilities are essential to gain competitive advantage over our rivals, since we will be able to quickly design products based on customers' preferences. This in turn ensures more quality and efficiency in production and ultimately lowers the costs of production.

However, there is no assurance that our Group will be able to compete successfully in the future against existing and potential competitors or that our business and prospects will not be adversely affected by increased competition.

4. RISK FACTORS *(Cont'd)*

4.5 Dependency on our Directors and Key Management

We believe that our continued success will depend, to a significant extent, upon the abilities and continued efforts of our Directors as well as our Group's key management. We are managed by qualified personnel with vast experience in the thermo-vacuum formed plastic packaging industry. The loss of any of our Directors or our key management may adversely affect our Group's continued ability to compete and grow in the industry.

To ensure smooth succession planning, the Managing Director and Executive Directors are actively giving on-the-job training to the other key management personnel to manage all aspects of the business effectively. Effort is also made by our Group to groom other existing members of our management team to assume more responsibilities in preparation for long-term expansion. In addition, our Directors recognise the importance of our Group to attract and retain skilled and capable personnel. As such, we have in place our human resource strategy which includes providing competitive and performance based remuneration and reward schemes, and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities.

Nevertheless, there can be no assurance that the above measures will always be successful in retaining key personnel or ensuring smooth succession should changes occur.

Please refer to Section 7.1.3 and 7.3.2 of this Prospectus for the profiles of our Directors, key management and key technical personnel.

4.6 Dependency on Supply of Labour

As at 31 December 2007, our Group has 336 employees, 191 of which are foreign workers who are mainly employed as general workers in our Group. The foreign workers are employed on a contractual basis and are more cost effective to hire as compared to hiring local workers. The foreign workers are mainly sourced from Bangladesh, Indonesia, Vietnam and Nepal and have been issued with valid employment permits. Our Directors believe that our Group will not face any labour shortages in the foreseeable future.

Nevertheless, any changes in regulations or policies such as an increase in foreign workers' levy or permit charges may adversely affect our Group's business and financial condition. Our Group therefore has taken steps to maintain good relationship with our foreign workers such as providing continuous training and promotion of a working environment that is conducive. We strive to promote a safe and healthy work environment as well as a positive working culture for our employees. As such, our employees can continuously improve themselves, grow with us and work in a safe and comfortable environment.

4.7 Dependence on Principal Markets

As at 31 October 2007, our Group's products were sold mainly in Malaysia and Singapore, which contributed approximately a total of 91% of our Group's total revenue. Despite the high amount of sales in these two (2) countries, our Group serves seventy nine (79) customers spread across fourteen (14) countries up to 31 October 2007. Our Group has presence in markets such as the Middle East (Dubai U.A.E.), the USA and other Asian countries such as HKSAR, Brunei, Indonesia and Thailand, amongst others, and will maintain its marketing efforts in these markets in the foreseeable future. This diversity in various foreign markets coupled with our Group's steadfast efforts in its continuous marketing efforts reduces our Group's dependency on the performance of any one particular market. Our Group plans to develop our products' potential in new overseas markets such as the PRC, where we have been participating in trade fairs and exhibitions to promote our products. While our Group continues to promote products in or expand into foreign markets, there can be no assurance that our Group will continue to be successful in penetrating into new markets nor can there be any assurance that our Group would be able to sustain and continue to grow in the existing markets.

4. RISK FACTORS (Cont'd)

4.8 Risks of Infringement of Trade Marks and Industrial Designs

In order to prevent any infringement of our Group's intellectual property in Malaysia, our Group had successfully registered a total of ten (10) trademarks and industrial designs with the Intellectual Property Corporation of Malaysia as at 31 December 2007.

Our Directors believe that our Group has taken reasonable steps in the protection of our intellectual property rights and if the need arises, our Group is prepared to initiate legal proceedings against parties deemed to have infringed our Group's trade marks and industrial designs. Nevertheless, there can be no assurance that our Group will be able to protect our trade marks or industrial designs against unauthorised third party use or exploitation, which could have a material adverse effect on our Group and may lead to loss of sales or reduced customer confidence.

4.9 Risk of Expansion of Business

Our Group has plans to develop our Group's product potential in new overseas markets such as the PRC. In the foreseeable future, our Group may also expand into other markets as well as to diversify our range of products. Substantial management resources will be devoted to launch our new range of products and expand our operations in these new markets. However, there is no guarantee that these new sales and marketing efforts will be successful or contribute significant revenue and profit to our Group. Any such failure could have an adverse impact on our business, financial condition and operating results. Our Group will also be subject to additional risks as we are operating in foreign countries that could harm our financial condition and operating results. These risks include amongst others, required compliance with or unexpected changes in local regulatory requirements, fluctuations in currency exchange rate, any imposition of currency exchange and capital controls, difficulties and cost of staffing and managing overseas operations, and poor market acceptance of our plastic packaging products.

