www.globaltec.com.my

億利達控股有限公司

Globaltec Formation Berhad

(formerly known as Temasek Formation Berhad) (953031-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Head Office
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Seksyen 16, 40200 Shah Alam
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GLOBALTEC FORMATION BERHAD
(formerly known as Temasek Formation Berhad) (953031-A)

PROSPECTUS

P R O S P E C T U S

億利達控股有限公司

Globaltec Formation Berhad

(formerly known as Temasek Formation Berhad) (953031-A)
(Incorporated in Malaysia under the Companies Act, 1965)

LISTING OF GLOBALTEC FORMATION BERHAD *(FORMERLY KNOWN AS TEMASEK FORMATION BERHAD)* ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Principal Adviser/Joint Financial Adviser

Maybank Investment Bank

Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Financial Adviser

ASTRAMINA ADVISORY

ASTRAMINA ADVISORY SDN BHD (810705-K)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISKS FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

THIS PROSPECTUS IS ISSUED FOR INFORMATION PURPOSE ONLY. NO OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF OUR SHARES IS OR WILL BE MADE ON THE BASIS OF THIS PROSPECTUS.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

This Prospectus is dated 25 May 2012

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTER HAVE REVIEWED AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY AND CORRECTNESS OF THE INFORMATION GIVEN IN THIS PROSPECTUS. THEY CONFIRM, AFTER MAKING ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

MAYBANK INVESTMENT BANK BERHAD ("**MAYBANK IB**") AS OUR PRINCIPAL ADVISER AND JOINT FINANCIAL ADVISER, AND ASTRAMINA ADVISORY SDN BHD ("**ASTRAMINA**"), AS THE JOINT FINANCIAL ADVISER, ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS IN CONNECTION WITH OUR LISTING ON BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") ("**LISTING**").

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION MALAYSIA ("**SC**") HAS APPROVED OUR LISTING AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL OF THE SC, AND THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR LISTING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR COMPANY, THE ORDINARY SHARES OF RM0.10 EACH IN OUR COMPANY ("**SHARES**") OR THE ACQUISITIONS (AS DEFINED HEREIN) OR OUR LISTING.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US. THE SC ALSO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS AND MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS THAT 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 OUR LISTING. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

OUR COMPANY HAS OBTAINED THE APPROVAL FROM BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR OUR SHARES. OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR COMPANY, OUR SHARES, THE ACQUISITIONS OR OUR LISTING.

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

THIS PROSPECTUS HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES OF MALAYSIA WHICH TAKES NO RESPONSIBILITY FOR ITS CONTENTS. THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM BURSA MALAYSIA BERHAD'S WEBSITE AT www.bursamalaysia.com.

OUR SHARES TO BE LISTED ON BURSA SECURITIES ARE DISTRIBUTED TO THE RESPECTIVE SHAREHOLDERS OF JOTECH HOLDINGS BERHAD ("**JOTECH**"), AIC CORPORATION BERHAD ("**AIC**") AND AUTOV CORPORATION BERHAD AND WARRANT HOLDERS OF JOTECH AND AIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE LISTING FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THIS PROSPECTUS IS NOT INTENDED TO BE ISSUED, CIRCULATED OR DISTRIBUTED, AND THE ISSUANCE WILL NOT BE MADE IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA OR TO PERSONS WHO ARE SUBJECT TO THE LAWS OF ANY COUNTRY OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. THE ISSUANCE TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO PERSONS RECEIVING THIS PROSPECTUS WITHIN MALAYSIA.

WE WILL NOT MAKE OR BE BOUND TO MAKE ANY ENQUIRY IN RESPECT OF THE ISSUANCE AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA. WE WILL NOT ACCEPT ANY LIABILITY WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION TO IT. IT IS YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE ISSUANCE WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OR JURISDICTIONS OTHER THAN MALAYSIA.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT THE ISSUANCE WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE ISSUANCE IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION TO IT.

ELECTRONIC PROSPECTUS

CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM OUR COMPANY OR THE SHARE REGISTRAR, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

GENERAL INFORMATION AND INDICATIVE TIMETABLE

Please refer to "Definitions" commencing on pages vii to xiv respectively, for defined terms.

On 29 July 2011, we simultaneously made offers on substantially the same terms and conditions to Jotech, AIC and AutoV to acquire the Jotech Business, AIC Business and AutoV Business. Such simultaneous offers shall constitute a single consolidated offer for the purposes of achieving the merger of the Jotech Business, AIC Business and AutoV Business under a merged listed entity, being our Company, to create a more sizeable listed entity, thus enhancing economies of scale and giving rise to a stronger consolidated balance sheet and realising improved operational and administrative efficiencies.

On 15 September 2011, we entered into the Merger Agreement with Jotech, AIC and AutoV respectively.

We, Jotech, AIC and AutoV have received all requisite approvals for the Acquisitions (including the Share Issue), Distributions and Warrant Schemes. The Merger Agreement became unconditional on 20 April 2012 and as at the date of this Prospectus, the Acquisitions are completed. On completion of the Acquisitions, we own the Jotech Business, AIC Business and AutoV Business. The completion of the Distributions and Warrant Schemes took place on the same day as the completion of the Acquisitions.

Pursuant to the Acquisitions, a total of 5,273,646,228 Shares were issued as full consideration for settlement of the Aggregate Offer Consideration, as described in Section 4.3.1 of this Prospectus. The Issuance was made directly to the Entitled Holders as nominated by Jotech, AIC and AutoV respectively to be the recipients of the Aggregate Offer Consideration as part of the Distributions and Warrant Schemes.

We have set out below the total number of our Shares that were issued and paid to the Entitled Holders as nominated by Jotech, AIC and AutoV.

Company	Our Shares
Jotech	1,810,500,505
AIC	2,406,330,853
AutoV	1,056,814,870
Total	**5,273,646,228**

The timing of events leading up to our Listing is as follows:

Events	Date
Announcement of the Entitlement Date	20 April 2012
Entitlement Date	11 May 2012
Distribution of our Shares to the Entitled Holders	25 May 2012
Listing of our Shares on the Main Market of Bursa Securities	* 31 May 2012

Note:

* *Tentative date*

Our Shares will be credited into your CDS account(s) prior to the listing of our Shares on the Main Market of Bursa Securities.

You do not need to take any action nor make any payment to receive our Shares.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All defined terms used in this Prospectus are defined under **"Presentation of financial and other information"**, **"Definitions"** and **"Glossary of technical terms"** commencing on pages iv, vii and xv respectively.

All references to **"you"** are to the Entitled Holders; references to **"our Company"** are to Globaltec Formation Berhad; references to **"the Group"** and **"our Group"** in this Prospectus are to our Company and our subsidiaries, including our Group; and references to **"we"**, **"us"**, **"our"** and **"ourselves"** are to our Company and save where the context otherwise requires or permits, shall include our subsidiaries. References to **"our subsidiaries"** and **"our associated companies"** are to our subsidiaries and associated companies respectively. 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 as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to shares or treasury shares in respect of Jotech, AIC and AutoV are to the ordinary shares or treasury shares of Jotech, AIC and AutoV. All references to shareholders in respect of Jotech, AIC and AutoV are to the shareholders of Jotech, AIC and AutoV.

Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Other abbreviations used are defined in the **"Definitions"** section appearing on pages vii to xiv of this Prospectus while certain acronyms and technical terms used are defined in the **"Glossary of technical terms"** section appearing on pages xv to xvi of this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulation, enactment or rules of stock exchange for the time being in force.

All references to dates and times are references to dates and times in Malaysia.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the report prepared by Infobusiness Research & Consulting Sdn Bhd for inclusion in this Prospectus. We have appointed Infobusiness Research & Consulting Sdn Bhd to provide an independent market and industry review. In compiling their data for the review, Infobusiness Research & Consulting Sdn Bhd relied on industry sources, published materials, its own private databanks and direct contacts within the industry. The information on the industry as contained in this Prospectus and the other statistical data and projections cited in this Prospectus is intended to help you understand the major trends in the industry in which we operate. However, we and our advisers have not independently verified these figures.

Further, certain background information on substantial shareholders contained in this Prospectus was obtained from publicly available sources, which neither we nor our advisers have verified.

We and our advisers do not make any representation as to the correctness, accuracy or completeness of such data and accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures.

You should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website or the websites of any of the companies within the Jotech Group, AIC Group and AutoV Group or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

All references to the "**LPD**" in this Prospectus are to 30 April 2012 which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

All the information set out in this Prospectus is presented as at the LPD, unless otherwise indicated.

All references to the "**year ended**" in this Prospectus are to the respective financial year ended 31 December, as the case may be. References to the "**period ended/ending**" in this Prospectus are to the financial period in the number of months as stated in this Prospectus.

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FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, financial estimates, business strategies, prospects, 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) the demand for our products and services and general industry environment;

(ii) our business strategies, trends and competitive position and future plans;

(iii) plans and objectives of our Management for future operations;

(iv) our financial position;

(v) the regulatory environment and the effects of future regulation; and

(vi) 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 general economic, business, social, political and investment environment in Malaysia and globally;

(ii) government policy, legislation or regulation;

(iii) interest rates, foreign exchange rates and tax rates;

(iv) the competitive environment of our industry;

(v) delays, cost overruns, shortages in labour or problems with the execution of our growth plans;

(vi) the activities and financial health of our customers and suppliers;

(vii) fixed and contingent obligations and commitments; and

(viii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Sections 5 and 8 of this Prospectus. 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. Subject to us complying with the provisions of Section 238 of the CMSA, 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 to it or any change in events, conditions or circumstances on which any such statement is based.

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:

Act	:	Companies Act, 1965
Acquisitions	:	The acquisition of the Jotech Business, AIC Business and AutoV Business, collectively, based on the terms and conditions set forth in the Merger Agreement
Aggregate Offer Consideration	:	The Jotech Offer Consideration, the AIC Offer Consideration and the AutoV Offer Consideration, collectively
AIC	:	AIC Corporation Berhad (194514-M)
AIC Business	:	The entire business and undertakings of AIC, including all Assets and Liabilities of AIC as at the Completion Date
AIC Group	:	AIC and its subsidiaries, collectively
AIC Offer Consideration		The total offer consideration payable by us to AIC for the purchase of the AIC Business as set out in Section 4.3.1(ii) of this Prospectus
AIC Shares	:	Ordinary shares of RM1.00 each in AIC
AIC Warrants	:	Warrants of 2008/2018 issued by AIC constituted by a deed poll executed by AIC on 29 January 2008
Articles	:	Articles of Association of our Company
ASSB	:	AutoV Systems Sdn Bhd (318982-W)
Assets	:	All the rights, properties and assets of Jotech, AIC and AutoV to be sold and purchased pursuant to the terms and conditions of the Merger Agreement which includes the following but excluding the Excluded Assets:

(i) the shares in each subsidiaries and associate companies held by Jotech, AIC and AutoV, with the intent and agreement that at Completion, the registered and/or beneficial ownership of those number of shares (and their representative equity interest) in the companies directly held by Jotech, AIC and AutoV shall be transferred to us or our nominee(s);

(ii) the rights, title, interest and benefits in, to and under any of the agreements in respect of the Jotech Business, AIC Business and AutoV Business, whether in oral, written or electronic form, to which Jotech, AIC and AutoV are a party and which are wholly or partly to be performed after Completion, subject to the conditions and in accordance with the terms thereof;

(iii) the sum of the cash balances of Jotech, AIC and AutoV (including, but not limited to cash in hand and credited to any account with a bank, including fixed deposits) as at Completion Date;

DEFINITIONS *(Cont'd)*

Assets *(Cont'd)*	:	(iv)	the real properties registered in the name of and/or beneficially owned by Jotech, AIC and AutoV;
		(v)	the goodwill of Jotech, AIC and AutoV;
		(vi)	the motor vehicles of Jotech, AIC and AutoV;
		(vii)	the office equipment of Jotech, AIC and AutoV;
		(viii)	the plant and machinery of Jotech, AIC and AutoV;
		(ix)	all industrial and intellectual property rights and interests of Jotech, AIC and AutoV;
		(x)	the benefit (so far as the same can lawfully be assigned or transferred to us) of all rights and claims of Jotech, AIC and AutoV arising before the Completion Date out of or in connection with the Jotech Business, AIC Business and AutoV Business insofar as they relate to any of the assets or liabilities of Jotech, AIC and AutoV but excluding receivables;
		(xi)	the book and other debts receivable by or owing to Jotech, AIC and AutoV in connection with the Jotech Business, AIC Business and AutoV Business and the benefit of all securities therefore and all guarantees, indemnities and rights in respect of the same;
		(xii)	inventories and stock in trade;
		(xiii)	all other property, rights, permits, licences and assets used, enjoyed or exercised or intended to be used, enjoyed or exercised in connection with the Jotech Business, AIC Business and AutoV Business;
		(xiv)	the assumption that all the debts, liabilities, duties and obligations of Jotech, AIC and AutoV in respect of carrying on of the Jotech Business, AIC Business and AutoV Business or in respect of their Assets or otherwise; and
		(xv)	the benefit and assumption of all inter-company payables and other non-trade payables relating to the Jotech Business, AIC Business and AutoV Business
Astramina	:	Astramina Advisory Sdn Bhd (810705-K)	
AutoV	:	AutoV Corporation Berhad (108253-W)	
AutoV Business	:	The entire business and undertakings of AutoV, including all Assets and Liabilities of AutoV as at the Completion Date	
AutoV Group	:	AutoV and its subsidiaries, collectively	

DEFINITIONS *(Cont'd)*

AutoV Offer Consideration	:	The total offer consideration payable by us to AutoV for the purchase of the AutoV Business as set out in Section 4.3.1(iii) of this Prospectus
AutoV Shares	:	Ordinary shares of RM1.00 each in AutoV
Board	:	Our Board of Directors
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Business Day	:	A day (other than a Saturday, Sunday or public holiday) on which banks, licenced to carry on banking business under the provisions of the Banking and Financial Institutions Act 1989, are open for business in Kuala Lumpur
Capital Reduction	:	The capital reduction exercise in accordance with Section 64 of the Act, involving a reduction of the share capital and/or share premium reserve (if applicable) of Jotech, AIC and AutoV via cancellation of the issued and paid-up share capital of Jotech, AIC and AutoV, which shall require confirmation by the High Court of Malaya pursuant to Section 64 of the Act
Capital Repayment	:	The capital repayment exercise involving: (i) distribution-in-specie to all the Entitled Shareholders of our Shares to be received by Jotech, AIC and AutoV upon Completion; and (ii) distribution-in-specie to all the Entitled Shareholders of our Shares to be received by Jotech and AIC arising from their respective entitlement to our Shares (as shareholders of AIC and AutoV respectively) pursuant to the Distributions undertaken by AIC and AutoV
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CEO	:	Chief Executive Officer
CFSB	:	Cergas Fortune Sdn Bhd (738406-U)
CMSA	:	Capital Markets and Services Act, 2007
Completion	:	Completion of the sale and purchase of the Jotech Business, the AIC Business and the AutoV Business as contemplated under the terms of the Merger Agreement
Completion Date	:	25 May 2012, being the date the Completion took place in accordance with the terms of the Merger Agreement
Distributions	:	The Capital Reduction and Capital Repayment, collectively
EBIT	:	Earnings before interest and taxation
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation

DEFINITIONS *(Cont'd)*

EGM	:	Extraordinary general meeting
Entitlement Date	:	11 May 2012, being the date set by our Board in accordance with the Listing Requirements to determine the shareholders who are entitled to participate in the benefits and distribution pursuant to the Distributions
Entitled Holders	:	The Entitled Shareholders and Entitled Warrant Holders, collectively
Entitled Shareholders	:	The holders of the Jotech Shares, AIC Shares and AutoV Shares (as the case may be) whose names appear on the ROD of Jotech, AIC and AutoV respectively as at the Entitlement Date
Entitled Warrant Holders	:	The holders of the Jotech Warrants and AIC Warrants (as the case may be) whose names appear on the ROD of Jotech and AIC respectively as at the Entitlement Date
EPS	:	Earnings per share
Excluded Assets	:	The assets that shall not be part of the sale and purchase and transfer of the Jotech Business, AIC Business and AutoV Business and shall remain the property of Jotech, AIC and AutoV after Completion as set out below: (i) the shares of Jotech, AIC and AutoV held in treasury (if any); (ii) the common seal, statutory records and corporate records required by law to be retained by Jotech, AIC and AutoV; and (iii) all the rights of Jotech, AIC and AutoV under the Merger Agreement (including all rights in respect of the Aggregate Offer Consideration) and any other documents or instruments executed by Jotech, AIC and AutoV in connection with the Merger Agreement and our Shares to be received by Jotech, AIC and AutoV in settlement thereof
E&E	:	Electrical and electronics
FRS	:	Financial Reporting Standards
GFB or Company	:	Globaltec Formation Berhad *(formerly known as Temasek Formation Berhad)* (953031-A)
Group	:	Our Company and our subsidiaries, collectively
IMR Report	:	The Independent Market Research Report titled "Strategic and Competitive Analysis of Integrated Manufacturing Services in Malaysia" issued by Infobusiness Research and Consulting Sdn Bhd dated 12 October 2011 and updated on 4 April 2012
IMS	:	Integrated manufacturing services
Indonesia	:	The Republic of Indonesia
Issuance	:	Issuance of our Shares to the Entitled Holders pursuant to the Distributions and Warrant Schemes

DEFINITIONS *(Cont'd)*

Joint Financial Advisers	:	Maybank IB and Astramina, collectively
Jotech	:	Jotech Holdings Berhad (334818-P)
Jotech Business	:	The entire business and undertakings of Jotech, including all Assets and Liabilities of Jotech as at the Completion Date
Jotech Group	:	Jotech and its subsidiaries, collectively
Jotech Offer Consideration	:	The total offer consideration payable by us to Jotech for the purchase of the Jotech Business as set out in Section 4.3.1(i) of this Prospectus
Jotech Shares	:	Ordinary shares of RM0.10 each in Jotech
Jotech Warrants	:	Warrants of 2007/2012 issued by Jotech constituted by the deed poll of Jotech executed on 28 September 2007
Liabilities	:	All the debts, liabilities, duties and obligations in respect of the carrying on of the Jotech Business, AIC Business and AutoV Business or in respect of the Assets or otherwise, of every description, whether deriving from contract, common law, statute or otherwise, whether in Malaysia or elsewhere and whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly and as principal or surety, vested or unvested, determined, determinable or otherwise howsoever and whether or not the same is required to be accrued in the accounts or financial statements of Jotech, AIC and AutoV, which for the avoidance of doubt shall include all amounts owing by Jotech, AIC and AutoV to their creditors in connection with the Jotech Business, AIC Business and AutoV Business as at the Completion Date (whether or not invoiced and whether or not due and payable at that time), to be transferred to and/or assumed by us
Listing	:	Admission to the Official List and the listing of and quotation for our entire issued and paid-up share capital comprising of 5,273,646,248 Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 April 2012, being the latest practicable date prior to the registration of this Prospectus
LTAT	:	Lembaga Tabung Angkatan Tentera
MPSB	:	Malgreen Progress Sdn Bhd (245268-T)
Market Day	:	Day on which Bursa Securities is open for securities trading
Maybank IB	:	Maybank Investment Bank Berhad (15938-H)
Merger Agreement	:	Merger agreement entered into between our Company, Jotech, AIC and AutoV on 15 September 2011 (as amended and varied by the Supplemental Agreement) in respect of the Acquisitions
MITI	:	Ministry of International Trade and Industry, Malaysia

DEFINITIONS *(Cont'd)*

MNC	:	Multinational corporation
N/A	:	Not applicable
NA	:	Net assets
NTA	:	Net tangible assets
Offer Letter	:	The offer letters dated 29 July 2011 issued by our Company to Jotech, AIC and AutoV respectively setting out the offer by our Company to acquire the Jotech Business, AIC Business and AutoV Business upon the terms and subject to the conditions more specifically stated in the respective offer letters
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
PAT	:	Profit after taxation
PATAMI	:	Profit after taxation and minority interests
PBT	:	Profit before taxation
PE Multiple	:	Price-earnings multiple
PRC	:	The People's Republic of China
Principal Adviser	:	Maybank IB
Prodelcon	:	Prodelcon Sdn Bhd (130535-A)
Promoter	:	Datuk Dr. Goh Tian Chuan
Proreka	:	Proreka (M) Sdn Bhd (512454-M)
Proreka SPA	:	Sale and purchase agreement entered into between AutoV with the Proreka Vendors on 1 June 2011 (as amended and varied by Supplemental Proreka SPA) for the acquisition of 1,831,000 ordinary shares of RM1.00 each in Proreka, representing the entire equity interest of Proreka, for a purchase consideration of RM27,880,000 to be satisfied by: (i) cash payment of RM2,788,000; (ii) issuance of 6,525,000 new AutoV Shares at an issue price of RM1.44 each; and (iii) issuance of 10,900,000 RCPS of RM0.01 each in AutoV at an issue price of RM1.44 each. The Proreka SPA was completed on 9 November 2011
Proreka Vendors	:	Yong Nam Yun, Chu Yoon Kong, Sim Mou Hooi, Lim Teck Ling, Lim Ted Huat and Kua Siah Heng, collectively
PROTON	:	PROTON Holdings Berhad (623177-A)

DEFINITIONS *(Cont'd)*

RCPS	:	Redeemable convertible preference shares
R&D	:	Research and development
Rockhill	:	Rockhill Resources Ltd (1514476)
ROD	:	Record of Depositors
ROM	:	Register of Members
SC	:	Securities Commission Malaysia
Shares	:	Ordinary shares of RM0.10 each in our Company
Share Issue	:	Allotment and issuance of twenty (20) new Jotech Shares at an issue price of RM0.10 each, two (2) new AIC Shares at an issue price of RM1.00 each and two (2) new AutoV Shares at an issue price of RM1.00 each by Jotech, AIC and AutoV respectively to our Company following Completion and simultaneously with the implementation of the Distributions
SICDA	:	Securities Industry (Central Depositories) Act, 1991
sq. ft.	:	Square feet
Supplemental Agreement	:	Supplemental agreement entered into between our Company, Jotech, AIC and AutoV on 22 December 2011 in respect of the Merger Agreement for purposes of recording the variations to certain terms of the Acquisition of the AutoV Business, including revising the terms of the RCPS of RM0.01 each to be issued/issued by AutoV to the Proreka Vendors under the Proreka SPA
Supplemental Proreka SPA	:	Supplemental agreement entered into between AutoV and the Proreka Vendors on 22 December 2011 to amend the terms of the Proreka SPA, in which the RCPS of AutoV (**"AutoV RCPS"**) shall be substituted with the RCPS to be issued by our subsidiary, ASSB, whereby every six (6) RCPS of ASSB shall be entitled to be converted into one hundred and nineteen (119) Shares, provided Proreka and its group of companies attains a PAT of RM4.5 million for each of the respective year ended 31 December 2011 and year ending 31 December 2012
U.S.	:	United States of America
VWAMP	:	Volume weighted average market price
Warrant Schemes	:	The scheme of arrangement under Section 176 of the Act to pay the Entitled Warrant Holders their entitlement to the Aggregate Offer Consideration in consideration for the cancellation of the exercise rights pursuant to the Jotech Warrants and the AIC Warrants and thereafter the cancellation of all the Jotech Warrants and the AIC Warrants so that all such outstanding Jotech Warrants and the AIC Warrants are effectively and validly cancelled

CURRENCIES

IDR	:	Indonesian Rupiah, the lawful currency of the Republic of Indonesia
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	:	Renminbi, the lawful currency of PRC
USD	:	U.S. Dollar, the lawful currency of U.S.

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GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this Prospectus as they relate to our businesses. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

Blow moulding	:	A manufacturing process by which hollow plastic parts are formed
Computer aided design	:	A computer technology used in the process of design and design documentation
Computer numerical control	:	A control system in which numerical values corresponding to desired tool or control positions are generated by computer
Die set	:	A die set refers to the holder for a self-contained set of dies, where tool and die alignment is maintained without the aid of a press
EDM	:	Electrical discharge machining, a manufacturing process whereby a desired shape is obtained using electrical discharges (sparks)
Electro-galvanised steel	:	Steel that has been applied with a protective zinc coating to prevent rust
Epoxy	:	A high-strength adhesive, often made of two (2) different materials that must be mixed together just prior to use
FFB	:	Fresh fruit bunch and it refers to the bunch harvested from the oil palm
Fixture	:	A work holding device and assist the jig by holding and positioning the work piece
IC	:	Integrated circuit, a device in which all the interconnected electronic circuit elements that enables the component to perform a specific function are fabricated on a single substrate of semiconductor material, most commonly silicon
IC packaging	:	The protective container or housing for an IC
IMS Solutions provider	:	A company with the ability to offer synergistic combinations of different skill-sets and technologies from different business divisions to deliver seamless services, combining design and manufacturing capabilities with logistics to its customers
Injection moulding	:	A moulding process in which resin is heated in a barrel and then injected into a mould by a reciprocating screw. The resin then cools in the mould and is ejected as a solid part
ISO	:	International Organisation for Standardisation, the world's largest developer and publisher of international standards
Jig	:	A device which holds and positions the work piece, locates and guides the cutting tool to cut and shape a work piece
LCD	:	Liquid crystal display, a flat panel display, electronic visual display, or video display that uses the light modulating properties of liquid crystals
LED	:	Light emitting diode, a semiconductor device that emits visible light when an electric current passes through it

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Medical devices	:	An instrument, appliance, implant, machine, material, calibrator, apparatus, in vitro reagent, or other similar or related article which is used to cope with human diseases, care for human injuries, meet human anatomical needs, maintain human physiological functions, support or sustain human life, control human conception, disinfect medical devices and examine specimens taken from human bodies
Mould compound	:	A type of ready-made composite in which the matrix and reinforcement have already been combined. Moulding compound is available in bulk form and in sheet form
OEM	:	Original equipment manufacturer, a type of contract manufacturing
Photonics	:	An area of technology associated with the generation and harnessing of light and other forms of radiant energy
QFN	:	Quad-flat no-leads, a type of IC packaging
Quality management system	:	A system by which an organisation aims to reduce and eventually eliminate non-conformance to specifications, standards, and customer expectations in the most cost effective and efficient manner
RF	:	Radio frequency, which is the wireless transmission of data by digital radio signals at a particular frequency
SCM 435	:	Chromium molybdenum steels, a common steel grade which is used to produce high strength bolt
Semiconductor	:	An electronic device which can be switched on to conduct or block electric currents
SPHC PO	:	Steel plate hot rolled coiled (pickled oiled). Steel sheets for general uses and welded structural uses
Supply chain	:	Consists of all parties involved, directly or indirectly, in fulfilling a customer request. Supply chains form a network of resources, raw materials, components, and finished products that flow in and out of a system of factories

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1. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Datuk Dr. Goh Tian Chuan	No. 2 Jalan Paku Pakis 1A Miles 2½, Jalan Tuaran 88300 Kota Kinabalu Sabah	Group Executive Chairman/CEO of our resources division	Malaysian
Kong Kok Keong	62, Jalan Midah 14 Taman Midah 56000 Kuala Lumpur	Group Deputy Executive Chairman/CEO of our automotive division	Malaysian
Ooi Boon Pin	76-10-6, Jalan Tg Tokong Marina Bay 10470 Georgetown Pulau Pinang	Executive Director/CEO of our medical devices division and semiconductor division	Malaysian
Lim Siok Hui	No. 97 # 03 – 05 Cashew Road 679668 Singapore	Executive Director/CEO of our E&E division	Singaporean
Chen Heng Mun	No. 2, Jalan BU 2/7 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Executive Director/Group Chief Financial Officer	Malaysian
Ash'ari bin Ayub	22, Jalan Camar 4/25 Villa Damansara Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Independent Non-Executive Director	Malaysian
Ng Kok Hok	2A, Jalan 52 Taman Bukit Mewah 43000 Kajang Selangor Darul Ehsan	Independent Non-Executive Director	Malaysian
Wong Zee Shin	Taman Tyng, Blok R, Lot T-5 Peti Surat 2061 90723 Sandakan Sabah	Independent Non-Executive Director	Malaysian
Hon Poh Chow	19, Jalan Setia Nusantara U13/22N Seksyen U13 Setia EcoPark Setia Alam 40170 Shah Alam Selangor Darul Ehsan	Independent Non-Executive Director	Malaysian

1. CORPORATE DIRECTORY *(Cont'd)*

AUDIT COMMITTEE

Name	Designation	Directorship
Ash'ari bin Ayub	Chairman	Independent Non-Executive Director
Ng Kok Hok	Member	Independent Non-Executive Director
Wong Zee Shin	Member	Independent Non-Executive Director
Hon Poh Chow	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Ng Kok Hok	Chairman	Independent Non-Executive Director
Ash'ari bin Ayub	Member	Independent Non-Executive Director
Wong Zee Shin	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Ash'ari bin Ayub	Chairman	Independent Non-Executive Director
Datuk Dr. Goh Tian Chuan	Member	Group Executive Chairman/CEO of our resources division
Ng Kok Hok	Member	Independent Non-Executive Director
Wong Zee Shin	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	Seow Fei San (MAICSA 7009732) A-17-16, Block A Kondominium Sterling No. 3 Jalan SS 7/19 47301 Petaling Jaya Selangor Darul Ehsan Law Mee Poo (MAICSA 7033423) No. 11, Jalan Puteri 10/2 Bandar Puteri Puchong 47100 Puchong Selangor Darul Ehsan
REGISTERED OFFICE	:	802, 8th Floor Block C, Kelana Square 17 Jalan SS7/26 47301 Petaling Jaya Selangor Darul Ehsan Tel: (603) 7803 1126 Fax: (603) 7806 1387
HEAD OFFICE/MANAGEMENT OFFICE	:	Wisma AIC Lot 3, Persiaran Kemajuan Seksyen 16 40200 Shah Alam Selangor Darul Ehsan Tel: (603) 5543 1413 Email: corporate@globaltec.com.my Website: www.globaltec.com.my
AUDITORS AND REPORTING ACCOUNTANTS	:	KPMG (AF No. 0758) Level 10, KPMG Tower 8, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel: (603) 7721 3388 Fax: (603) 7721 3399
PRINCIPAL BANKERS/PRINCIPAL FINANCIER	:	Bank Islam Malaysia Berhad (98127-X) 11th Floor, Wisma Bank Islam Jalan Dungun, Bukit Damansara 50490 Kuala Lumpur Tel: (603) 2088 8000 CIMB Bank Berhad (13491-P) 8th Floor, Bangunan KWSP Lot 3009, Off Lebuh Tenggiri 2 Pusat Bandar Seberang Jaya 13700 Seberang Jaya Tel: (604) 397 8036

1. CORPORATE DIRECTORY *(Cont'd)*

PRINCIPAL BANKERS/PRINCIPAL FINANCIER *(Cont'd)*	:	Citibank Berhad (297089-M) Level 42, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel: (603) 2383 0000 Malaysian Industrial Development Finance Berhad (3755-M) Level 19, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel: (603) 2173 8888 Malayan Banking Berhad (3813-K) Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel: (603) 2070 8833 OCBC Bank Malaysia Berhad (295400-W) Head Office Menara OCBC 18 Jalan Tun Perak 50050 Kuala Lumpur Tel: (603) 2034 5034 United Overseas Bank (Malaysia) Berhad (271809-K) North Regional Centre 1st Floor, 64E-H, Lebuh Bishop 10200 Penang Tel: (604) 258 8000
SOLICITORS AND DUE DILIGENCE SOLICITORS FOR OUR COMPANY	:	Mah-Kamariyah & Philip Koh 3A-07, Block B, Phileo Damansara II 15 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel: (603) 7956 8686 Fax: (603) 7956 2208
SOLICITORS AND DUE DILIGENCE SOLICITORS FOR JOTECH AND AUTOV	:	Teh & Lee A-3-3 & A-3-4, Northpoint Offices Mid Valley City No.1, Medan Syed Putra Utara 59200 Kuala Lumpur Tel: (603) 2283 2800 Fax: (603) 2283 2500

1. CORPORATE DIRECTORY *(Cont'd)*

SOLICITORS AND DUE DILIGENCE SOLICITORS FOR AIC	:	Lee Choon Wan & Co No 12, Lorong Dungun Damansara Heights 50490 Kuala Lumpur Tel: (603) 2093 0078 Fax: (603) 2094 1750/2094 5631
INDEPENDENT MARKET RESEARCHER	:	Infobusiness Research & Consulting Sdn Bhd (498926-P) C4-3A-2, Solaris Dutamas No.1 Jalan Dutamas 1 50480 Kuala Lumpur Tel: (603) 6205 3930 Fax: (603) 6205 3927
PRINCIPAL ADVISER AND JOINT FINANCIAL ADVISER	:	Maybank Investment Bank Berhad (15398-H) (A Participating Organisation of Bursa Securities) 32nd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel: (603) 2059 1888 Fax: (603) 2070 6521
JOINT FINANCIAL ADVISER	:	Astramina Advisory Sdn Bhd (810705-K) Level 3, Menara Hap Seng, Letter Box 53 Jalan P. Ramlee 50250 Kuala Lumpur Tel: (603) 2026 7282 Fax: (603) 2026 7281
SHARE REGISTRAR	:	Tricor Investor Services Sdn Bhd (118401-V) Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: (603) 2264 3883 Fax: (603) 2282 1886
LISTING SOUGHT	:	Main Market of Bursa Securities

2. INTRODUCTION

This Prospectus is dated 25 May 2012.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus with the Registrar of Companies of Malaysia, who takes no responsibility for its contents.

We, Jotech, AIC and AutoV have obtained all the requisite approvals to effect the Acquisitions (including the Share Issue), the Distributions and the Warrant Schemes. The Merger Agreement has become unconditional on 20 April 2012 and as at the date of this Prospectus, the Acquisitions are completed. The completion of the Distributions and the Warrant Schemes took place on the same day as the Completion.

The approval of the SC, and the registration of this Prospectus, should not be taken to indicate that the SC recommends our Listing. You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our Listing and an investment in our Company.

We have received Bursa Securities' approval on 8 May 2012 for the admission of our Shares to the Official List and our Listing. Admission to the Official List shall not be taken as an indication of the merits of our Company, our Shares, the Acquisitions, or our Listing.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Consequently, our Shares issued pursuant to the Issuance will be deposited directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to the Entitled Holders.

In accordance with the Listing Requirements, at least 25% of the total number of our Shares for which listing is sought must be held by at least one thousand (1,000) public shareholders holding not less than one hundred (100) shares each at the point of our Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. As at the LPD, Jotech, AIC and AutoV are in compliance with their public shareholding spread requirement prescribed under Listing Requirements (**"Public Shareholding Spread Requirement"**). As a result, it is therefore envisaged that our Company will upon our Listing on Bursa Securities be in compliance with the Public Shareholding Spread Requirement.

You should rely only on the information contained in this Prospectus. We have not authorised any person to provide you with information that is different from those contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, represent or imply that there has been no material change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of registration of this Prospectus with the SC up to the date of our Listing, we shall further issue a supplemental or replacement Prospectus, as the case may be, in accordance with the provision of Section 238 of the CMSA.

This Prospectus does not constitute and may not be used for the purpose of an offer for subscription or purchase of, or an invitation to subscribe for or purchase securities in any jurisdiction or circumstances in which such offer or invitation is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation.

THIS PROSPECTUS IS ISSUED FOR INFORMATION PURPOSE ONLY. NO OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF OUR SHARES IS OR WILL BE MADE ON THE BASIS OF THIS PROSPECTUS.

3. INFORMATION SUMMARY

This section is only a summary of the salient information about us and our Listing the Issuance, which is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus.

3.1 Overview of our Group

We were set up as a special purpose company to facilitate the Acquisitions. Upon Completion, the Jotech Group, AIC Group and AutoV Group had been merged under our Group.

We were incorporated in Malaysia under the Act on 15 July 2011 as a private limited company under the name of Temasek Formation Sdn Bhd. On 18 October 2011, we were converted into a public limited company and we assumed our present name on 4 April 2012. Accordingly, our Group will consist of two (2) main divisions, namely, the IMS division and resources division.

Our business and operations are further disclosed in Sections 6 and 9 of this Prospectus.

3.2 Our competitive strengths

Following the Acquisitions, we believe our competitive strengths include the following:

3.2.1 Provision of IMS solutions to our clients, in particular, our MNC customers and blue chip customers;

3.2.2 Product design, development and fabrication capabilities;

3.2.3 Geographical diversification;

3.2.4 Diversified customer base; and

3.2.5 A proven and stable copper wire bonding technology.

Our competitive strengths are further discussed in Section 6.4 of this Prospectus.

3.3 Business strategies, future plans and prospects

We plan to implement the following business strategies in order to realise our future plans and prospects:

3.3.1 Broaden and diversify our range of manufacturing service offering;

3.3.2 Attain better cost efficiencies;

3.3.3 Initiate cross-selling activities;

3.3.4 Initiate technical collaborations; and

3.3.5 Expand our Group's resources division.

We aim to expand our operations as an IMS Solutions provider of metal, plastic and electronic parts, components, and sub-assemblies and completed products for our MNC customers and blue chip customers. Our business strategies, future plans and prospects are further discussed in Sections 6.5.2 and 6.5.3 of this Prospectus.

3.4 Financial information

The following proforma consolidated statements of comprehensive income and the proforma consolidated statements of financial position are provided for illustrative purposes only, after incorporating appropriate adjustments and assuming that our Group has been in existence throughout the years under review.

You should read the proforma consolidated statements of comprehensive income and the proforma consolidated statements of financial position in conjunction with the management's discussion and analysis of financial condition and results of operations in Section 8.2 of this Prospectus and the Reporting Accountants' letters on the proforma consolidated financial information and the proforma consolidated statements of financial position as set out in Section 8.5 of this Prospectus.