Our Group will conduct analysis of potential new markets prior to making any decision on expansion of our business in certain target markets in order to limit the risk associated with expansion of the business. However, there is no assurance that our Group will be able to successfully penetrate into new markets and that we can expand our existing market share within and outside Malaysia.

4.10 Financial Risks**Borrowings/Credit Facilities**

Save as disclosed in Section 11, our Group has no other borrowings in the form of amongst others, term loans, trust receipts, letters of credit, bankers' acceptance or hire purchase financing. At present, we are able to meet our financial obligations through a combination of internally generated funds and external credit facilities. We are of the opinion that our prudent cash flow management will be able to generate sufficient funds for the repayment of bank borrowings and credit facilities.

Pursuant to the credit facility agreements entered into by our Group with banks and financiers, we are bound by certain restrictive covenants which may limit our Group's operating and financial flexibility. The aforesaid covenants are typically contained in credit facility agreements of such nature in Malaysia. Any act by our Group falling within the ambit or scope of such covenants will require the consent of the relevant banks and financiers. Breach of such covenants may give rise to a right by the banks and financiers to terminate the credit facilities and/or enforce any security granted in relation to that credit facilities. Our Directors are aware of such restrictive covenants and shall take all precautions necessary to prevent such breach.

4. RISK FACTORS (Cont'd)

There can be no assurance that our Group's performance would remain favourable in the event of adverse changes in interest rates or loaned amounts. Our failure to repay our borrowings or service our interest in future may have a material adverse effect on us.

Material Commitments and Indebtedness

Save as disclosed in Section 11, there are no material commitments or indebtedness incurred or known to be incurred by our Group which may have a substantial impact on the financial position of our Group.

However, there can be no assurance that our Group will not have any further material commitments or indebtedness in future.

4.11 Foreign Currency Fluctuation Risk

For the FYE 2007, our products are sold in overseas markets, namely Singapore, HKSAR, Brunei, USA, Dubai U.A.E., French Polynesia, India, Australia, New Zealand, Indonesia, Thailand, Pakistan and Bosnia and Herzegovina. Going forward, our Group intends to expand our business into the PRC. Hence, we will be exposed to foreign exchange risks as a portion of our business transactions are carried out in foreign currencies. We trade with our Singapore customers and other overseas customers and suppliers in Singapore dollars and mainly in US dollars, respectively.

For our overseas customers, we set our selling price in Singapore dollars (for Singapore customers) or US dollars (for other overseas customers), and we adjust our selling price as and when there are significant changes in the exchange rate. Meanwhile, to mitigate the risk of fluctuating exchange rates when purchasing materials from our overseas suppliers, we endeavour to purchase our materials from local suppliers, whenever possible. We also manufacture our own extrusion sheets, namely APET, PET-G, GAG, HIPS and PP sheets, to reduce dependency on our suppliers.

However, there is no assurance that future significant fluctuations in exchange rates or financial crisis will not have material impact on our Group's revenue and earnings.

4.12 Control by Promoters/Substantial Shareholders

Following the IPO, our Promoters/substantial shareholders will collectively hold, directly and indirectly, approximately 55.0% of our enlarged issued and paid-up share capital at the point of Listing. As a result, it is likely that these shareholders will be able to effectively control the outcome of certain matters requiring the vote of our shareholders, amongst others, the constitution of our Board and thus the direction and future operations of our Group, decisions regarding acquisitions and other business opportunities, the declaration of dividends and the issuance of additional shares and other securities, unless they are required to abstain from voting by law and/or relevant authorities.

This risk will be mitigated by the appointment of three (3) Independent Directors to our Board and the setting up of an audit committee to oversee the overall operations and corporate governance of our Group. This is to ensure that all decisions made by our Board are to the best interest of our shareholders.

4. RISK FACTORS (Cont'd)

4.13 Emergency Risks and System Failure

As with any business, our Group is susceptible to the normal emergency and security risks in the form of amongst others, breakout of fire, electricity disruptions, theft, and computer viruses, natural disasters such as flood. These aforementioned risks may result in significant damage to our thermo-vacuum forming and extruder machines, which will affect our operations and thus our business and financial performance.

To further mitigate these risks, our Group has in place the following risk management practices and pre-emptive measures:

- (i) Our Group carries out regular service and maintenance of our thermo-vacuum forming and extruder machines to ensure that they are in good condition and to minimise the frequency of breakdowns;
- (ii) Installation of closed-circuit television cameras at our Group's premises;
- (iii) The head office is installed with fire fighting systems such as hose reel, smoke detectors, fire extinguishers;
- (iv) The head office is guarded twenty four (24) hours by security guards; and
- (v) We train our employees on the necessary procedures to be performed in event of a natural disaster. We also train our employees on procedures relating to other emergency risks such basic fire-fighting techniques in case of breakout of fire.