Proforma consolidated statements of comprehensive income

	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
	RM'000	RM'000	RM'000
Continuing operations:			
Revenue	339,209	331,798	394,839
Cost of sales	(288,716)	(278,181)	(326,157)
Gross profit	50,493	53,617	68,682
Administrative expenses	(28,182)	(28,933)	(35,086)
Distribution costs	(3,284)	(3,454)	(3,285)
Other operating expenses	(8,079)	(3,560)	(5,223)
Other operating income	8,007	5,458	8,804
Results from operating activities	18,955	23,128	33,892
Finance income	1,159	856	742
Finance costs	(5,870)	(5,172)	(3,975)
Operating profit	14,244	18,812	30,659
Share of results of associates	-	30	(6)
Profit before taxation	14,244	18,842	30,653
Taxation	(4,806)	(2,294)	(3,328)
Profit for the year from continuing operations	9,438	16,548	27,325
Loss from discontinued operations and loss on disposal of subsidiaries	(9,660)	-	-
(Loss)/Profit for the year	(222)	16,548	27,325
Other comprehensive expense, net of tax			
Foreign currency translation differences for foreign operations	(103)	(94)	(2,143)
Total comprehensive (loss)/income for the year	(325)	16,454	25,182
(Loss)/Profit attributable to:			
Owners of our Company	(762)	15,408	25,991
Minority interests	540	1,140	1,334
(Loss)/Profit for the year	(222)	16,548	27,325
Total comprehensive (loss)/income attributable to:			
Owners of our Company	(936)	15,351	24,292
Minority interests	611	1,103	890
Total comprehensive (loss)/income for the year	(325)	16,454	25,182

3. INFORMATION SUMMARY *(Cont'd)*

	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
	RM'000	RM'000	RM'000
Other selected financial data:			
Depreciation	23,524	24,704	23,180
EBITDA [1]	42,699	48,636	57,901
No. of Shares in issue ('000)	5,273,646	5,273,646	5,273,646
Gross profit margin (%) [2]	14.89	16.16	17.39
PBT margin (%) [3]	4.20	5.68	7.76
(Loss after tax and minority interest)/PATAMI margin (%) [4]	(0.22)	4.64	6.58
Basic gross EPS (sen) [5]	0.27	0.36	0.58
Basic net (loss per Share)/EPS (sen) [6]	(0.01)	0.29	0.49

Notes:

(1) *EBITDA represents earnings before finance cost, finance income, taxation, depreciation and amortisation. The table below sets out a reconciliation of our consolidated PAT to consolidated EBITDA:*

	Year ended 31 December 2008	*Year ended 31 December 2009*	*Year ended 31 December 2010*
	RM'000	*RM'000*	*RM'000*
EBITDA:			
PAT	*9,438*	*16,548*	*27,325*
Taxation	*4,806*	*2,294*	*3,328*
PBT	*14,244*	*18,842*	*30,653*
Finance costs	*5,870*	*5,172*	*3,975*
Finance income	*(1,159)*	*(856)*	*(742)*
Depreciation	*23,524*	*24,704*	*23,180*
Amortisation	*220*	*774*	*835*
	42,699	***48,636***	***57,901***

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the FRS in Malaysia. Furthermore, EBITDA is not a measure of our financial performance or liquidity under FRS in Malaysia and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with the FRS in Malaysia or as an alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

(2) *Computed based on the consolidated gross profit over total revenue of our Group.*

(3) *Computed based on the consolidated PBT over total revenue of our Group.*

(4) *Computed based on the consolidated PATAMI over total revenue of our Group.*

(5) *Basic gross EPS is computed based on the consolidated PBT over our 5,273,646,248 Shares in issue.*

(6) *Basic net EPS is computed based on the consolidated PATAMI over our 5,273,646,248 Shares in issue.*

3. INFORMATION SUMMARY *(Cont'd)*

Proforma consolidated statements of financial position

		Proforma I	Proforma II	Proforma III	Proforma IV
	Unaudited statement of financial position at 31 December 2010	After drawdown of borrowings	After Proforma I and the Acquisitions	After Proforma II and our estimated listing expenses	After Proforma III and drawdown of borrowings post the Acquisitions
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	-	-	252,594	252,594	252,594
Intangible asset	-	-	4,001	4,001	4,001
Goodwill	-	-	176,179	176,179	176,179
Investment properties	-	-	11,033	11,033	11,033
Trade and other receivables	-	-	707	707	707
Other investments	-	-	7,303	7,303	7,303
Deferred tax assets	-	-	1,001	1,001	1,001
Total non-current assets	-	-	**452,818**	**452,818**	**452,818**
Trade and other receivables	-	-	94,237	94,237	94,237
Other investments	-	-	1,740	1,740	1,740
Prepayments	-	-	2,838	2,838	2,838
Inventories	-	-	47,232	47,232	47,232
Current tax assets	-	-	981	981	981
Cash and cash equivalents	*	4,000	55,946	54,466	204,466
Total current assets	*	**4,000**	**202,974**	**201,494**	**351,494**
Total assets	*	**4,000**	**655,792**	**654,312**	**804,312**
Equity					
Share capital	(1) *	(1) *	527,365	527,365	527,365
Share premium	-	-	105,473	103,993	103,993
Business combination deficit	-	-	(192,093)	(192,093)	(192,093)
Total equity attributable to equity holders of the Company	*	*	**440,745**	**439,265**	**439,265**
Minority interest	-	-	**35,959**	**35,959**	**35,959**
Total equity	*	*	**476,704**	**475,224**	**475,224**

3. INFORMATION SUMMARY *(Cont'd)*

	Unaudited statement of financial position at 31 December 2010	Proforma I After drawdown of borrowings	Proforma II After Proforma I and the Acquisitions	Proforma III After Proforma II and our estimated listing expenses	Proforma IV After Proforma III and drawdown of borrowings post the Acquisitions
	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities					
Loans and borrowings	-	-	56,901	56,901	206,901
Government grant	-	-	253	253	253
Deferred tax liabilities	-	-	12,865	12,865	12,865
Total non-current liabilities	**-**	**-**	**70,019**	**70,019**	**220,019**
Provision for warranties	-	-	406	406	406
Government grant	-	-	69	69	69
Trade and other payables	-	-	68,706	68,706	68,706
Current tax liabilities	-	-	2,554	2,554	2,554
Loans and borrowings	-	4,000	37,334	37,334	37,334
Total current liabilities	**-**	**4,000**	**109,069**	**109,069**	**109,069**
Total liabilities	**-**	**4,000**	**179,088**	**179,088**	**329,088**
Total equity and liabilities	*****	**4,000**	**655,792**	**654,312**	**804,312**
NA	*	*	440,745	439,265	439,265
NA per share (RM)	0.10	0.10	0.08	0.08	0.08
Total loans and borrowings	-	4,000	94,235	94,235	244,235
Gearing ratio (times)	-	2,000	0.21	0.21	0.56

Notes:

* *Negligible.*

(1) *RM2.00 comprising twenty (20) Shares*

3.5 Dividend policy

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. We intend to pay dividends to our shareholders in the future. However, such payments will depend upon a number of factors, including our earnings, capital requirements, general financial condition, our distributable reserves, the covenants contained in our banking facilities and other factors considered relevant by our Board. As we are a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon their financial results, business operations, capital expenditure plans and other factors that their respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for our subsidiaries may limit their ability to declare or pay cash dividends.

We currently do not have a formal dividend policy as we intend to adopt a policy of active capital management. The form, frequency and amount of future dividends on our Shares will depend on our earnings and financial results, business operations, our capital needs, our plans for expansion and other factors as our Directors may deem appropriate.

Our dividend policy is also discussed in Section 8.4 of this Prospectus.

3.6 Details of our Issuance and Listing

The objectives of our Listing are to enhance our profile and recognition within the investing community and provide us better access to the capital market in the future to give us the financial flexibility to pursue future expansion and growth opportunities.

Pursuant to the Acquisitions, a total of 5,273,646,228 Shares were issued as full consideration of the Aggregate Offer Consideration. The Issuance was made directly to the Entitled Holders as nominated by Jotech, AIC and AutoV respectively to be the recipients of the Aggregate Offer Consideration as part of the Distributions and the Warrant Schemes.

Section 4 of this Prospectus sets out further information in relation to our Issuance.

3.7 Proceeds

We are not receiving any proceeds as there is no offer for subscription or purchase of our Shares.

3.8 Risk factors

You should be aware of the risks relating to our Shares and businesses, along with other matters in this Prospectus. The following is not an exhaustive list of challenges that we currently face or that may develop in the future.

3.8.1 Risk factors relating to our Shares

(i) Upon the issuance of our Shares to you, you are exposed to the performance of our Group's businesses;

(ii) There has been no prior trading market for our Shares and our Listing may not result in an active or liquid market for our Shares;

(iii) Like all other companies listed on Bursa Securities, the price of our Shares may be volatile and may also be subjected to risk of suspension by Bursa Securities and this may affect your investment in our Shares;

(iv) Delay or failure in our Listing;

(v) We may face integration risks when integrating the Jotech Business, AIC Business and AutoV Business;

(vi) Our ability to pay dividends and our general financial results are affected by various factors; and

(vii) The interests of our Group's major shareholders may not be aligned with those of our other shareholders.

3.8.2 Risk factors relating to our Group's businesses

General risks

(i) Our Group operates in a globally competitive environment and is exposed to substantial competition from local and global players;

(ii) The revenue of the automotive, semiconductor and metal stamping businesses of our Group is derived from a few major customers;

(iii) The semiconductor business of our Group is dependent on our major suppliers and any disruptions in supplies may materially and adversely affect the production of our semiconductor business;

(iv) Our Group's semiconductor and metal stamping businesses are dependent on the prospects of the global E&E industry and our Group's ability to adapt to technological changes;

(v) The development of our Group's automotive components manufacturing business depends, to a certain extent, on technical assistance from foreign partners;

(vi) Exposure to foreign exchange fluctuations may impact our Group's revenue and earnings;

(vii) We are dependent on the supply of foreign labour and our Group may face labour shortages;

(viii) Our Group may face risks associated with shortage of skilled labour;

(ix) An increase in the cost of operations of our Group's businesses may result in lower profit margins;

(x) Any non-renewal or suspension of our Group's operating licences, certifications and clearances will affect our Group's operations;

(xi) We are exposed to risks arising from our Group's overseas business operations in Indonesia and PRC;

(xii) Current insurance coverage may not be sufficient to cover the risks related to our Group's operations;

(xiii) We are exposed to risks associated with new products;

(xiv) We are exposed to risks associated with investments;

(xv) Our Group's business operations may face significant production or operations risks;

(xvi) We are exposed to risks associated with rented premises;

(xvii) Cost of borrowings;

(xviii) Bad debts;

(xix) Inability to retain our directors and key management and failure to attract suitable replacements may affect our Group's performance;

(xx) Our Group is subject to political, economic, market and regulatory considerations;

(xxi) Failure to comply with laws and regulations relating to environment, health and safety may result in penalties;

Industry specific risks

(xxii) Our automotive division may be materially and adversely affected by the purported changes to the National Automotive Policy 2009;

(xxiii) Our automotive division may be materially and adversely affected by DRB-HICOM Berhad's acquisition of PROTON, a major customer of our automotive division; and

(xxiv) Exposure to inherent risks in our Group's oil palm plantations business.

3.8.3 Other risks

(i) Forward-looking statements are subject to uncertainties and contingencies; and

(ii) Impairment of goodwill.

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4. DETAILS OF OUR LISTING

4.1 Timetable

The timing of events leading up to our Listing is as follows:

Events	Date
Announcement of the Entitlement Date	20 April 2012
Entitlement Date	11 May 2012
Distribution of our Shares to the Entitled Holders	25 May 2012
Listing of our Shares on the Main Market of Bursa Securities	* 31 May 2012

Note:

* *Tentative date*

4.2 Rationale for the Acquisitions

The rationale for the Acquisitions are as follows:

(i) Our Group will be able to provide an extended range of manufacturing services from precision metal and plastic parts stamping, to high volume manufacturing and assembly and logistics management.

(ii) We expect to have better access to larger scale business opportunities, and an enhanced ability to raise funds in both debt and equity markets as a result of an improved balance sheet position, financial strength and resources to realise the full potential of the respective business segments that we are involved in. A larger and stronger balance sheet following Completion will allow us to undertake larger manufacturing contracts and to capitalise on growth opportunities domestically and internationally. We will be able to offer our customers a more complete manufacturing solution through our IMS service by consolidating the various supply chain as currently practiced by the different companies, into a single supply chain.

(iii) Our Group is expected to realise operational and administrative synergies and efficiencies resulting from the centralisation of back office operations, enhanced cash management arising from the pooling of cash resources, joint marketing, improved branding and cost savings through joint procurement of materials and services.

We entered into the Merger Agreement with Jotech, AIC and AutoV on 15 September 2011, and our Company, Jotech, AIC and AutoV have received all requisite approvals for the Acquisitions (including the Share Issue), the Distributions and the Warrant Schemes.

The Merger Agreement became unconditional on 20 April 2012 and as at the date of this Prospectus, the Acquisitions are completed. The completion of the Distributions and the Warrant Schemes took place on the same day as the Completion.

4.3 Details of our Issuance

The merger was facilitated by the Acquisitions (including the Share Issue), the Distributions and the Warrant Schemes.

4.3.1 Acquisitions

The Acquisitions involved the acquisitions by our Company of the Jotech Business, the AIC Business and the AutoV Business which were satisfied by the Aggregate Offer Consideration in the following manner:

(i) Acquisition of the Jotech Business

(a) RM0.18 for each Jotech Share, being 20.00% above the VWAMP of the Jotech Shares for the five (5) market days up to and including 26 July 2011 of RM0.15, multiplied by 1,104,300,000 Jotech Shares, being the total issued and fully paid-up share capital of Jotech (less treasury shares, if any) as at the Entitlement Date; and

(b) RM0.09 for each Jotech Warrant, being 16.88% above the VWAMP of the Jotech Warrants for the five (5) market days up to and including 26 July of RM0.077, multiplied by 205,400,000 Jotech Warrants which are outstanding as at the Entitlement Date.

(ii) Acquisition of the AIC Business

(a) RM1.80 for each AIC Share, being 20.00% above the VWAMP of the AIC Shares for the five (5) market days up to and including 26 July 2011 of RM1.50, multiplied by 173,873,659 AIC Shares, being the total issued and fully paid-up share capital of AIC as at the Entitlement Date; and

(b) RM1.00 for each AIC Warrant, being 17.37% above the VWAMP of the AIC Warrants for the five (5) market days up to and including 26 July 2011 of RM0.852, multiplied by 26,230,129 AIC Warrants which are outstanding as at the Entitlement Date.

(iii) Acquisition of the AutoV Business

RM2.38 per AutoV Share, being 20.20% above the VWAMP of the AutoV Shares for the five (5) market days up to and including 26 July 2011 of RM1.98, multiplied by 64,884,747 AutoV Shares, being the total issued and fully paid-up share capital of AutoV (less treasury shares, if any) as at the Entitlement date.

Pursuant to the Acquisitions, a total of 5,273,646,228 Shares were issued as full consideration for settlement of the Aggregate Offer Consideration. The Issuance was made directly to the Entitled Holders as nominated by Jotech, AIC and AutoV respectively to be the recipients of the Aggregate Offer Consideration as part of the Distributions and Warrant Schemes. These Shares will be credited into the CDS accounts of the Entitled Holders, the entitlements of which are derived as follows:

(i) in the case of the Entitled Shareholders, the Distributions whereby all the Jotech Shares, AIC Shares and AutoV Shares are cancelled with the objective of distributing to the Entitled Shareholders, their entitlement to the Aggregate Offer Consideration of RM0.18 per Jotech Share, RM1.80 per AIC Share and RM2.38 per AutoV Share respectively. Simultaneously with the implementation of the Distributions, our Company subscribed for and Jotech, AIC and AutoV each alloted and issued twenty (20) new Jotech Shares at an issue price of RM0.10 each, two (2) new AIC Shares at an issue price of RM1.00 each and two (2) new AutoV Shares at an issue price of RM1.00 each. Upon completion of the Distributions, the entire share capital of Jotech, AIC and AutoV are held by our Company; and

(ii) in the case of the Entitled Warrant Holders, the Warrant Schemes whereby the Jotech warrant holders are paid RM0.09 and the AIC warrant holders are paid RM1.00 for each outstanding warrant in consideration for the cancellation of the exercise rights pursuant to the Jotech Warrants and the AIC Warrants respectively and thereafter the cancellation of all the Jotech Warrants and the AIC Warrants so that all such outstanding warrants are effectively and validly cancelled.

4.3.2 Distributions

(i) Upon Completion, Jotech, AIC and AutoV implemented the Distributions comprising:

(a) a capital reduction exercise in accordance with Section 64 of the Act, involving a reduction of the share capital and/or share premium reserve (if applicable) of Jotech, AIC and AutoV via cancellation of the respective issued and paid-up share capital, which require confirmation by the High Court pursuant to Section 64 of the Act; and

(b) a capital repayment exercise involving:

(i) distribution-in-specie to all the Entitled Shareholders of our Shares to be received by Jotech, AIC and AutoV upon Completion; and

(ii) distribution-in-specie to all the Entitled Shareholders of our Shares to be received by Jotech and AIC arising from their respective entitlement to our Shares (as shareholders of AIC and AutoV respectively) pursuant to the Distributions undertaken by AIC and AutoV respectively.

(ii) In order to facilitate the Distributions, Jotech had, prior to the implementation of the Capital Reduction, undertaken the following inter-conditional proposals:

(a) increase in the authorised share capital of Jotech; and

(b) amendment of the memorandum and articles of association of Jotech.

(iii) In addition, Jotech, AIC and AutoV had, prior to the implementation of the Capital Reduction, undertaken the bonus issue, which was not credited into the individual securities accounts of the Entitled Shareholders and was immediately cancelled pursuant to the Capital Reduction and which was effected by way of capitalising all sums standing to the credit of the share premium reserve, retained profits and/or any other reserves which may be capitalised, including the net gain arising from the disposal of the Jotech Business, the AIC Business and the AutoV Business to our Company.

(iv) As the bonus issue together with the Capital Reduction form part of the process undertaken to facilitate the implementation of the Distributions, none of the bonus shares pursuant to the bonus issue was credited into the individual securities accounts of the respective Entitled Shareholders. Further, no physical share certificates were issued.

4.3.3 Warrant Scheme

Jotech and AIC had carried out the Warrant Schemes to pay the Jotech warrant holders and the AIC warrant holders their entitlement to the Aggregate Offer Consideration in consideration for the cancellation of the exercise rights pursuant to the Jotech Warrants and the AIC Warrants and thereafter proceed to cancel all the Jotech Warrants and the AIC Warrants so that all the outstanding Jotech Warrants and AIC Warrants are effectively and validly cancelled. The Jotech warrant holders are paid RM0.09 whereas the AIC warrant holders are paid RM1.00, for each outstanding warrant, in the form of our Shares.

4.3.4 Share Issue

Upon completion of the Distributions, Jotech, AIC and AutoV issued twenty (20) Jotech Shares, two (2) AIC Shares and two (2) AutoV Shares to our Company, resulting in Jotech, AIC and AutoV becoming our subsidiaries and each having a share capital of RM2 comprising, in the case of Jotech, twenty (20) ordinary shares of RM0.10 each and in the case of AIC and AutoV, two (2) ordinary shares of RM1.00 each.

4.4 Share capital

	No. of Shares	RM
Authorised share capital	10,000,000,000	1,000,000,000
Issued and fully paid-up share capital as at the date of this Prospectus **before** Completion	20	2
Shares issued pursuant to the Issuance	5,273,646,228	527,364,623
Enlarged issued and fully paid-up share capital as at the date of this Prospectus **after** Completion	5,273,646,248	527,364,625

Based on the issue price of RM0.12 per Share and our enlarged issued and paid-up share capital of 5,273,646,248 Shares, our market capitalisation upon listing on the Main Market of Bursa Securities will be RM632,837,550.

4.5 Classes of shares and ranking

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares of RM0.10 each.

Our new Shares issued to satisfy the Aggregate Offer Consideration will, upon allotment and issue, rank equally in all respects with our existing Shares save and except that the holders of our new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment of such new Shares.

At any of our Company's general meeting, each of our shareholders shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative and, on a resolution to be decided by show of hands, every person who is a shareholder or proxy or attorney or representative of a shareholder shall have one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or by a duly authorised representative shall have one (1) vote for each Share he holds. A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Act shall not apply to our Company.

Subject to any special rights attaching to any shares that we may issue in the future, our shareholders shall in proportion to our Shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions and any surplus in the event of our liquidation, in accordance with our Articles and provisions of the Act.

4.6 Basis of arriving at the issue price of our Share

The issue price of each of our Shares of RM0.12 each was arrived at after taking into account among others, the Aggregate Offer Consideration paid to the Entitled Holders and our enlarged issued and paid-up share capital upon Completion which we have determined with the objective of managing the dilutive effect on the EPS of our Group and achieving an appropriate trading liquidity of our Shares upon listing.

The settlement of the Aggregate Offer Consideration involves the issuance of 5,273,646,228 Shares. At an issue price of RM0.12 per Share and earnings per Share (based on the proforma consolidated financial information of our Group for the year ended 31 December 2010) of 0.49 sen, the PE multiple is approximately 24.49 times. We believe that, based on the business strategies, future plans and prospects of our Group, it will generate future value which may have an effect on the PE multiple of our Company.

Please refer to Sections 6.5.2 and 6.5.3 of this Prospectus for the business strategies, future plans and prospects of our Group.

4.7 Underwriting arrangement

Our Issuance is not required to be underwritten because no subscription monies are receivable by us. Our Shares are issued as full consideration for settlement of the Aggregate Offer Consideration.

4.8 Objectives of our Listing

The objectives of our Listing are to enhance our profile and recognition within the investing community and provide us with better access to the capital market in the future to give us the financial flexibility to pursue future expansion and growth opportunities.

4.9 Proceeds

We are not receiving any proceeds from our Issuance as there is no offer for subscription or purchase of our Shares.

4.10 Estimated expenses pursuant to our Listing

The estimated expenses of RM1.48 million pursuant to the Listing to be borne by us comprise the following:

	RM'000
Professional fees [(1)]	780
Fees to authorities pursuant to our Listing	502
Other fees and expenses and contingencies [(2)]	198
Total estimated listing expenses	1,480

Notes:

(1) *Include fees for, among others, the Joint Financial Advisers, Solicitors and the Reporting Accountants.*

(2) *Include printing, advertisement and public relations related expenses.*

4.11 Trading and settlement in the secondary market

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS (which is operated by Bursa Depository), which will be effected in accordance with the Rules of Bursa Depository for the operation of CDS accounts and the provisions of the SICDA. Accordingly, we will not deliver any share certificates to the Entitled Holders.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in our ROD will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market. All Shares held in CDS accounts may not be withdrawn from CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of securities of companies listed on Bursa Securities is normally done in "board lots" of one hundred (100) units. Investors who desire to trade less than one hundred (100) units shall trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third (3rd) Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

Prior to our Listing, there has been no trading market for our Shares within or outside Malaysia. You should take note that the market prices of our Shares upon Listing are subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You are reminded to read the risk factors as set out in Sections 5 and 8 of this Prospectus.

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5. RISK FACTORS

Please take note that our operations are subject to the legal, regulatory and business environment in Malaysia and other countries in which we have businesses in and also to the markets we export our products to. Our business is subject to a number of factors, many of which are outside our control. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or may develop in the future that may have a significant impact on our current and future performance. These and other risks, whether known or unknown, may have a material adverse effect on us and/or our Shares.

5.1 Risk factors relating to our Shares

5.1.1 Upon the issuance of our Shares to you, you are exposed to the performance of our Group's businesses

Upon Completion, we have two (2) main business divisions namely, the:

(i) IMS division; and

(ii) Resources division.

Our Group's IMS division comprises the following four (4) divisions namely, the:

(i) automotive division which is involved in the provision of manufacturing services for various levels of automotive components and modules/systems which involve the integration of electrical devices with metal, rubber and plastic based components;

(ii) medical devices division which is involved in the provision of metal and plastic based manufacturing services of medical devices;

(iii) semiconductor division which is involved in the provision of design, development, procurement, testing and assembly of IC packages and smart card modules; and

(iv) E&E division which is involved in the provision of metal and plastic based manufacturing services for E&E products including, among others, consumer products, photonics and RF microwave components and industrial products.

Our Group's IMS division offers the following multi-disciplinary manufacturing services:

(i) precision metal stamping;

(ii) precision machining and assembly of RF microwave, photonics and medical components;

(iii) design and fabrication of precision tooling and automation equipment;

(iv) injection moulding and blow moulding;

(v) test and assembly of semiconductor and smart card modules; and

(vi) design, manufacturing and assembly of automotive components and modules/system.

Our Group's resources division comprises two (2) divisions namely, the:

(i) oil palm plantations division which is involved in the operations and management of our Group's oil palm plantations; and

(ii) coal mining division which is involved in the extraction and marketing of coal. As at the LPD, the extraction and marketing of coal has yet to commence.

Upon the issuance of our Shares to you, you are exposed to the inherent risks of our businesses. These inherent risks are set out in Section 5.2 of this Prospectus.

You should note that the profile of your investment will change upon the issuance of our Shares to you pursuant to the Distributions and the Warrant Schemes.

Upon issuance of our Shares, you will be exposed to new businesses/industries.

Shareholders of Jotech (which are in the metal stamping, oil palm and coal mining businesses), who received our Shares are exposed to new businesses, namely, the semiconductor, precision machining and automation, and automotive businesses.

Shareholders of AIC (which are in the semiconductor, precision machining and automation businesses) who received our Shares are exposed to new businesses, namely, the oil palm, coal mining, automotive and metal stamping businesses.

Shareholders of AutoV (which are in the automotive business) who received our Shares are exposed to new businesses, namely, the oil palm, coal mining, semiconductor, precision machining and automation, and metal stamping businesses.

In line with our intention to expand our main businesses, opportunities may arise that may require substantial capital outlay and are subject to risks which will be assessed in totality before we undertake any plans. Our business strategies, future plans and prospects are set out in Sections 6.5.2 and 6.5.3 of this Prospectus.

Nonetheless, you should note that whilst you will be subject to the risks inherent in the businesses/industries that you previously had no or less exposure to, the varied and market lifecycles of its different businesses/industries provide an opportunity for risk diversification. Further, you would also be able to have exposure to the collective performance of each business, as well as the potential opportunities and benefits arising from the Acquisitions.

5.1.2 There has been no prior trading market for our Shares and our Listing may not result in an active or liquid market for our Shares

Whilst a trading market had existed for the securities of Jotech, AIC and AutoV prior to the suspension of their trading in conjunction with the Distributions and Warrant Schemes, there has been no prior trading market for our Shares.

There can be no assurance as to the liquidity of any market that may develop for our Shares, nor can we assure that the trading price of our Shares will reflect our financial and operating conditions, our prospects and the prospects of the industries in which we operate in. We have no obligation to make a market for our Shares, nor is there any assurance that we will be able to maintain our listing status.

5.1.3 Like all other companies listed on Bursa Securities, the price of our Shares may be volatile and may also be subjected to risk of suspension by Bursa Securities and this may affect your investment in our Shares

The market price of our Shares could be affected by numerous factors, including:

(i) general market, political and economic conditions;

(ii) trading and liquidity of our Shares;

(iii) changes in earnings estimates and recommendations by financial analysts;

(iv) changes in market valuations of listed shares in Malaysia and other securities exchanges' shares in particular;

(v) changes in governmental policy, legislation or regulation; and

(vi) general operational and business risks.

In addition, many of the risks described elsewhere in Section 5 of this Prospectus could materially and adversely affect the market price of our Shares.

The Malaysian, regional and global equity markets have experienced price and volume volatility that have affected the prices of securities of many companies. Prices of securities of many companies have experienced wide fluctuations that have often been unrelated to the financial performance of those companies. Such fluctuations in price may materially and adversely affect the market price of our Shares.

5.1.4 Delay or failure in our Listing

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

(i) the approval for our Listing is revoked by the authorities for whatever reason; or

(ii) the occurrence of certain events or circumstance beyond our control (including any legal suit filed by any party).

Based on the existing market conditions and shareholding spread of Jotech, AIC and AutoV, the public spread requirements as set out in the Listing Requirements, i.e. having at least 25% of our issued and paid-up Shares in the hands of at least one thousand (1,000) public shareholders holding at least one hundred (100) Shares each at the point of our Listing, will be met upon issuance of our Shares to the Entitled Holders.

After our Shares have been credited to your account with the CDS, which would occur prior to the anticipated date of our Listing, you will be our shareholder even if the admission into and the commencement of trading of our Shares on the Main Market of Bursa Securities does not occur. Delays in admission and the commencement of trading of our Shares on Bursa Securities have also previously occurred.

5.1.5 We may face integration risks when integrating the Jotech Business, AIC Business and AutoV Business

Integration risks can arise when distinct companies are integrated under a single entity due to, among others, differences in culture, business processes, practices and policies. In addition, there is no assurance that the anticipated benefits of the Acquisitions, such as creating a platform for sustainable continuous growth or the strengthening of the balance sheet, will be realised, or if realised, will be realised within the expected timeframe. The anticipated benefits do not represent a forecast of our Group's future performance and is subject to the assumptions set out under the business strategies, future plans and prospects in Sections 6.5.2 and 6.5.3 of this Prospectus.

To ease the integration process, an integration committee has been set up upon the execution of the Merger Agreement. The composition of the integration committee comprises representatives from our Company, Jotech, AIC and AutoV. Part of the role of the integration committee is to chart and facilitate our integration and rationalisation activities. The decision of the integration committee is on a unanimous basis and is final in respect of all matters within its jurisdiction. The integration committee shall be disbanded after our Listing on Bursa Securities whereupon the activities of the integration committee shall be assumed by our Board.

5.1.6 Our ability to pay dividends and our general financial results are affected by various factors

Our ability to pay dividends or make any distributions to our shareholders will be dependent on the financial performance and cash flow position of our operating subsidiaries and any applicable law, licence and contractual obligations, including restrictions in our financial covenants.

Dividend payments are not guaranteed and may be less than the dividends previously paid by Jotech, AIC and AutoV respectively (if any), prior to the Acquisitions.

Historically, Jotech, AIC and AutoV have been declaring and paying different amount of dividends to their respective shareholders. However, the historical trend of the dividend policies of Jotech, AIC and AutoV are not indicative of the level of dividend to be expected from us. For example, AutoV did not declare dividends for the year ended 31 December 2008. However, AutoV declared a dividend of 3.5 sen and 4.0 sen for each AutoV Share for the years ended 31 December 2009 and 31 December 2010 respectively. In contrast, Jotech and AIC have not declared dividends for the past three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010. Our future dividend payments are not guaranteed and may be less than the dividends previously paid by Jotech, AIC and AutoV respectively, prior to Completion. As Jotech, AIC and AutoV do not currently have a fixed dividend policy on the percentage of dividend to be paid and whether dividend should be paid at all, there is no guarantee that we will have a fixed dividend policy after Completion.

There is no assurance that our Group will be able to record profits and have sufficient funds above our Group's funding requirements, to pay dividends to our shareholders. In addition, changes in the applicable accounting standards may affect our ability to declare and pay dividends.

5.1.7 The interests of our Group's major shareholders may not be aligned with those of our other shareholders

Our Group's major shareholders may be able to influence the outcome of certain matters requiring the vote of our shareholders, including approval of final dividends, certain corporate exercises, business transactions and the appointment of directors, unless our major shareholders are required to abstain from voting by law and/or by the relevant authorities. There can be no assurance that the interests of our major shareholders will be aligned with the interests of our other shareholders.

5.2 Risk factors relating to our Group's businesses

General risks

5.2.1 Our Group operates in a globally competitive environment and is exposed to substantial competition from local and global players

Our Group is exposed to competition risk in all of our businesses.

Our Group's manufacturing business operates in a highly competitive industry. Many of our customers are mainly MNCs derived from Malaysia and overseas, where the selection process of their suppliers are based on stringent criteria such as good after sales services support, competitive pricing, timely delivery of products, quality and dependability of the products and services. If our Group's manufacturing capabilities or services fail to keep abreast with the needs of our customers or the quality of products and services offered by our competitors, our customers may decide to discontinue purchasing from our Group, which may materially and adversely affect our Group's performance and financial results.

Our Group's resources business also faces competition from other companies operating in the same business. Our Group is a relatively new player in the oil palm plantation business and coal mining business and competes with other larger oil palm plantation companies and coal mining companies which may have better cost efficiencies than us. Intense competition may result in highly competitive pricing which would affect our profit margins. No assurance can be given that our Group will be able to compete effectively with current and new entrants into the oil palm plantations and coal mining businesses in the future.

If our Group is unable to differentiate itself from our competitors or stay competitive for any of our businesses, our profitability may be materially and adversely affected.

5.2.2 The revenue of the automotive, semiconductor and metal stamping businesses of our Group is derived from a few major customers

As set out in Section 6.13 of this Prospectus, our automotive division is highly dependent on orders from PROTON. For the years ended 31 December 2008, 31 December 2009 and 31 December 2010, PROTON contributed 50.02%, 76.66% and 71.78% to the revenue of the automotive components manufacturing business of our Group. As set out in Section 6.17.1 of this Prospectus, PROTON contributed 9.11%, 20.01% and 18.65% to our Group's revenue for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively. Our automotive division does not have any long-term contractual agreement with PROTON and in practice, PROTON will usually continue to purchase products from our automotive division until a particular car model has been phased out. If our Group loses PROTON as our customer, or if PROTON chooses to reduce or terminate orders with our Group, the financial results of our automotive components manufacturing business would suffer.It is possible that major customers may influence their terms of trade with our Group, including demands on product pricing and contractual terms.

For the semiconductor business of our Group, our top three (3) major customers contributed 53%, 51% and 34% of our semiconductor business' total revenue for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively. Despite the fact that some of these customers have been our customers for the last fourteen (14) years, there is no assurance that these customers will continue purchasing from our Group and our financial performance will be affected if they cease to purchase from our Group or cease to be our Group's major customers. Due to the competitive nature of the semiconductor industry, if our Group's customers were to lower the prices for their products, they could in turn force our Group to reduce the prices for our products. If a reduction in price is not offset by larger volume orders, this could result in lower revenue and gross margins for our Group.

For the metal stamping business of our Group, our single largest customer contributed 31.78%, 27.26% and 20.95% of our metal stamping business' total revenue for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively. Thus, our metal stamping business is dependent on our single largest customer and we compete with other suppliers for the business of this single largest customer. Despite the long standing relationship with this single largest customer, there is no long term contract made with this single largest customer. Thus, our ability to supply products to the satisfaction of this single largest customer is vital to our profitability. Nevertheless, our dependency on this single largest customer has been on a reducing trend, as evidenced by the reducing contribution for the past three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010, as mentioned above. Despite our reduced dependency on this single largest customer in the last three (3) financial years, there is no assurance that our financial performance will not be adversely and materially affected if our metal stamping business loses its single largest customer or if its single largest customer reduces or terminates orders with our metal stamping business.

5.2.3 The semiconductor business of our Group is dependent on our major suppliers and any disruptions in supplies may materially and adversely affect the production of our semiconductor business

The purchases of raw materials from our top three (3) suppliers for our semiconductor business in respect of each of the years ended 31 December 2008, 31 December 2009 and 31 December 2010 accounted in aggregate for approximately 40.43%, 40.15% and 37.41% of the total purchases of raw materials of our semiconductor business. There is no assurance that our semiconductor business will be able to reduce our dependence on these suppliers over time or be able to source for alternative suppliers who can supply the required products to us with the same level of quality on a timely basis. If the suppliers of our Group's raw materials are unable to deliver the required products to us for whatever reasons, including general shortages of raw materials, in accordance with the quality that we require or on time, our Group's production may be affected which will have a material adverse effect on our Group's financial performance. There is no assurance that our Group's existing suppliers will continue to supply to us or continue to supply to us on similar terms as in the past.

5.2.4 Our Group's semiconductor and metal stamping businesses are dependent on the prospects of the global E&E industry and our Group's ability to adapt to technological changes

We sell our products and services to customers from various segments of the E&E industry. As such, our Group's performance will, to a large extent, depend on the outlook of the global E&E industry, in particular, the market for semiconductors which is cyclical in nature. This is due to the relatively short product lifecycle and rapid technological changes of semiconductors. Any slow-down in consumer demand locally and globally will present a risk to the demand for our Group's products and services.

In addition, the demand for our Group's products and services can be characterised by rapid technological developments, evolving industry standards, swift changes in customer requirements, new product introductions and enhancements. If our Group requires new technologies and equipment to remain competitive, the development, acquisition and implementation of those technologies and equipment may require us to make significant capital investments. The emergence of new industry standards which reduces the use of metal parts in our Group's metal stamping business may also render some of our Group's products unnecessary. Thus, the future success of our semiconductor and metal stamping business will depend on our Group's ability to maintain and enhance our technological capabilities and develop and market our manufacturing services to meet the ever changing consumer needs and successfully anticipate and adapt to technological changes.

5.2.5 The development of our Group's automotive components manufacturing business depends, to a certain extent, on technical assistance from foreign partners

We, through the subsidiaries of AutoV, are involved in the automotive components manufacturing business. Certain of these subsidiaries (**"Licencee"**) have entered into several technical assistance agreements with foreign partners in Korea, PRC, India and Japan for the provision of technical assistance for the development of window regulators, side mirrors, wiper systems and sunvisors. These technical assistance agreements may range from two (2) years to twenty (20) years and may be terminated, due to, among others, the occurrence of events such as an act of bankruptcy by the Licencee, force majeure circumstances, essential changes in the capital structure of the Licencee, merger of the Licencee or capital reduction undertaken by the Licencee.

While our Licencee enjoys a cordial relationship with its foreign partners and our Licencee believes that these foreign partners intend to maintain their presence in Malaysia, there is no assurance that the technical assistance agreements will not be terminated earlier. There is also no assurance that upon termination of the technical assistance agreements, our Licencee would have adequately absorbed the requisite technological knowledge from its foreign partners or it would be able to obtain technical assistance from other replacement technology partners in a timely manner.

5.2.6 Exposure to foreign exchange fluctuations may impact our Group's revenue and earnings

We have metal stamping operations in Indonesia and PRC. Our coal mining operations are in Indonesia and a majority of our customers for our semiconductor manufacturing operations are derived from U.S. and Taiwan. As a result, we are subject to foreign exchange fluctuation risks through revenue earned and purchases made that are denominated in foreign currencies, in particular, USD despite our Group's financial results being reported in RM. The appreciation of the RM against foreign currencies may reduce our Group's revenue in RM terms as well as raise the prices of our Group's products and services against other currencies causing our products and services delivered abroad to be less competitive. On the other hand, the depreciation of RM against foreign currencies may increase the costs of the raw materials which our Group purchases from overseas in RM terms and lead to consequential increase in the cost of our products. In addition, our Group is also exposed to foreign exchange fluctuations in the event of mismatches between the amount and timing of receipts and payments in foreign currencies. To the extent there are any such mismatches, a significant fluctuation in the applicable foreign currencies against the RM arising from such timing differences, for example in respect of credit terms given to our customers or by our suppliers, we may incur foreign exchange losses. There is no assurance that our Group's profitability and financial position will not be materially and adversely affected by foreign exchange fluctuation. Our Group maintains a natural hedge, whenever possible, by buying materials and selling our products and services in foreign currencies. In addition to the management of foreign currency risk, our Group enters into foreign currency forward contracts in the normal course of business, where appropriate, to manage our exposure against foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

5.2.7 We are dependent on the supply of foreign labour and our Group may face labour shortages

Our Group is dependent on the availability of labour, especially foreign labour. Our Group's businesses are labour intensive and we may experience difficulty in attracting/obtaining and retaining sufficient number of employees to work in our manufacturing facilities and oil palm plantations. As at the LPD, our Group employed 2,194 employees of which 1,900 employees are based in Malaysia, 185 are based in PRC, 106 are based in Indonesia and 3 are based in Taiwan. Of the total workforce based in Malaysia, 636 are foreign employees, representing approximately 33.47% of our total workforce in Malaysia. Of these 636 foreign employees, 539 are for our Group's IMS division and 97 are for our Group's resources division. Our Group's foreign employees are employed on a contractual basis, typically for a period of three (3) years and renewable for a period of up to two (2) years and are mainly sourced from Bangladesh, Indonesia, Myanmar, Nepal and Vietnam.

Any change in government policies which restricts the inflow of foreign labour to Malaysia or imposes additional conditions for the entry of foreign labour to countries in which our Group operates (including Malaysia) will decrease the number of foreign labour available for employment by our Group and this may affect our businesses and operations. There is also no assurance that the cost of labour, whether local or foreign, will not increase or that we will be able to offset such increase in labour cost against corresponding increase in the prices of our products. If our Group is unable to pass on increasing labour costs to our customers, our financial performance may be materially and adversely affected.

5.2.8 Our Group may face risks associated with shortage of skilled labour

The ability of our Group to create a bigger pool of skilled personnel is crucial to sustaining our existing operations and remaining competitive. For example, the shift towards production of higher value medical devices requires skilled personnel, equipped with knowledge of medical technologies, which are presently short in supply in the country. Similarly, the E&E/semiconductor business too, faces constraints in employing and retaining more experienced technical personnel with specialised skills. With rapid development of new and innovative products, the E&E/semiconductor business requires employees experienced in areas such as physics, chemistry, electronics, material sciences and E&E engineering, to be able to translate R&D findings to market applications and for mass production. Our Group's inability to attract suitably qualified personnel could have an impact on the growth of our businesses.

5.2.9 An increase in the cost of operations of our Group's businesses may result in lower profit margins

Any increase in raw material prices, labour costs, overheads, energy costs or other costs of operations may result in lower profit margins, culminating in a need to increase the prices of our Group's products and services which inadvertently makes them less attractive and competitive. For example, our semiconductor business relies on raw materials such as gold and copper (to a lesser extent) whilst our metal stamping and precision tooling businesses requires metals such as aluminium and different types of steel. Our automotive component manufacturing business relies on plastic resins, some of which are still imported and pegged to and exposed to the fluctuation of price of crude oil as it is a petroleum by-product. These raw materials are commodities whose prices are dictated by global demand and supply and may face volatile price fluctuations. Any material increase in the aforesaid costs and raw material prices will have a material and adverse impact on the profit margins of our Group or our ability to break even or stay competitive. If our Group fails to manage the price movements of these raw materials or is unable to pass on the increase in costs by increasing the prices of our products and services and in a timely manner, our businesses, operations and financial performance may be materially and adversely affected.

5.2.10 Any non-renewal or suspension of our Group's operating licences, certifications and clearances will affect our Group's operations

Our Group has inherited various licences, certificates and other clearances granted by the authorities to the Jotech Group, the AIC Group and the AutoV Group, and some of these licences, certificates and clearances are subject to periodical renewals for their businesses. There can be no assurance that our licences, certificates and other clearances from authorities will not be revoked or suspended prior to their expiration. There can also be no assurance that we will be able to renew such licences, certificates and other clearances from authorities. Even if renewed, there is no assurance that the authorities will not impose new terms which are unfavourable to us. Any revocation or non-renewal of our licences, certificates and other clearances from authorities or failure by us to obtain new licences, certificates and other clearances from authorities (if so required) will have a material impact on our ability to continue our operations and hence will affect our profitability.

5.2.11 We are exposed to risks arising from our Group's overseas business operations in Indonesia and PRC

Our Group's metal stamping and coal mining businesses in countries such as PRC and Indonesia are exposed to added risks given the different business operating conditions and regulatory environments in those countries such as, among others, the general economy, political stability, legal and tax legislation, credit environment and foreign exchange rules, when compared to Malaysia. If our Group fails to fully understand the local environment of our overseas ventures, it may cause our Group to make decisions which may lead to a negative outcome which could affect our financial performance.

5.2.12 Current insurance coverage may not be sufficient to cover the risks related to our Group's operations

Although our Group has taken the necessary measures to ensure that all our assets are adequately covered by insurance in accordance with standard industry practice, there can be no assurance that the coverage would be adequate for the replacement cost of our assets or any consequential losses arising therefrom. Any losses or liabilities that are not covered by insurance taken by our Group may have a material adverse effect on our businesses and financial results of our operations.

As an OEM for automotive components, our Group will, at times be required to provide warranties to our customers.

Our Group may be subject to warranty claims from our customers, which also include PROTON, for any defects in our products. We generally do not take product liability insurance. If we are faced with any significant product liability claims or any other form of adverse event where we have insufficient or no insurance coverage, our business and financial performance may be materially and adversely affected. Even if our Group is able to successfully defend such claims, there can be no assurance that our customers will not lose confidence in our automotive products, thereby reducing orders from us or terminating their relationship with us. A product liability claim, even without merit, could result in our Group incurring reputational damage, significant expenses and substantial time and efforts of our management in defending and proving such claim to be without merit.

There can be no assurance that the insurance coverage that our Group has obtained will be adequate to safeguard us from the impact of losses, reputational damage or potential third party claims or litigation.

5.2.13 We are exposed to risks associated with new products

As set out in Sections 6.5.2 and 6.15.2(i) of this Prospectus, our Group intends to develop and sell new products such as automotive floor console module and supercharger. Both the floor console and supercharger are intended to be mass manufactured by mid-2012. Diversification into these new products are subject to certain risks such as whether there will be a demand for these new products, ease of securing raw materials, constraints of trained and experienced production staff, threat of substitute products and increase in production costs.

There is no assurance that our Group might be able to recoup the investment expended in developing and commercialising these products.

5.2.14 We are exposed to risks associated with investments

Our Group may from time to time invest in new ventures which we believe to be beneficial to our business or is synergistic with our Group's current operations. Although we exercise prudence in our decision-making, there is always the potential risk that the returns from these investments may have a longer payback period than expected or the investments may fail. For example, although our Group ventured into the coal mining business in 2009 with the acquisition of a 40% equity stake in Rockhill, the coal mining business has yet to contribute to the revenue of our Group as it has yet to commence operations pending the issuance of the "Izin Pinjam Pakai Hutan" licence from the Kementerian Kehutanan Indonesia, to PT Sarana Putra Perdana (the coal concession owner).

5.2.15 Our Group's business operations may face significant production or operations risks

Our Group's revenue is dependent on our production processes running smoothly and efficiently. Our Group's daily operations are susceptible to emergencies such as breakdown of machineries, explosion, fires, floods, energy crises, health crises, sabotage, strikes, civil commotions or natural disasters which could cause significant downtime and/or damage to our manufacturing facilities and may delay and disrupt the operations of our Group.

For example, on 16 January 2011, a fire accident occurred at the plating department of our wholly-owned subsidiary, namely, Prodelcon's factory premises located in Bayan Lepas, Penang, which damaged its plant, equipment and inventories. Insurance claim for the losses related to the said fire accident have already been made but not yet received as at the LPD. Our Group has assessed the damages to be in the region of RM1 million, however, there can be no assurance that the insurance company will agree and concur to our Group's assessment of the damages.

Whilst our Group has taken up certain insurance policies such as all risks insurance and fire insurance for our buildings, plant and machineries and inventories, there is no assurance that these production or operational risks have been fully mitigated and will not have an adverse and material impact on the business, operations and financial performance of our Group. Failure by the insurance company to compensate our Group in part or in whole of any damages sustained by us may have an adverse and material impact on the financial results of our Group.

5.2.16 We are exposed to risks associated with rented premises

Some of our Group's manufacturing operations are located on rented premises. For example, our automotive division's manufacturing plant is located at Lot No. 3, Persiaran Kemajuan, Seksyen 16, 40200, Shah Alam, Selangor Darul Ehsan which is leased for a period of ten (10) years, with an option to renew the lease for a further period of ten (10) years after the end of the initial lease period ending on 12 September 2016.

The risks associated with rented premises includes the refusal of the landlord to extend the tenancy upon expiry, the failure by both the tenant and the landlord to agree on acceptable terms upon renewal of the lease or the sudden termination of the lease agreement. Any one of these factors could result in our Group being required to move out from the tenanted premises and this could lead to a disruption in operations of our Group. The failure by our Group to minimise such disruptions could have a material and adverse impact on our business performance.

5.2.17 Cost of borrowings

Interest rate exposure arises mainly from our Group's borrowings. Any increase in the interest rates may lead to higher borrowing costs, and in turn, affect our Group's profitability. Further, our credit facilities agreements with banks and financiers contain, among others, covenants that may limit our operating and financing flexibility. Any act falling within the ambit or scope of such covenants will require the consent of the relevant banks or financiers.

5.2.18 Bad debts

Credit risks arise when sales are made on credit terms in particular for our Group's IMS division. If our debtors do not pay them and the debts turn bad, our Group would be required to write-off such debt which would affect our Group's cashflow and profitability.

5.2.19 Inability to retain our directors and key management and failure to attract suitable replacements may affect our Group's performance

Our Group's success depends to a significant extent on the abilities and continuing efforts of our directors and key management personnel. Please refer to Sections 10.1.1 and 10.2 of this Prospectus for the profiles of our Directors and key management personnel respectively. The loss of any of these persons without a suitable and timely replacement, or our inability to attract and retain qualified and skilled key management personnel, could affect our continued ability to compete in our industries which may then materially and adversely affect our business operations, financial results and prospects.

5.2.20 Our Group is subject to political, economic, market and regulatory considerations

Like all other business entities, our Group could be materially and adversely affected by changes in the political, economic, market and regulatory conditions in Malaysia and the countries in which we currently operate in and will operate in, source our supplies from or market our products. These uncertainties include changes in political leadership, risks of war and riots, expropriation, nationalisation, changes in interest rates, methods of taxation, exchange control policies or rules and immigration policies or rules. In addition, countries could change their interpretation of existing laws, policies and regulations which would impose and/or increase restrictions on the conduct of our businesses in Malaysia and/or overseas, restrict our businesses or export licences and introduce trade barriers. An example of a regulatory development which could impact our Group would be the Malaysian Ministry of Health's drafting of regulations on the production of medical devices. The implementation of these regulations could pose a challenge to our Group's medical devices business as additional costs and efforts may be incurred to comply with the requirements imposed by these regulations.

In terms of economic risks, our Group's business operations and financial performance may be affected by a downturn in the Malaysian or global economy. Our Group's IMS division is likely to be affected by an economic downturn. The recent global financial crisis, the recent European sovereign debt crisis, political upheavals and general weakness of the global economy have increased the uncertainties involving the global economy and may continue to affect the key markets in Asia which our Group operates in. Any future decline of the Malaysian and the global economy could materially affect the financial results and business operations of our Group.

There can be no assurance that any changes to political, economic, market and regulatory factors will not have a material and adverse effect on the businesses and prospects of our Group.

5.2.21 Failure to comply with laws and regulations relating to environment and health and safety may result in penalties

In general, some of our Group's operations generate dust, waste and noise pollution. We are required to comply with various environmental laws and regulations relating to water, air and noise pollution, and the disposal of waste materials. Our Group's failure to comply with such environmental laws and regulations may result in penalties being imposed and in serious cases, closure of our operations. Should this occur, our financial performance would be materially and adversely affected. Any tightening of environmental laws may require us to invest significantly in equipment and machinery or to implement added processes to our current operations in order to meet such changes in environmental laws and regulations. Further, some of our operations may be affected by changes in health and safety laws and regulations where compliance with these new laws and regulations may entail significant expenses to us. There can be no assurance that the future costs of compliance with such laws and regulations will not have a material and adverse impact on our businesses and profitability.

Our Group has not experienced any of the risks set out in Sections 5.2.1 to 5.2.21 of this Prospectus which had a material and adverse impact on the businesses of our Group.

Industry specific risks

5.2.22 Our automotive division may be materially and adversely affected by the purported changes to the National Automotive Policy 2009

The business of our automotive division could be materially and adversely affected by the purported changes to the National Automotive Policy 2009, which is expected to be announced within the first half of year 2012. If the Malaysian government grants manufacturing licences to foreign marque vehicle manufacturers to allow the production of vehicles in Malaysia, PROTON, our main customer whom our automotive division is highly dependent on, will be exposed to greater competition from foreign marque vehicle manufacturers such as those from Japan, Korea and Germany. These foreign marque vehicle manufacturers may wish to set up their production plants in Malaysia following the liberalisation and this could result in the retail price for foreign marque vehicle becoming more competitive against PROTON. Locally assembled and manufactured foreign marque vehicles will become more affordable, resulting in an increase in demand for the said vehicle and a fall in demand for PROTON cars, assuming both vehicles share the same segment. Unless our automotive division reduces its dependency on PROTON by manufacturing for other types of vehicles, the demand for automotive parts produced by our automotive division is likely to fall should there be a reduced demand for PROTON cars. Our automotive division will also face increased competition as new automotive parts suppliers may emerge following the liberalisation, which could result in intense price competition.

To mitigate the risks of reduced sales volume and falling prices, our automotive division will continue its efforts to maintain and improve on the quality and pricing of our products, improve production efficiency as well as secure new customers for our Group.

Despite the efforts taken by us to penetrate into other carmakers and maintain our position as an established and preferred components vendor locally, there is no assurance that the introduction of the new objectives into the National Automotive Policy will not materially and adversely affect the business and contributions of our automotive division to the profits of our Group.

5.2.23 Our automotive division may be materially and adversely affected by DRB-HICOM Berhad's acquisition of PROTON, a major customer of our automotive division

As at the LPD, DRB-HICOM Berhad ("**DRB-HICOM**") has acquired 50.01% equity interest in PROTON. As set out in Section 6.13 of this Prospectus, our automotive division is highly dependent on orders from PROTON. Following its acquisition by DRB-HICOM, PROTON may be required to streamline its auto parts suppliers. Should this occur and if our automotive division is not appointed as one of PROTON'S preferred auto parts suppliers, the operating and financial performance of our automotive division will be materially and adversely affected.

We believe that the likelihood of DRB-HICOM not appointing us as PROTON's preferred auto parts suppliers is low due to our pre-existing relationship with DRB-HICOM. Our automotive division has been supplying auto parts to associated and jointly-controlled companies of DRB-HICOM for production of various Honda and Isuzu vehicles and our business relationship with the said companies have been well maintained over the past years.

Despite our pre-existing relationship, there is no assurance that DRB-HICOM will not source for other auto parts suppliers who may offer automotive components with similar or better quality at a more competitive price and on more attractive terms.

5.2.24 Exposure to inherent risks in our Group's oil palm plantations business

Although our Group's oil palm plantations business presently is not the main contributor to our revenue, nonetheless, the following are the inherent risks that we would face should we, in future, invest more of our resources in the oil palm plantations business:

(i) Threat of palm oil being replaced with other oils such as soybean, sunflower and rapeseed oil;

(ii) Crude palm oil is a commodity which are susceptible to global supply and demand conditions such that the earnings from our oil palm plantations business are subject to market price fluctuations;

(iii) Our Group faces difficulty in recruiting Malaysian workers and instead relies on foreign labour for the cultivation and harvesting of oil palm;

(iv) Effects of severe and prolonged drought will usually result in low crop production while very wet weather may materially and adversely affect harvesting of FFB;

(v) Pests and outbreak of diseases may affect our crops; and

(vi) Negative publicity alleging that palm oil is detrimental to health and that oil palm plantations business materially and adversely affect the environment, including destroying the habitat of endangered wildlife, could result in a reduced demand for palm oil related products.

5.3 Other risks

5.3.1 Forward-looking statements are subject to uncertainties and contingencies

Certain statements in this Prospectus in relation to us are based on historical data, which may not be reflective of the future results. Other statements, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations, which are forward-looking in nature, will be subject to uncertainties and contingencies. Although we believe that the expectations reflected in such forward looking statements are reasonable at this time, there can be no assurance that such expectations will subsequently materialise. For example, any unforeseen changes to economic, regulatory or labour conditions could materially and adversely affect our business strategies and future plans which will affect our operations and profitability. As such, forward looking statements presented in this Prospectus should not be regarded as a representation or warranty by us or any of our advisers that our plans and objectives will be achieved.

5.3.2 Impairment of goodwill

Based on our proforma consolidated financial information and proforma consolidated statements of financial position as at the year ended 31 December 2010, we have goodwill of about RM176.18 million which is subject to annual tests of impairment. Some examples of events/changes in circumstances that may cause impairment of goodwill are as follows:

(i) Evidence of obsolescence or physical damage of an asset in the cash generating units ("**CGUs**") which may materially affect the cash generating capability of such asset;

(ii) Significant changes in the event to which, or manner in which, an asset in the CGU is used or is expected to be used, that have taken place in the period under review or soon thereafter and that will have an adverse effect on it. These changes include the asset becoming idle, plans to dispose of an asset sooner than expected, reassessing the asset's useful life as finite rather than infinite or plans to restructure the operation to which the asset belongs;

(iii) Significant adverse changes that have taken place during the period under review, or will take place in the near future, in the technological, market, economic or legal environment in which the CGU operates; and

(iv) Economic performance of the CGU is, or will be worse than expected.

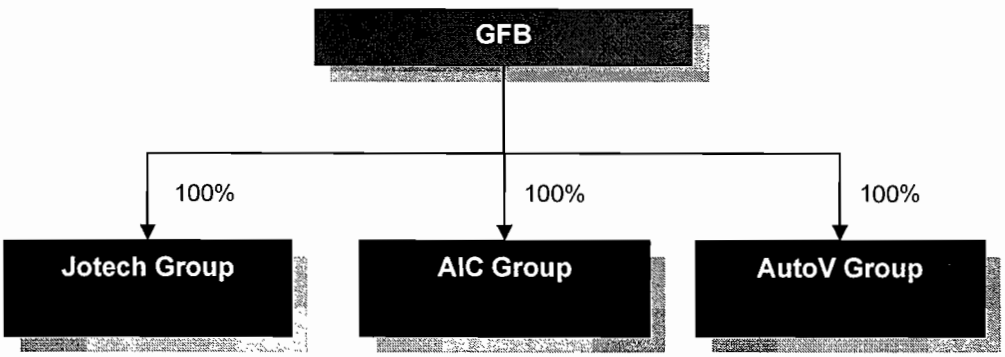
In the event of goodwill impairment, the profitability of our Group may be adversely affected and may have a corresponding effect on the shareholders' value.

6. BUSINESS OVERVIEW

6.1 Business overview

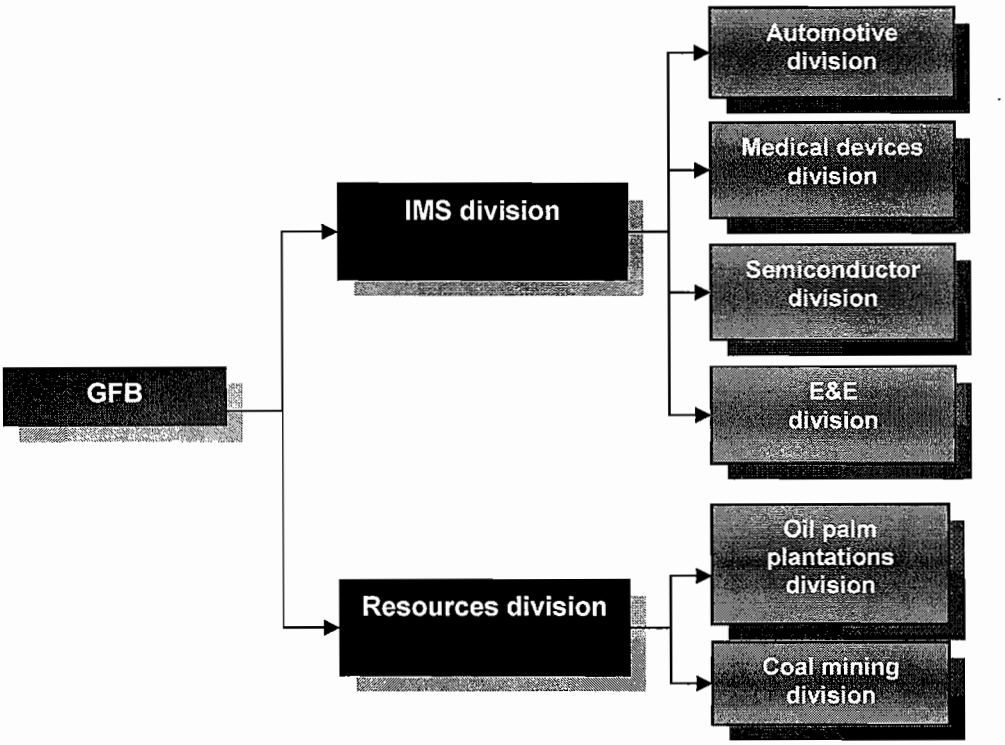
We were set up as a special purpose company in Malaysia under the Act on 15 July 2011, to facilitate the Acquisitions. We were subsequently converted into a public limited company on 18 October 2011 and we assumed our current name on 4 April 2012. Our current principal business activity is investment holding while the principal business activities of our subsidiaries and associated companies are further set out in Section 9.2 of this Prospectus. With the Completion, we have overseas operations in Indonesia via PT Indotech Metal Nusantara which is involved in metal stamping and also via Rockhill, whose subsidiary, PT Sarana Rockhill Resources was assigned the coal mining services and marketing rights from PT Sarana Putra Perdana (the coal concession owner) to provide all coal mining and sale services to it. As at the LPD, extraction and marketing of coal has yet to commence as PT Sarana Putra Perdana is in the process of obtaining the "Izin Pinjam Pakai Hutan" licence to be issued by the Kementerian Kehutanan Indonesia. Our overseas operations in PRC is represented by GuangDong Jotech Kong Yue Precision Industries Ltd which is involved in the manufacturing and fabrication of tools, dies and stamped metal components for the E&E industries.

Our Group comprises the Jotech Group, AIC Group and AutoV Group. Our corporate structure upon Completion is as follows:



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Our Group's principal activities are divided into two (2) main divisions being the IMS division and the resources division which comprises the following sub-divisions:



6.2 Our IMS division

As an IMS Solutions provider, we are able to offer the following multi-disciplinary manufacturing services:

(i) precision metal stamping;

(ii) precision machining and assembly of RF microwave, photonics and medical components;

(iii) design and fabrication of precision tooling and automation equipment;

(iv) injection moulding and blow moulding;

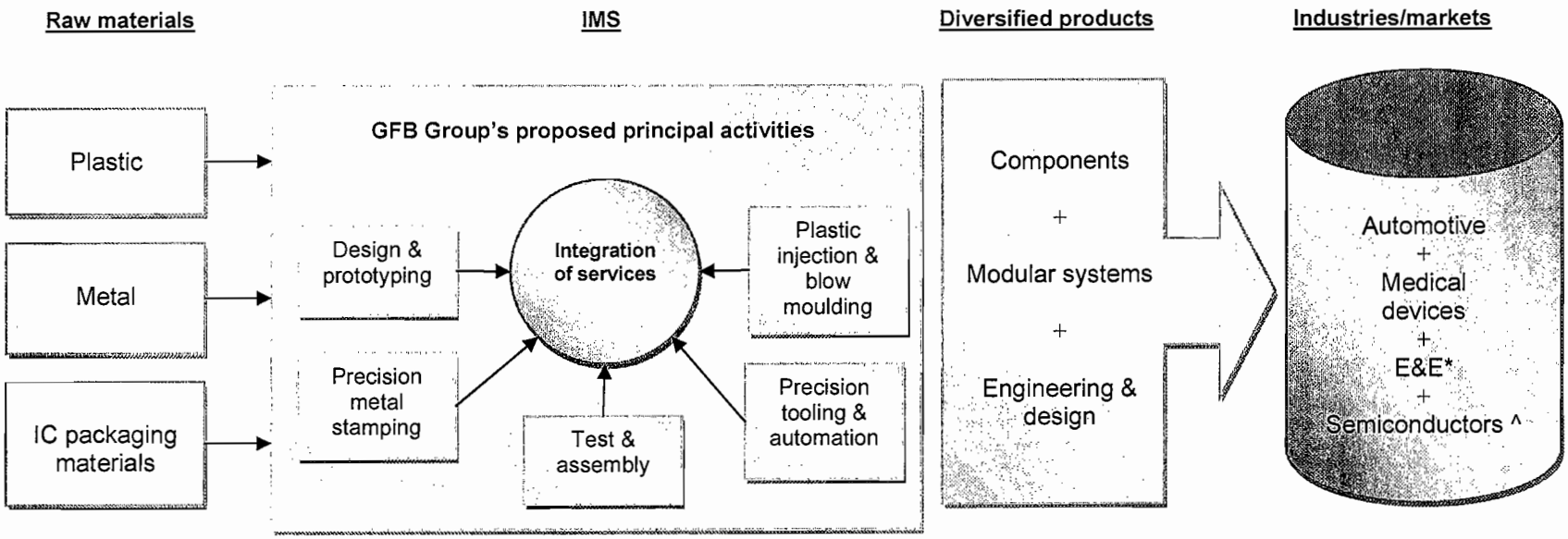
(v) test and assembly of semiconductors and smart card modules; and

(vi) design, manufacturing and assembly of automotive components and module/systems.

In addition, we are able to ride on the outsourcing trends that are increasingly practiced by MNCs globally as they concentrate on their core competencies. We aim to do this by offering synergistic combinations of different skill-sets and technologies from different business divisions to deliver seamless services, combining design and manufacturing capabilities with logistics to our customers. By manufacturing key components and undertaking sub-assemblies for our customers, we will be able to enhance the continuity of supply and may also reduce costs for our customers. Through the current global outsourcing trends, we also hope to gain a wider market and client base.

6. BUSINESS OVERVIEW *(Cont'd)*

The diagram below sets out a pictorial illustration of the multi-disciplinary manufacturing services that can be offered by our Group.



Notes:

* *Refers to E&E products including, among others, photonic, RF, consumer E&E components.*

^ *Refers to the design, development, procurement, assembly, testing, and sale of IC packages.*

Our Group's IMS division comprises the following four (4) divisions, namely:

(i) automotive division which is involved in the provision of manufacturing services for various levels of automotive components and modules/systems which involves the integration of electrical devices with metal, rubber and plastic based components;

(ii) medical devices division which is involved in the provision of metal and plastic based manufacturing services for medical devices;

(iii) semiconductor division which is involved in the provision of design, development, procurement, testing and assembly of IC packages and smart card modules; and

(iv) E&E division which is involved in the provision of metal and plastic based manufacturing services for E&E products including, among others, consumer products, photonics, RF microwave components and industrial products.

For our Group's IMS division, our customers are principally MNCs and blue chip companies and our principal markets are spread between the automotive components and E&E industries such as the semiconductor industry, RF industry and the photonics industry. We have also made in-roads to the following industries:

(i) medical devices industry; and

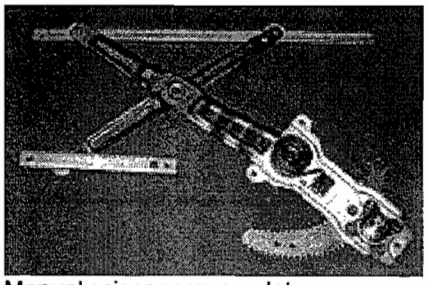
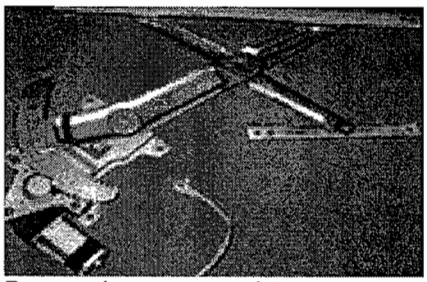
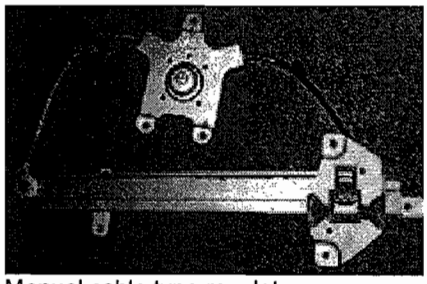
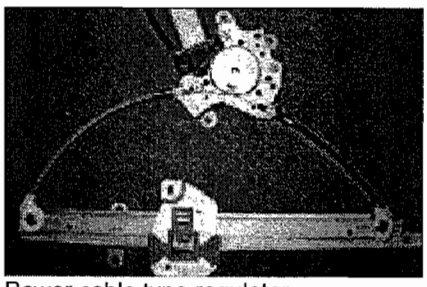
(ii) household appliances industry (LCD, plasma, LED televisions) with customers such as Panasonic and TDK Lambda.

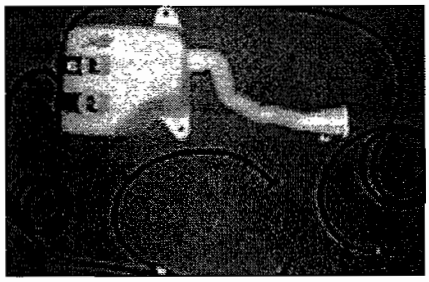
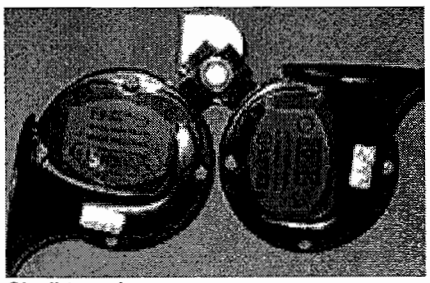
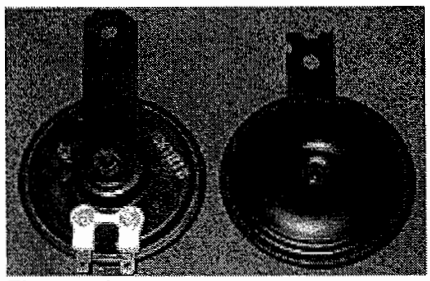
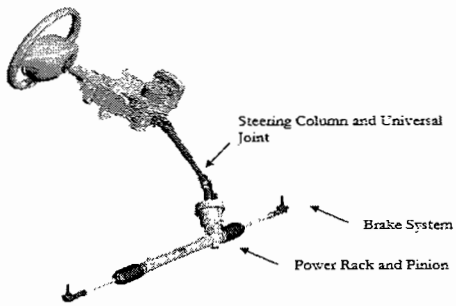
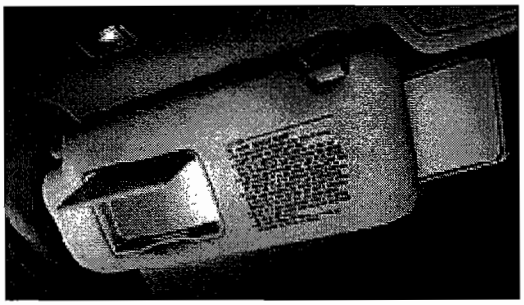
6.2.1 Our automotive division

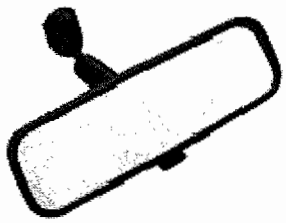
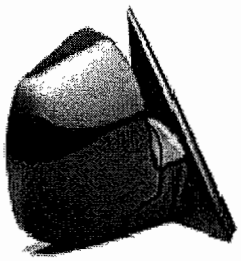
The operations of our automotive division is carried out by AutoV Group, which is principally involved in the manufacturing of automotive components for the automotive industry in Malaysia. AutoV Group is a Tier-1 and Tier-2 vendor of automotive components to PROTON, Perodua, Honda, Toyota and other international automotive manufacturers and assemblers. A Tier-1 vendor is a preferred vendor that provides products and services directly to OEM automotive manufacturers. and assemblers due to the recognition and acceptance of our capabilities to deliver products and the desired quality with competitive pricing. Tier-1 companies assemble major automotive components into large modules which are created using parts from Tier-2, Tier-3 or even smaller vendors, and these companies are generally paid by their larger Tier-1 siblings.

6. BUSINESS OVERVIEW *(Cont'd)*

Our AutoV Group manufactures a range of automotive components, such as:

No.	Type of automotive components	Pictorial illustration
(i)	Window regulators;	 Manual scissor arm regulator
		 Power scissor arm regulator
		 Manual cable type regulator
		 Power cable type regulator

No.	Type of automotive components	Pictorial illustration
(ii)	Washer system;	
(iii)	Electronic horns;	 Shell type horn
		 Flat type horn
(iv)	Steering systems;	
(v)	Sun visors;	

No.	Type of automotive components	Pictorial illustration
(vi)	Wipers;	
(vii)	Internal rear view mirror	
(viii)	Side rear view mirror	

To complement our automotive components manufacturing business, AutoV Group also offers plastic processing services such as injection moulding, blow moulding, vacuum forming and fiber reinforcement process. Our car components manufactured through plastic processing services includes, among others, engine cover, gear shift module, parking brake cover, radiator grille and rear spoiler.

6.2.2 Our medical devices division

The operations of our medical devices division is carried out by AIC Group and its activities (which also include precision machining, tooling and automation activities) comprise:

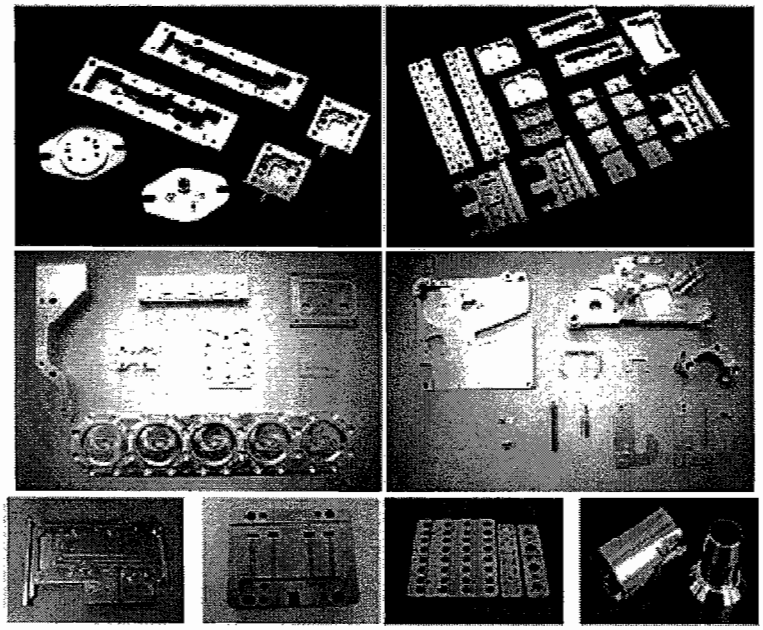
(i) the manufacturing and provision of high precision machining services for components of medical devices; and

(ii) manufacturing of high precision tooling, mould and die sets.

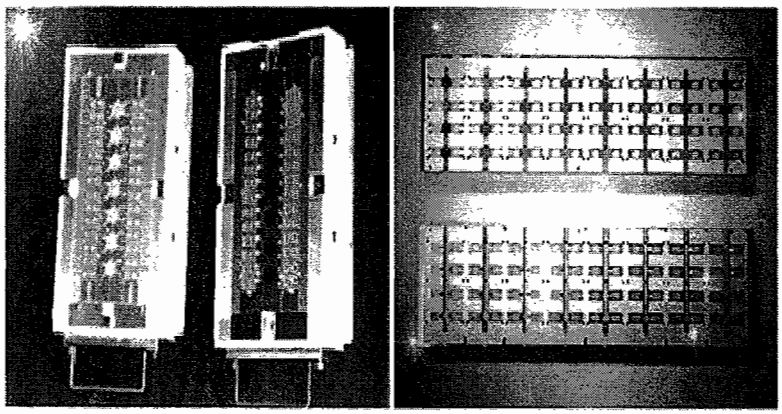
The manufacturing of high precision tooling, mould and die sets also complement our semiconductor division as we are also able to develop and manufacture automation machines and systems for the semiconductor industry. These include the design and building of customised machines and system to automate the manufacturing processes of semiconductors.

The products from our medical devices division are segmented into the following categories:

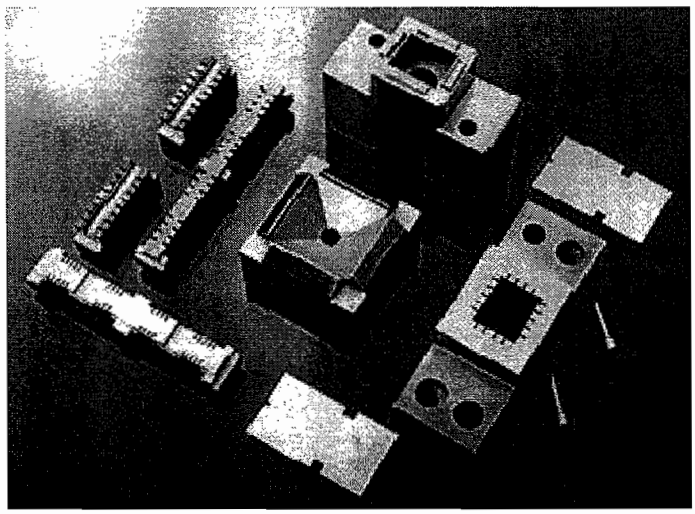
(i) high precision components for medical devices, photonics and RF microwave products;



(ii) mould and dies for encapsulation of ICs, die-sets and die-parts; and



(iii) jigs and fixtures, equipment spare parts, gauges, sheet metal work, tooling and jobs that require high precision computer numerical control milling, turning, grinding, EDM, die sinking and wire cut.



Our medical devices division is currently the supplier for five (5) international customers in the medical devices and life-sciences industries. As at the LPD, a total of twenty-seven (27) components were qualified by our respective international customers, out of which eighteen (18) items are undergoing mass production and nine (9) items are pending mass production and fifty-three (53) components are currently undergoing qualification.

6.2.3 Our semiconductor division

The operations of our semiconductor division is principally carried out by AIC Group which is engaged in the design, development, procurement, assembly, testing and sale of semiconductor products. It provides one-stop solution services, including package design and development, engineering and test development, assembling and testing of IC packages/smart card modules and drop shipment and distribution services.

Through the AIC Group, we offer a range of advanced IC packages while our core area is in leaded IC packages. We use advance packaging simulation techniques, advanced materials and process characterisation. Our package development team has successfully developed a wide range of chip scale packages, multi-chip module and smart card module products.

We believe that our process technology and manufacturing system allows us to deliver reliable and quality products with high yield and within a short production time. Our semiconductor products ranges from plastic leaded chip carrier, plastic dual-in-line package, small outline integrated circuit, very small outline package/thin small outline package, QFN and thin shrink small outline package to chip scale package, IC packages, some of which are shown below:

Leaded Packages



DFN
Dual Flat-pack No-Lead



PDIP
Plastic Dual-In-Line Package



PLCC
Plastic Leaded Chip Carrier



QFN
Quad Flat-pack No-Lead



SOIC
Small Outline Integrated Circuit



TSSOP
Thin Shrink Small Outline Package

Smart Card Modules



SCM
Smart Card Modules

6.2.4 Our E&E division

The operations of our E&E division is carried out by Jotech Group and its activities comprise the design and fabrication of toolings, prototyping, precision metal stamping and sub-assembly services.

The precision metal stamping operations are carried out by our four (4) subsidiaries, namely Jotech Metal Fabrication Industries Sdn Bhd, Yee Heng Precision Stamping Sdn Bhd, PT Indotech Metal Nusantara in Indonesia and GuangDong Jotech Kong Yue Precision Industries Ltd in PRC.

Jotech Group is a supplier to many major MNCs in the E&E and automotive industries to the local and overseas markets. It mainly focuses its manufactured metal stamped components for electrical, consumer electronics and automotive products.

6.3 Our resources division

Our resources division is involved in the following activities:

(i) oil palm plantations division which is involved in the operating and management of our oil palm plantations; and

(ii) coal mining division which is involved in the extraction and marketing of coal. As at the LPD, the extraction and marketing of coal has yet to commence.

6.3.1 Our oil palm plantations division

Our oil palm plantations related activities are carried out by our subsidiaries, namely CFSB and MPSB. Jotech completed the acquisitions of CFSB and MPSB on 22 March 2011 and these acquisitions represent part of our strategy of diversifying into the resources industry, which we forsee to have growth prospects and also to reduce our dependency on our Group's IMS division.

As at the LPD, we have approximately 916.25 hectares of plantations situated at Sandakan Lahad-Datu Highway, Kinabatangan, Sabah, with approximately 836.96 hectares planted with oil palm.

The oil palm plantations of our Group are as follows:

(i) Oil palm plantations held by CFSB

The oil palm plantations are located at Sungai Lokan locality in the district of Kinabatangan, Sabah and will continue to be used for oil palm plantation purposes. The approximate age of the oil palm trees in the plantations ranges from four (4) years to fourteen (14) years and their planted area sizes are as follows:

Year of planting	Planted hectares
1996 - 1997	85.49
2007	9.40
Total	**94.89**

The net book value of the oil palm plantations, based on the unaudited financial statements of CFSB as at 31 December 2011 amounted to RM2,277,747.

(ii) Oil palm plantations held by MPSB

The oil palm plantations are located at the Sungai Lokan locality in the district of Kinabatangan, Sabah and will continue to be used for oil palm plantation purposes. The approximate age of the oil palm trees in the plantation ranges from three (3) years to fifteen (15) years and their planted area sizes are as follows:

Year of planting	Planted hectares
1996	57.44
1997	11.00
1998	51.66
1999	100.81
2000	74.83
2002	143.73
2003	15.00
2004	16.18
2005	153.06
2007	75.89
2008	42.47
Total	**742.07**

The net book value of the oil palm plantations, based on the unaudited financial statements of MPSB as at 31 December 2011 amounted to RM28,109,299.

6.3.2 Our coal mining division

As part of our plan to diversify our future income stream, our Group had, in 2009, embarked on our maiden investment in the coal mining business by acquiring a 40% equity interest in Rockhill from Concord Alliance (HK) Ltd for a cash consideration of USD2 million. Rockhill is a company incorporated in the British Virgin Islands and is principally involved in locating high potential precious metal properties. The other shareholders of Rockhill are Concord Alliance (HK) Ltd and Jersey Gold Ltd, each holding 40% and 20% equity interest respectively. Concord Alliance HK Ltd has secured an exclusive and irrevocable right from PT Sarana Putra Perdana (the coal concession owner) to provide all coal mining and sales services that may be necessary for the production and sale of the entire coal reserves in the mining area.

Based on an exploration study conducted on the mining area and the exploration report dated November 2008, the indicative coal reserves in the mining area is at least 1.22 million metric tonnes, with an average quality of more than 7,000 calorie per kilogram.

As stipulated in the conditional sale and purchase agreement between Jotech and Concord Alliance (HK) Ltd dated 12 March 2009, Concord Alliance (HK) Ltd has assigned its exclusive and irrevocable rights to provide all coal mining and sales services in the mining area to PT Sarana Rockhill Resources, a subsidiary of Rockhill. PT Sarana Rockhill Resources was incorporated on 6 April 2009 and its principal activity is trading of coal and mineral resources. As at the LPD, Rockhill and Concord Alliance (HK) Ltd own 99.9% and 0.1% equity interest in PT Sarana Rockhill Resources respectively.

As at the LPD, the extraction and marketing of coal has yet to commence as PT Sarana Putra Perdana is in the process of obtaining the "Izin Pinjam Pakai Hutan" licence to be issued by the Kementerian Kehutanan Indonesia. Extraction and marketing of coal can only commence after obtaining this approval.

The surge in the prices of crude oil in recent years has forced the Indonesian government to look for alternative sources of energy. It is keen to take advantage of the growing role of coal, so as to maximise the potential of coal energy. Indonesia is seeking to expand the use of coal to fuel industries, especially to feed coal-fired power plants, replacing expensive oil fuels. There are also plans to electrify rural areas as it is estimated that only about 65% of the population has access to electricity. (Source: IMR Report)

Therefore, our Group stands to benefit from these developments.

With our exposure to the five (5) distinct industries, namely, automotive, medical devices, E&E (which includes semiconductor), palm oil and mining, our Group possesses a more diversified revenue stream as well as be less susceptible to the risk of a downturn that may affect a particular industry and our dependency on a single customer.

6.4 Our competitive strengths

Our competitive strengths include the following:

6.4.1 Provision of IMS Solutions to our clients, in particular our MNC customers and blue chip customers

Due to finite resources, MNCs prefer to deal with fewer suppliers as possible in the supply chain. MNCs prefer suppliers that are able to offer a more integrated range of manufacturing services, in order to save time, resource allocation, integrate technical solutions and deliver better quality performance. We believe that with the Completion, we are able to provide our MNC customers and blue chip customers with a comprehensive range of manufacturing services and solutions for metal, plastic and electronic components and modules/semi-finished products including, among others, design, high volume manufacturing, assembly and logistics management services.