In addition, as stated in 4.14 below, our Group has taken reasonable measures to ensure that our assets are adequately covered by insurance in order to mitigate the losses which may arise as a result of insured contingencies. Whilst we believe that we have taken the necessary precautionary steps to limit these risks, there is no assurance that these risks will not materially affect our business and that our insurance coverage will be sufficient to cover all our potential losses.

4.14 Adequacy of Insurance Coverage

Our Group is aware of the adverse consequences arising from inadequate insurance coverage. We endeavour to carry out periodic review to ensure that our assets are adequately insured. At present, our Group has insurance coverage for its assets such as fire, burglary, equipment, motor vehicle, consequential loss and public liability, amongst others, to insure against unforeseen events. However, there is no assurance that the insurance coverage would be adequate to cover the potential financial losses arising from such events. Our Group would have to bear the financial costs of the uninsured amount.

Furthermore, our Group continues to be exposed to the risk of damage resulting from riot, general strike, acts of terrorism and any other risks which cannot be reasonably or capable of being insured against.

4. RISK FACTORS (Cont'd)

4.15 Economic, Political and Regulatory Risks

Adverse developments in political, economic and regulatory conditions in Malaysia and other countries in which our Group presently operate and/or plan to operate, could materially and adversely affect the financial prospects of our Group. Political and economic uncertainties that could unfavourably affect our Group include, amongst others, changes in political leadership, risk of war, nullification of existing orders, global economic downturn, changes in interest rates, methods of taxation and currency exchange rules and contracts. Our Group could also be affected by new laws, regulations and guidelines that are introduced to govern the manufacturing and trading of plastic packaging products. There are various government incentives to stimulate growth of the plastic packaging industry, for instance, incentives for exemplary environmental management, exemption from import duty on raw materials and exemption from import duty and sales tax on machinery and equipment. The withdrawal of any of those initiatives may have a negative effects on our Group's operating and financial condition.

Although our Group strives to continue adopting a prudent approach on our financial management as well as efficient operating procedures, there is no assurance that adverse political, economic and regulatory development will not have a material impact on our Group.

Risks relating to investment in our Shares**4.16 No Prior Market for Our Shares**

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

The IPO Price per Share was determined after taking into consideration a number of factors, including amongst others, our Group's financial and operating history and position, our future plans and the prospects for the thermo-vacuum formed plastic packaging industry in which our Group operates. As such, the price at which our Shares will trade on the Second Board of Bursa Securities would be dependent upon market forces beyond our control.

4.17 Profit Forecast and Forward-Looking Statements

This Prospectus contains the consolidated profit forecast for the financial year ending 30 April 2008 of our Group which is based on assumptions that are subject to uncertainties and contingencies. Our Directors have considered the assumptions used in the preparation of the consolidated profit forecast to be reasonable. However, due to the inherent uncertainties of the profit forecast and given that events and circumstances may not occur as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different from those shown or expected. You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the profit forecast contained herein.

In addition, certain statements in this Prospectus are based on historical data, which may not be reflective of future results, and others are forward-looking in nature, i.e. those other than statements of historical facts, which are subject to uncertainties and contingencies. Forward-looking statements in this Prospectus includes amongst others, statements regarding our business strategy, plans and objectives for our future operations. Although our Group believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove correct in the future. In light of these uncertainties, the inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation or warranty by us or our advisers that the plans and objectives of our Group will be achieved.

4. RISK FACTORS *(Cont'd)*

4.18 Failure or Delay in the Listing

The occurrence of certain events, including the following may cause a delay in or non-implementation of our Listing:

- (i) the places identified under the private placement and Bumiputera investors approved by the MITI fail to take up the portion of the Shares allocated to them;
- (ii) the Underwriter exercise its rights pursuant to the Underwriting Agreement to discharge itself from its obligations thereunder; or
- (iii) we are unable to meet the public spread requirement, that is, at least 25% of the total number of shares for which listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares at the point of our admission to the Second Board of Bursa Securities.

Although our Directors will endeavour to ensure our compliance of the various Listing Requirements, including, *inter-alia*, the public spread requirement imposed by Bursa Securities for the Listing, no assurance can be given that these factors will not cause a delay in or non-implementation of our Listing.

4.19 Potential Acquisitions and Joint Ventures/Investment Activities

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

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

4.20 Future Capital Injections

Our Directors believe that the net proceeds from the Rights Issue and Public Issue, together with cash flows generated from our Group's operations and other existing sources of funds, will be sufficient to meet our Group's projected working capital and other cash requirements.

However, future events such as the potential acquisition and joint ventures/investment activities stated in 4.19 above may cause our Group to seek additional capital sooner. Required additional capital may not be available or if available, it may not be acquired on terms satisfactory or favourable to our Group. The issue of additional equity by us may result in the dilution of interests of our shareholders.