Our manufacturing services and solutions will comprise component design/design improvement, design and fabrication of precision tooling and automation equipment, precision machining and precision metal stamping, plastic injection moulding and blow moulding, assembly and testing, sub-assembly, packaging and logistics management services. We believe that with the Acquisitions, we are able to offer our customers a more competitive value-added IMS Solutions which includes:

(i) Provision of a more complete assembled component

As an IMS Solutions provider, we are able to manufacture metal, plastic and/or electronic components and assemble these components into modules/semi-finished products. For example, in addition to the production of precision machined components (which are primarily internal parts), we would also be able to manufacture plastic housings and casings and pre-assemble some of the precision machined parts and plastic housings into a more complete assembled component.

(ii) Reduced time to market

As a result of a more complete assembled component, our customers are able to source from a single supplier instead of having to source multiple unassembled components from multiple suppliers. In turn, our customers will be able to shorten their assembly process and accelerate the production of their finished products.

(iii) Reduced capital investment and improved inventory management

Our Group's ability to provide our customers with a comprehensive range of multi-disciplinary manufacturing services would assist our customers by reducing their capital investments since our customers would outsource a larger portion of their manufacturing activities to us. As a result, our customers can expect to reduce the holding of inventory of their unassembled components and improve their inventory management system by reducing the warehouse space and cost.

(iv) Improved purchasing power

As an IMS Solutions provider, our Group will be able to undertake larger role of manufacturing and assembly of more modules/semi-finished products from the customers.

This in turn increases the purchasing power of our Group for the purchase of raw materials like metals, plastic and/or electronic components from the suppliers and hence our Group can procure raw materials at cheaper prices. Such cost savings will be able to pass on to our customers, who will then enjoy better margins for their products.

(v) Improved product quality

When we are able to manufacture more components for our customers, we are also able to manage the quality control process to minimise any defective products. Any manufacturing defects will be rectified, thus improving the overall quality of the products manufactured as well as enabling additional cost savings for our customers.

6.4.2 Product design, development and fabrication capabilities

We have the manufacturing and engineering capabilities to provide customers with product design, development and fabrication services.

An example of our ability in design and development is the supercharger project undertaken by the AutoV Group. The objective of the supercharger joint venture is to produce the supercharger systems in Malaysia for the global market, commencing with the PROTON Satria Neo model for PROTON Motorsports and subsequently progressing to other car manufacturers.

As our joint venture partner which owns the intellectual property ("**IP**") of the supercharger is very protective of its IP and require the main components to be produced in-house, our wholly owned subsidiary, Prodelcon, which is part of the AIC Group can, as a result of the Acquisitions, jointly participate in the manufacturing process required by the joint venture partner.

The introduction of supercharger will also enable car body kits manufactured by our wholly owned subsidiary, Proreka for OEM car makers to make a product differentiation as it will be difficult for after-market competition to imitate the added power of the supercharger when combined with Proreka's in-house designed new styling theme for car body kits.

Apart from the supercharger project, we are also exploring the possibility of introducing "Cyclone" products which can improve air intake into car engines and reduces carbon emission when fitted onto car engines. The products are currently undergoing tests to prove their effectiveness.

6.4.3 Geographical diversification

Our geographical diversification provides us with the advantages of close proximity to our customers, access to a larger pool of skilled labour, and other potential cost savings and efficiencies. We have manufacturing plants and offices in Malaysia, Indonesia and PRC. Our close proximity to our customers enables us to reduce our logistic and storage costs, shorten delivery and response time, forge closer working relationship as we are close to our customers' design centres thus enabling us to be more involved in collaborations, resource planning and project management. Other competitive advantages derived from our geographical diversification include:

(i) flexibility in the utilisation of resources where production orders/processes can be carried out in other locations where deemed beneficial; and

(ii) the overall impact on our Group is minimised should operational problems be encountered in a specific manufacturing plant.

6.4.4 Diversified customer base

We have a more diversified customer base comprising mainly MNCs and OEMs, with global operations and serving wide markets. Our customer base includes major corporations in the E&E (which includes consumer electronics), telecommunications, information technology, medical and life-sciences and automotive industries.

Our diversified customer base will help lessen any business and financial impact in the event of a downturn in a specific industry and/or reduction/non-continuation of orders from a single customer.

6.4.5 A proven and stable copper wire bonding technology

We have a proven and stable copper wire bonding technology. The use of copper materials to replace gold is more cost effective and reduces cost by 60%.

6.5 Business strategies, future plans and prospects

6.5.1 Value of the merger

The Acquisitions will allow us to generate value in the following manner:

(i) The shareholding structures of the Jotech Group, AIC Group and the AutoV Group will be restructured and optimised

Prior to the Acquisitions, Jotech held 16.12% equity interest in AIC and AIC held 17.88% equity interest in AutoV. The AIC Shares and the AutoV Shares are relatively illiquid compared to Jotech Shares. The Acquisitions will unlock the multi-tiered shareholdings and create a single common share base, thereby increasing the number of outstanding shares and liquidity for retail and institutional participation. The increased liquidity will also create greater visibility among the larger institutional funds.

(ii) Strengthening of financial position

With the Completion, we have a larger and stronger balance sheet which allows us to undertake larger projects, capitalise on growth opportunities, in line with globalisation. We will be able to consolidate the various supply chains practiced by the different companies into a single supply chain, thus enabling us to achieve a level of efficiency to reprice our end products at a level which our competitors may find difficulty in matching. We may also be able to seek more favourable terms from our suppliers that would enable us to provide our customers with greater cost reductions than they can obtain themselves.

Lastly, a larger and stronger balance sheet will allow us to better tap the debt and equity markets to fund future acquisition activities and investments for expansion, and also reduce our borrowing or funding costs.

(iii) Reduce exposure and dependency on a single industry

Prior to the Acquisitions, the Jotech Group, AIC Group and AutoV Group are individually dependent, wholly or to a large extent on a single industry and, are vulnerable to its cyclical effects. The Acquisitions will create five (5) key business pillars for us, namely the automotive, medical devices, E&E (among others, RF and photonics), semiconductor and resources industries. The Acquisitions will also integrate value added design and development services through Prodelcon and Proreka into our overall IMS Solutions offerings that help enhance our profit margins. Our future plan to expand our Group's resources division, in particular the oil palm plantations business will further reduce our exposure and dependency on a single industry. The five (5) revenue generating business pillars will help minimise the adverse impacts from any downturns, resulting in better earnings stability and visibility for our Group.

(iv) Cost savings, improve efficiencies and initiate cross-selling activities to enhance revenue and profit potentials

We are able to capture cost savings by reducing operational redundancies (for example through streamlining back office operations) and improving efficiencies through the sharing of technologies, know-how and best practices. This includes potential cost savings derived from pooling raw material procurement resources, in-sourcing and distribution management. We will also save on compliance cost as a single public listed company as compared to the total compliance costs of three (3) public listed companies.

We will also have the opportunity to enhance our revenue and profit growth through cross-selling additional design and/or manufacturing and/or sub-assembly services to existing customers, with the objective of deepening the relationship of our existing accounts, enhance customer loyalty and becoming an integral part of our customer's manufacturing supply chain.

(v) Sharing of facilities within our Group

With the Completion, we are able to derive additional efficiencies through the sharing of facilities between the Jotech Group, the AIC Group and the AutoV Group. We will also be able to position our operations in the best possible proximity to our customers and enable us to be more involved in the collaborations, resource planning and project management of our customers.

For example, one of Prodelcon's main customer is based in Singapore. Upon the Completion, Prodelcon will be able to share the use of the Jotech Group's factory infrastructure and logistics capabilities in Johor so as to better service that customer.

(vi) Strengthen direct and indirect barriers to entry

We also aim to create value by improving our competitive advantage by creating direct and indirect barriers to entry. A more integrated supply chain may achieve a level of efficiency that enables our Group to price the end product at a level that is competitive with its competitors.

6.5.2 Future plans and business strategies

Our future plans and business focus is to expand our Group's resources division and expand our operations as an IMS Solutions provider of metal, plastic and electronic parts, components, and sub-assemblies and completed products for MNCs and blue chip customer. Our business strategy is to further develop and leverage our multi-disciplinary manufacturing strengths, our cost structure, our logistical advantages, our reputation as a high-quality manufacturer, and our existing relationships with blue chip Malaysian, Japanese, U.S. and Taiwanese customers to further expand our Group's manufacturing operations and product offerings. To achieve our future plans, we will focus our energy and resources on the following strategic paths:

(i) Broaden and diversify our range of manufacturing service offering

Unlike many of our manufacturing competitors in Malaysia that are limited to either metal stamping or plastic moulding, we intend to offer our customers a more integrated range of multi-disciplinary manufacturing services that combines design, manufacture and assembly of more complex component and sub-assemblies, utilising our metal, plastic and electronic manufacturing capabilities. An example of such multi-disciplinary manufacturing service that we intend to offer would be the manufacturing of automotive components such as automotive floor console module. This will utilise all our manufacturing capabilities, starting with mould and die making for the metal and plastic parts, computer numerical control machining, metal stamping, plastic injection moulding, soldering and assembling all the parts.

Another example is the automotive window regulator which substantially comprises metal, plastic and electronic components. With Proreka now in our Group, our automotive division can now jointly develop or produce two (2) main components (metal and plastic) in house for integration with electronics to complete the window regulator. In addition, better collaboration and development work can be undertaken to substitute metal with plastic to produce lighter weight components, which is more desirable to our OEM customers.

As part of our business focus and growth strategy, a new manufacturing plant is being built in Indonesia to cater for our automotive customers and to increase our manufacturing capacity and product range. We intend to finance the acquisition of new machinery and construction of our new manufacturing plant through internally generated funds and/or bank borrowings. We have budgeted approximately RM15.23 million for the construction of the first phase of a new manufacturing plant and acquisition of new machinery to be operated on a piece of land situated at Karawang, Indonesia.

We have so far incurred expenditures of approximately RM12.86 million as at the LPD for the construction of the first phase of our new manufacturing plant. Construction of our new manufacturing plant commenced in May 2011 and will be carried out in two (2) phases over the next three (3) years until the end of 2014.

As at the LPD, the first phase of our manufacturing plant is targeted to be fully completed and operational by June 2012 with a built-up area of approximately 32,000 sq. ft, a 74% increase from our current manufacturing plant at Karawang, Indonesia. Upon completion of the first phase of our manufacturing plant, the production capacity of the Indonesian operations is expected to increase to 7.93 million strokes per annum or approximately 25.4% of additional capacity from our present capacity of approximately 6.32 million strokes per annum.

Upon construction and full completion of our new manufacturing plant, we expect to double our production capacity within the next two (2) to three (3) years.

We also intend to develop our medical devices division by taking the following steps:

(a) obtain the ISO 13485 certification in order to secure more customers in the medical devices industry;

(b) increase our participation in medical technology exhibitions globally to identify and court potential customers; and

(c) identify and construct a dedicated facility for medical devices production.

Our semiconductor division has started the development of copper wire bonding as an alternative to gold wire bonding in 2007 in order to reduce our material cost and the risks associated with the fluctuating price of gold, which is the main component of our semiconductor division. In view of the escalating gold prices, our semiconductor division plans to increase our copper wire bonding capacity from the current level of 30% to 75% within the next two (2) years. This will improve the cost structure of our semiconductor division and increase the overall capacity utilisation.

(ii) Attain better cost efficiencies

We aim to attain better cost efficiencies by improving our operational, procurement and administrative system. We plan to achieve such operational, procurement and administrative efficiencies by taking the following steps:

(a) Centralisation of back office operations

Upon Completion, our Group will centralise the back office operations (i.e. administration, human resource, finance and sales and marketing departments and others) of Jotech, AIC and AutoV, thus resulting in the reduction of any duplication, increased efficiency and operational costs savings.

(b) Enhanced cash management arising from pooling of cash resources

Upon Completion, the excess cash arising from the Acquisitions can be pooled together for more effective and efficient cash management and with a larger cash balance, our Group is able to negotiate for better interest rates/returns with the financial institutions.

(c) Joint marketing and improved branding

Our Group is also able to jointly market our manufacturing services to our common pool of customers. For example, instead of Jotech marketing only its metal stamping services, our Group can market our IMS Solutions services which include, among others, plastic injection moulding, assembly services and logistics management services to our prospective customers. In terms of branding, our Group can be marketed as an IMS Solutions provider, providing a comprehensive range of multi-disciplinary manufacturing services and solutions.

(d) Cost savings through joint procurement of materials and services

Upon Completion, our Group is able to combine the procurement of raw materials of Jotech Group, AIC Group and AutoV Group which enables us to make bulk purchases and negotiate for better terms and lower costs from our suppliers.

(iii) Initiate cross-selling activities

We intend to focus on cross-selling additional design and/or manufacturing and/or sub-assembly services to existing customers, with the objective of deepening the relationship of our existing accounts, enhancing customer loyalty and becoming an integral part of our customers' manufacturing supply chain.

The Acquisitions will allow the sales and marketing activities to be streamlined and broadened whereby our services will be marketed to every customer. Our sales force will share common facilities and services to synergise the sales and marketing activities while leveraging on the enlarged business networks to reach out to both existing and potential customers.

For example, our automotive division, run by the AutoV Group, is now able to tap into the buoyant Indonesia and PRC automotive markets due to Jotech Group's presence in those countries. Currently, the primary products which Jotech Group markets in Indonesia and PRC are metal based automotive components. The merger will allow AutoV Group to cross-sell its full range of products comprising metal and plastic based components and modular/semi finished automotive products to the existing customers of Jotech Group. Apart from that, Jotech Group can also offer its precision metal stamping services to AIC Group's existing customers who require metal stamped components for their medical, photonics or RF microwave products.

(iv) Initiate technical collaborations

We intend to initiate technical collaborations within our subsidiaries to share manufacturing technologies, process abilities and skill sets.

For example, as a result of the Acquisitions, Prodelcon is able to collaborate with Jotech in the design and fabrication of precision stamping tools, tool maintenance and automation equipment to improve productivity and yield.

(v) Expand our Group's resources division

We have earmarked our oil palm plantations for expansion with the intention to move down the value chain by acquiring sufficient oil palm plantation hectarage to justify the construction of a palm oil mill in Sabah. We believe that by having a palm oil mill, we will be able to have better control over our end product quality and profit margins. With a stronger balance sheet and increased financial capability as a result of the Acquisitions, we will be able to acquire additional oil palm plantations to accelerate the growth and contribution of our Group's resources division.

We have approximately 916.25 hectares of oil palm plantations situated at Sandakan Lahad-Datu Highway, Kinbatangan, Sabah. The expansion of our oil palm plantations will be focused in Sabah to achieve greater economies of scale to justify the construction of a palm oil mill.

Our Group's resources division is anticipated to benefit from the promotion of the palm oil industry as one of the twelve (12) national key economic areas under the Economic Transformation Programme. Over the next ten (10) years, the palm oil industry in Malaysia is expected to be driven by the following factors:

(a) The expansion of existing upstream activities

This growth will be driven by the expansion of Malaysian plantations abroad and organic growth in yield levels. Due to the scarcity of land in the country, Malaysian companies are anticipated to invest more aggressively in plantations abroad.

(b) Development of existing downstream activities

Malaysia is a major global oleochemical player, accounting for about 18.6% of global oleochemical production capacity. Palm feedstock availability, lower operating costs and increasing regional demand are expected to further shift oleochemical production to South East Asia, including Malaysia, in the future. This in turn, will boost the consumption of palm oil.

(c) Development of national biodiesel activities

The Malaysian Biofuel Industry Act 2007 complements the development of palm based biodiesel. It provides for mandatory blending of biofuel with petroleum diesel. The utilisation of palm oil for biofuel production will augur well for the demand of palm oil.

It is envisaged that the palm oil industry will remain a major contributor to the Malaysian economy over the next ten (10) years, building on a core set of advantages, including rising demand globally, continued high oil-yield per hectare, distinctive edge in yield and quality over competing countries such as Indonesia, as well as a conducive regulatory environment.

We have also ventured into the coal mining business via our 40% equity interest in Rockhill as part of our plan to diversify our future income stream and allow us to capitalise on the prospects of the coal industry in Indonesia. As at the LPD, the extraction and marketing of coal has yet to commence.

The surge in the prices of crude oil in recent years has forced the Indonesian government to look for alternative sources of energy and reduce the dependency on crude oil or fossil fuels. It is keen to take advantage of the growing role of coal, so as to maximise the potential of coal energy. Indonesia is seeking to expand the use of coal to fuel industries, especially to feed coal-fired power plants, replacing expensive oil fuels. There are also plans to electrify rural areas as it is estimated that only about 65% of the population has access to electricity. (Source: IMR Report)

Therefore, we stand to benefit from these developments.

6.5.3 Prospects of our Group

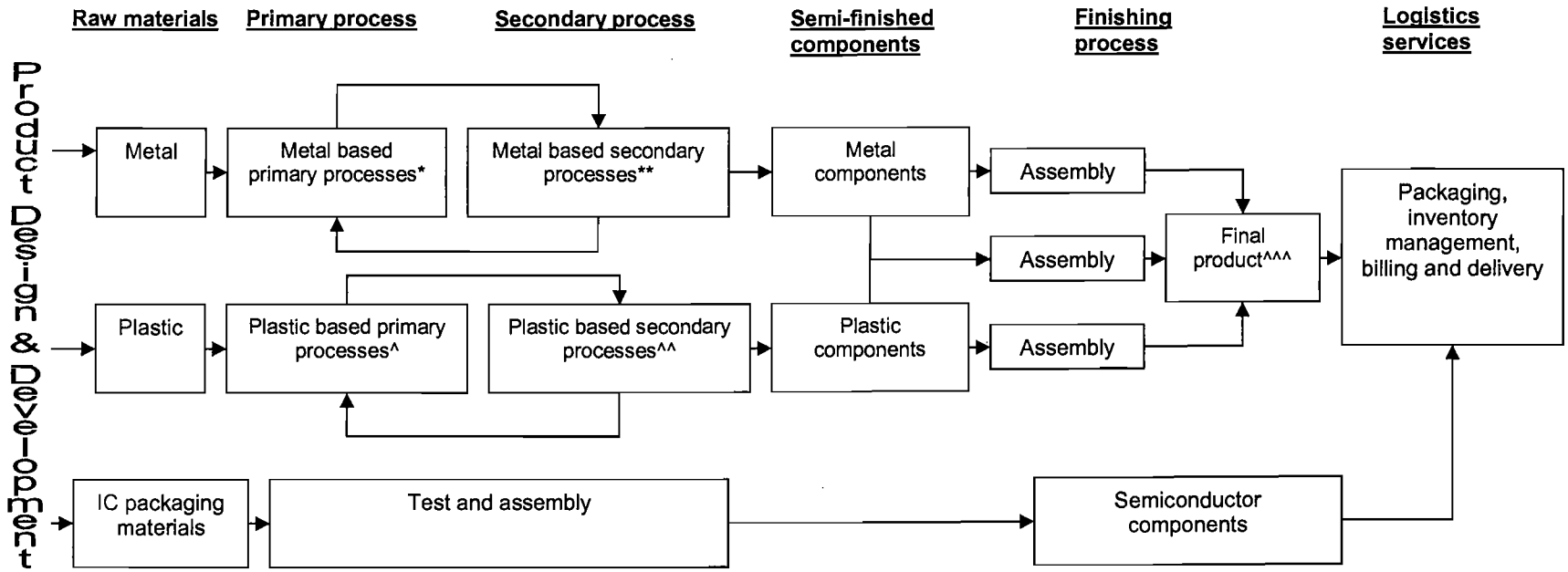
In light of the industry prospects, condition and competition, and as disclosed in Section 7 of this Prospectus, our Directors expect the results of our Group's operations for the eighteen (18)-month period ending 30 June 2012 to be satisfactory. The prospects and outlook of the main industries which we are involved in are disclosed in Section 7 of this Prospectus.

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6.6 Our operating or trading mechanisms

6.6.1 IMS division

We generally adopt the following process for our Group's IMS division:



Notes:

* *Metal based primary processes such as computer numerical control, milling, lathing/turning, wire cut, EDM, grinding, boring, stamping, drilling, surface grinding, bending, threading/riveting, caulking, hardening, welding, binding and shearing.*

** *Metal based secondary processes such as polishing, tapping, plating, coating, baking, drying and sub-assembly.*

^ *Plastic based primary processes such as injection moulding and blow moulding.*

^^ *Plastic based secondary processes such as plating on plastic, coating, baking, drying and sub-assembly.*

^^^ *Individual metal or plastic components and modular systems of the final end product.*

6.6.2 Resources division

Our Group's resources division comprising our oil palm plantations division and coal mining division does not involve any operating or trading mechanisms. The extraction and marketing of coal has yet to commence.

6.7 Technology used and processes

6.7.1 Automotive division

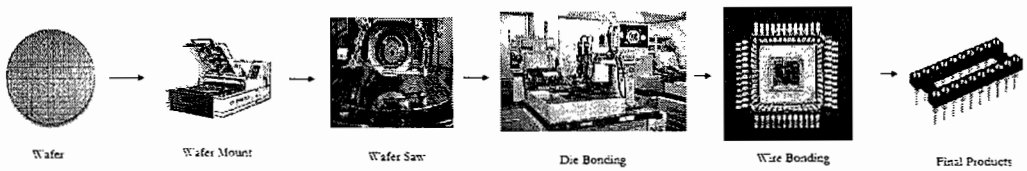
Our activities in the automotive division are primarily related to the assembly and sub-assembly of automotive components and modules and/or systems. Parts are either manufactured internally, for example, metal stamped parts and plastic moulded/injected parts, or sourced externally, for example, motors and pumps. Internally manufactured parts require specific technologies relative to the processes while product development of certain systems like door modules and wiper systems require more advanced technology which our automotive division procures through strategic collaborations with technical partners from Korea (in respect of window regulators), India (in respect of wiper system), Japan (in respect of sunvisors) and PRC (in respect of side mirrors). Our automotive division has started setting up the facility for the production of superchargers in Malaysia. Please refer to Sections 6.4.2 and 6.15.2(i) for further details.

6.7.2 Medical devices division

The technology used is mainly determined by the type of machine used in the fabrication of parts and the knowledge and skill level of our machinists or engineers. We continually upgrade our machineries to stay in the forefront of technology. Our machinists and engineers are sent for training to upgrade their skills. Our machinists and engineers are constantly exposed to complex design challenges and this helps to improve their skill level.

6.7.3 Semiconductor division

Our semiconductor assembly and testing technology involves the following processes, from raw wafer to testing and assembly of IC packages:



Our semiconductor division has a proven and stable copper wire bonding technology.

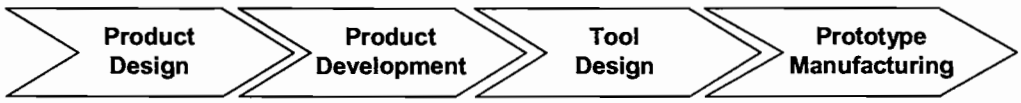
6.7.4 E&E division

Our E&E division is engaged in the design and fabrication of toolings, prototyping, precision metal stamping and sub-assembly services. Our technology lies in the metal stamping machines and our skills and knowledge in prototyping, designing and fabrication of precision tooling.

Our precision metal stamping tools are used to produce high precision metal components in various sizes, designs, thickness and materials. We specialise in designing and fabricating precision metal stamping tools which produce precision stamped metal parts that meet our customers' stringent and high quality requirement, which has tight tolerance in dimensional and flatness requirement at optimum costs. We use the latest state-of-the-art machineries, computer aided designing and computer aided machining software in the design and fabrication of our tools.

Our tooling facility is equipped with comprehensive tool manufacturing machinery to produce quality progressive and compound tools. We collaborate with experienced tool makers who have more than ten (10) years of experience in the design and fabrication of quality tools.

Our tool design and fabrication process is set out below:



6.7.5 Resources division

Our Group's resources division comprising our oil palm plantations division and coal mining division does not involve any production process. The extraction and marketing of coal has yet to commence.

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6.8 Our major equipments and machineries

Our major equipments and machineries comprises of machines used in the assembly and test of ICs, manufacturing of metal and plastic parts, assembly machines, moulds, tools and jigs, as well as three dimensional designing software. Our major equipments and machineries are set out below:

Equipment/Machinery	No. of units	Net book value as at 31 December 2010
		RM'000
Wire/Die bonder	259	21,890
Metal stamping machine	150	17,154
Tester	83	7,491
Handler system	64	7,478
Automotive mould	33	5,276
Package/wafer saw	23	5,264
Computer numerical control milling machine	61	4,603
Assembly machine	131	4,203
Micro vision machine	24	1,850
Glob top machine	8	1,788
Laser cutting machine	3	1,595
Automould machine	22	1,552
Spray machine line	1	1,369
Computer numerical control lathe machine	10	1,344
Marking machine	21	934
Metal sheet/roll feeder machine	36	878
Plastic injection machine	7	869
Trim and form machine	10	614
EDM wire cutting machine	1	577
Metal grinding machine	10	574
Ultrasonic degreasing machine, bending machine and computer numerical control machine	5	567
Three dimensional measurement machine	1	524

6.9 R&D

Our Group's IMS division's R&D activities are core to our business as our IMS Solutions that we offer requires significant analysis, evaluation and testing with various metal, plastics and electronic materials. We have seven (7) R&D teams with a total of forty (40) R&D staff in our Group's IMS division focusing on component design/design improvement, design and fabrication of precision tooling and automation equipment, precision machining and precision metal stamping, plastic injection moulding, blow moulding, assembly and testing.

6.9.1 Automotive division

Our automotive division continuously focus on efforts to improve product quality, production technologies, processes as well as product design. The primary duties of our R&D team includes, among others, product development, engineering design, styling rendering, clay modeling, prototyping and class A surface development. The achievements of the R&D team of our automotive division includes becoming the first local supplier for sun visors in 1990, introducing steering column models for PROTON and being presented with the award of "Automotive Component Supplier of Year 2011" by Frost & Sullivan.

6.9.2 Medical devices division

Our medical devices division only came into existence following Completion and we do not have an R&D team in place for this division as at the date of this Prospectus. Our Group would like to focus on being an OEM supplier of medical devices at this stage. However, we do have an engineering team for the medical division to review and plan the specifications for the medical devices required by the customers.

6.9.3 Semiconductor and E&E division

Our semiconductor division's R&D activities include development of new IC packages as well as manufacturing processes to meet customer demands and to keep up with the technological advancements in semiconductor assembly and test. The division has strong capabilities in the development of test methods and programmes to enhance the value-add in the support of business growth. At the same time, we are also involved with the development and introduction of new materials/processes to achieve better production efficiencies through lower production cost, better product quality and production speed.

Some of the recent significant achievements of the R&D team include, among others, the development and introduction of copper wire bonding technology as well as the installation of microelectromechanical systems production and test capabilities which has improved the semiconductor division's competitiveness and product portfolios.

In addition, we also have a development team in Prodelcon to undertake the design and fabrication of fully integrated automation equipment, moulds and tooling to support the development of new IC packages. This added capability has proven to be effective in reducing our IC package development lead times, time to market for our new products and our overall manufacturing costs.

Our E&E division's (represented by Jotech Group) R&D activities relate to tool design and prototype development. These activities are primarily aimed to improve cost and efficiency of production processes as well as to minimise the product development time of our customers. With the state-of-the-art computer numerical control laser and turret presses equipped in our R&D facility, it provides flexibility and quick turnaround to our customers in making changes to the design of prototypes.

This facility also provides our customers with a low up-front cost option for production of parts until the viability of product commercialisation is established.

6.9.4 Resources division

Our Group's resources division comprising the oil palm plantations division and coal mining division, does not engage in any R&D activity.

6.10 Quality assurance

As an IMS Solutions provider to MNC and blue chip companies, we place great emphasis on our quality assurance. We are dedicated to providing products and services that meet and exceed the expectations of our customers.

6.10.1 Procurement policy

Our procurement process is efficiently managed to ensure materials or services purchased meet the requirements of our clients and the specifications of the established contracts. For example, the quality assurance of our automotive division starts from the procurement of quality raw materials (i.e. proper screening of reputable and reliable suppliers). It also carries out quality assurance programmes such as supplier/vendor audit, joint-check, alarm briefing and vendor quality assessment meeting.

6.10.2 Quality management

The quality of our products and services is our priority as we strive to position ourselves in the upper echelon of IMS Solutions providers. We implement stringent quality management systems that are certified and recognised internationally to ensure that our products reliable and are of consistent quality. Our products undergo stringent quality tests from component design/design improvement, design and fabrication of precision tooling and automation equipment, precision machining and precision metal stamping, plastic injection moulding and blow moulding as well as assembly and testing.

For example, our automotive division's products undergo testing to reaffirm that the standards imposed by the Japan Industrial Standards, Mitsubishi Motor Corporation, American Society for Testing and Materials, European Economic Community and Society of Automotive Engineers, are followed.

Similarly, our semiconductor division has a control system to ensure that processes that are outsourced comply with customer requirements with reference to specifications or drawings in order to achieve customer satisfaction.

6.11 Health, safety and environmental policy

Apart from our dedication to quality products and services, we are also committed tomaintaining certain health and safety standards and protecting and preserving the environment.

6.11.1 Health and safety

We constantly promote a safe and healthy work culture for a more conducive working environment. To this end, different initiatives have been introduced with the support from various internal and external parties ranging from developing and extensive fire and building safety system to ensuring transparency via independent audits conducted by external qualified professionals. Our quality environment safety and health policy has, among others, the objective of striving towards zero injuries at all our production sites.

6.11.2 Environment

We endeavor to protect, preserve and improve the environment through the conservation of resources by reducing, reusing, recycling and minimising the generation of inevitable waste. We also comply with all legal and other relevant environmental requirements with the aim of preventing or minimising environmental pollution. As a result of such practices, several subsidiaries within our Group were awarded the ISO 14001 certification from TUV Rheinland Cert GmbH, Bureau Veritas Certification and SGS United Kingdom Limited for our environmental management system. This certification demonstrates our commitment in protecting the environment through the establishment of an environmental policy, setting of objectives and the implementation of programs to eliminate or reduce the impact to the environment. In order to maintain this ISO 14001 certification, Jotech, for example, performs audits via independent laboratory testing on materials supplied and conducts training on the Restrictions of Hazardous Substances ("**RoHS**") and green procurement policy. Jotech Group also carefully chooses materials certified as free from hazardous substances to be used in our products to ensure that the parts and raw materials used by Jotech Group are in compliance with the RoHS requirements and are environmentally friendly.

6.12 Business location and summary of landed properties

Please refer to **Appendix I** of this Prospectus for details of properties owned and rented by our Group and also details of our oil palm plantations.

6.13 Dependency on any contract and arrangements

We are not highly dependent on any other contracts and arrangements, save for our automotive division which is highly dependent on orders from PROTON, which accounted for 50.02%, 76.66% and 71.78% to revenue of the automotive components manufacturing business of our Group. Our automotive division does not have any long-term contractual agreement with PROTON and in practice, PROTON will usually continue to purchase products from our automotive division until a particular car model has been phased out.

6.14 Our trademarks

Save for our trademarks registered or in the process of being registered with the Intellectual Property Corporation of Malaysia as disclosed below, we do not hold any other patents, trademarks or registrations.

Trademark	Description of class heading of trademark	Class	Trademark No.	Validity period
PROREKA	(i) Vehicles; apparatus for locomotion by land, air or water	11	02011712	23 September 2002 to 23 September 2012 for both
	(ii) Vehicles; apparatus for air conditioners	12	02011711	
PRIM	(i) Vehicles; apparatus for locomotion by land, air or water	11	07022888	21 November 2007 to 21 November 2017 for both
	(ii) Vehicles; apparatus for air conditioners	12	07022887	
PROMOS	(i) Vehicles; apparatus for locomotion by land, air or water	11	06016252	7 September 2006 to 7 September 2016 for both
	(ii) Vehicles; apparatus for air conditioners	12	06016253	
Passion in Motion	(i) Vehicles; apparatus for locomotion by land, air or water	11	05009570	16 June 2005 to 16 June 2015 for both
	(ii) Vehicles; apparatus for air conditioners	12	05009571	

As at the LPD, the following trademark is pending for approval from the Intellectual Property Corporation of Malaysia:

Trademark	Description of class heading of trademark	Class	Trademark Application No.	Validity period
LED-O	Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.	11	2010015976	N/A as trademark is pending approval

6.15 Sales and marketing plans

6.15.1 Our principal markets and percentage of sales

The table below sets out our breakdown of principal markets by geographical regions and the respective percentage of sales for the years ended 31 December 2008, 31 December 2009 and 31 December 2010.

	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Countries						
Malaysia	135,002	39.80	134,196	40.44	183,457	46.46
Taiwan	50,953	15.02	57,734	17.40	59,420	15.05
Indonesia	33,915	10.00	38,011	11.46	49,497	12.54
Singapore	44,495	13.12	37,769	11.38	34,621	8.77
U.S.	34,017	10.03	28,389	8.56	21,945	5.56
PRC	13,831	4.08	14,888	4.49	21,082	5.34
United Kingdom	3,014	0.89	9,549	2.88	13,154	3.33
Other countries *	23,982	7.07	11,262	3.39	11,663	2.95
Total Group sales	**339,209**	**100.00**	**331,798**	**100.00**	**394,839**	**100.00**

Note:

* *Other countries comprise of the Philippines, Thailand, Ireland, Korea, Germany, India, Czech Republic, Switzerland and Japan.*

Please refer to Section 8.2.4 of this Prospectus for the breakdown of our Group's revenue and operating profit by geographical segment (based on location of operations).

Our major customers by revenue comprise mainly PROTON, which specialises in the automotive industry.

We believe our ability to manufacture products for the automotive, medical devices, semiconductor and E&E divisions has created diverse markets for our products. We also believe that our track record and export market share have also positioned us among the major IMS Solutions provider in Malaysia.

As at the LPD, we employ a total of thirty-seven (37) sales and marketing staff for our five (5) business sub-divisions.

6.15.2 Sales and marketing plans

(i) Automotive division

Our automotive division is a Tier-1 vendor for certain automotive components such as window regulators, sun visors and steering columns for many automotive manufacturers and assemblers such as PROTON, Perodua, Toyota and Honda. We are also a Tier-2 vendor for certain products such as wiper systems for PROTON.

Our automotive division's marketing strategies includes working closely with customers in designing automotive parts to ensure that our products are efficiently infused into our client's products and accurately represents the image that our customers aspire to achieve. We also collaborate with our strategic partners in mould design and development to manufacture plastic parts for our new product range. An example of such collaboration is with Sprintex Limited of Australia ("**Sprintex**") to develop and produce superchargers for the model, PROTON Satria Neo. Furthermore, Sprintex and Proreka have entered in to a joint-venture agreement to manufacture Sprintex superchargers in Malaysia. We participate actively in conventions, exhibitions and conferences to promote our products and services. Such participations are significant as we are able to demonstrate and present our full range of products to attendees effectively via face-to-face demonstration. We have previously participated in local exhibitions, conventions and trade fairs such as that organised by the International Greentech & Eco Product Exhibition and Conference and the Kuala Lumpur International Motorshow held in Kuala Lumpur. Internationally, we have participated in conventions in India, Taiwan, Iran, Vietnam, the United Arab Emirates, Japan and Indonesia.

(ii) Medical devices division

Our medical devices division is relatively new, and like our automotive division, we intend to participate actively in conventions, exhibitions and conferences to promote our products and services. We deliver primarily precision machined components directly to our medical devices customers.

(iii) Semiconductor and E&E division

We have a sales and marketing team, comprising a sales representative each based in the U.S. and Korea. We also have a marketing office in Taiwan. Our team is experienced in the sales and marketing of our products and services and works closely with our customers in coming up with customised solutions as well as filling up repeat orders. We have participated in trade shows and exhibitions in Singapore and the U.S..

(iv) Resources division

Our oil palm plantations division derives its revenue from the sale of FFB to palm oil mills.

We have yet to extract and market the coal.

6.16 Our approvals, major licences and permits obtained

Please refer to **Appendix II** for further details on our key approvals, licences and permits that we require for our Group's operations.

6.17 Major customers, major suppliers, raw materials and arrangements

6.17.1 Our Group's major customers

Our Group's major customers that have contributed 10% or more of our revenue for each of the last three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010 are as follows:

Customer	Country	Nature/ type of service	No. of years of relationship	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
			Years	RM'000	%	RM'000	%	RM'000	%
PROTON	Malaysia	Automotive components	25	30,893	9.11	66,383	20.01	73,627	18.65
Panasonic group of companies	Malaysia and Singapore	Audio video metal parts	17	38,089	11.23	31,500	9.49	27,191	6.89
Total				**68,982**	**20.34**	**97,883**	**29.50**	**100,818**	**25.54**

Save for our automotive division's dependency on PROTON as set out in Section 6.13 of this Prospectus, our other divisions are not highly dependent on any other particular customer for our revenue contribution. In addition, we also do not have any long-term contractual agreements with our customers.

6.17.2 Our Group's major suppliers

None of our Group's suppliers contributed 10% or more of our purchases for each of the last three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010.

Our Group is not highly dependent on any single supplier as the various purchases from our suppliers mainly relate to items utilised for our automotive, semiconductor and E&E businesses. These comprise, among others, goldwires, leadframes, steel, electro-galvanised steel, SPHC PO, SCM 435, mold compounds, side mirror parts, epoxy and plastic resins of which we have the option of sourcing from various suppliers.

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6.17.3 Raw materials and arrangements

The major raw materials, together with their sources of supply as used by our Group are set out below:

Raw material	Description	Country of origin/purchased from
Goldwire/Copperwire	Used to connect the bond pads of the IC die to external leads	Malaysia, Singapore, Korea, Philippines
Leadframe	Copper based lead frames used to hold the IC die and to provide the leads or pins to connect to the printed circuit boards	Malaysia, Singapore,Taiwan, Hong Kong, Japan
Mold compound	Thermoset plastic used to encapsulate the die and interconnect wires protecting it from the effects of the environment. The mold compound is used in all the IC products apart from smartcard and RF modules	Singapore, Taiwan, Korea
Electro-galvanised steel	Used for forming all sorts of components mainly for transformer casing, airbag housing, wiper parts and window regulator using specific stamping tool and power press	Japan
Mirror assy	Used as a component for side mirror assembly	PRC
Motor and cable	Used as a component for window regulators	Korea
Steering assy/rack and pinion assy	Used as a component for steering column and rack	Korea
Brake assy	Used as component for steering column and brake assembly	Korea
Motor and linkage	Used as a component for the wiper system	India
Alloy steel SCM 435	Used in the metal stamping process to produce plate clutch, which is an automotive component	Japan

Our raw materials are sourced locally and overseas. The major raw materials for our automotive division comprise mainly of a varied range of electro-galvanised steel, stamping parts and plastic resin, as well as electrical, electronic and semi-finished parts for its components assembly. The major raw materials for our medical devices division, semiconductor division and E&E division are aluminium bars, goldwire and lead-frame and electro-galvanised steel respectively. These raw materials are available locally and/or overseas.

Although we may be affected by raw material price fluctuations, we have, over the years, built strong working relationships with our suppliers and have established a good track record for our purchases and payment obligations. This has provided us access to regular supply of raw materials at competitive prices.

6.18 Production capacity

As our Company is an investment holding company, the production activities are carried out by our subsidiaries and/or associated companies. Our primary production activities are focused in our Group's IMS division.

As for our resources division, only the oil palm plantations sub-division is active while the coal mining sub-division has yet to begin extraction and marketing of coal.

6.18.1 The production capacity of our Group's IMS division

Our production capacity for the past three (3) years ended 31 December 2008, 31 December 2009, 31 December 2010 and for the twelve (12)-month period ended 31 December 2011 are set out below:

		Year ended 31 December			Twelve (12)-month period ended 31 December
Division/Activity		**2008**	**2009**	**2010**	**2011**
Automotive division					
Window regulator production	Maximum capacity per annum (units) [1]	367,000	475,000	475,000	475,000
	Actual production per annum (units) [1]	283,000	351,000	355,000	307,025
	Utilisation rate (%)	77.1	73.9	74.7	64.6
Washer system production	Maximum capacity per annum (units) [1]	605,000	907,000	907,000	907,000
	Actual production per annum (units) [1]	603,000	747,000	844,000	725,050
	Utilisation rate (%)	99.7	82.4	93.1	79.9
Wiper system production	Maximum capacity per annum (units) [1]	432,000	605,000	605,000	605,000
	Actual production per annum (units) [1]	392,000	347,000	393,000	389,720
	Utilisation rate (%)	90.7	57.4	65.0	64.4
Horn assembly	Maximum capacity per annum (units) [1]	259,000	259,000	259,000	259,000
	Actual production per annum (units) [1]	200,000	180,000	202,000	180,008
	Utilisation rate (%)	77.2	69.5	78.0	69.5
Sun visors and interior lamp assembly	Maximum capacity per annum (units) [1]	798,000	778,000	750,000	750,000
	Actual production per annum (units) [1]	708,000	648,000	610,000	527,889
	Utilisation rate (%)	88.7	83.3	81.3	70.4
Rear and side view mirrors assembly	Maximum capacity per annum (units) [1]	198,000	180,000	203,000	203,000
	Actual production per annum (units) [1]	180,000	174,000	144,000	141,707
	Utilisation rate (%)	90.9	96.7	70.9	69.8

6. BUSINESS OVERVIEW *(Cont'd)*

Division/Activity		Year ended 31 December 2008	2009	2010	Twelve (12)-month period ended 31 December 2011
Automotive division *(Cont'd)*					
Metal stamping	Maximum capacity per annum (Strokes/month) [2]	6,000,000	6,000,000	6,000,000	5,000,000
	Actual production per annum (Strokes/month) [2]	2,380,000	2,140,000	2,640,000	2,420,000
	Utilisation rate (%)	39.7	35.7	44.0	47.3
Steering column production	Maximum capacity per annum (pieces) [3]	270,000	270,000	270,000	270,000
	Actual production per annum (pieces) [3]	160,191	153,586	196,000	204,786
	Utilisation rate (%)	59.3	56.9	72.6	76.0
Injection moulding and assembly	Maximum capacity per annum (pieces) [4]	1,838,508	1,838,508	1,838,508	1,838,508
	Actual production per annum (pieces) [4]	1,178,987	1,257,137	1,424,844	1,228,556
	Utilisation rate (%)	64.1	68.4	77.5	66.8
Fibre reinforced process and vacuum forming	Maximum capacity per annum (pieces) [4]	84,792	84,792	84,792	84,792
	Actual production per annum (pieces) [4]	7,626	22,140	49,102	37,746
	Utilisation rate (%)	9.0	26.1	57.9	44.5
Indonesian operations					
Production of automotive components	Maximum capacity per annum (strokes) [5]	6,322,511	6,322,511	6,322,511	7,930,266
	Actual production per annum (strokes) [5]	4,954,213	5,272,376	5,310,910	5,715,622
	Utilisation rate (%)	78.4	83.4	84.0	72.1
Medical devices division					
Photonics and microwave products manufacturing	Maximum capacity (Machine hours/ week) [6]	5,745	5,889	6,463	6,463
	Actual production (Machine hours/ week) [6]	4,653	3,533	5,442	5,180
	Utilisation rate (%)	81.0	60.0	84.2	80.1

6. BUSINESS OVERVIEW *(Cont'd)*

Division/Activity		Year ended 31 December 2008	2009	2010	Twelve (12)-month period ended 31 December 2011
Medical devices division *(Cont'd)*					
Medical devices manufacturing	Maximum capacity (Machine hours/ week) [6]	* -	* -	2,389	2,389
	Actual production (Machine hours/ week) [6]	* -	* -	1,887	1,890
	Utilisation rate (%)	* -	* -	79.0	79.1
Mold, die set, automation, precision tools manufacturing	Maximum capacity (Machine hours/ week) [6]	2,890	2,897	2,259	2,552
	Actual production (Machine hours/ week) [6]	1,686	1,754	1,491	1,684
	Utilisation rate (%)	58.3	60.6	66.0	66.0
E&E division					
Malaysian operations					
Metal stamping	Maximum capacity per annum (machine hours) [7]	249,888	237,120	228,463	115,299
	Actual production per annum (machine hours) [7]	185,367	161,313	188,580	77,193
	Utilisation rate (%)	74.2	68.0	82.5	67.0
Laser cutting	Maximum capacity per annum (machine hours) [7]	15,088	12,221	22,632	10,457
	Actual production per annum (machine hours) [7]	12,070	11,243	16,580	6,566
	Utilisation rate (%)	80.0	92.0	73.3	62.8
PRC operations					
Metal stamping	Maximum capacity per annum (strokes) [8]	41,270,720	73,568,000	113,365,600	113,365,600
	Actual production per annum (strokes) [8]	31,391,440	59,773,817	76,403,732	61,104,002
	Utilisation rate (%)	76.1	81.2	67.4	53.9
Semiconductor division					
Assembly and test of IC	Maximum capacity per annum (million units) [9]	1,275	1,326	1,419	1,419
	Actual production per annum (million units) [9]	773.0	759.2	895.0	619.0
	Utilisation rate (%)	60.6	57.3	63.1	43.6

Notes:

* *Our medical devices related activities started operations in January 2010.*

(1) *The measurement of production capacity is calculated based on a one (1) 8-hour production shift per day.*

(2) *The measurement of production capacity is calculated based on two (2) 8-hour production shifts running daily and on the average output of year 2010.*

(3) *The measurement of production capacity is calculated based on one and a half (1.5) 8-hour production shifts per day.*

(4) *The measurement of production capacity is calculated based on a two (2) 8-hour production shifts per day.*

(5) *The measurement of production capacity is calculated based on three (3) 8-hour production shifts per day.*

(6) *The measurement of production capacity is calculated based on two 12-hour production shifts per day (from Monday to Friday) and one 10-hour shift per day (for Saturday and Sunday).*

(7) *The measurement of production capacity is calculated based on one and a half (1.5) 8-hour production shifts per day.*

(8) *The measurement of production capacity is calculated based on three (3) 8-hour production shifts per day.*

(9) *The measurement of production capacity is calculated based on two 12-hour production shifts per day.*

6.18.2 The production capacity of our resources division

The production capacity of our oil palm plantations division for the past three (3) years ended 31 December 2008, 31 December 2009, 31 December 2010 and for the twelve (12)-month period ended 31 December 2011 are set out below:

	Year ended 31 December			Twelve (12)-month period ended 31 December
	2008	2009	2010	2011
FFB production (Metric tonnes)	9,500.63	13,289.77	12,914.94	14,735.31
Net weighted average mature area (hectares)	423.71	689.20	709.20	794.49
Average yield per hectare (%)	22.42	19.28	18.21	18.55

6.19 Seasonality

We do not experience any material seasonality in our business.

6.20 Interruption in our businesses in the past twelve (12) months

We have not experienced any major business interruptions which had a significant effect on our operations during the past twelve (12) months.

6.21 Our material capital expenditures and divestitures (including interests in other corporations) for the past three (3) financial years

Save as disclosed in Section 8.2.9 of this Prospectus, there were no other material capital expenditure and divestitures (including interests in other corporations) made by us for the past three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010.

(Prepared for inclusion in this Prospectus)

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18 MAY 2012

The Board of Directors
Globaltec Formation Berhad (formerly known as Temasek Formation Berhad)
802, 8th Floor
Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Attn: Datuk Goh Tian Chuan, Group Executive Chairman

Dear Sirs,

EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT ("EXECUTIVE SUMMARY") FOR GLOBALTEC FORMATION BERHAD (FORMERLY KNOWN AS TEMASEK FORMATION BERHAD) ("GFB" OR THE "COMPANY")

This Executive Summary has been prepared for inclusion in the Prospectus pursuant to the listing of and quotation for the entire issued and paid-up capital of GFB on the Main Market of Bursa Malaysia Securities Berhad.

This research is undertaken with the purpose of providing an overview on The Strategic and Competitive Analysis of Integrated Manufacturing Services in Malaysia. The research methodology includes both primary research, involving in-depth interviews with pertinent companies, as well as secondary research such as reviewing press articles, periodicals, government literatures, in-house databases, Internet research and online databases.

Infobusiness Research & Consulting Sdn Bhd ("Infobusiness") has prepared this Executive Summary in an independent and objective manner and has taken all reasonable consideration and care to ensure the accuracy and completeness of the Executive Summary. In addition, Infobusiness acknowledges that if there are significant changes affecting the contents of the Executive Summary after the issue of the Prospectus and before the issue of securities, then Infobusiness has an on-going obligation to either cause the Executive Summary to be updated for the changes and, where applicable, cause the Company to issue a Supplementary Prospectus, or withdraw our consent to the inclusion of the Executive Summary in the Prospectus.

The Executive Summary is highlighted in the following sections.

for and on behalf of
INFOBUSINESS RESEARCH & CONSULTING SDN BHD

Mark Lee
Director

infobusiness research

infobusiness

EXECUTIVE SUMMARY

1.1 Introduction

For the purpose of facilitating a strategic market overview in relation to the businesses of Globaltec Formation Berhad ("GFB") (formerly known as Temasek Formation Berhad), this Executive Summary has been prepared to provide an overview of the Integrated Manufacturing Services ("IMS") business model. After the merger, GFB will become an IMS provider, offering the following multi-disciplinary manufacturing services:

- Precision metal stamping;
- Precision machining and assembly of radio frequency ("RF") microwave, photonics and medical components;
- Design and fabrication of precision tooling and automation equipment;
- Injection moulding and blow moulding;
- Test and assembly of semiconductors and smart card devices; and
- Design, manufacturing and assembly of automotive components and modules / systems.

The prospects of GFB are highly correlated with the application markets in which it services, namely:

- Automotive;
- Medical devices; and
- Electronics and electrical ("E&E"), including semiconductors, consumer electronics, photonics components, RF components, and electrical products.

1.2 Overview of IMS

The Integrated Manufacturing Services ("IMS") business model is described as a modern manufacturing model to assist manufacturers in achieving more efficient designs, manufacturing processes and logistical capabilities at mass production efficiency and at competitive cost. An IMS provider is defined as a company with the ability to offer synergistic combinations of different skill-sets and technologies from different business divisions to deliver seamless services, combining design and manufacturing capabilities with logistics to its customers.

There is a gradual shift towards the IMS business model among manufacturing companies. Due to intense competition, multinational corporations ("MNCs") around the world have to focus on their core competencies and divest their non-core related activities, so as to streamline their operations. Customers prefer suppliers that are able to offer the entire range of services in a particular area, as they can assist to save time and improve resource allocation, integrate technical solutions and deliver better quality performance. MNCs prefer to work with a few selected manufacturers than to deal with numerous manufacturers in the supply chain. This necessitates the need for manufacturers to provide a wider range of manufacturing services so as to fulfil the needs of their customers.

Under the IMS business model, products manufactured from complementary technologies such as precision tooling and metal stamping can be combined into sub-assemblies or modules for customers. This provides customers who prefer to obtain a more complete assembled component from one manufacturer, than in many, separate distinct components from different manufacturers, thus saving them time and resources. IMS companies interact internally and share information and knowledge across all phases of the product development and deployment cycle, namely design, manufacturing, sales and after-sales service. The provision of good services to customers is expected to improve product sales and the feedback received from service operations can assist in designing and producing more reliable products.

Customers are constantly looking for simple and convenient solutions that satisfy their immediate needs and desires without the need of getting tangled in associated activities and processes that do not directly serve their interests. The suppliers have to design, manufacture and sell offerings that are able to satisfy the demands of the customers.

The major characteristics of an IMS company include, inter alia:

- combining design and manufacturing capabilities with logistics, so as to offer turnkey services to the MNCs in the various application markets;
- Single source contract manufacturing solution;
- A value proposition of a high degree of vertical integration, with in-house capabilities so as to provide products at globally competitive prices; and
- Manufacturing facilities closely linked with flexible engineering resources, providing a fast ramp up from prototype to high volume production.

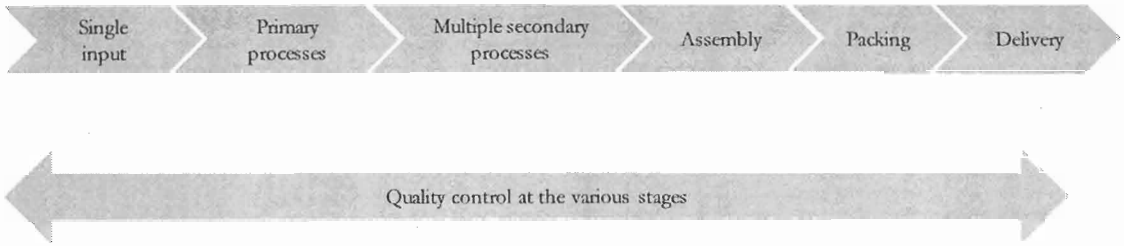
1.3 Supply Chain

A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. Supply chains form a network of resources, raw materials, components, and finished products that flow in and out of a system of factories.

The MNCs outsource portions of their production activities to external suppliers on their approved vendor lists. This enables them to increase their operational flexibility during peak and trough periods.

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Figure 1: Supply Chain of a Typical Single Input Manufacturer



Source: Infobusiness

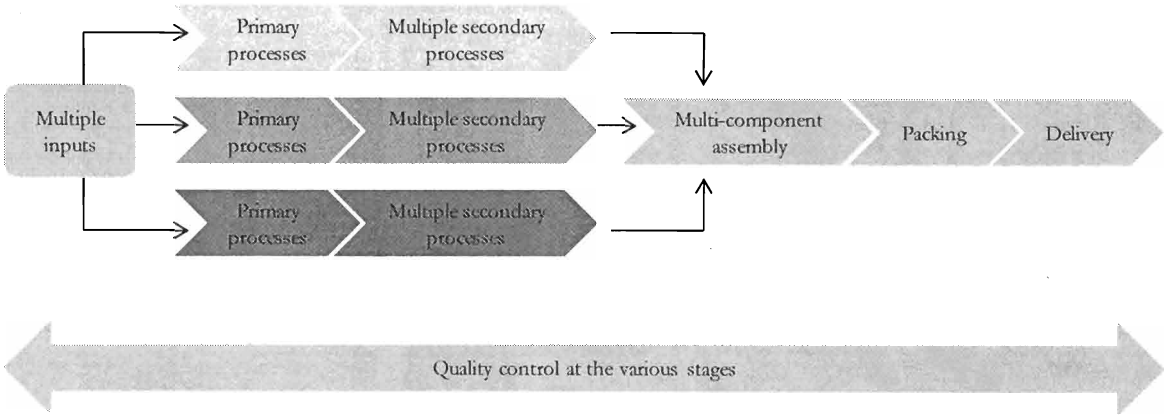
Figure 1 illustrates the supply chain of a typical single input manufacturer. In the case of a metal stamping company, the metal-based input which comes in as a raw material undergo various primary processes such as punching, bending and stamping. Subsequently, the product will undergo multiple secondary processes such as coating and printing, before it is assembled, packed and delivered to the MNC.

As the core competency of the metal stamping company is only confined to fabrication of metal components, it is not able to undertake additional manufacturing activities such as plastic components manufacturing, if requested to do so by the MNC. This order will have to be given to a separate company specialising in plastic product manufacturing. Ultimately, the assembling of the two (2) different products will be conducted at the premises of the MNC, or even at another supplier's premises. On the part of the MNC, it requires considerable resources to manage the various different suppliers.

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Figure 2: Supply Chain of a Typical IMS Company



Source: Infobusiness

Figure 2 illustrates the typical supply chain of an IMS company. An IMS company would strive to participate in as much of the supply chain activities for its MNC customers as possible, and in the process, generate a seamless operation. For example, an IMS company, through its precision tooling division, would be able to provide the moulds for the manufacturing of plastic components; while concurrently, its precision metal stamping division would manufacture metal components. Subsequently, after undergoing multiple secondary processes, multi-component assembly would take place, before packing and delivery to its MNC customer.

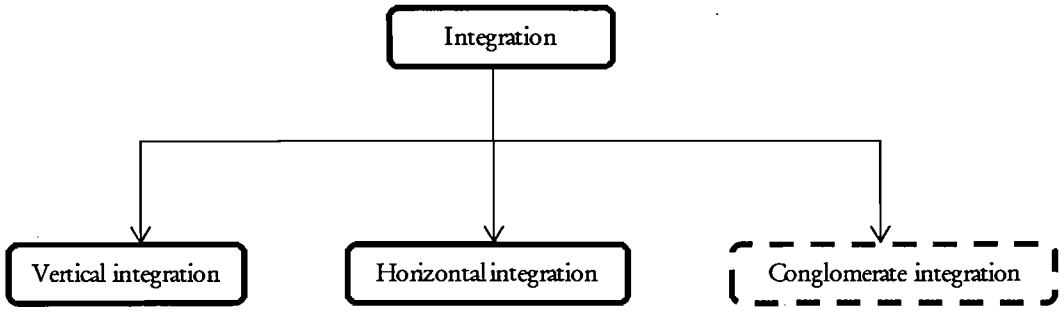
The MNC would save resources and time from having to interact with a few selected suppliers operating under the IMS business model, as opposed to dealing with many suppliers.

1.4 Integration of Manufacturing Services

Faced with global competition and rapidly changing customer demands, a manufacturer's supply chain has to evolve to become more integrated. An IMS company would strive to participate in as much of the supply chain activities of its MNC customers as possible. These trends have driven global merger and acquisition ("M&A") activities among manufacturing companies in their need to become more integrated, through the following forms of integration, as described and illustrated in the diagram below:

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Figure 3: Forms of Integrations



Note: GFB is involved in a conglomerate integration
Source: Infobusiness

Conglomerate integration

- a merger between two (2) or more companies offering complementary technologies to customers from different industries. The companies that are merging with each other are doing so with the main purpose of gaining access to a wider market and client base, or for expanding the range of products and services that are being provided by them;

Vertically integration

- a merger of two (2) or more companies along the same value chain of an industry. The outputs of a company become the inputs of another company further down the value chain. It also translates into the ownership and compete control over the neighbouring stages of production or distribution. Vertical integration can be either backward integration (expansion of activities upstream) or forward integration (expansion of activities downstream); and

Horizontal integration.

- a merger between two (2) or more companies producing similar products. It leads to the expansion of the company at the same level in the value chain.

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1.5 Government Legislations, Policies and Incentives

Manufacturing companies in Malaysia, including those operating under the IMS business model, are subjected to the following government legislations, policies and incentives.

1.5.1 Government Legislations in Malaysia

Under the Factory and Machineries Act, 1967, any employees in the factory exposed to a wet or dusty process, to heat or any poisonous, corrosive or other injurious substance which is likely liable to cause bodily injury to them, may be provided with suitable and adequate personal protective clothing and appliances. They include goggles, gloves, leggings, caps, foot wear and protective ointment or lotion. Both the foundations and floors of the factory shall be of sufficient strength to sustain the loads for which they are designed; and no foundation or floor shall be overloaded.

Manufacturers are also subjected to the Occupational Safety and Health Act, 1994. This Act is enforced by the Ministry of Human Resources under the Department of Occupational Safety and Health. Under this Act, the employer has a duty to protect the safety, health and welfare of all his employees. The Act requires the employer to:

- provide and maintain plant or equipment and systems of work that are safe and without risks to health;
- make arrangements for ensuring safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant;
- provide information, instruction, training and supervision as is necessary to ensure the safety and health of the workers; and
- maintain his place of work to ensure it is safe and without risks to health.

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The employer shall also ensure that no worker shall be employed at any machine or in any process, being a machine or any process liable to cause bodily injury, unless he has been fully instructed as to the dangers likely to arise in connection therewith and the precautions to be observed. The worker must received sufficient instruction in work at the machine or process; or is under adequate supervision by a person who has knowledge and experience of the machine or process.

Lastly, both effective and suitable provision shall be made for securing and maintaining adequate ventilation by the circulation of fresh air in every part of the factory and for rendering harmless, so far as practicable, all gases, fumes, dust and other impurities that may be injurious to health arising in the course of any process or work carried on in the factory.

1.5.2 Government Policies in Malaysia

Third Industrial Master Plan 2006-2020 ("IMP3")

Following the progress achieved by the First and Second Industrial Master Plans in laying a foundation for industrial development and transforming the manufacturing sector to become a major contributor to economic growth, the IMP3 which was launched in 2006 serves as an important planning instrument in expanding the sources of growth and positioning Malaysia's long term industrial competitiveness.

The IMP3 places significant emphasis on an integrated approach towards industrial development. This is to enable targeted industries and services to develop their potential, without undue constraints, as well as maximise the various synergies and positive externalities that emanate from such a holistic approach.

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The IMP3 has identified 12 targeted industries with growth potential in the manufacturing sector for further development and they are as follows:

- E&E industry;
- Medical devices industry;
- Textiles and apparel industry;
- Machinery and equipment industry;
- Metals industry;
- Transport equipment industry;
- Petrochemicals industry;
- Pharmaceutical industry;
- Wood-based industry;
- Rubber products industry;
- Oil palm-based industry; and
- Food processing industry.

Economic Transformation Programme ("ETP")

The ETP, which was launched in 2010, is Malaysia's action plan to reach high income nation status by 2020. It prioritises 12 National Key Economic Areas ("NKEAs"), relying heavily on private sector-led growth, contains very specific investments and policy actions, and is based on a clear implementation roadmap.

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An NKEA is defined as a driver of economic activity that has the potential to directly and materially contribute a quantifiable amount of economic growth to the Malaysian economy. The Government realises that it needs to focus on a limited number of sectors and geographies in order to achieve its goal of becoming a high income nation. The following NKEAs were identified:

- Oil, gas and energy;
- Financial services;
- Wholesale and retail;
- Palm oil;
- Tourism;
- E&E;
- Business services;
- Communications content and infrastructure;
- Education;
- Agriculture;
- Healthcare; and
- Greater Kuala Lumpur / Klang Valley.

1.5.3 Government Incentives in Malaysia

The major tax incentives for companies investing in the manufacturing sector are the pioneer status and the investment tax allowance. Eligibility for pioneer status and investment tax allowance is based on certain priorities, including the level of value-added, technology used and industrial linkages. Eligible activities and products are termed as "promoted activities" or "promoted products".

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Pioneer Status

A company granted pioneer status enjoys a 5-year partial exemption from the payment of income tax. It pays tax on 30% of its statutory income, with the exemption period commencing from its production day (defined as the day its production level reaches 30% of its capacity).

Investment Tax Allowance

As an alternative to Pioneer Status, a company may apply for an investment tax allowance. A company granted an investment tax allowance is entitled to an allowance of 60% on its qualifying capital expenditure (factory, plant, machinery or other equipment used for the approved project), incurred within five (5) years from the date the first qualifying capital expenditure is incurred.

The company can offset this allowance against 70% of its statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised. The remaining 30% of its statutory income will be taxed at the prevailing company tax rate.

1.5.4 Government Legislations in the People's Republic of China ("PRC") and Indonesia

For the purpose of this Report, the relevant legislations on manufacturing companies operating in the PRC and companies operating in the automotive and mining industries in Indonesia are also discussed.

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PRC

The principal laws and regulations affecting manufacturing companies in the PRC are as follows:

- Company Law of the PRC

  This law is enacted for the purposes of regulating the organisation and operation of companies, protecting the legitimate rights and interests of companies, shareholders and creditors, maintaining the socialist economic order, and promoting the development of the socialist market economy;

- Law of the PRC on Foreign-funded Enterprises

  With a view to expanding economic cooperation and technical exchange with foreign countries and promoting the development of the national economy, the PRC permits foreign investors to set up foreign-funded enterprises in the country and to protect the legitimate rights and interests of such enterprises;

- Customs Laws of the PRC

  This law is formulated for the purpose of supervision and control over the means of transport, goods, travellers' luggage, postal items and other articles entering or leaving the customs territory; and the collection of custom duties, taxes and other fees;

- Regulations of the PRC on Import and Export Duties

  All goods permitted to be imported into or exported out of the PRC shall, unless provided by the State Council, be subject to payment of custom duties;

- Labour Law of the PRC

  This law has been formulated according to the constitution with a view to protecting the legitimate rights and interests of workers, regulating labour relations, establishing and safeguarding a labour system that is adaptable to a socialist market economy and promoting economic development and social progress;

- Production Safety Law of the PRC
  This law has been enacted for the production safety of entities that are engaged in the production and business operation activities within the PRC; and

- Environmental Protection Law of the PRC
  This law is established for the purpose of protecting and improving the environment, preventing and controlling pollution and other public hazards, safeguarding human health and facilitating the development of socialist modernisation.

Indonesia

In the automotive industry in Indonesia, the relatively large domestic automotive market has been the main attraction to foreign companies, as well as the modest incentives such as the 2008 regulation that provides a six (6) year income tax break on up to 5% of the total investment and exemption of import duties for certain raw materials.

The Indonesian government is working on a system of incentives and an industrial concept to turn the country into one (1) of Asia's automotive production hubs. This is through the implementation of the following policies:

- Development of the domestic market through tariff harmonisation and taxation;
- Increasing domestic automotive component manufacturing capability;
- Providing incentives for the development of R&D; and
- Providing fiscal incentives to attract investment in high technology automotive component manufacturing.

The Mining Law and associated regulations in Indonesia provide for coal mining production licences to be issued for up to 20 years. Under the Mining Law, licensed coal mining operators are required to carry out in-country processing and refining so as to increase the value added. The main challenges facing investors in the Indonesian coal mining industry are the still-evolving mining laws and the low infrastructural capacity in certain coal producing areas.

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1.6 Demand and Supply Conditions

1.6.1 Demand Conditions

The automotive, medical devices and the E&E (including semiconductors, consumer electronics, RF components, photonics components and electrical products) industries are the main industries in which the GFB is involved in. Below are the respective industry overviews.

Automotive Industry

The establishment of the national car projects in the 1980s and 1990s has boosted the development of the engineering supporting industries, and this has in return, further enhance the attractiveness of the country as a base for the global automotive manufacturers.

The relatively rapid growth of the economy has made Malaysia the largest passenger car market in the countries of the Association of South East Asian Nations. To take advantage of buoyant consumer demand, some global automotive companies have established operations in Malaysia, and they include Toyota, Honda, Nissan, Mercedes Benz, Volvo, BMW and Peugeot. The production and assembly of automotives in Malaysia had expanded by a compounded annual growth rate ("CAGR") of 3.1% between 2006 and 2010, from 503,248 units in 2006 to 567,715 units in 2010.

Medical Devices Industry

There exists a growing network of companies in the supporting industries involved in precision tooling, precision metal stamping, plastic injection moulding, electronics, printed circuit assembly and automation equipment conforming to world-class standards which is able to assist the expansion of the medical devices industry in Malaysia.

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Currently, there are more than 180 medical devices manufacturers in Malaysia. They are also undertaking the production of more sophisticated components of the manufacturing value chain from their parent companies in the United States ("US") and Europe, which have been affected by rising direct and indirect production costs. The market for medical devices will continue to benefit from the gradually aging population, improving healthcare systems, growing population, extended life expectancy rates worldwide and rising affluence. Sales of medical devices products increased strongly from RM986.8 million in 2006 to RM1.4 billion in 2010, representing a CAGR of 8.5% during the period.

E&E Industry

The E&E industry is the leading contributor to Malaysia's industrial development, although sales of E&E products declined from RM209 billion in 2006 to RM166.8 billion in 2010, yielding a CAGR of -5.5%. After experiencing a decline for three (3) consecutive years, sales of E&E products improved by 3.9% in 2010.

The selected segments of the E&E industry are further discussed below.

Semiconductors

A progressive integration into the global E&E production networks has been the primary driver of Malaysia's success in the semiconductor industry. Sales of semiconductors account for the largest share of E&E products in Malaysia. Although the CAGR growth rate in sales of semiconductor devices was -3.2% between 2006 and 2010, from RM48.6 billion to RM42.7 billion, the semiconductor industry remains the backbone of the E&E industry in Malaysia.

Consumer Electronics

The majority of consumer electronics manufactured in Malaysia are audio visual products. Due to the current life style trends, first time consumers are purchasing flat screen televisions, such as plasma televisions and liquid crystal display televisions. There are also customers switching over to flat screen televisions from the cathode ray tube televisions. These factors would continue to spur the demand for audio visual products in the market. The production of audio visual products increased from 36.0 million units in 2006 to 70.6 million units in 2010, registering a CAGR of 18.3%.

RF Components

RF is the wireless transmission of data by digital radio signals at a particular frequency. As the technology can be used in warehouses and distribution centres, as well as in manufacturing activities, the scope for RF applications is very wide. RF is also widely used in communications products such as cellular phones and walkie-talkies. Between the years 2006 and 2010, the export of RF components increased by a CAGR of 8.8%, from RM325.6 million to RM456.4 million.

Photonics Components

Photonics is an area of technology associated with the generation and harnessing of light and other forms of radiant energy. Efficient and sophisticated supporting industries for the manufacturing of photonics components are already in place, having grown in tandem with the country's semiconductor industry. These industries include companies involved in automation equipment, metal surface treatment, precision metal stamping, precision tooling and plastic injection mouldings. The export of photonics components increased from RM719.3 million in 2006 to about RM1 billion in 2010, yielding a CAGR of 8.9%.

Electrical Products

Both the foreign-owned and some of the Malaysian-owned companies manufacture their own brands of electrical appliances, a number of which are exported. The foreign-owned companies operate on a larger scale and some of them undertake R&D activities. Several of the foreign-owned companies also outsource their manufacturing activities to domestic companies. Sales of electrical products increased from RM66.8 billion in 2006 to RM67.6 billion in 2010, yielding a CAGR of 0.3%.

1.6.2 Supply Conditions

For the purpose of this Report, in addition to the supply conditions in terms of reliance and vulnerability to imports, supply conditions from the automotive components, precision metal stamping, precision tooling, and test and assembly industries are also discussed.

Reliance and Vulnerability to Imports

The main raw materials used in the manufacturing of components for the automotive, medical devices and E&E (including semiconductors, consumer electronics, RF components, photonics components and electrical products) industries are both imported and available domestically. The main raw materials include, inter alia, plastic resins, different metals, different types of steel, and IC packaging materials.

For the main raw materials that are easily available in the market, switching costs are very low for manufacturers as they can easily switch their suppliers of raw materials.

Supply of IC Packaging Materials

The leadframe, which is the "skeleton" of the IC package, and which provides mechanical support to the die during its assembly into a finished product, is available mainly from domestic sources, while some are imported.

Both copper and gold wires used as interconnect materials in IC packages are mainly imported, although some are obtained domestically.

Materials used for encapsulating semiconductor devices are known as plastic moulding compounds and are mainly sourced from overseas sources.

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Supply of Metals

Both precision metal stamping and precision tooling requires metals such as aluminium as well as different types of steel, as their raw materials.

Sheet metal used in precision metal stamping is available in either sheet or coil form, in a variety of sizes and thickness. The main raw materials used in the precision tooling industry are steel (tool steel, stainless steel and mild steel), aluminium and carbide (a chemical compound formed between carbon and metals).

These metals are already commoditised in the market. They can be obtained from either the manufacturer's representatives or stockists based in the country. Alternatively, they can also be imported directly from the overseas manufacturers.

Supply of Plastic Resins

Plastic resins, both commodity and engineering types, are widely used in the manufacturing of automotive components. Commodity resins such as polypropylene can be sourced locally while engineering plastics such as polyamide resins, polycarbonate resins and acrylonitrile butadiene styrene resins are sourced from overseas. Most engineering plastics are imported as Malaysia only produces limited amounts of engineering plastics, such as polyacetyl and polybutylene terephthalate.

Automotive Components Industry

There are more than 690 automotive components manufacturers in Malaysia, producing over 5,000 components, such as body panels, brake components, engine components, transmission and steering components and rubber components. The components are manufactured to meet the stringent standards of the automotive companies.

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The automotive components industry serves two (2) market segments:

- the original components demanded by the manufacturers and assemblers of automotives, and
- the replacement equipment market where the components are bought by the repair shops and individual customers.

The automotive components industry is a multi-billion Ringgit business. Sales of components and accessories for motor vehicles and their engines in Malaysia increased from RM5.2 billion in 2006 to RM6.7 billion in 2010, yielding a CAGR of 6.2% during the period.

Precision Metal Stamping Industry

The precision metal stamping industry is a very important supporting industry for the automotive, medical devices and E&E industries. There are approximately 300 metal stamping companies in Malaysia. A number of these companies undertake secondary processes, such as electroplating or spray painting and surface finishing treatment of stamped components.

The sales statistics for precision metal stamping is classified under forging, pressing, stamping, roll forming metal and powder metallurgy by the Department of Statistics. Sales of forging, pressing, stamping, roll forming metal and powder metallurgy increased by a CAGR of 3.6% between 2006 and 2010, from RM1.9 billion to RM2.2 billion.

Precision Tooling Industry

The precision tooling industry is a critical and important supporting industry to the E&E and medical devices industries, as well as the automotive components industry. The increasing incorporation of locally manufactured components has significantly fuelled the demand for precision tooling. There are about 170 companies involved in the provision of precision tooling in Malaysia.

Precision tooling covers a wide range of production activities, ranging from the manufacture of complete moulds to the production of components in support of manufacturing activities. It is the pre-requisite for manufacturing activities encompassing mass production. This includes the repairs, maintenance and reconditioning of used moulds and dies.

Test and Assembly Industry

Test and assembly plants supply IC packages to both integrated device manufacturers ("IDMs") and fablesss IC design companies, as well as the electronics manufacturing services ("EMS") companies. An IDM is a company that performs every step of the chip-making process, including design, manufacture, test and packaging. Fabless IC design companies design, but do not fabricate IC chips.

EMS is a term used for the companies that design, test, manufacture, distribute and provide return / repair services for electronic components and assemblies for the IDMs. Traditionally, they were focussed on the fabrication of printed circuit boards. In recent years, EMS companies have add substantial vertical capabilities, stretching from original design manufacturing through system assembly, test, delivery and logistics, warranty and repair, network services, software and silicon design, and customer service.

IC packaging is the final stage of semiconductor device fabrication. IC packages are the protective housing for the IC, providing both physical and chemical protection. The semiconductor industry utilises a very wide variety of ICs that have different packaging requirements. Package attributes that are taken into consideration when choosing a package type for a particular semiconductor device include size, lead count, power dissipation, field operating conditions and cost.

The production of ICs in Malaysia increased from 35.5 billion units in 2006 to 38 billion units in 2010, yielding a CAGR of 1.7%.

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1.7 Substitute

A direct substitute to the IMS providers is the companies that manufacture the components separately. For instance, a MNC may need a product which requires it to be manufactured from a few different materials. Instead of approaching an IMS company to manufacture and assemble this product in a more complete form, the MNC may subcontract the manufacturing work out to a few different suppliers, each of which specialise in a particular component. The MNC itself, or one (1) of the suppliers may need to assemble all the different components manufactured by the various suppliers.

1.8 Company Positioning

There is a gradual shift towards the IMS business model among the suppliers of the MNCs, spurred by global competition, rapidly changing customer demands and the corresponding demand for flexibility and efficiency.

As an IMS provider, GFB will be able to ride on the outsourcing trends that are increasingly practiced by MNCs globally as they concentrate on their core competencies. GFB aims to do this by offering synergistic combinations of different skill-sets and technologies from different business divisions to deliver seamless services, combining design and manufacturing capabilities with logistics to its customers. By manufacturing key components and undertaking sub-assemblies for its customers, it will be able to enhance the continuity of supply and may also reduce costs for its customers. Through the current global outsourcing trends, GFB also hopes to gain a wider market and client base.

GFB's three (3) application markets will be the automotive, medical devices and E&E industries. This is based on its core competencies in the manufacturing of automotive components, precision metal stamping, precision tooling, and test and assembly of semiconductor devices. With its exposure to three (3) distinct industries, GFB will possess a more diversified revenue stream as well as be less susceptible to the risk of a downturn that may affect a particular industry and its dependency on a single customer.

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GFB will become an IMS provider, offering the following multi-disciplinary manufacturing services:

- Precision metal stamping;
- Precision machining and assembly of RF microwave, photonics and medical components;
- Design and fabrication of precision tooling and automation equipment;
- Injection moulding and blow moulding;
- Test and assembly of semiconductors and smart card devices; and
- Design, manufacturing and assembly of automotive components and modules/systems.

For the purpose of comparison, the criteria for selecting the closest comparable companies to GFB are based on Malaysian public listed companies that offer between four (4) and six (6) manufacturing services that are aforementioned.

Table 1 presents a list of selected Malaysian public listed companies that are comparable to GFB.

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Table 1: List of Comparable Public Listed Companies in Malaysia, by Selected Manufacturing Services

Name of Company	Precision metal stamping	Precision machining and assembly of RF microwave, photonics and medical components	Design and fabrication of precision tooling and automation equipment	Injection moulding and blow moulding	Test and assembly of semiconductors and smart card devices	Design, manufacturing and assembly of automotive components and modules/systems
GFB	√	√ (RF, photonics and medical)	√ (precision tooling and automation equipment)	√	√	√
BSL Corporation Bhd	√		√ (precision tooling)			
Sunchirin Industries (Malaysia) Bhd	√		√ (precision tooling)			√
Kein Hing International Bhd	√		√ (precision tooling)			√
New Hoong Fatt Holdings Bhd	√		√ (precision tooling)	√		√
Eng Teknologi Holdings Bhd	√	√ (medical)	√ precision tooling and automation equipment)			
Notion VTec Bhd	√		√ (precision tooling)			√
Dufu Technology Corporation Bhd	√	√ (medical)	√ (precision tooling)	√		
Ewein Bhd	√	√ (RF)		√		
Lipo Corporation Bhd	√	√ (RF and medical)	√ (precision tooling and automation equipment)			√
Rapid Synergy Bhd		√ (photonics)	√ (precision tooling)			
Unisem (M) Bhd					√	

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Name of Company	Precision metal stamping	Precision machining and assembly of RF microwave, photonics and medical components	Design and fabrication of precision tooling and automation equipment	Injection moulding and blow moulding	Test and assembly of semiconductors and smart card devices	Design, manufacturing and assembly of automotive components and modules/systems
MQ Technology Bhd		√ (photonics and medical)	√ (precision tooling and automation equipment)	√		√
Malaysian Pacific Industries Bhd					√	
Impressive Edge Group Bhd	√		√ (precision tooling)			
Globetronics Technology Bhd					√	
Inari Bhd					√	
D&O Green Technologies Bhd		√ (RF and photonics)			√	
KESM Industries Bhd					√	
APM Automotive Holdings Bhd	√		√ (precision tooling)	√		√
Autoair Holdings Bhd	√		√ (precision tooling)	√		√
Hirotako Holdings Bhd	√			√		√
EP Manufacturing Bhd	√		√ (precision tooling)	√		√
Delloyd Ventures Bhd	√			√		√

Source: Companies' websites and annual reports

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Table 2 presents the shortlisted closest comparable Malaysian public listed companies that offer between four (4) and six (6) manufacturing services that are similar to GFB. There are seven (7) such Malaysian public listed companies.

Table 2: Comparable Public Listed Companies in Malaysia, with Four (4) to Six (6) Manufacturing Services

Name of Company	Principal Activities	Markets Served	Major Products
Four (4) to six (6) manufacturing services			
GFB	IMS provider of precision metal stamping, precision machining and assembly of RF microwave, photonics and medical components, design and fabrication of precision tooling and automation equipment, injection moulding and blow moulding, test and assembly of semiconductors and smart card devices, and design, manufacturing and assembly of automotive components and modules/systems.	Automotive, medical devices and E&E.	Semiconductor devices, and automotive, RF microwave, photonics and medical components.
New Hoong Fatt Holdings Bhd	Manufacturer and marketing of automotive components.	Automotive.	Automotive components.
Dufu Technology Corp. Bhd	A one-stop facility offering manufacturing, engineering capabilities and services.	E&E and medical devices.	Components for hard disc drives, computer peripherals, electronics equipment and medical devices.
Lipo Corporation Bhd	Provision of precision metal stamping and precision tooling.	E&E, medical devices and automotive.	Components for RF, medical, PCs, printers and automotives.
MQ Technology Bhd	One-stop centre for precision tooling.	E&E and medical devices.	Semiconductor cavity / encapsulation moulds, components for hard disc drives and medical devices.
Autoair Holdings Bhd	Manufacturing, trading and distribution of automotive air conditioning components.	Automotive.	Automotive components.
EP Manufacturing Bhd	Manufacturer of automotive components.	Automotive and water.	Automotive components and water meters.
APM Automotive Holdings Bhd	Manufacture and sale of automotive components.	Automotive.	Automotive components.

Source: Companies' websites and annual reports

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In terms of revenue, GFB is ranked number three (3) among the public listed companies that have between four (4) and six (6) manufacturing services, based on the latest publicly available annual reports. The number one (1) and two (2) positions are held by APM Automotive Holdings Bhd and EP Manufacturing Bhd, respectively, as shown in Table 3.

Table 3: Revenue Comparison of Comparable Public Listed Companies with Four (4) to Six (6) Manufacturing Services, to GFB

Company	FYE	Revenue (RM '000)
APM Automotive Holdings Bhd	31/12/10	1,178,846.0
EP Manufacturing Bhd	31/12/10	587,519.0
GFB	31/12/10	394,839.0
New Hoong Fatt Holdings Bhd	31/12/10	227,473.4
Dufu Technology Corp. Bhd	31/12/10	128,495.5
Lipo Corporation Bhd	30/06/11	67,466.5
MQ Technology Bhd	31/12/10	42,171.5
Autoair Holdings Bhd	30/06/11	18,825.8

Note:
N. A. = Not Applicable
Source: Bursa Malaysia

1.9 Market Share

The market size for automotive components, medical devices and E&E industries in terms of sales, amounted to RM174.8 billion in Malaysia in 2010. As GFB generated revenues of RM394.8 million in the same year, its market share in the automotive components, medical devices and E&E industries collectively is computed at 0.2% in 2010.

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The market size for the automotive components, medical devices, semiconductor devices, and precision metal stamping industries in terms of sales, was reported at RM6.7 billlion, RM1.4 billion, RM42.7 billion and RM2.2 billion, respectively, in Malaysia in 2010. GFB's market shares in these industries are computed at 2.3%, 0.4%, 0.3% and 5.9%, respectively, in 2010, as shown in Table 4.

Table 4: Market Shares of GFB in the Various Industries

Industries	Sales (RM Million)	GFB's revenue (RM Million)	Market share of GFB (%)
Automotive components	6,676.2	152.7	2.3
Medical devices	1,367.6	4.9	0.4
Semiconductor devices	42,715.4	120.4	0.3
Precision metal stamping	2,167.3	129.8	5.9

Source: Department of Statistics and GFB

As the sales figures of RF components and photonics components in Malaysia are not available, Infobusiness will use the national exports of RF components and photonic components to compute GFB's export market shares. The export market share of GFB in RF components and photonics components amount to 0.004 % and 0.3%, respectively, in 2010, as shown in Table 5.

Table 5: Export Market Shares of GFB in RF Components and Photonics Components

Industries	National exports in 2010 (RM Million)	GFB's export revenue (RM Million)	Export market share of GFB (%)
RF components	456.4	0.019 *	0.004
Photonics components	1,011.8	3.3	0.3

Note:
**GFB's revenue in RF components in 2010 was mainly derived from indirect exports, and not direct exports or local sales. Only a small amount of revenue was generated from direct exports.*
Source: Department of Statistics and GFB

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1.10 Prospects and Outlook

The outlooks on the various industries in Malaysia, the PRC, Taiwan and Indonesia are discussed below.

1.10.1 Malaysia

Automotive Industry

The automotive market in Malaysia is driven by the launching of new models, aggressive sales campaigns and the expanding middle class. Nevertheless, the automotive market is already pretty saturated, with an average of one (1) car per four (4) Malaysians. Another factor is that the extra long term hire purchase (ranging between five (5) years and ten (10) years) were offered around 2005 and this means that there are going to be a large number of motor vehicle owners who will still be paying for instalments for their motor vehicles in the coming years. With depreciation occurring every year, there will be a big gap between the motor vehicle's residual value and how much is owed to the banks, making it difficult for owners to trade-in for new motor vehicles.

Sales of motor vehicles reached 605,156 units in Malaysia in 2010 and are expected to grow at a CAGR of 1.4% between 2010 and 2014, due to the maturing market.

Medical Devices Industry

The medical devices industry is one of the most vital and dynamic industries in the world and it is constantly driven by R&D which needs to keep pace with increasing demand from the medical fraternity.

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The development of innovative medical technologies has contributed to the introduction of new medical products and the expansion of production of medical devices. Technological convergence between diagnostic, monitoring and treatment devices will be another major driver as the merging of technology is the next big step in accurately delivering drug treatments on time and in specific doses, while conducting regular diagnostic and monitoring procedures. This trend is continuing at a rapid pace, aided by advances in electronics and biotechnology. The market for medical devices will continue to benefit from the improving healthcare systems, growing population, extended life expectancy rates and rising affluence.

In Malaysia, the medical devices industry is still in the initial stages of development. The country's medical devices are mainly imported, especially the more technologically advanced items. There is scope for import substitution of these products. Opportunities are present for investors to venture into the manufacturing of medical devices such as cardiovascular, wound care, orthopaedic, transplant and medical imaging equipment, patient monitoring systems, electrocardiography equipment, blood flow measurement equipment and dialysis equipment. Sales of medical devices in Malaysia were about RM1.4 billion in 2010. It is anticipated to expand at a CAGR of 8% between 2010 and 2014.

E& E/Semiconductor Industry

The E&E industry in Malaysia is mainly driven by semiconductors. Semiconductor technology lies at the heart of the amazing revolution we are witnessing in computing, communications, consumer electronics, transportation and health care. This revolution is enabled by designing and building successive generations of chips that perform an ever increasing number of functions, run faster, and cost less.

The development of the IC package is a dynamic technology. Applications that were unattainable only a few years ago are today common place thanks in part to advances in packaging design. From mobile telecommunications and satellite broadcasting to aerospace and automotive applications, each imposes its own individual demands on semiconductor packaging.

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Malaysia is anticipated to benefit from the growth in demand for semiconductors from both the developed and emerging economies, as a result of the further integration of existing semiconductor companies into the global production networks. Sales of semiconductor devices amounted to RM42.7 billion in Malaysia in 2010. It is anticipated to grow at a CAGR of 8.1% between 2010 and 2014.

1.10.2 The PRC

Automotive Industry

The automotive industry is a key catalyst in the PRC's industrialisation and modernisation efforts, due to its widespread linkages. With labour cost remaining relatively low, the PRC is beginning to produce reasonable quality cars for a fraction of the cost of cars built anywhere else. There is still a lot of growth potential in the automotive industry in the PRC, as less than five (5) people in 1,000 own a car. In an effort to make the Chinese automotive industry more competitive internationally, the Chinese government has encouraged car companies to consolidate, combining the fourteen (14) largest car makers into ten (10) manufacturers and weaning them off their dependence on government subsidies and joint ventures with foreign companies. Sales of automotives reached 18.1 million units in the PRC in 2010, with growth forecasted at a CAGR of 7.6% between 2010 and 2014.

Medical Devices Industry

The prospects for medical device spending is promising as the Chinese government has committed heavily in the construction of thousands of hospitals, healthcare centres, clinics and this will inevitably lead to spending on medical devices. Priority has been given to the construction and renovation of around 2,000 county level hospitals, so that each county will have at least one such facility. Foreign companies, especially large medical devices manufacturers from Japan, Germany and the US have a competitive advantage in terms of technology. The market size for medical devices in the PRC is about USD14.8 billion (approximately RM47.8 billion) in 2010. It is projected to grow at a CAGR of 10.9% between 2010 and 2014.

E& E/Semiconductor Industry

In the E&E industry, the PRC has emerged to become the world's largest producer of video compact disc players, digital versatile disc players, colour televisions, cellular phones, desktop PCs, radios, telephone sets, loudspeakers, magnetic heads, monitors, compact disc drives and printers. The semiconductor industry is the backbone of the E&E industry in the PRC. Due to the great importance of the semiconductor industry to the country's industrialisation, the Chinese government is pursuing a policy that will make the country nearly self-reliant in semiconductor manufacturing, and the semiconductor industry is recognised as one of the main pillars of the Chinese economy. The semiconductor market amounted to about USD80.1 billion (approximately RM258.8 billion) in the PRC in 2010. It is projected to grow at a CAGR of 12% between 2010 and 2014.

1.10.3 Taiwan

Automotive Industry

Automotive drivers owned some 2.70 million cars older than ten (10) years in Taiwan, or 47% of the total passenger cars registered on the island. Although Taiwan has no national car brands, the expansion of the Chinese market on the mainland creates a new opportunity for the Taiwanese automotive industry. The Chinese automotive industry is still in an embryonic stage and Taiwanese automotive manufacturers should find plenty of opportunities for cooperation. About 320,000 new cars were sold in Taiwan in 2010 and sales are forecasted to grow at a CAGR of 6.3% between 2010 and 2014.

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Medical Devices Industry

The relatively lower costs of production and quality proven manufacturing standards have allowed Taiwanese companies to gain a foothold in manufacturing medical devices for the region. As it is still at an early stage of development, most of the manufacturing activities revolves around safety syringes, medical disposables, blood glucose monitors, electronic and infra-red thermometers, and home use medical appliances. In tandem with rising costs, medical device manufacturers in Taiwan have shown a gradual move into investing in R&D which adds value to the products they produce, while at the same time moving their manufacturing base outside of Taiwan. The output of medical devices in Taiwan is estimated at approximately USD1.5 billion (approximately RM4.9 billion) in 2010. It is projected to grow at a CAGR of 15.7% between 2010 and 2014.

E& E/Semiconductor Industry

The semiconductor industry, which is the mainstay of the E&E industry in Taiwan, is heavily intertwined with its counterparts in the PRC. Taiwanese companies have been moving production capabilities from Taiwan to the PRC since the late nineties. The major reason that Taiwanese companies have migrated to the PRC is to take advantage of the country's great pool of relatively educated and talented young people who are willing to work on assembly lines for labour rates that are significantly lower than in Taiwan. The market size of the semiconductor industry in Taiwan is about USD42.2 billion (approximately RM136.3 billion) in 2010 and is expected to grow at a CAGR of 6.5% between 2010 and 2014.

1.10.4 Indonesia

Automotive Industry

Currently, the Indonesian automotive market is the second largest in South East Asia, after the Thai market. The Indonesian government has positioned the automotive industry as one of the country's priority industries to focus on. Wages for workers are competitive in the automotive industry in Indonesia.

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In 2010, Indonesia sold 764,710 units of automotives, a new record high and just behind Thailand's sales of 800,357 units. Indonesia also offers a domestic automotive market that is potentially larger than Thailand, due to its large population and an expanding middle class. The automotive industry in Indonesia is poised for further growth and could take Thailand's position as the regional leader.

There were twenty (20) automotive assemblers, 150 Tier-1 automotive component manufacturers and 350 Tier-2 automotive component manufacturers in Indonesia in 2010. The domestic automotive component manufacturers produce less sophisticated items that lack value added processes. They are still highly dependent on imported raw materials as the industries producing them are still not well established. Most of the raw materials are imported from countries such as Japan, South Korea, Taiwan and the PRC. Developing a domestic production base for environmentally-friendly and low cost cars is a key goal.

As at January 2011, eighteen (18) foreign companies have submitted proposals for a combined investment of more than USD900 million (approximately RM2.9 billion) in Indonesia's automotive industry. US-based General Motors Company announced that it would start producing cars in Indonesia in 2013, investing USD150 million (approximately RM484.5 million) to reactivate its abandoned manufacturing plant in West Java.

Japanese automotive manufacturers Nissan Motor Company and Suzuki Motor Corporation recently announced expansion plans, investing USD250 million (approximately RM807.5 million) and USD800 million (approximately RM2.5 billion), respectively, while France's Peugeot SA and India's Tata Motors Ltd have both expressed interest in building production bases in Indonesia.

Daihatsu Motor Company of Japan and the German manufacturer Bayerische Motoren Werke AG, better known as BMW, have just carried out expansions to their Indonesian facilities with investments of USD246 million (approximately RM794.6 million) and USD12 million (approximately RM38.8 million), respectively.

Japanese automotive assemblers of vans and compact city cars still rule the Indonesian market with more than 90% of market share, but the premium segment is dominated by German automotive assemblers. Automotive sales in Indonesia are anticipated to grow by a CAGR of 6.9% between 2010 and 2014.

Medical Devices Industry

The medical devices industry has a huge potential in Indonesia, due to its population of more than 220 million. The bulk of the Indonesian medical devices market is supplied by imports. However, foreign manufacturers of medical devices have always been faced with numerous obstacles and challenges in entering the industry. Penetrating the medical device market is difficult due to the wide and extensive geographical boundaries in the country. The highly bureaucratic medical device import and trading regulations have made it more difficult for foreign manufacturers. The market size for medical devices in Indonesia is estimated at USD304 million (approximately RM982 million) in 2010. It is projected to grow at a CAGR of 15.3% between 2010 and 2014.

E& E Industry

The E&E industry in Indonesia is dominated by the manufacturing of consumer electronics, albeit the manufacturing of electronic components is gradually growing in importance. Many foreign companies venture into the E&E industry in Indonesia to take advantage of its low cost labour force, as well as being attracted by Indonesia's potential as a large market. The size of the electronics market in Indonesia in 2010 is estimated at USD10.5 billion (approximately RM33.9 billion) and is projected to grow at a CAGR of 10.5% between 2010 and 2014.

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1.10.5 Outlook on The Palm Oil Industry in Malaysia

GFB is also involved in oil palm plantation activities.

Palm oil is currently the leading edible oil traded and consumed globally, with a share of 55% and 26%, respectively, of total oils and fats. Although the palm oil industry in Malaysia spans the entire value chain from plantations to downstream manufacturing activities, its development is heavily skewed towards upstream activities, namely production and processing of fresh fruit bunches, palm oil refining and palm kernel crushing activities.

The palm oil industry is one of the 12 national key economic areas promoted under the Economic Transformation Programme. Over the next (10) years, the palm oil industry in Malaysia is expected to be driven by the following factors:

- The expansion of existing upstream activities

This growth will be driven by the expansion of Malaysian plantations abroad and organic growth in yield levels. Due to the scarcity of land in the country, Malaysian companies are anticipated to invest more aggressively in plantations abroad.

- Development of existing downstream activities

Malaysia is a major global oleochemical player, accounting for about 18.6% of global oleochemical production capacity. Palm feedstock availability, lower operating costs and increasing regional demand are expected to further shift oleochemical production to South East Asia, including Malaysia, in the future. This in turn, will boost the consumption of palm oil.

- Development of National Biodiesel Activities

The Malaysian Biofuel Industry Act 2007 complements the development of palm-based biodiesel. It provides for mandatory blending of biofuel with petroleum diesel. The utilisation of palm oil for biofuel production will assists to strengthen the consumption of palm oil.

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It is envisaged that the palm oil industry will remain a major contributor to the Malaysian economy over the next 10 years, building on a core set of advantages, including rising demand globally, continued high oil-yield per hectare, distinctive edge in yield and quality over competing countries such as Indonesia, as well as a conducive regulatory environment.

In terms of output, the palm oil industry in Malaysia is expected to grow at a CAGR of 4.3%, from about RM17.3 billion in 2010 to approximately RM20.9 billion in 2014, in view of the bright outlook of the palm oil industry.

1.10.6 Outlook on The Coal Mining Industry

GFB will also be involved in coal mining activities in Indonesia.

Coal has become one of the main sources of electric energy in the world and this is expected to continue as it is the most abundant fossil fuel. The world is geologically endowed with abundant proved reserves of coal. Coal reserves are more widely spread than oil and gas reserves, which mean that coal is a more reliable than other fossil fuels in many countries. At the current rate of production, the global proved reserves are estimated to be able to last for another 118 years. The global demand for coal is expected to expand at a CAGR of 2.3% between 2010 and 2014.

The surge in the prices of crude oil in recent years has forced the Indonesian government to look for alternative sources of energy. It is keen to take advantage of the growing role of coal, so as to maximise the potential of coal energy. Indonesia is seeking to expand the use of coal to fuel industries, especially to feed coal-fired power plants, replacing expensive oil fuels. There are also plans to electrify rural areas as it is estimated that only about 65% of the population has access to electricity.

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Most of the coal deposits in Indonesia lies in east and central Kalimantan, and south Sumatera. As at end 2010, Indonesia has proved reserves of 5.5 billion tonnes of coal, accounting for 0.6% of the world's proved reserves. At the rate of production for 2010, the proved reserves are able to last for another 18 years. Indonesia was the fifth largest coal producer in the world in 2010, and its coal production expanded at a CAGR of 12.1% during the years between 2006 and 2010, from 119.2 million tonnes oil equivalent to 188.1 million tonnes oil equivalent. An increasing share of the country's total coal output is expected to be consumed locally as new coal-fired generating capacity is installed to meet growing energy demands. The production of coal in Indonesia is projected to grow at a CAGR of 4.1% between 2010 and 2014.

1.11 The Global Economy

The world economy entered 2011 with expectations for a healthy economic growth during the year, supported by optimism over the favourable growth performance in the fourth quarter of 2010. In the second half of 2011, despite diminishing supply disruptions and the moderation in oil prices, the global environment became increasingly challenging. Escalation of the sovereign debt crisis in the euro area and the downgrade of the US sovereign credit rating in August had intensified fiscal and financial stress in the advanced economies and dampened consumer and business sentiments.

The global economic recovery, which began in the second half of 2009, is expected to slow in 2012 largely due to the ongoing sovereign debt issues in the euro area. Growth in these economies would be largely constrained by fiscal consolidation and private sector deleveraging following the impairment of the balance sheets of financial institutions. The extent of the moderation in global growth is largely contingent on how the debt crisis evolves and the nature and timeliness of the policy actions in restoring market confidence. In particular, given the region's integration with the rest of the world, the spillover from the sovereign debt crisis will affect growth in both the advanced and emerging economies to varying degrees, through both trade and financial channels.

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In view of the deterioration in the external environment, growth in the emerging economies will continue to moderate. In addition, expansion in domestic demand is also expected to slow. More cautious private sector sentiments amid high uncertainties in the global economic and financial environment would restrain domestic activity as both companies and consumers reduce their spending. Emerging economies could also be adversely affected by the large quantity of liquidity being injected by the advanced economies and the consequent low interest rate environment which will continue to spur investors' search for yields. The implication is that many emerging economies will continue to experience large capital flows and significant volatility in their financial markets.

Table 6: Global Real Gross Domestic Product ("GDP"), 2003-2012[f]

Growth (%)	2003	2004	2005	2006	2007	2008	2009	2010	2011[e]	2012[f]
World GDP	3.9	5.1	4.9	4.9	5.2	3.0	-0.5	5.2	3.8	3.3
US	3.0	4.2	3.2	2.9	1.9	-0.3	-3.5	3.0	1.7	1.8
Japan	1.4	2.3	1.9	2.2	2.2	-1.0	-5.5	4.4	-0.7	1.7
Euro area *	0.5	2.1	1.4	2.8	3.0	0.4	-4.3	1.9	1.4	-0.5
China	10.1	10.1	11.3	12.7	14.2	9.6	9.2	10.4	9.2	8.2

Notes:
** = Indicates member countries of the Euro area (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)*
e = estimate
f = forecast
Source: Ministry of Finance, Bank Negara Malaysia

1.12 The Malaysian Economy

Amid the more challenging external environment, Malaysia's economy is projected to experience a steady pace of growth of between 4% and 5% in 2012. Domestic demand is expected to remain resilient and will continue to be the anchor for growth. Private investment will be supported by continued investment by domestic-oriented industries and the ongoing implementation of projects under the ETP.

On the supply side, most sectors will continue to expand in 2012. Nevertheless, the slower growth in global demand may adversely affect export-oriented industries in the manufacturing sector as well as trade-related industries in the services sector. The performance of domestic-oriented industries, on the other hand, is expected to remain firm, benefiting from resilient domestic demand conditions. In particular, the construction sector is projected to record a stronger growth, supported by the implementation of major infrastructure projects.

Growth in the services sector will be supported by consumer-related sub-sectors, which is likely to cushion the effects of slower trade-related activity during the year. The manufacturing sector is expected to grow at a slower pace due to the anticipated slower activity in the export-oriented industries. The E&E cluster will be particularly vulnerable to sluggish growth in the advanced economies, as it would adversely affect demand for personal computers and semiconductors. The cluster will also be supported by new growth areas such as the renewable energy and light emitting diode industries. Construction-related manufacturing industries are expected to move in tandem with the broad construction sector but the outlook for the cluster remains constrained by the weaker external demand for its products.

The construction sector is anticipated to record a stronger growth, driven by the civil engineering sub-sector. Growth will be contributed mainly by the launch of key infrastructure projects. The mining sector is projected to improve, recording a positive growth rate in 2012, due to higher production of natural gas. Growth in the non-residential sub-sector is expected to be sustained, owing to public sector expenditure on hospitals and schools. In contrast, the residential sub-sector is projected to grow at a slower pace as developers shift focus to mass market housing from the high-end segment.

The output of crude oil is expected to remain subdued amidst maturing fields and delays in the commencement of production of some new fields. However, measures such as the enhanced oil recovery and tax incentives to promote production from marginal fields are anticipated to contribute favourably to crude oil production in the longer term.

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Growth in the agriculture sector is expected to be more moderate, caused mainly by lower growth of both palm oil and natural rubber following the strong performance seen in 2011 and the moderation in commodity prices. Growth will be supported by food production, namely fish and poultry.

Table 7: Annual Change in Real GDP by Sector, 2003-2012[f] (2000 prices)

Growth (%)	2003	2004	2005	2006	2007	2008	2009	2010	2011[p]	2012[f]
GDP	5.3	7.1	5.2	5.9	6.3	4.8	-1.6	7.2	5.1	4.0-5.0
Agriculture	5.7	5.0	2.5	5.2	2.2	4.3	0.6	2.1	5.6	3.8
Manufacturing	8.3	9.8	5.1	7.1	3.1	1.2	-9.3	11.4	4.5	3.9
Mining	5.9	3.9	0.8	-0.4	3.3	-2.4	-6.3	0.2	-5.7	0.6
Construction	1.9	-1.5	-1.6	-0.5	4.6	4.2	5.9	5.1	3.5	6.6
Services	4.4	6.8	6.5	7.2	9.7	7.6	3.1	6.8	6.8	5.1

Notes:
p = preliminary
f = forecast
Source: Ministry of Finance, Bank Negara Malaysia

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8. FINANCIAL INFORMATION

8.1 Historical financial information

We have prepared the proforma consolidated financial results for illustrative purposes only, for the years ended 31 December 2008, 31 December 2009 and 31 December 2010, after making adjustments that were considered necessary based on the results of Jotech, AIC and AutoV and on the assumption that we have been in existence throughout the years. The proforma consolidated financial results have been prepared on the basis set out in Section 8.5 of this Prospectus, using financial statements prepared in accordance with FRS in Malaysia and in a manner consistent with both the format of our financial statements and accounting policies.

The proforma financial statements of our Group for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 were not audited. The audited consolidated financial statements/annual reports of Jotech, AIC and AutoV for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 may be obtained or downloaded from Bursa Malaysia Berhad's website at *www.bursamalaysia.com*. The audited consolidated financial statements of Jotech, AIC and AutoV were not subject to any audit qualification for the years ended 31 December 2008, 31 December 2009 and 31 December 2010.

For information purposes, on 30 December 2011, the financial year end of Jotech, AIC and AutoV have been changed from 31 December 2011 to 30 June 2012 and the next audited financial statements shall be for a period of eighteen (18) months ending 30 June 2012.

You should read the financial information that we have presented below together with the notes, assumptions and basis of preparation included in the Reporting Accountants' letters on the proforma consolidated financial information and the proforma consolidated statements of financial position as set out in Section 8.5 of this Prospectus.

Proforma consolidated statements of comprehensive income

	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
	RM'000	RM'000	RM'000
Continuing operations:			
Revenue	339,209	331,798	394,839
Cost of sales	(288,716)	(278,181)	(326,157)
Gross profit	50,493	53,617	68,682
Administrative expenses	(28,182)	(28,933)	(35,086)
Distribution costs	(3,284)	(3,454)	(3,285)
Other operating expenses	(8,079)	(3,560)	(5,223)
Other operating income	8,007	5,458	8,804
Results from operating activities	18,955	23,128	33,892
Finance income	1,159	856	742
Finance costs	(5,870)	(5,172)	(3,975)
Operating profit	14,244	18,812	30,659
Share of results of associates	-	30	(6)
Profit before taxation	14,244	18,842	30,653
Taxation	(4,806)	(2,294)	(3,328)
Profit for the year from continuing operations	9,438	16,548	27,325
Loss from discontinued operations and loss on disposal of subsidiaries	(9,660)	-	-
(Loss)/Profit for the year	(222)	16,548	27,325
Other comprehensive expense, net of tax			
Foreign currency translation differences for foreign operations	(103)	(94)	(2,143)
Total comprehensive (loss)/income for the year	(325)	16,454	25,182

8. FINANCIAL INFORMATION *(Cont'd)*

	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
	RM'000	RM'000	RM'000
(Loss)/Profit attributable to:			
Owners of our Company	(762)	15,408	25,991
Minority interests	540	1,140	1,334
(Loss)/Profit for the year	(222)	16,548	27,325
Total comprehensive (loss)/income attributable to:			
Owners of our Company	(936)	15,351	24,292
Minority interests	611	1,103	890
Total comprehensive (loss)/income for the year	(325)	16,454	25,182
Other selected financial data:			
Depreciation	23,524	24,704	23,180
EBITDA [(1)]	42,669	48,636	57,901
No. of Shares in issue ('000)	5,273,646	5,273,646	5,273,646
Gross profit margin (%) [(2)]	14.89	16.16	17.39
PBT margin (%) [(3)]	4.20	5.68	7.76
(Loss after tax and minority interest)/PATAMI margin (%) [(4)]	(0.22)	4.64	6.58
Basic gross EPS (sen) [(5)]	0.27	0.36	0.58
Basic net (loss per Share)/EPS (sen) [(6)]	(0.01)	0.29	0.49

Notes:

(1) *EBITDA represents earnings before finance cost, finance income, taxation, depreciation and amortisation. The table below sets out a reconciliation of our consolidated PAT to consolidated EBITDA:*

	Year ended 31 December 2008	*Year ended 31 December 2009*	*Year ended 31 December 2010*
	RM'000	*RM'000*	*RM'000*
EBITDA:			
PAT	*9,438*	*16,548*	*27,325*
Taxation	*4,806*	*2,294*	*3,328*
PBT	*14,244*	*18,842*	*30,653*
Finance costs	*5,870*	*5,172*	*3,975*
Finance income	*(1,159)*	*(856)*	*(742)*
Depreciation	*23,524*	*24,704*	*23,180*
Amortisation	*220*	*774*	*835*
	42,699	***48,636***	***57,901***

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with the FRS in Malaysia. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the FRS in Malaysia and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with the FRS in Malaysia or as an alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

(2) *Computed based on the consolidated gross profit over total revenue of our Group.*

(3) *Computed based on the consolidated PBT over total revenue of our Group.*

(4) *Computed based on the consolidated PATAMI over total revenue of our Group.*

(5) *Basic gross EPS is computed based on the consolidated PBT over our 5,273,646,248 Shares in issue.*

(6) *Basic net EPS is computed based on the consolidated PATAMI over our 5,273,646,248 Shares in issue.*

8. FINANCIAL INFORMATION *(Cont'd)*

The preparation of the proforma financial statements above have not taken into consideration the following standards and interpretations that have been issued but not yet effective as at 31 December 2010.

The standards and interpretations in mention are as follows:

Description	Effective for annual periods beginning on or after
Amendments to FRS 132 Classification of Rights Issues	1 March 2010
FRS 1 First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
FRS 127 Consolidated and Separate Financial Statements (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1 Additional Exemptions for First-Time Adopters	1 January 2011
Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
Improvements to FRSs (2010)	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15, Arrangements for the Construction of Real Estate	1 January 2012
Improvements to FRSs (2011)	1 January 2012
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 112, Income Taxes – Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013

Description	Effective for annual periods beginning on or after
FRS 13, Fair Value Measurement	1 January 2013
FRS 119, Employee Benefits (2011)	1 January 2013
FRS 127, Separate Financial Statements (2011)	1 January 2013
FRS 128, Investments in Associates and Joint Ventures (2011)	1 January 2013
IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments (2009)	1 January 2015
FRS 9 Financial Instruments (2010)	1 January 2015
Amendments to FRS 7, Disclosures-Offsetting Financial Assets and Financial Liabilities	1 January 2015

The initial application of the above standards (and its consequential amendments) and interpretations are not expected to have any material impact on the financial statements of our Group other than expected changes in accounting policies as discussed below:

FRS 3 (Revised) Business Combinations

FRS 3 (Revised) incorporates the following changes that are likely to be relevant to the Group's operations:

(i) The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;

(ii) Contingent consideration will be measure at fair value, with subsequent changes therein recognised in profit or loss;

(iii) Transaction costs, other than share and debt issue costs, will be expensed as incurred;

(iv) Any pre-existing interest in the acquire will be measured at fair value with the gain or loss recognised in profit or loss; and

(v) Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (Revised), which becomes mandatory for our Group's June 2012 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in our Group's June 2012 consolidated financial statements.

FRS 127 (2010), Consolidated and Separate Financial Statements

(i) The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders; and

(ii) The amendments to FRS 127 require all losses attributable to minority interest to be absorbed by minority interest i.e. the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest.

The above changes in accounting policies are not expected to have material impacts to our Group.

Following the announcement made by the Malaysian Accounting Standards Board on 19 November 2011, our Group's financial statements for June 2013 will be prepared in accordance with International Financial Reporting Standards framework. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of our Group.

8.2 Management's discussion and analysis of financial condition and results of our Group's operations

The discussion and analysis of our performance on a proforma basis for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 are set out in this section.

Our proforma consolidated financial statements as at and for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 have been prepared on the basis set out in the notes in Section 8.5 of this Prospectus, using financial statements prepared in accordance with FRS in Malaysia and in a manner consistent with both the format of our financial statements and accounting policies.

8.2.1 Introduction

Our Company was set up as a special purpose company to facilitate the Acquisitions. Our current principal business activity is investment holding while the principal business activities of our subsidiaries and associated companies are further set out in Section 9.2 of this Prospectus. We have overseas operations in Indonesia via PT Indotech Metal Nusantara which is involved in metal stamping and also via Rockhill, whose subsidiary, PT Sarana Rockhill Resources, was assigned the mining services and marketing rights from PT Sarana Putra Perdana (the coal concession company) to provide all coal mining and sale services to it. As at the LPD, the extraction and marketing of coal has yet to commence as PT Sarana Putra Perdana is in the process of obtaining the "Izin Pinjam Pakai Hutan" licence to be issued by the Kementerian Kehutanan Indonesia. Our overseas operations in PRC is represented by GuangDong Jotech Kong Yue Precision Industries Ltd which is involved in the manufacturing and fabrication of tools, dies and stamped metal components for the E&E industries.

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8.2.2 Factors affecting our Group's financial condition and results of our Group's operations

Our financial condition and results of operations are expected to be affected by a number of external factors, which may not be within our control including the following:

(i) An increase in the cost of operations of our Group's businesses may result in lower profit margins

Any increase in raw material prices, labour costs, overheads, energy costs or other costs of operations may result in lower profit margins, culminating in a need to increase the prices of our Group's products and services which inadvertently makes them less attractive and competitive. For example, our semiconductor business relies on raw materials such as gold and copper (to a lesser extent) whilst our metal stamping and precision tooling businesses requires metals such as aluminium and different types of steel. Our automotive component manufacturing business relies on plastic resins, some of which are still imported and pegged to and exposed to the fluctuation of price of crude oil as it is a petroleum by-product. These raw materials are commodities which prices are dictated by global demand and supply and may face volatile price fluctuations. Any material increase in the aforesaid costs and raw material prices will have a material and adverse impact on the profit margins of our Group or our ability to break even or stay competitive. If our Group fails to manage the price movements of these raw materials or is unable to pass on the increase in costs by increasing the prices of our products and services and in a timely manner, our businesses, operations and financial performance may be materially and adversely affected.

(ii) The semiconductor business of our Group is dependent on our major suppliers and any disruptions in supplies may materially and adversely affect production of our semiconductor business

The purchases of raw materials from our top three (3) suppliers for our semiconductor business in respect of each of the years ended 31 December 2008, 31 December 2009 and 31 December 2010 accounted in aggregate for approximately 40.43%, 40.15% and 37.41% of the total purchases of raw materials of our semiconductor business. There is no assurance that the semiconductor business of our Group will be able to reduce our dependence on these suppliers over time or be able to source for alternative suppliers who can supply the required products to us with the same level of quality on a timely basis. If the suppliers of our Group's raw materials are unable to deliver the required products to us for whatever reasons, including general shortages of raw materials, in accordance with the quality that we require or on time, our Group's production may be affected which will have a material adverse effect on our Group's financial performance. There is no assurance that our Group's existing suppliers will continue to supply to us or continue to supply to us on similar terms as in the past.

(iii) Our Group's semiconductor and metal stamping businesses are dependent on the prospects of the global E&E industry and our Group's ability to adapt to technological changes

We sell our products and services to customers from various segments of the E&E industry. As such, our Group's performance will, to a large extent, depend on the outlook and cyclical nature of the global E&E industry, in particular the market for semiconductors which is cyclical in nature. This is due to the relatively short product lifecycle and rapid technological changes of semiconductors. Any slow-down in consumer demand locally and globally will present a risk to the demand for our Group's products and services.

In addition, the demand for our Group's products and services can be characterised by rapid technological developments, evolving industry standards, swift changes in customer requirements, new product introductions and enhancements. If our Group requires new technologies and equipment to remain competitive, the development, acquisition and implementation of those technologies and equipment may require us to make significant capital investments. The emergence of new industry standards which reduces the use of metal parts in our Group's metal stamping business may also render some of our Group's products unnecessary. Thus, the future success of our semiconductor and metal stamping businesses will depend on our Group's ability to maintain and enhance our technological capabilities and develop and market our manufacturing services to meet the ever changing consumer needs and successfully anticipate and adapt to technological changes.

(iv) Our Group operates in a globally competitive environment and is exposed to substantial competition from local and global players

Our Group is exposed to competition risk in all of our businesses.

Our Group's manufacturing business operates in a highly competitive industry. Many of our customers are MNCs in Malaysia and overseas, where the selection process of their suppliers are based on stringent criteria such as good after sales services support, competitive pricing, timely delivery of products, quality and dependability of the products and services. If our Group's manufacturing capabilities or services fail to keep abreast with the needs of our customers or the quality of products and services offered by our competitors, our customers may decide to discontinue purchasing from our Group, which may materially and adversely affect our Group's performance and financial results.

Our Group's resources business also faces competition from other companies operating in the same business. Our Group is a relatively new player in the oil palm plantations business and coal mining business and competes with other larger oil palm plantation companies and coal mining companies which may have better cost efficiencies than them. Intense competition may result in highly competitive pricing which would affect our profit margins. No assurance can be given that our Group will be able to compete effectively with current and new entrants into the oil palm plantation and coal mining businesses in the future.

If we are unable to differentiate ourselves from our competitors or stay competitive for any of our businesses, our profitability may be materially and adversely affected.

(v) We are dependent on the supply of foreign labour and our Group may face labour shortages

Our Group is dependent on the availability of labour, especially foreign labour. Our Group's businesses are labour intensive and we may experience difficulty in attracting/obtaining and retaining sufficient number of employees to work in our manufacturing facilities and oil palm plantations. As at the LPD, our Group employed 2,194 employees of which 1,900 employees are based in Malaysia, 185 are based in PRC, 106 are based in Indonesia and 3 are based in Taiwan. Of the total workforce based in Malaysia, 636 are foreign employees, representing approximately 33.47% of our total workforce in Malaysia. Of these 636 foreign employees, 539 are for our Group's IMS division and 97 are for our Group's resources division. Our Group's foreign employees are employed on a contractual basis, typically for a period of three (3) years and renewable for a period of up to two (2) years and are mainly sourced from Bangladesh, Indonesia, Myanmar, Nepal and Vietnam.

Any change in government policies which restricts the inflow of foreign labour to Malaysia or imposes additional conditions for the entry of foreign labour to countries in which our Group operates (including Malaysia) will decrease the number of foreign labour available for employment by our Group and this may affect our businesses and operations. There is also no assurance that the cost of labour, whether local or foreign, will not increase or that we will be able to offset such increase in labour cost against corresponding increase in the prices of our products. If our Group is unable to pass on increasing labour costs to our customers, our financial performance may be materially and adversely affected.

(vi) Exposure to foreign exchange fluctuations may impact our Group's revenue and earnings

We have metal stamping operations in Indonesia and PRC. Our coal mining operations are in Indonesia and a majority of our customers for our semiconductor manufacturing operations are from U.S. and Taiwan. As a result, we are subject to foreign exchange fluctuation risks through revenue earned and purchases made that are denominated in foreign currencies, in particular, USD despite our Group's financial results being reported in RM. The appreciation of the RM against foreign currencies may reduce our Group's revenue in RM terms as well as raise the prices of our Group's products and services against other currencies causing our products and services delivered abroad to be less competitive. On the other hand, the depreciation of RM against foreign currencies may increase the costs of the raw materials which our Group purchases from overseas in RM terms and lead to consequential increase in the price of our products. In addition, our Group is also exposed to foreign exchange fluctuations in the event of mismatches between the amount and timing of receipts and payments in foreign currencies. To the extent there are any such mismatches, a significant fluctuation in the applicable foreign currencies against the RM arising from such timing differences, for example in respect of credit terms given to our customers or by our suppliers, we may incur foreign exchange losses.

(vii) Our Group is subject to political, economic, market and regulatory considerations

Like all other business entities, our Group could be materially and adversely affected by changes in the political, economic, market and regulatory conditions in Malaysia and the countries in which we currently operate in and will operate in, source our supplies from or market our products. These uncertainties include changes in political leadership, risks of war and riots, expropriation, nationalisation, changes in interest rates, methods of taxation, exchange control policies or rules and immigration policies or rules. In addition, countries could change their interpretation of existing laws, policies and regulations which would impose and/or increase restrictions on the conduct of our businesses in Malaysia and/or overseas, restrict our businesses or export licenses and introduce trade barriers. An example of regulatory development which could impact our Group would be the Malaysian Ministry of Health's drafting of regulations on the production of medical devices. The implementation of these regulations could pose a challenge to our Group's medical devices production business as additional costs and efforts may be incurred to comply with the requirements imposed by these regulations.

In terms of economic risks, our Group's business operations and financial performance may be affected by a downturn in the Malaysian or global economy. Our Group's IMS division is likely to be affected by an economic downturn. The recent global financial crisis, the recent European sovereign debt crisis, political upheavals and general weakness of the global economy have increased the uncertainties involving the global economy and may continue to affect the key markets in Asia which our Group operates in. Any future decline of the Malaysian and the global economy could materially affect the financial results and business operations of our Group.

There can be no assurance that any changes to political, economic, market and regulatory factors will not have a material and adverse effect on the businesses and prospects of our Group.

8.2.3 Results by business segments

The following table sets out the revenue and operating profit of our Group by business segments:

	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Revenue:						
IMS						
- Precision metal stamping and tooling	118,125	34.82	112,670	33.96	126,733	32.10
- Semiconductor	112,939	33.30	106,642	32.14	120,357	30.48
- Precision tooling and automation	41,881	12.35	25,163	7.58	45,214	11.45
- Automotive components manufacturing	65,685	19.36	86,590	26.10	101,684	25.75

	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
	RM'000	%	RM'000	%	RM'000	%
Revenue *(Cont'd)*:						
Resources						
- Oil palm plantations [1]	-	-	-	-	-	-
- Coal mining [2]	-	-	-	-	-	-
Investment holding	579	0.17	733	0.22	851	0.22
Total revenue	**339,209**	**100.00**	**331,798**	**100.00**	**394,839**	**100.00**
Profit from operating activities:						
IMS						
- Precision metal stamping and tooling	7,009	37.00	5,623	24.31	6,846	20.20
- Semiconductor	7,336	38.70	9,550	41.29	6,598	19.47
- Precision tooling and automation	8,908	47.00	806	3.49	10,153	29.96
- Automotive components manufacturing	3,238	17.08	7,680	33.21	13,421	39.60
Resources						
- Oil palm plantations [1]	-	-	-	-	-	-
- Coal mining [2]	-	-	-	-	-	-
Investment holding	(7,536)	(39.78)	(531)	(2.30)	(3,126)	(9.23)
Total profit from operating activities	**18,955**	**100.00**	**23,128**	**100.00**	**33,892**	**100.00**

Notes:

(1) *The acquisitions of CFSB and MPSB were completed on 22 March 2011.*

(2) *The acquisition of Rockhill was completed on 19 June 2009. As at the LPD, the extraction and marketing of coal has yet to commence as PT Sarana Putra Perdana (the coal concession owner) is in the process of obtaining the "Izin Pinjam Pakai Hutan" license to be issued by the Kementerian Kehutanan Indonesia.*

8.2.4 Results by geographical segment

The following table sets out the revenue and operating profit of our Group by geographical segments (based on location of operations):

	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	285,970	84.30	276,261	83.26	324,945	82.30
Overseas:						
- Indonesia	44,707	13.18	41,570	12.53	49,314	12.50
- PRC	8,532	2.52	13,967	4.21	20,580	5.20
Total revenue	**339,209**	**100.00**	**331,798**	**100.00**	**394,839**	**100.00**

	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	16,964	89.50	19,545	84.51	28,427	83.88
Overseas:						
- Indonesia	2,768	14.60	2,857	12.35	4,245	12.52
- PRC	*(777)	(4.10)	726	3.14	1,220	3.60
Total profit from operating activities	**18,955**	**100.00**	**23,128**	**100.00**	**33,892**	**100.00**

Note:

* *Loss from operating activities of our PRC operations for the year ended 31 December 2008 is due to the various expansion initiatives undertaken to increase our production capacity in order to cater for the expected increase in customer base and a wider product range.*

8.2.5 Components of revenue

For the years ended 31 December 2008, 31 December 2009 and 31 December 2010, the revenue of our Group was mainly derived from precision metal stamping and tooling, semiconductor and automotive components manufacturing businesses.

Precision metal stamping and tooling and semiconductor businesses were the major contributors of our revenue, which contributed in aggregate approximately 68.12%, 66.10% and 62.58% for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

Further details on the revenue generated from our main business contributors are set out below:

IMS

Precision metal stamping and tooling

The precision metal stamping and tooling business of our Group contributed about 34.82%, 33.96% and 32.10% to our revenue for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The income of our precision metal stamping and tooling business is generated from the sales of metal stamped components for electrical, consumer electronics and automotive products.

Semiconductor

The semiconductor business of our Group contributed about 33.30%, 32.14% and 30.48% to our revenue for years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The income of our semiconductor business is generated from the design, development, assembly, testing and sale of IC packages.

Precision tooling and automation

The precision tooling and automation business of our Group contributed about 12.35%, 7.58% and 11.45% to our revenue for years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The income of our precision tooling and automation business is generated from the following:

(i) manufacturing and provision of high precision machining services for the components of medical devices, photonics and microwave transmissions;

(ii) manufacturing of high precision tooling, mould and die sets; and

(iii) design and manufacturing of turnkey automation systems.

Automotive components manufacturing

The automotive components manufacturing business of our Group contributed about 19.36%, 26.10% and 25.75% to our revenue for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The income of our automotive components manufacturing business is generated from the manufacturing and sale of a wide range of automotive components namely window regulators, steering systems, sun visors, wipers, internal and side rear view mirrors.

Resources

The acquisitions of CFSB and MPSB were completed on 22 March 2011. The oil palm plantations commenced contribution to the revenue of our Group in 2011.

The acquisition of Rockhill was completed on 19 June 2009. As at the LPD, the extraction and marketing of coal has yet to commence.

Investment holding

The investment holding segment of our Group contributed about 0.17%, 0.22% and 0.22% to our revenue for years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

The income of our investment holding business mainly comprises of rental income.

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8.2.6 Components of operating costs

The table below sets out the principal components of our operating costs and such costs expressed as a percentage of total operating costs:

	Year ended 31 December 2008		Year ended 31 December 2009		Year ended 31 December 2010	
	RM'000	%	RM'000	%	RM'000	%
IMS						
- Precision metal stamping and tooling	104,499	31.83	98,215	31.27	108,881	29.45
- Semiconductor	100,069	30.48	92,131	29.33	106,877	28.90
- Precision tooling and automation	29,805	9.08	18,718	5.96	31,184	8.43
- Automotive components manufacturing	54,343	16.56	69,117	22.00	79,215	21.42
Resources						
- Oil palm plantation [(1)]	-	-	-	-	-	-
- Coal mining [(2)]	-	-	-	-	-	-
Investment holding	-	-	-	-	-	-
Total cost of sales	**288,716**	**87.95**	**278,181**	**88.56**	**326,157**	**88.20**
Administrative expenses	28,182	8.59	28,933	9.21	35,086	9.50
Distribution expenses	3,284	1.00	3,454	1.10	3,285	0.89
Other operating expenses	8,079	2.46	3,560	1.13	5,223	1.41
Total operating expenses	**328,261**	**100.00**	**314,128**	**100.00**	**369,751**	**100.00**

Notes:

(1) *The acquisitions of CFSB and MPSB were completed on 22 March 2011.*

(2) *The acquisition of Rockhill was completed on 19 June 2009. As at the LPD, the extraction and marketing of coal has yet to commence as PT Sarana Putra Perdana (the coal concession owner) is in the process of obtaining the "Izin Pinjam Pakai Hutan" license to be issued by the Kementerian Kehutanan Indonesia.*

Our operating costs consist of cost of sales, administrative expenses, distribution expenses and other operating expenses.

Further details of our operating costs are set out below:

Cost of sales

Cost of sales accounted for about 87.95%, 88.56% and 88.20% of our total operating costs for years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively. Our cost of sales comprises the following:

(i) cost of sales in relation to our precision metal stamping and tooling business which accounted for about 31.83%, 31.27% and 29.45% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively;

(ii) cost of sales in relation to our semiconductor business which accounted for about 30.48%, 29.33% and 28.90% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively;

(iii) cost of sales in relation to our precision tooling and automation business which accounted for about 9.08%, 5.96% and 8.43% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively; and

(iv) cost of sales in relation to our automotive components manufacturing business which accounted for about 16.56%, 22.00% and 21.42% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively.

Administrative expenses

Administrative expenses accounted for about 8.59%, 9.21% and 9.50% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively and mainly consist of indirect labour expenses, staff related costs, statutory expenses, rental expenses, depreciation not directly attributable to the cost of sales, repairs and maintenance of assets, office facilities, utilities and insurance costs.

Distribution expenses

Distribution expenses accounted for about 1.00%, 1.10% and 0.89% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively and mainly consist of sales commission and remuneration of the employees in the sales and marketing department, outbound transportation and packing expenses.

Other operating expenses

Other operating expenses accounted for about 2.46%, 1.13% and 1.41% of our total operating costs for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively and mainly consist of professional and legal fees and impairment losses on receivables and plant and equipment and foreign currency losses (if any in a particular year).

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8.2.7 Results of operations

(i) The year ended 31 December 2009 as compared to the year ended 31 December 2008

Revenue

Our Group recorded a decrease in revenue of about RM7.41 million or 2.18% to RM331.80 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM339.21 million. The decrease in revenue was mainly due to the following:

(a) decrease in revenue contribution from our precision metal stamping and tooling business of RM5.46 million or 4.62% to RM112.67 million for the year ended 31 December 2009 from RM118.13 million for the year ended 31 December 2008. The decrease was mainly due to the decline in revenue of our Indonesian operations as a direct result of the weakening IDR against the USD which affected the translation of revenue denominated in IDR to USD as well as the global business downturn in 2009. The decrease was partially offset by a growth in revenue of our PRC operations for the year ended 31 December 2009 resulting from the successful widening of its customer base despite the adverse business conditions in PRC;

(b) decrease in revenue contribution from our semiconductor business of RM6.30 million or 5.58% to RM106.64 million for the year ended 31 December 2009 from RM112.94 million for the year ended 31 December 2008, was in line with the decline in global semiconductor sales. The global semiconductor sales fell by 9% year-on-year in response to the global economic crisis in 2009. The decrease in revenue from the semiconductor business was mainly represented by a decline in the revenue derived from the production of smart card modules. The smart card module customers had reduced their sales volume significantly as a result of loss of business due to competitive pricing given by competitors;

(c) decrease in revenue contribution from our precision tooling and automation business of RM16.72 million or 39.92% to RM25.16 million for the year ended the 31 December 2009 from RM41.88 million for the year ended 31 December 2008. In view of the overall economic contraction in 2009, our customers reduced or withheld their planned capital expenditure, resulting in decline in the demand experienced by the precision tooling and automation business; and

(d) was partially offset by an increase in the revenue contribution from our automotive components manufacturing business of RM20.90 million or 31.82% from RM65.69 million for the year ended 31 December 2008 to RM86.59 million for the year ended 31 December 2009. The improvement was attributable to the supply of automotive components for the production of the Proton Exora model launched in 2009 and the supply of steering column for the production of the Perodua VIVA model. In addition, the increased supply of steering column and brake assembly for the production of the Chery models also contributed to the increase in revenue in 2009.

Cost of sales

Our Group recorded a decrease in cost of sales of about RM10.54 million or 3.65% to RM278.18 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM288.72 million. The decrease in cost of sales was mainly due to the following:

(a) decrease in cost of sales of our precision metal stamping and tooling business of RM6.28 million or 6.00% to RM98.22 million for the year ended 31 December 2009 from RM104.50 million for the year ended 31 December 2008. The decrease was in tandem with the decrease in revenue of our precision metal stamping and tooling business;

(b) decrease in cost of sales of our semiconductor business of RM7.94 million or 0.08% to RM92.13 million for the year ended 31 December 2009 from RM100.76 million for the year ended 31 December 2008. The decrease was in tandem with the semiconductor business's decrease in its revenue and also a drop in direct material costs due to a higher conversion of gold wire bonding to the less expensive copper wire bonding;

(c) decrease in cost of sales of our precision tooling and automation business of RM11.09 million or 35.65% to RM18.72 million for the year ended 31 December 2009 from RM29.81 million for the year ended 31 December 2008. The decrease was mainly in tandem with the decrease in revenue of our precision tooling and automation business; and

(d) increase in the cost of sales of our automotive components manufacturing business of RM14.78 million or 27.20% to RM69.12 million for the year ended 31 December 2009 from RM54.34 million for the year ended 31 December 2008. The increase was in line with the increase in revenue of our automotive components manufacturing business.

Gross profit and gross profit margin

Our Group recorded an increase in gross profit of about RM3.13 million or 6.20% to RM53.62 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM50.49 million. The increase in gross profit was mainly due to an increase in the gross profit contribution from all our business segments except for the precision tooling and automation business. The semiconductor, precision metal stamping and tooling and automotive components manufacturing businesses registered an increase of RM1.64 million, RM0.83 million and RM6.13 million in their gross profit respectively whereas the precision tooling and automation business suffered a decline of RM5.63 million in its gross profit to RM6.45 million for the year ended 31 December 2009 compared to RM12.08 million for the year ended 31 December 2008.

Gross profit margin for the year ended 31 December 2009 increased 1.27% to 16.16% (Year ended 31 December 2008: 14.89%) in line with the increase in gross profit. The breakdown of the gross profit margin by respective business segments are as follows:

(a) increase in the gross profit margin of our precision metal stamping and tooling division of 1.29% to 12.83% for the year ended 31 December 2009 from 11.54% for the year ended 31 December 2008;

(b) increase in the gross profit margin of our semiconductor business of 2.21% to 13.61% for the year ended 31 December 2009 from 11.40% gross profit margin for the year ended 31 December 2008;

(c) decrease in the gross profit margin of our precision tooling and automation division of 3.22% to 25.61% for the year ended 31 December 2009 from 28.83% for the year ended 31 December 2008; and

(d) increase in the gross profit margin of our automotive components manufacturing division of 2.91% to 20.18% for the year ended 31 December 2009 from 17.27% for the year ended 31 December 2008.

Administrative expenses

Our Group recorded an increase in administrative expenses of about RM0.75 million or 2.66% to RM28.93 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM28.18 million. The increase in administrative expenses was mainly due to a reclassification of certain staff remuneration which was recorded in cost of sales for the previous financial year.

Distribution costs

Our Group recorded an increase in distribution costs of about RM0.17 million or 5.18% to RM3.45 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM3.28 million. The increase in distribution costs was mainly due to additional expenses incurred to increase the customer base in the PRC for the precision metal stamping and tooling business and increase in sales commission paid for increase in sales brought in by the semiconductor business's sales office in Taiwan.

Other operating expenses

Our Group recorded a decrease in other operating expenses of about RM4.52 million or 55.94% to RM3.56 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM8.08 million. The decrease in other operating expenses was mainly due to a decrease in professional and other fees incurred in respect of corporate exercises undertaken by the Jotech Group, AIC Group and AutoV Group which were mainly undertaken and completed in 2008.

Other operating income

Our Group recorded a decrease in other operating income of about RM2.55 million or 31.84% to RM5.46 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM8.01 million. The decrease in other operating income was mainly due to a decrease in the foreign exchange gain recognised by our Group and a lower net gain on the disposal of property, plant and equipment during the financial year.

Finance income

Our Group recorded a decrease in finance income of about RM0.30 million or 25.86% to RM0.86 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM1.16 million. The decrease in finance income was mainly due to an overall reduction in cash and cash equivalents of our Group and also an overall reduction in the interest rates. The decrease in cash and cash equivalents was mainly due to a higher cash outflow for investing activities and financing activities. The higher cash outflow for investing activities in 2009 was incurred for the investment in Rockhill, our associated company and less proceeds from disposal of property, plant and equipment. The higher cash outflow for financing activities in 2009 relative to 2008 was mainly due to a rights issue exercise undertaken by AIC in 2008.

Finance costs

Our Group recorded a decrease in finance costs of about RM0.70 million or 11.93% to RM5.17 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM5.87 million. The decrease in finance costs was mainly due to repayment of bank borrowings and partly due to a reduction in interest rates by about 100 basis points in 2009 versus 2008. The net repayment of bank borrowings in 2009 amounted to RM18.07 million.

Share of results of associates

Our Group completed the acquisition of a 40% equity interest in Rockhill, our associated company on 19 June 2009. Rockhill has not commenced operations as at the LPD. Our share of profit from associate in 2009 represents our share of interest income and currency exchange gains in Rockhill.

PBT and PBT margin

Our Group recorded an increase in PBT of about RM4.60 million or 32.30% to RM18.84 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM14.24 million. The increase in PBT was mainly due to an increase in the gross profit and a reduction in the other operating expenses as mentioned above. PBT margin for the year ended 31 December 2009 increased 1.48% to 5.68% (Year ended 31 December 2008: 4.20%) in line with the increase in the gross profit margin and decrease in other operating expenses.

Taxation

Despite an increase in our PBT, our Group recorded a decrease in taxation of about RM2.52 million or 52.39% to RM2.29 million for the year ended 31 December 2009 as compared to the year ended 31 December 2008 of RM4.81 million. The decrease in taxation was mainly due to a reduction in the Malaysian income tax rate, higher over provision of tax expenses in 2009 of RM0.4 million and lower deferred tax charge of RM1.3 million.

PATAMI and PATAMI margin

Our Group recorded an increase in PATAMI of about RM16.17 million or 2,122.05% to RM15.41 million for the year ended 31 December 2009 as compared to a loss after tax and minority interest of RM0.76 million for the year ended 31 December 2008. The increase in PATAMI was mainly due to the increase in gross profit and reduction in other operating expenses and tax expenses. In addition, included in the net loss for the year ended 31 December 2008 was the loss from discontinued operations and loss on disposal of subsidiaries of RM9.67 million. The discontinued operations were disposed in 2008.

The PATAMI margin for the year ended 31 December 2009 increased 4.86% to 4.64% (Year ended 31 December 2008: -0.22%) in line with the increase in the gross profit margin and PBT margin.

(ii) Year ended 31 December 2010 as compared to the year ended 31 December 2009

Revenue

Our Group recorded an increase in revenue of about RM63.04 million or 18.99% to RM394.84 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM331.80 million. The increase in revenue was mainly due to the following:

(a) increase in revenue contribution from our precision metal stamping and tooling business of RM14.06 million or 12.48% to RM126.73 million for the year ended 31 December 2010 from RM112.67 million for the year ended 31 December 2009. The increase was contributed by the regional businesses in Indonesia and PRC which recorded revenues of RM49.31 million and RM20.58 million respectively for the year ended 31 December 2010 attributed to the rapidly growing automotive industry in Indonesia, while our PRC subsidiary managed to successfully increase its market share in the electronics sector in the PRC;

(b) increase in revenue from our semiconductor business of RM13.72 million or 12.87% to RM120.36 million for the year ended 31 December 2010 from RM106.64 million for the year ended 31 December 2009, was in line with the global growth of the semiconductor industry. The increase in revenue from the semiconductor business was felt across all the semiconductor packages;

(c) increase in revenue contribution from our precision tooling and automation business of RM20.05 million or 79.69% to RM45.21 million for the year ended 31 December 2010 from RM25.16 million for the year ended 31 December 2009. The increase was in line with the improving economic condition in 2010 which resulted in the increase in demand from our customers. The increase in revenue was also partly due to our strategy to diversify into other industries which may be more resilient to an economic downturn; and

(d) increase in revenue contribution from our automotive components manufacturing business of RM15.09 million or 17.43% to RM101.68 million for the year ended 31 December 2010 from RM86.59 million for the year ended 31 December 2009. The increase was mainly due to the increase in the supply of automotive components for the production of the Proton Exora model by AutoV Group.

Cost of sales

Our Group recorded an increase in cost of sales of about RM47.98 million or 17.25% to RM326.16 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM278.18 million. The increase in cost of sales was mainly due to the following:

(a) increase in cost of sales of our precision metal stamping and tooling business of RM10.66 million or 10.85% to RM108.88 million for the year ended 31 December 2010 from RM98.22 million for the year ended 31 December 2009. The increase was in tandem with the division's increase in revenue of our precision metal stamping and tooling business;

(b) increase in cost of sales of the semiconductor business of RM14.75 million or 16.08% to RM106.88 million for the year ended 31 December 2010 from RM92.13 million for the year ended 31 December 2009. The increase was in tandem with the increase in the revenue of our semiconductor business, coupled with the year-on-year increase in commodity prices, namely gold and copper, resulting in the increase in direct material costs;

(c) increase in cost of sales of our precision tooling and automation business of RM12.46 million or 66.56% to RM31.18 million for the year ended 31 December 2010 from RM18.72 million for the year ended 31 December 2009. The increase was in tandem with the increase in revenue of the precision tooling and automation business; and

(d) increase in cost of sales of our automotive components manufacturing business of RM10.10 million or 14.61% to RM79.22 million for the year ended 31 December from RM69.12 million for the year ended 31 December 2009. The increase was in tandem with the increase in revenue of the automotive components manufacturing business.

Gross profit and gross profit margin

Our Group recorded an increase in gross profit of about RM15.06 million or 28.09% to RM68.68 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM53.62 million. The increase in gross profit was mainly due to the increase in gross profit contribution from all our businesses except for the semiconductor business segment. The precision tooling and automation, precision metal stamping and tooling and automotive components manufacturing businesses registered increases in gross profit of RM7.59 million, RM3.40 million and RM5.00 million respectively. The semiconductor business however, suffered a decline in gross profit of RM1.03 million, despite an increase in its revenue due to escalating commodity prices as a major portion of its raw materials comprise of commodities such as gold wire. In addition, the weakening of the USD against the RM also resulted in lower gross profit contribution as its sales are mainly denominated in USD.

Gross profit margin of our Group for the year ended 31 December 2010 increased 1.23% to 17.39% (Year ended 31 December 2009: 16.16%) in line with the increase in gross profit. The breakdown of the gross profit margin by respective business segments are as follows:

(a) increase in the gross profit margin of our precision metal stamping and tooling business of 1.26% to 14.09% for the year ended 31 December 2010 from 12.83% for the year ended 31 December 2009;

(b) decrease in the gross profit margin of our semiconductor business of 2.41% to 11.20% for the year ended 31 December 2010 to 13.6% for the year ended 31 December 2009;

(c) increase in the gross profit margin of our precision tooling and automation business of 5.42% to 31.0% for the year ended 31 December 2010 from 25.6% for the year ended 31 December 2009; and

(d) increase in the gross profit margin of our automotive components manufacturing business of 1.92% to 22.10% for the year ended 31 December 2010 from 20.18% for the year ended 31 December 2009.

Administrative expenses

Our Group recorded an increase in administrative expenses of about RM6.16 million or 21.29% to RM35.09 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM28.93 million. The increase in administrative expenses was mainly due to the increase in staff remuneration and increase in foreign exchange losses suffered by our semiconductor business.

Distribution costs

Our Group recorded a decrease in distribution costs of about RM0.16 million or 4.64% to RM3.29 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM3.45 million. The decrease in distribution costs was mainly due to decrease in sales commission paid as a result of the termination of the services of a sales and marketing agent in 2010.

Other operating expenses

Our Group recorded an increase in other operating expenses of about RM1.66 million or 46.63% to RM5.22 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM3.56 million. The increase in other operating expenses was mainly due to an increase in foreign exchange losses suffered by our precision metal stamping and tooling business due to the appreciation of the RM against the USD and the RMB.

Other operating income

Our Group recorded an increase in other operating income of about RM3.34 million or 61.17% to RM8.80 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM5.46 million. The increase in other operating income was mainly due to a gain recognised on disposal of investment properties, comprising two (2) lots of factory buildings in Penang, under the precision tooling and automation business.

Finance income

Our Group recorded a decrease in finance income of about RM0.12 million or 13.95% to RM0.74 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM0.86 million. The decrease in finance income was mainly due to a decrease of deposits with licenced banks and financial institutions and decrease of placements in short-term placement funds.

Finance costs

Our Group recorded a decrease in finance costs of about RM1.19 million or 23.02% to RM3.98 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM5.17 million. The decrease in finance costs was mainly due to a net repayment of bank borrowings of about RM10.93 million.

Share of results of associates

Our Group recorded a decrease in share of results of associates of about RM0.036 million or 120% to a loss of RM0.006 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM0.03 million. The increase in share of results of associate was mainly due to higher administrative expenses incurred by the associate which has yet to commence operations as at LPD.

PBT and PBT margin

Our Group recorded an increase in PBT of about RM11.81 million or 62.69% to RM30.65 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM18.84 million. The increase in PBT was mainly due to an increase in the gross profit and the other operating income as mentioned above. PBT margin for the year ended 31 December 2010 increased 2.08% to 7.76% (Year ended 31 December 2009: 5.68%) in line with the increase in gross profit margin and further supported by the increase in other operating income.

Taxation

Our Group recorded an increase in taxation of about RM1.04 million or 45.41% to RM3.33 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM2.29 million. The increase in taxation was mainly due to the increase in the PBT.

PATAMI and PATAMI margin

Our Group recorded an increase in PATAMI of about RM10.58 million or 68.66% to RM25.99 million for the year ended 31 December 2010 as compared to the year ended 31 December 2009 of RM15.41 million. The increase in PATAMI was mainly due to an increase in the gross profit and the other operating income of our Group. PATAMI margin for the year ended 31 December 2010 increased 1.94% to 6.58% (Year ended 31 December 2009: 4.64%) in line with the increase in gross profit margin and PBT margin.

8.2.8 Liquidity and capital resources

Our principal sources of liquidity are through internal cash generated from operations, borrowings and trade credit from suppliers. Our ability to rely on these sources of funding could be affected by our results of operations and financial position and by the conditions in the financial markets.

(i) Working capital

As at 31 December 2010, we had cash and cash equivalents of RM65.02 million and total borrowings of RM94.24 million. Our working capital, calculated as current assets minus current liabilities, was RM92.43 million as at 31 December 2010.

Our principal source of liquidity is cash flow from operations, borrowings and trade credit from suppliers. After taking into consideration our funding requirements, the expected funds to be generated from cash flow from operations, as well as our existing level of cash and cash equivalents and credit sources, our Board is of the opinion that we will have sufficient working capital for a period of twelve (12) months from the date of issue of this Prospectus to meet our needs and foreseeable requirements.

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(ii) Cash flows

The following table sets out our proforma consolidated statement of cash flows with respect to operating activities, investing activities and financing activities for the year ended 31 December 2010:

	Year ended 31 December 2010
	RM'000
Net cash flow generated from operating activities	52,122
Net cash flow generated from investing activities	(28,026)
Net cash flow used in financing activities	(14,646)
Net decrease in cash and cash equivalents	9,450
Effect of exchange rate changes	(1,371)
Cash and cash equivalents at the beginning of the year	54,414
Cash and cash equivalents at the end of the year	***62,493**

Note:

* *Cash and cash equivalents at the end of the year comprise the following:*

		RM'000
(a)	*Cash and bank balances*	*23,986*
(b)	*Deposits*	*41,038*
Total cash and cash equivalents		*65,024*
Less: Deposits pledged		*(2,531)*
Net cash and cash equivalents		*62,493*

Net cash flow from operating activities

Net cash flow from operating activities for the year ended 31 December 2010 of our Group was an inflow of RM52.12 million, of which cash inflows of RM17.33 million, RM6.13 million, RM8.41 million and RM21.56 million was generated from our automotive components manufacturing, precision metal stamping and tooling, precision tooling and automation and semiconductor businesses respectively. The cash inflows were reduced by a cash outflow of RM1.31 million from our investment holding business segment.

Net cash flow from investing activities

Net cash flow from investing activities for the year ended 31 December 2010 of our Group was an outflow of RM28.03 million, which comprised mainly of the purchase of property, plant and equipment of RM21.30 million and the acquisition of an parcel of vacant land in Sabah by the investment holding business segment of RM11.03 million. The purchase of property, plant and equipment were made up of purchases of RM11.09 million, RM3.03 million, RM7.65 million and RM0.97 million made by our semiconductor, precision tooling and automation, precision metal stamping and tooling and automotive components manufacturing businesses respectively. The purchases of property, plant and equipment were mainly made for the purpose of expanding the production capacity of the respective business segments. The cash outflows were offset partially mainly by an inflow arising from the disposal of investment properties in Penang by our precision tooling and automation business segment.

Net cash flow from financing activities

Net cash flow from financing activities for the year ended 31 December 2010 of our Group was an outflow of RM14.65 million, which was mainly due to a net repayment of bank borrowings totalling RM10.93 million of which RM4.30 million, RM0.43 million, RM0.19 million and RM7.97 million were made by the semiconductor, precision tooling and automation, automotive components manufacturing and investment holding segments respectively. The net repayments of bank borrowings above was partially offset by a net drawdown in borrowings of RM1.96 million made by the precision metal stamping and tooling business segment.

In addition to the overall net repayment of bank borrowings, the net cash outflow from financing activities were also mainly due to repayment of interest totalling RM3.87 million of which RM0.74 million, RM0.03 million, RM0.71 million, RM0.06 million and RM2.33 million were paid by the semiconductor, precision tooling and automation, precision metal stamping and tooling, automotive components manufacturing and investment holding segments respectively.

(iii) Borrowings

The table below sets out our total borrowings as at 31 December 2010, which was based on the assumption that we have been in existence as at 31 December 2010.

Borrowings	**Total**
	RM'000
Short-term borrowings	
- Secured	33,334
- Unsecured	4,000
	37,334
Long-term borrowings	
- Secured	56,901
- Unsecured	-
	56,901
Total borrowings	*** 94,235**
Gross gearing ratio (times) [(1)]	**0.21**
Net gearing ratio (times) [(2)]	**0.09**

Notes:

* *Total borrowings exclude RM150 million borrowings which is expected to be raised via a proposed fund raising exercise subsequent to our Listing.*

(1) *Total borrowings over shareholders' fund.*

(2) *Total borrowings less deposits, cash and bank balances over shareholders' fund.*

The table below sets forth our outstanding borrowings by currency in which they are denominated as at 31 December 2010.

Borrowings	Year ended 31 December 2010
	RM'000
RM	82,668
USD	2,639
RMB	8,928
Total borrowings	*** 94,235**

Note:

* *Total borrowings exclude RM150 million borrowings which is expected to be raised via a proposed fund raising exercise subsequent to our Listing.*

Our borrowings are mainly obtained from various local and international financial institutions. These borrowings are undertaken for working capital purposes, acquisition of investments, plant and machinery, equipment used in our business operations.

Our secured borrowings are secured by either single security or combination of securities, freehold and leasehold lands, buildings, plant and equipment, fixed and floating charges on our assets as well as corporate guarantees.

To the best knowledge of our Board, neither we nor our subsidiaries are in breach of any terms and conditions or covenants associated with credit arrangement or bank loan, which can materially affect our financial results or business operations, or the investments by holders of our securities in our Group as at the LPD.

The maturity profile of our borrowings as at 31 December 2010 are as follows:

Borrowings	Year ended 31 December 2010
	RM'000
Within 1 year	37,334
1 to 5 years	49,874
More than 5 years	7,027
Total borrowings	*** 94,235**

The interest rate profile of our borrowings as at 31 December 2010 are as follows:

Borrowings	Year ended 31 December 2010
	RM'000
Fixed rate instruments	13,532
Floating rate instruments	80,703
Total borrowings	*** 94,235**

Note:

* *Total borrowings exclude RM150 million borrowings which is expected to be raised via a proposed fund raising exercise subsequent to our Listing.*

8.2.9 Material capital expenditure and divestitures

In line with the plans to expand our operations, we have invested a total of RM22.80 million, RM17.68 million and RM34.46 million in capital expenditure for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 respectively. The capital expenditure were mainly incurred to increase our production capacity, improve the quality of our products and to accommodate our expansion plans. Our Group funded the capital expenditure mainly through a combination of new borrowings and internally generated funds.

The following table sets out the composition of our Group's capital expenditure for the years ended 31 December 2008, 31 December 2009 and 31 December 2010.

	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
	RM'000	RM'000	RM'000
Buildings	487	126	17
Plant and equipment	19,562	13,086	19,020
Furniture, fittings, office equipment, renovation and signboard	1,562	1,133	2,047
Motor vehicles	544	123	1,939
Tools, jigs and fixtures	649	3,216	399
Investment properties	-	-	11,033
Total capital expenditures	**22,804**	**17,684**	**34,455**

For the year ended 31 December 2008, we incurred the following material capital expenditures:

(i) the purchase of various plant and equipment by our precision metal stamping and tooling business of RM10.04 million for our Indonesia and PRC operations, in line with our Group's regional expansion plan;

(ii) the purchase of various plant and equipment by our semiconductor business of RM7.61 million to increase our QFN package and copper wire production capacity as part of our Group's expansion plan;

(iii) the purchase of various plant and equipment by our precision tooling and automation business of RM2.55 million to increase our production capacity; and

(iv) the purchase of various plant and equipment by our automotive components manufacturing business of RM2.60 million for the production of steering column for new Perodua VIVA.

For the year ended 31 December 2009, we incurred the following material capital expenditures:

(i) the purchase of various plant and equipment by our precision metal stamping and tooling business of RM6.91 million for our PRC operations and Johor plant to enable it to undertake a project for one of its client, Panasonic AVC Networks Singapore Pte Ltd;

(ii) the purchase of various plant and equipment under our semiconductor business amounted to RM6.31 million primarily related to the continued expansion of the QFN package and copper wire bonding capacities;

(iii) the purchase of various plant and equipment by our precision tooling and automation business of RM0.78 million to replace and upgrade the existing plant and equipment of the business; and

(iv) the purchase of various plant and equipment, tools, jigs and fixtures by our automotive components manufacturing business of RM3.68 million for the production of automotive parts for the new Proton Exora model (which was launched in April 2009).

For the year ended 31 December 2010, we incurred the following material capital expenditures:

(i) the purchase of various plant and equipment under our precision metal stamping and tooling business amounted to RM7.70 million primarily due to the continuous local and regional expansion plans undertaken by our Johor plant, Indonesian and PRC operations;

(ii) the purchase of various plant and equipment by our semiconductor business of RM11.10 million for the continuous expansion of the production capacities of the QFN package and copper wire bonding;

(iii) the purchase of various plant and equipment by our precision tooling and automation business of RM3.01 million for the purpose of improving our production capacity to meet the increase in demand from customers;

(iv) the investments in property of RM11.03 million incurred to acquire an unencumbered parcel of vacant leasehold land, measuring 3.159 hectares (7.808 acres), held under Country Lease No. 015028234 and is located at Kg Gudon, Off Jalan UMS, (Kota Kinabalu-Sulaman Highway), District of Kota Kinabalu, Sabah with a lease tenure of 999 years effective from 14 October 1925 and expiring on 13 October 2924; and

(v) the purchase of various plant and equipment, tools, jigs and fixtures by our automotive components manufacturing business of RM1.62 million for the production of Proton Inspira sunvisors and the Perodua Viva steering columns.

Save for the following, we do not have any material capital expenditure between 1 January 2011 and the LPD:

(i) the additional investment of approximately RM2.97 million for the purchase of an unencumbered parcel of vacant industrial leasehold land, identified as Plot 321 at Penang Science Park, Bukit Minyak, measuring approximate 4.011 acres; and

(ii) the additional investment of approximately RM29.15 million for the purchase of plant, equipment, motor vehicles, fixtures and fittings for our Group's IMS division and oil palm plantations division.

Save for the construction of our new manufacturing plant in Karawang, Indonesia and the acquisition of new machinery for our new manufacturing plant, we do not have immediate material plans to construct, expand or improve our facilities.

We have budgeted approximately RM15.23 million for the construction of the first phase of a new manufacturing plant and acquisition of new machinery to be operated on a piece of land situated at Karawang, Indonesia.

We have so far incurred expenditures of approximately RM12.86 million as at the LPD for the construction of the first phase of our new manufacturing plant. Construction of our new manufacturing plant commenced in May 2011 and will be carried out in two (2) phases over the next three (3) years until the end of 2014.

As at the LPD, the first phase of our manufacturing plant is targeted to be fully completed and operational by June 2012 with a built-up area of approximately 32,000 sq. ft, a 74% increase from our current manufacturing plant at Karawang, Indonesia.

We fund the abovementioned planned capital expenditures mainly through a combination of borrowings and internally generated funds.

Save as disclosed below, there were no other material divestitures made by our Group for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 and up to the LPD:

(i) The sale of plant and machinery for RM0.74 million for year ended 31 December 2008, on which we realised a gain of RM0.01 million;

(ii) The sale of non-core display business for RM1.00 million for year ended 31 December 2008, on which we incurred a loss of RM15,000. The sale was in line with our restructuring plans to refocus on our core businesses;

(iii) The sale of investment properties comprising two (2) parcels of leasehold industrial land and buildings (office and factories) located at Lot 7 and 9, Lintang Bayan Lepas 2, Phase IV, Kawasan Perindustrian Bayan Lepas, 11900 Pulau Pinang for a total cash consideration of RM4.60 million for year ended 31 December 2010, on which we realised a gain of RM2.60 million; and

(iv) The sale of plant and machinery for RM0.83 million for year ended 31 December 2010, on which we realised a gain of about RM0.01 million.

8.2.10 Material commitments

As at the LPD, save as disclosed below, our Board is not aware of any other material commitments incurred or known to be incurred by our Group.

The material commitments of our Group as at the LPD are as follows:

Material commitments	**RM'000**
Purchase of property, plant and equipment	
- Amount authorised and contracted for	4,824
- Amount authorised and not contracted for	2,547
Lease rental commitments *	6,460
Total material commitments	**13,831**

Note:

* *Based on the remaining lease obligation for the leasing of certain leasehold land and buildings.*

Capital commitments which are authorised and contracted for above are incurred in relation to the factory building, machinery, and equipment for a second plant expansion currently being undertaken by our precision metal stamping and tooling subsidiary, PT Indotech Metal Nusantara, purchases of new moulds, jigs and tools for PROTON's new model, Prevé and purchase of equipment for our semiconductor business.

Capital commitments which are authorised but not contracted for above are mainly incurred in relation to the planned capital expenditure for our semiconductor business.

8.2.11 Contingent liabilities and material litigation

As at the LPD, our Board is not aware of any contingent liabilities which may, upon becoming enforceable, have a material adverse effect on our Group's profits or NA.

Save as disclosed in Section 14.4 of this Prospectus, neither our Company nor any of our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Company or our subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group, as at the LPD.

8.2.12 Key financial ratios

The following table sets forth certain key financial ratios based on our proforma consolidated financial statements:

	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
Trade receivable turnover days [1]	57	69	69
Trade payable turnover days [2]	37	37	43
Inventory turnover days [3]	56	52	45
Current ratio (times) [4]	2.26	2.56	3.22
Gross gearing ratio (times) [5]	0.20	0.15	0.56
Net gearing ratio (times) [6]	0.05	0.02	0.09

Notes:

(1) *Average trade receivables after allowance for doubtful debts, over revenue.*

(2) *Average trade payables over total costs of sales.*

(3) *Average inventory over total costs of sales.*

(4) *Current assets over current liabilities.*

(5) *Total borrowings over shareholders' fund.*

(6) *Total borrowings less deposits, cash and bank balances over shareholders' fund.*

Trade receivables

Trade receivables turnover days

Trade receivables turnover days increased from 57 days for the year ended 31 December 2008 to 69 days for the year ended 31 December 2009. The decline was mainly due to higher sales to customers with longer credit terms granted towards year end.

Trade receivables turnover days remain unchanged at 69 days for the years ended 31 December 2009 and 31 December 2010 respectively.

As at 31 December 2010, our trade receivables amounted to about RM77.40 million, which can be analysed as follows:

	Not past due	Past due 0 – 30 days	Past due 31 – 120 days	Past due more than 120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
IMS					
- Precision metal stamping and tooling	15,427	3,417	1,139	712	20,695
- Semiconductor	12,526	7,985	4,915	50	25,476
- Precision tooling and automation	7,466	1,081	717	269	9,533
- Automotive components manufacturing	12,334	6,028	1,608	1,033	21,003
Resources					
Oil palm plantation	691	-	-	-	691
Trade receivables	**48,444**	**18,511**	**8,379**	**2,064**	**77,398**
% of trade receivables	**62.59**	**23.92**	**10.83**	**2.67**	**100.00**

The normal credit period granted to the customers of our precision metal stamping and tooling, semiconductor, and precision tooling and automation businesses range from 30 to 90 days. The normal credit period granted to the customers of our automotive components manufacturing and oil palm plantations businesses are within 60 days and 48 days respectively. As at 31 December 2010, about RM28.95 million or 37.40% out of a total of RM77.40 million trade receivables as at 31 December 2010 have exceeded our normal credit terms due to slower payment by some of our customers.

A significant portion of these receivables are made up of our regular customers. Our customers are normally assessed based on their credit risk profile and reputation and approved on a case-by-case basis. Credit evaluations are performed on all customers requiring credit over a certain amount with clear approving authority and limits. Credit risk is managed via limiting business relationships to business customers with high creditworthiness and strict monitoring procedures. Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. As at the LPD, about RM76.31 million or 98.59% of the total outstanding trade receivables as at 31 December 2010 have been collected.

Trade payables

Trade payables turnover days

Trade payables turnover days remained constant at 37 days for the years ended 31 December 2008 and 31 December 2009 respectively.

Trade payables turnover days increased by 6 days from 37 days for the year ended 31 December 2009 to 43 days for the year ended 31 December 2010.

Our Group's trade payables turnover ratio for the past three (3) years ended 31 December 2010 has been consistently within the credit period granted by suppliers.

As at 31 December 2010, our trade payables amounted to about RM45.31 million, which can be analysed as follows:

	0 – 30 days	31 – 60 days	61 – 90 days	91 – 120 days	Over 120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	14,274	14,145	9,440	3,506	3,949	**45,314**
% of trade payables	31.50%	31.22%	20.83%	7.74%	8.71%	**100.00%**

The normal credit period granted by our suppliers for precision metal stamping and tooling, precision tooling and automation, automotive components manufacturing and oil palm plantation businesses are within 90 days. The normal credit periods granted by our suppliers for semiconductor business are within 45 days. As at 31 December 2010, RM13.21 million or 29.15% of the total trade payables of RM45.31 million have exceeded our normal credit terms, mainly due to higher amount owing to suppliers arising from higher orders received from customers in our automotive components manufacturing business. A significant portion of these payables are regular suppliers that have been transacting with us and there are no significant matters in dispute with respect to the trade payables as at the LPD.

Inventory

Inventory turnover days

Inventory turnover days decreased by 4 days from 56 days for the year ended 31 December 2008 to 52 days for the year ended 31 December 2009. Subsequently, the inventory turnover days decreased by 7 days to 45 days for the year ended 31 December 2010. The decrease of inventory turnover days was mainly due to improved inventory management across all divisions by reducing the raw materials lead time.

Current ratio

Current ratio increased by 0.3 times from 2.26 times for the year ended 31 December 2008 to 2.56 times for the year ended 31 December 2009, mainly due to increase in receivables and decrease in short-term borrowings.

Current ratio increased by 0.66 times from 2.56 times for the year ended 31 December 2009 to 3.22 times for the year ended 31 December 2010, mainly due to increase in cash and cash equivalents generated from operating activities.

Gearing ratio

Gross gearing ratio increased from 0.20 times for the year ended 31 December 2008 to 0.56 times for the year ended 31 December 2010. Net gearing ratio increased from 0.05 times for the year ended 31 December 2008 to 0.09 times for the year ended 31 December 2010. The increase was mainly contributed by an increase in borrowings as a result of our new acquisition of two oil palm plantation companies, namely CFSB and MPSB and assuming additional loan obtained by us of RM150 million subsequent to the Listing, for working capital purposes.

8.2.13 Financial risk management objectives and policies

Our Group is exposed to a variety of risks which include, among others, financial risks, currency risk, credit risk and liquidity risk. The overall risk management policy of our Group places emphasis on the unpredictability of financial markets and seeks to minimise the potential adverse effects on our financial performance. The risks identified and reviewed by our Board are set out below.

(i) Foreign currency risk

We are not significantly exposed to foreign currency risk as majority of our Group's transactions, assets and liabilities are denominated in RM except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

We maintain a natural hedge, whenever possible, by buying products and selling our products and services in foreign currencies. In addition to the management of foreign currency risk, our Group enters into foreign currency forward contracts in the normal course of business, where appropriate, to manage its exposure against foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

(ii) Credit risk management

Credit risk arises when sales are made on credit terms in particular for our Group's IMS division. Our Group employs a credit policy whereby customers are subject to credit screening and any outstanding balances from clients are followed up on a timely basis. Details of our credit risk are set out in Section 5 of this Prospectus.

(iii) Liquidity risk

We manage our liquidity risk by ensuring the sufficiency of operating cash flows for our working capital requirements and managing the repayment and maturity profile of our borrowings and banking facilities. In addition, we adopt the policy of maintaining our existing banking facilities at a reasonable level to our overall debt position.

(iv) Inflation

The current inflation in Malaysia does not have a material impact on our business, financial condition or results of our operations. However, it is possible that inflation in the future may have an adverse effect on our financial condition or results of operations.

(v) Government, economic, fiscal and monetary policies

The risks relating to government, economic, fiscal and monetary policies which may materially affect our operations are set out in Section 5 of this Prospectus. Save for the risks disclosed in Section 5 of this Prospectus and to the best knowledge of our Board, there is no government, economic, fiscal and monetary policies that have a material impact on our profitability and financial position.

8.2.14 Trend information

Business

Based on the industry overview set out in Section 7 of this Prospectus, our Board believes that the demand for our products and the growth potential of our Group is promising.

Production and revenue

(i) Production

Save as disclosed below, there have been no significant changes in our production capacity for the years under review.

There has been an average 7.62% increase in the production capacity of the semiconductor business for the years under review.

(ii) Revenue

The revenue of our Group has been sustainable between the years ended 31 December 2008 and 31 December 2009 and showed an increasing trend for the year ended 31 December 2010.

Costs and selling prices

Save as disclosed below, there have been no significant changes in the cost and selling prices of our products and services for the years under review.

For the semiconductor business, the selling prices have experienced an average 5% decrease per annum for the financial years under review. Whereas the costs have increased in tandem with the increase in commodity prices namely gold and copper and also in utility rates for the years under review.

Order book

Our Group does not have any long-term contracts with our key customers. Despite the lack of long-term contractual agreements, our Group believes that our key customers will continue to purchase our products/services for our product quality and reliability as our Group maintains good relationship with our key customers.

The orders captured may change at any particular point in time as a result of additions, cancellations, deferrals or rescheduling. Accordingly, our order book as at any date may not be indicative of our revenue for any succeeding period.

8.3 Capitalisation and indebtedness

The following information should be read in conjunction with the Reporting Accountants' letters on the proforma consolidated financial information and the proforma consolidated statements of financial position as set out in Section 8.5 of this Prospectus.

The table below sets out our cash and cash equivalents as well as capitalisation and indebtedness of our Group as at 31 December 2010 based on our proforma consolidated statement of financial position as at 31 December 2010, after making adjustments that were considered necessary based on the results of Jotech, AIC and AutoV and on the assumption that we have been in existence throughout the years under review. The proforma financial information below does not represent our Group's actual capitalisation and indebtedness as at 31 December 2010 and is provided for information purposes only. The total indebtedness of our Group is not guaranteed by any third party.

	As at 31 December 2010
	RM'000
Cash and bank balances	54,466
Indebtedness	
Short-term borrowings	
- Secured	33,334
- Unsecured	4,000
Total short-term borrowings	37,334
Long-term borrowings	
- Secured	56,901
- Unsecured	-
Total long-term borrowings	56,901
Total indebtedness	*** 94,235**
Total shareholders' equity / capitalisation	**439,265**
Total capitalisation and indebtedness	**533,500**

Note:

* *Total borrowings exclude RM150 million borrowings which is expected to be raised via a proposed fund raising exercise subsequent to our Listing.*

8.4 Dividend policy

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. We intend to pay dividends to our shareholders in the future. However, such payments will depend upon a number of factors, including our earnings, capital requirements, general financial condition, our distributable reserves and other factors considered relevant by our Board. As we are a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon their financial results, business operations, capital expenditure plans and other factors that their respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for our subsidiaries may limit their ability to declare or pay cash dividends.

We currently do not have a formal dividend policy as we intend to adopt a policy of active capital management. The form, frequency and amount of future dividends on our Shares will depend on our earnings and financial results, business operations, our capital needs, our plans for expansion and other factors as our Directors may deem appropriate.

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8.5 Reporting Accountants' letters on the proforma consolidated financial information and the proforma consolidated statements of financial position

(Prepared for inclusion in this Prospectus)

KPMG

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Strictly private and confidential

The Board of Directors
Globaltec Formation Berhad
(formerly known as Temasek Formation Berhad)
802, 8th Floor, Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor DarulEhsan

Our ref: G/CBH/SLKOO/cco

Date: 10 May 2012

Dear Sirs

Globaltec Formation Berhad (hereafter referred to as "GFB")
(formerly known as Temasek Formation Berhad)
Reporting accountants' letter on the proforma consolidated financial information as at 31 December 2010 on the:

(I) Proposed acquisitions by GFB of the entire business and undertakings including all the assets and liabilities of AIC Corporation Berhad ("AIC"), Jotech Holdings Berhad ("Jotech") and AutoV Corporation Berhad ("AutoV") ("Proposed Acquisitions"); and

(II) Proposed listing of GFB on the Main Market of Bursa Malaysia Securities Berhad("Proposed Listing")

The Proposed Acquisitions and the Proposed Listing are collectively referred to as "the Proposals"

We have reviewed the presentation of the proforma consolidated financial information of GFB at 31 December 2010 which have been prepared for illustrative purposes only, for which the Directors of GFB are solely responsible, as set out in Appendix I (which we have stamped for the purpose of identification) for inclusion in the prospectus of GFB to be dated 25 May 2012 ("Prospectus") in connection with the Proposals and should not be relied upon for any other purposes.

The proforma consolidated financial information are prepared based on the notes set out in Appendix II.

The proforma consolidated financial information, because of their nature, do not give a true picture of the effects of the Proposals on GFB's actual financial position had the transactions or events occurred as at 31 December 2010. Further, such financial information from the proforma consolidated financial information does not purport to predict GFB's financial position.

Proposed acquisitions of AIC, Jotech and AutoV

GFB has made offers on substantially the same terms and conditions to acquire the entire business and undertakings, including all the assets and liabilities, of AIC, Jotech and AutoV. These offers shall constitute a single consolidated offer for the purposes of achieving the merger of the business and undertakings, including all assets and liabilities of AIC, Jotech and AutoV.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity



Directors' Responsibilities

It is the responsibility solely of the Directors of GFB to prepare the proforma consolidated financial information in respect of the Proposals.

Reporting Accountants' Responsibilities

Our responsibility is to form an opinion as to the proper compilation of the proforma consolidated financial information of GFB and to report our opinion to you based on our work.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

We conducted our work in accordance with International Standard on Assurance Engagements 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of considering the evidence supporting the adjustments and discussing the proforma consolidated financial information with the Directors of GFB. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated financial information have been properly compiled on the basis stated and that such basis is consistent with the accounting policies adopted by GFB and materially in compliance with Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board.

Opinion

In our opinion,

- the proforma consolidated financial information have been properly compiled in accordance with the basis of preparation stated in the Notes to the proforma consolidated financial information (Appendix II) and should be read in conjunction with the Reporting Accountants' letter on the proforma consolidated statements of financial position as at 31 December 2010 dated 10 May 2012;

- the basis of preparation of the proforma consolidated financial information is in accordance with FRSs in Malaysia and in a manner consistent with both the format of the audited financial statements and the accounting policies of AIC, Jotech and AutoV, which policies are those adopted by GFB;

- each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purpose of preparing the proforma consolidated financial information; and

Other Matters

The proforma consolidated financial information have been prepared for inclusion in the Prospectus in connection with the Proposals and should not be relied upon for any other purposes.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants

Chew Beng Hong
Approval Number: 2920/02/12(J)
Chartered Accountant

Appendix I

GLOBALTEC FORMATION BERHAD ("GFB")

PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December 2008 *RM'000*	Year ended 31 December 2009 *RM'000*	Year ended 31 December 2010 *RM'000*
Continuing operations:			
Revenue	339,209	331,798	394,839
Cost of sales	(288,716)	(278,181)	(326,157)
Gross profit	50,493	53,617	68,682
Administrative expenses	(28,182)	(28,933)	(35,086)
Distribution costs	(3,284)	(3,454)	(3,285)
Other operating expenses	(8,079)	(3,560)	(5,223)
Other operating income	8,007	5,458	8,804
Results from operating activities	18,955	23,128	33,892
Finance income	1,159	856	742
Finance costs	(5,870)	(5,172)	(3,975)
Operating profit	14,244	18,812	30,659
Share of results of associates	-	30	(6)
Profit before taxation	14,244	18,842	30,653
Taxation	(4,806)	(2,294)	(3,328)
Profit for the year from continuing operations	9,438	16,548	27,325
Loss from discontinued operations and loss on disposal of subsidiaries	(9,660)	-	-
Profit/(Loss) for the year	(222)	16,548	27,325
Other comprehensive expense, net of tax			
Foreign currency translation differences for foreign operations	(103)	(94)	(2,143)
Total comprehensive income/(loss) for the year	(325)	16,454	25,182
Profit/(Loss) attributable to:			
Owners of the Company	(762)	15,408	25,991
Minority interests	540	1,140	1,334
Profit/(Loss) for the year	(222)	16,548	27,325
Total comprehensive income/(loss) attributable to:			
Owners of the Company	(936)	15,351	24,292
Minority interests	611	1,103	890
Total comprehensive income/(loss) for the year	(325)	16,454	25,182

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Appendix I

GLOBALTEC FORMATION BERHAD ("GFB")

PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2010 *RM'000*
Net cash flow generated from operating activities	52,122
Net cash flow used in investing activities	(28,026)
Net cash flow used in financing activities	(14,646)
Net increase in cash and cash equivalents	9,450
Effect of exchange rate changes	(1,371)
Cash and cash equivalents at the beginning of the year	54,414
Cash and cash equivalents at the end of the year	62,493

Cash and cash equivalents at the end of the year comprise the following:

(a) Cash and bank balances	23,986
(b) Deposits	41,038
Total cash and cash equivalents	65,024
Less: Deposits pledged	(2,531)
Net cash and cash equivalents	62,493

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Appendix II

GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated financial information as at 31 December 2010

Basis of preparation

GFB was incorporated on 15 July 2011 and at the date of incorporation, the paid-up share capital of GFB is RM2.00 comprising 2 ordinary shares of RM1.00 each. GFB has not been audited since its date of incorporation.

The proforma consolidated financial information consists of the following:

a) The proforma consolidated statements of comprehensive income of GFB for the years ended 31 December 2010, 31 December 2009 and 31 December 2008;

b) The proforma consolidated statement of cash flows of GFB for the year ended 31 December 2010.

The above proforma consolidated financial information of GFB have been prepared based on audited financial statements of AIC, Jotech and AutoV, using accounting principles and bases consistent with those previously adopted in the preparation of these audited financial statements, which policies are those adopted by GFB.

For the purposes of the proforma consolidated statements of comprehensive income for the years ended 31 December 2008, 2009 and 2010 and the proforma consolidated statement of cash flows for the year ended 31 December 2010, the GFB group of companies (comprising of AIC group of companies, Jotech group of companies and AutoV group of companies) is assumed to have been in existence throughout the periods under review.

The acquisitions of Malgreen Progress Sdn Bhd ("MPSB") and Cergas Fortune Sdn Bhd ("CFSB") by Jotech, the acquisition of JP Metal Sdn Bhd by AutoV from Jotech and the acquisition of Proreka (M) Sdn Bhd by AutoV have been reflected as part of the movement in the Proforma Consolidated Statements of Financial Position and excluded from the Proforma Consolidated Financial Information.



KPMG (Firm No. AF 0758)
Chartered Accountants
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Strictly private and confidential

The Board of Directors
Globaltec Formation Berhad
(formerly known as Temasek Formation Berhad)
802, 8th Floor, Block C, Kelana Square
17 Jalan SS7/26,
47301 Petaling Jaya,
Selangor Darul Ehsan

Our ref: G/CBH/SLKOO/cco

Date: 10 May 2012

Dear Sirs

Globaltec Formation Berhad (hereafter referred to as "GFB")
(formerly known as Temasek Formation Berhad)
Reporting accountants' letter on the proforma consolidated statements of financial position as at 31 December 2010 on the:

(I) Proposed acquisitions by GFB of the entire business and undertakings including all the assets and liabilities of AIC Corporation Berhad ("AIC"), Jotech Holdings Berhad ("Jotech") and AutoV Corporation Berhad ("AutoV") ("Proposed Acquisitions"); and

(II) Proposed listing of GFB on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing")

The Proposed Acquisitions and the Proposed Listing are collectively referred to as "the Proposals"

We have reviewed the presentation of the proforma consolidated statements of financial position of GFB at 31 December 2010 which have been prepared for illustrative purposes only, for which the Directors of GFB are solely responsible, as set out in Appendix I (which we have stamped for the purpose of identification) for inclusion in the prospectus of GFB to be dated 25 May 2012 ("Prospectus") in connection with the Proposals and should not be relied upon for any other purposes.

The proforma consolidated statements of financial position, together with the notes thereon incorporate the Proposals as disclosed in Note 2 of the Appendix II.

The proforma consolidated statements of financial position, because of their nature, do not give a true picture of the effects of the Proposals on GFB's actual financial position had the transactions or events occurred as at 31 December 2010. Further, such financial information from the proforma consolidated statements of financial position does not purport to predict GFB's financial position.

Proposed acquisitions of AIC, Jotech and AutoV

GFB has made offers on substantially the same terms and conditions to acquire the entire business and undertakings, including all the assets and liabilities, of AIC, Jotech and AutoV. These offers shall constitute a single consolidated offer for the purposes of achieving the merger of the business and undertakings, including all assets and liabilities of AIC, Jotech and AutoV.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Proposed acquisitions of AIC, Jotech and AutoV (continued)

To AIC, the Proposed Acquisition would involve the acquisition of the entire business and undertakings, including all assets and liabilities of AIC at an aggregate offer consideration ("AIC Aggregate Offer Consideration") equivalent to:

(i) RM1.80 per ordinary share of RM1.00 each in AIC ("AIC Share"), being 20.00% above the volume weighted average market price ("VWAMP") of AIC Shares for the five (5) market days up to and including 26 July 2011 of RM1.50, multiplied by the total outstanding AIC Shares; and

(ii) RM1.00 per warrant of AIC ("AIC Warrant"), being 17.37% above the VWAMP of AIC Warrants for the five (5) market days up to and including 26 July 2011 of RM0.852, multiplied by the total outstanding number of AIC Warrants.

The proforma consolidated statements of financial position as at 31 December 2010 of GFB will be prepared based on the existing securities in issue at 30 April 2012 the latest practicable date ("LPD"), the AIC Aggregate Offer Consideration is approximately RM339.20 million, to be satisfied via the issuance of about 2,826.69 million GFB Shares at an issue price of RM0.12 each.

To Jotech, the Proposed Acquisition would involve the acquisition of the entire business and undertakings, including all assets and liabilities of Jotech at an aggregate offer consideration ("Jotech Aggregate Offer Consideration") equivalent to:

(i) RM0.18 per ordinary share of RM0.10 each in Jotech ("Jotech Share"), being 20.00% above the VWAMP of Jotech Shares for the five (5) market days up to and including 26 July 2011 of RM0.15, multiplied by the total outstanding Jotech Shares; and

(ii) RM0.09 per warrant of Jotech ("Jotech Warrant"), being 16.88% above the VWAMP of Jotech Warrants for the five (5) market days up to and including 26 July 2011 of RM0.077, multiplied by the total outstanding number of Jotech Warrants.

The proforma consolidated statements of financial position as at 31 December 2010 of GFB will be prepared based on the existing securities in issue at the LPD, the Jotech Aggregate Offer Consideration is approximately RM217.26 million, to be satisfied via the issuance of about 1,810.50 million GFB Shares at an issue price of RM0.12 each.

To AutoV, the Proposed Acquisition would involve the acquisition of the entire business and undertakings, including all assets and liabilities of AutoV at an offer consideration ("AutoV Offer Consideration") of RM2.38 per ordinary share in AutoV ("AutoV Share"), being 20.20% above the VWAMP of AutoV Shares for the five (5) market days up to and including 26 July 2011 of RM1.98, multiplied by the total outstanding AutoV Shares.

The proforma consolidated statements of financial position as at 31 December 2010 of GFB will be prepared based on the existing securities in issue at the LPD, the AutoV Offer Consideration is approximately RM154.43 million, to be satisfied via the issuance of about 1,286.88 million GFB Shares at an issue price of RM0.12 each.



Proposed acquisitions of AIC, Jotech and AutoV (continued)

To GFB, based on the above, the total offer consideration (net of capital repayments from AIC and AutoV) is RM632.84 million.

Upon completion of the Proposed Acquisitions, AIC, Jotech and AutoV will separately apply to Bursa Malaysia Securities Berhad ("Bursa Securities") to be delisted from the Main Market of Bursa Securities and subsequently, GFB shall assume the listing status of any one of Jotech, AIC or AutoV and be admitted to the Official List of Bursa Securities.

Directors' Responsibilities

It is the responsibility solely of the Directors of GFB to prepare the proforma consolidated statements of financial position of GFB in respect of the Proposals.

Reporting Accountants' Responsibilities

Our responsibility is to form an opinion, on the proforma consolidated statements of financial position of GFB and to report our opinion to you based on our work.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated statements of financial position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

We conducted our work in accordance with International Standard on Assurance Engagements 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of considering the evidence supporting the proforma adjustments and discussing the proforma statements of financial position with the Directors of GFB. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma statements of financial position have been properly compiled on the basis stated and that such basis is consistent with the accounting policies adopted by GFB and materially in compliance with Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board.

Basis of Opinion

GFB

As mentioned in Note 1 (i) of the proforma consolidated statements of financial position of GFB as at 31 December 2010, the identifiable assets, liabilities and contingent liabilities of Jotech and its subsidiaries ("Jotech Group") and AutoV and its subsidiaries ("AutoV Group") to be acquired by GFB in relation to the Proposed Acquisitions were measured and accounted for based on the carrying values of the proforma consolidated statements of financial position of Jotech Group and AutoV Group as at 31 December 2010 and not at their fair values at the date of completion of the acquisitions.

The Directors of GFB will be ascertaining the fair values of the assets, liabilities and contingent liabilities of Jotech Group and AutoV Group at the date of completion of the acquisitions. Any adjustment to the fair values of the assets, liabilities and contingent liabilities of Jotech Group and AutoV Group will have a corresponding effect on the goodwill and net assets of GFB.



Basis of Opinion (continued)

Jotech Group

As mentioned in Note 1 (iv) of the proforma consolidated statements of financial position of GFB as at 31 December 2010, the audited financial statements of Malgreen Progress Sdn Bhd ("MPSB") and Cergas Fortune Sdn Bhd ("CFSB") as at 31 December 2010 have not been restated to comply with the accounting policies of Jotech Group in the preparation of the proforma consolidated statements of financial position of Jotech Group as at 31 December 2010. No adjustments have been made to reflect the financial effects, if any, which may arise from:

(a) the restatements of the audited financial statements of MPSB and CFSB as at 31 December 2010 in accordance with the accounting policies of Jotech Group; and

(b) the tax consequences of these adjustments.

As mentioned in Note 1 (v) of the proforma consolidated statements of financial position of GFB as at 31 December 2010, the identifiable assets, liabilities and contingent liabilities of MPSB and CFSB acquired by Jotech were measured and accounted for based on the audited financial statements of MPSB and CFSB as at 31 December 2010 and not at their fair values at the date of completion of the acquisitions except for the land and plantation development expenditures of MPSB and CFSB where fair values were determined by the Directors of Jotech. Any adjustments to the fair values of the identifiable assets, liabilities and contingent liabilities including land and plantation development expenditures of MPSB and CFSB will have a corresponding effect on the goodwill and net assets of the combined Jotech Group and consequently to the goodwill and net assets of GFB.

AutoV Group

As mentioned in Note 1 (viii) of the proforma consolidated statements of financial position of GFB as at 31 December 2010, the identifiable assets, liabilities and contingent liabilities of JP Metal Sdn Bhd ("JP Metal") and Proreka (M) Sdn Bhd and its subsidiaries ("Proreka Group") acquired by AutoV Group in 2011 were measured and accounted for based on the audited financial statements of JP Metal and the carrying amounts of the Proforma Consolidation Statement of Financial Position of Proreka Group as at 31 December 2010 and not at their fair values at the date of completion of the acquisitions. Any adjustment to the fair values of the assets, liabilities and contingent liabilities of JP Metal and Proreka Group will have a corresponding effect on the goodwill and net assets of the combined AutoV Group and consequently to the goodwill and net assets of GFB.



Opinion

Except for the effects of the matters mentioned in the preceding paragraphs, if any, in our opinion,

- the proforma consolidated statements of financial position have been properly compiled in accordance with the basis of preparation stated in Note 1 of the proforma consolidated statements of financial position and should be read in conjunction with the Reporting Accountants' letter on the proforma consolidated financial information as at 31 December 2010 dated 10 May 2012;

- the basis of preparation of the proforma consolidated statement of financial position is in accordance with FRSs in Malaysia and in a manner consistent with both the format of the audited financial statements and the accounting policies of AIC, Jotech and AutoV, which policies are those adopted by GFB; and

- each material adjustment made to the information used in the preparation of the proforma consolidated statements of financial position is appropriate for the purpose of preparing the proforma consolidated statements of financial position.

Other Matters

The proforma consolidated statements of financial position have been prepared for inclusion in the Prospectus in connection with the Proposals and should not be relied upon for any other purposes.

Yours faithfully

KPMG
Firm No. AF 0758
Chartered Accountants

Chew Beng Hong
Approval Number: 2920/02/12(J)
Chartered Accountant

GLOBALTEC FORMATION BERHAD ("GFB") *Appendix I*

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

The proforma consolidated statements of financial position of GFB as at 31 December 2010 as set out below are provided for illustrative purposes only to show the effects had the Proposals been in place at 31 December 2010 based on outstanding securities at the LPD.

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	Note	Unaudited statement of financial position at 31 December 2010 *RM'000*	Proforma I After drawdown of borrowings *RM'000*	Proforma II After Proforma I and Proposed Acquisitions *RM'000*	Proforma III After Proforma II and estimated listing expenses of GFB *RM'000*	Proforma IV After Proforma III and drawdown of post merger borrowings *RM'000*
Assets						
Property, plant and equipment		-	-	252,594	252,594	252,594
Intangible asset		-	-	4,001	4,001	4,001
Goodwill		-	-	176,179	176,179	176,179
Investment properties		-	-	11,033	11,033	11,033
Trade and other receivables		-	-	707	707	707
Other investments		-	-	7,303	7,303	7,303
Deferred tax assets		-	-	1,001	1,001	1,001
Total non-current assets		-	-	452,818	452,818	452,818
Trade and other receivables		-	-	94,237	94,237	94,237
Other investments		-	-	1,740	1,740	1,740
Prepayments		-	-	2,838	2,838	2,838
Inventories		-	-	47,232	47,232	47,232
Current tax assets		-	-	981	981	981
Cash and cash equivalents	3a	*	4,000	55,946	54,466	204,466
Total current assets		*	4,000	202,974	201,494	351,494
Total assets		*	4,000	655,792	654,312	804,312
Equity						
Share capital	3b	(i)*	(i)*	527,365	527,365	527,365
Share premium	3c	-	-	105,473	103,993	103,993
Business combination deficit	3d	-	-	(192,093)	(192,093)	(192,093)
Total equity attributable to equity holders of the Company		*	*	440,745	439,265	439,265
Minority interest		-	-	35,959	35,959	35,959
Total equity		*	*	476,704	475,224	475,224

Appendix I

GLOBALTEC FORMATION BERHAD ("GFB")

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010



	Profroma I		Proforma II	Proforma III	Proforma IV
	Unaudited statement of financial position at 31 December 2010 *RM'000*	After drawdown of borrowings *RM'000*	After Proforma I and Proposed Acquisitions *RM'000*	After Proforma II and estimated listing expenses of GFB *RM'000*	After Proforma III and drawdown of post merger borrowings *RM'000*
Liabilities					
Loans and borrowings	-	-	56,901	56,901	206,901
Government grant	-	-	253	253	253
Deferred tax liabilities	-	-	12,865	12,865	12,865
Total non-current liabilities	-	-	70,019	70,019	220,019
Provision for warranties	-	-	406	406	406
Government grant	-	-	69	69	69
Trade and other payables	-	-	68,706	68,706	68,706
Current tax liabilities	-	-	2,554	2,554	2,554
Loans and borrowings	-	4,000	37,334	37,334	37,334
Total current liabilities	-	4,000	109,069	109,069	109,069
Total liabilities	-	4,000	179,088	179,088	329,088
Total equity and liabilities	•	4,000	655,792	654,312	804,312
Net assets	•	•	440,745	439,265	439,265
Net asset per share (RM)	0.10	0.10	0.08	0.08	0.08
Total loans and borrowings	-	4,000	94,235	94,235	244,235
Gearing ratio (times)	-	2,000	0.21	0.21	0.56

• *- Negligible*

(i) *- RM2.00 comprising twenty (20) GFB Shares and assuming the share split exercise involving the sub-division of every one(1) existing ordinary share of RM1.00 each in GFB into ten (10) GFB Shares was completed.*

Appendix II

GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated statements of financial position as at 31 December 2010

1. Basis of preparation

GFB was incorporated on 15 July 2011 and at the date of incorporation, the paid-up share capital of GFB is RM2.00 comprising 2 ordinary shares of RM1.00 each. GFB has not been audited since its date of incorporation.

The proforma consolidated statements of financial position of GFB have been prepared using accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements of the AIC, Jotech and AutoV which policies are those adopted by GFB, and based on the following assumptions:

GFB

i) The identifiable assets, liabilities and contingent liabilities of Jotech and AutoV to be acquired by GFB in relation to the Proposed Acquisitions were measured and accounted for based on the carrying values of the proforma consolidated statements of financial position of Jotech and AutoV as at 31 December 2010 and not at their fair values at the date of completion of the acquisitions.

The Directors of GFB will be ascertaining the fair values of the assets, liabilities and contingent liabilities of Jotech and AutoV at the date of completion of the acquisitions. Any adjustment to the fair values of the assets, liabilities and contingent liabilities of Jotech and AutoV will have a corresponding effect on the goodwill and net assets of GFB.

ii) The identifiable assets, liabilities and contingent liabilities of AIC to be acquired by GFB in relation to the Proposed AIC Acquisition were accounted for using the reverse acquisition accounting method, with GFB being the accounting acquiree and AIC being the accounting acquirer and is based on the carrying values of the proforma consolidated statements of financial position of AIC as at 31 December 2010.

iii) The proforma consolidated statements of financial position of GFB as at 31 December 2010 have been prepared based on the proforma consolidated statements of financial position of AIC, Jotech and AutoV as at 31 December 2010.

Jotech

iv) The audited financial statements of MPSB and CFSB as at 31 December 2010 have not been restated to comply with the accounting policies of Jotech Group in the preparation of the proforma consolidated statements of financial position of Jotech Group as at 31 December 2010. No adjustments have been made to reflect the financial effects, if any, which may arise from:

(a) the restatements of the audited financial statements of MPSB and CFSB as at 31 December 2010 in accordance with the accounting policies of Jotech Group; and

(b) the tax consequences of these adjustments.

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Appendix II

GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated statements of financial position as at 31 December 2010 (continued)

1. Basis of preparation (continued)

Jotech (continued)

v) The identifiable assets, liabilities and contingent liabilities of MPSB and CFSB acquired by Jotech were measured and accounted for based on the audited financial statements of MPSB and CFSB as at 31 December 2010 and not at their fair values at the date of completion of the acquisitions except for the land and plantation development expenditures of MPSB and CFSB where fair values were determined by the Directors of Jotech. Any adjustments to the fair values of the identifiable assets, liabilities and contingent liabilities including land and plantation development expenditures of MPSB and CFSB will have a corresponding effect on the goodwill of the combined and net assets of Jotech Group and consequently to the goodwill and net assets of GFB.

vi) The fair value of the purchase consideration for MPSB is RM27.28 million satisfied by RM8.10 million cash and issuance of 150 million new Jotech Shares of RM0.1279 each being the market value of the Jotech shares at the date of completion of the transaction.

vii) The fair value of the purchase consideration for CFSB is RM4.90 million satisfied by RM1.06 million cash and issuance of 30.00 million new Jotech Shares of RM0.1279 each being the market value of the Jotech Shares at the date of completion of the transaction.

AutoV

viii) The identifiable assets, liabilities and contingent liabilities of JP Metal and Proreka Group acquired by AutoV Group in were measured and accounted for based on the audited financial statements of JP Metal and the carrying amounts of the Proforma Consolidation Statement of Financial Position of Proreka Group as at 31 December 2010 and not at their fair values at the date of completion of the acquisitions. Any adjustment to the fair values of the assets, liabilities and contingent liabilities of JP Metal and Proreka Group will have a corresponding effect on the goodwill and net assets of the combined AutoV Group and consequently to the combined goodwill and net assets of GFB.

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Appendix II

GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated statements of financial position as at 31 December 2010 (continued)

2. Notes to the proforma consolidated statements of financial position

The foregoing paragraphs are explanatory notes for the effects of the proposal. The effects are illustrated as stages of the proforma consolidated statements of financial position.

Proforma I –After drawdown of borrowings

The proposal is implemented after taking into account the loan obtained by GFB of RM4.00 million to finance the Proposals.

Proforma II – After Proforma I and the Proposed Acquisitions

Proforma II incorporates the cumulative effects of Proforma I and the Proposed Acquisitions which incorporates the following:

(i) **AIC**

Proposed AIC Acquisition

The Proposed AIC Acquisition at the AIC Aggregate Offer Consideration of RM339.20 million.

(ii) **Jotech**

Disposal of JP Metal and acquisition of MPSB and CFSB by Jotech

In March 2011, Jotech Group completed the following transactions:

a) disposal of a wholly owned subsidiary, JP Metal to AutoV for a cash consideration of RM7.00 million;

b) acquisition of the entire equity interest in MPSB for a purchase consideration of RM23.10 million satisfied by RM8.10 million cash and issuance of 150.00 million new Jotech Shares; and

c) acquisition of the entire equity interest in CFSB for a purchase consideration of RM4.06 million satisfied by RM1.06 million cash and issuance of 30.00 million new Jotech Shares.

Proposed Jotech Acquisition

The Proposed Jotech Acquisition at the Jotech Aggregate Offer Consideration of RM217.26 million.

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GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated statements of financial position as at 31 December 2010 (continued)

2. Notes to the proforma consolidated statements of financial position (continued)

(iii) AutoV

After acquisition of JP Metal and Proreka Group by AutoV Group

In March 2011, AutoV Group completed the acquisition of JP Metal from Jotech for a cash consideration of RM7.00 million.

In November 2011, AutoV Group completed the acquisition of Proreka Group for a purchase consideration of RM27,880,000 which was satisfied by the following:

a) Cash payment of RM2,788,000;

b) The issuance of 6,525,000 new AutoV Shares at an issue price of RM1.44 each; and

c) The issuance of 10,900,000 redeemable convertible preference shares ("RCPS") of RM0.01 each in AutoV at an issue price of RM1.44 each

On 22 December 2011 a Supplemental Agreement was signed between the Proreka Vendors and AutoV whereby both parties agree to vary and modify the terms of the Sales and Purchase Agreement with Proreka Vendors ("Proreka SPA") to replace the RCPS of AutoV with the RCPS of AutoV Systems Sdn Bhd ("ASSB"), a wholly owned subsidiary of AutoV. The RCPS of ASSB is of the same form, value and denomination as the RCPS of AutoV. The RCPS of ASSB will be accorded the same rights as the RCPS of AutoV pursuant to the Proposed Acquisition.

Proposed AutoV Acquisition

The Proposed AutoV Acquisition at the AutoV Offer Consideration of RM154.43 million.

(iv) The merger of AIC and GFB will be accounted for as a reverse takeover by AIC with GFB being the accounting acquiree and AIC being the accounting acquirer.

The Jotech Aggregate Offer Consideration, AIC Aggregate Offer Consideration and AutoV Offer Consideration are computed based on outstanding Jotech Shares, Jotech Warrants, AIC Shares, AIC Warrants and AutoV Shares as at the LPD.

Proforma III –After Proforma II and estimated listing expenses of GFB

Proforma III incorporates the cumulative effects of Proforma II and the estimated listing expenses as described below:

Estimated listing expenses:	**RM'000**
Professional fees	780
Fees to authorities pursuant to the Proposed Listing	502
Other fees and expenses and contingencies	198
Total	1,480

Proforma IV –After Proforma III and drawdown of borrowings post merger

Proforma IV incorporates the cumulative effects of Proforma III and after taking into account a loan obtained by GFB of RM150.00 million post merger for working capital purposes.

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Appendix II

GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated statements of financial position as at 31 December 2010 (continued)

3. Effect on the proforma consolidated statements of financial position

a. Movement in cash and cash equivalents

	RM'000
Balance at 31 December 2010	(i)
Drawdown of borrowings	4,000
Balance after Proforma I	4,000
Cash and cash equivalents of AIC, Jotech and AutoV deemed acquired	65,024
Net cash effect for acquisition of MPSB, CFSB and Proreka Group	(9,559)
Estimated expenses of AIC, Jotech and AutoV relating to the Proposed Acquisitions	(3,519)
Balance after Proforma II	55,946
Estimated listing expenses of GFB	(1,480)
Balance after Proforma III	54,466
Drawdown of borrowings post merger	150,000
Balance after Proforma IV	204,466

(i) – RM2.00

b. Movement in share capital

	RM'000
Balance at 31 December 2010 and **Proforma I**	(ii)
Issuance of shares pursuant to AIC's and Jotech's Aggregate Offer Consideration and AutoV's Offer Consideration	527,365
Balance after Proforma II, III and IV	527,365

(ii) – RM2.00 comprising twenty (20) GFB shares

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Appendix II

GLOBALTEC FORMATION BERHAD ("GFB")

Notes to the proforma consolidated statements of financial position as at 31 December 2010 (continued)

3. Effect on the proforma consolidated statements of financial position (continued)

c. Movement in share premium

	RM'000
Balance at 31 December 2010 and **Proforma I**	-
Arising pursuant to the AIC's and Jotech's Aggregate Offer Consideration and AutoV's Offer Consideration	105,473
Balance after Proforma II	105,473
Set off of the estimated listing expenses of GFB	(1,480)
Balance after Proforma III and IV	103,993

d. Movement in business combination deficit reserve

	RM'000
Balance at 31 December 2010 and **Proforma I**	-
Business combination deficit arising from the Proposed Acquisitions	(192,093)
Balance after Proforma II, III and IV	(192,093)

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9. INFORMATION ON OUR GROUP

9.1 History and background

9.1.1 Our Company

We were set up as a special purpose company to facilitate the Acquisitions.

We were incorporated in Malaysia under the Act on 15 July 2011 as a private limited company under the name of Temasek Formation Sdn Bhd. On 18 October 2011, we were converted into a public limited company and we assumed our present name on 4 April 2012. Following Completion, our Group will consist of two (2) business divisions, namely, the IMS division and the resources division. As at the LPD, our principal activity is investment holding.

Prior to Completion, we undertook a share split exercise involving the sub-division of every one (1) ordinary share of RM1.00 each in our Company to ten (10) Shares. We also increased our authorised and paid-up share capital to accommodate the Issuance.

9.1.2 History and background of Jotech, AIC and AutoV

(i) Jotech

Jotech was incorporated as a private limited company in Malaysia under the Act on 24 February 1995 as A-Z Interstate Marketing (M) Sdn Bhd. On 19 June 1995, it changed its name to Jotech Holdings Sdn Bhd and on 28 September 1999, it was converted to a public limited company and assumed its present name. Jotech was listed on the Second Board of the then Kuala Lumpur Stock Exchange ("**KLSE**") (which was subsequently amalgamated with the Main Board and now known as the Main Market of Bursa Securities) on 9 August 2000.

Jotech is principally involved in investment holding whilst the principal activities of its subsidiaries and associated company is set out in Section 9.2 of this Prospectus.

(ii) AIC

AIC was incorporated as a private limited company in Malaysia under the Act on 6 March 1990 as Autoindustries Corporation Sdn Bhd. Subsequently on 26 February 1994, it was converted into a public limited company and changed its name to Autoindustries Corporation Berhad. Autoindustries Corporation Berhad was listed on the Second Board of the then KLSE (which was then subsequently amalgamated with the Main Board and now known as the Main Market of Bursa Securities) on 14 December 1994. On 28 April 1997, Autoindustries Corporation Berhad changed its name to AIC and was transferred to the Main Board of the then KLSE (which was subsequently amalgamated with the Second Board and now known as the Main Market of Bursa Securities) on 31 July 2000.

AIC is principally involved in investment holding, whilst the principal activities of its subsidiaries are as set out in Section 9.2 of this Prospectus.

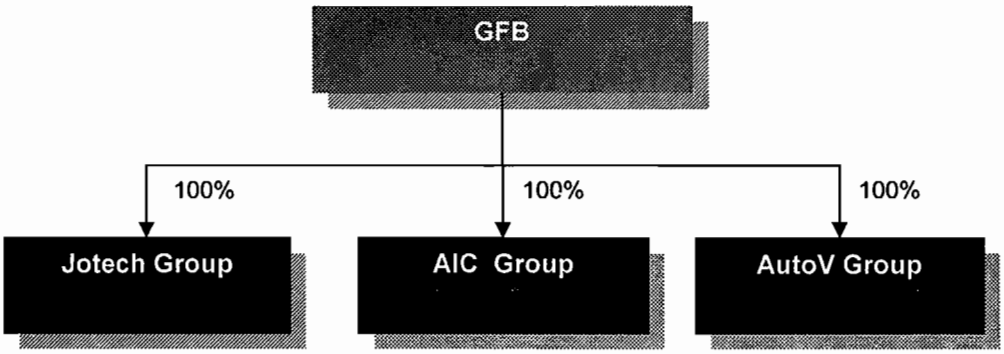
(iii) AutoV

AutoV was incorporated as a private limited company in Malaysia under the Act on 18 October 1983 under the name of Exkonas Sdn Bhd. On 8 January 1988, Exkonas Sdn Bhd changed its name to Konas Trade Sdn Bhd and subsequently to Autoindustries Ventures Sdn Bhd on 18 October 1990. On 24 May 1996, Autoindustries Ventures Sdn Bhd was converted to a public limited company and assumed the name, Autoindustries Ventures Bhd which was listed on the Second Board of the then KLSE (which was subsequently amalgamated with the Main Board and now known as the Main Market of Bursa Securities) on 6 August 1997. On 15 July 2004, Autoindustries Ventures Bhd changed its name to AV Ventures Corporation Berhad on 15 July 2004 and subsequently assumed its current name on 3 June 2010.

AutoV is principally involved in investment holding whilst the principal activities of its subsidiaries and associated company is as set out in Section 9.2 of this Prospectus.

9.1.3 Group structure

As at the date of this Prospectus, our Group structure is as follows:



Please refer to Section 9.2 of this Prospectus for further details of the subsidiaries and associated companies of the Jotech Group, the AIC Group and the AutoV Group.

9.1.4 Share capital and changes in share capital

As at the LPD, our authorised share capital is RM1,000,000,000.00 comprising 10,000,000,000 Shares and our issued and paid-up share capital is RM2 comprising twenty (20) Shares. Our issued and paid-up share capital upon Completion is RM527,364,625 comprising 5,273,646,248 Shares.

Neither our Company nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital, save for the following:

(a) 1,400,000 cumulative RCPS of Jotech Metal Fabrication Industries Sdn Bhd as set out in Section 9.2 of this Prospectus;

(b) 28,000,000 RCPS of AIC Semiconductor Sdn Bhd as set out in Section 9.2 of this Prospectus; and

(c) 10,900,000 RCPS of ASSB as set out in Sections 9.2 and 14.1(v) of this Prospectus.

The changes in our issued and paid-up share capital since our incorporation are as follows:

Date of allotment	No. of shares allotted	Par value	Consideration	Cumulative issued and paid-up share capital
		RM		RM
15 July 2011	2	1.00	Subscribers' shares	2
28 March 2012	-	0.10	Share split of one (1) ordinary share of RM1.00 each to ten (10) Shares	2
25 May 2012	5,273,646,228	0.10	Acquisitions	527,364,625

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9.2 Subsidiaries and associated companies

The details of our subsidiaries and associated companies as at the LPD, are set out in the table below:

Name of companies	Company no.	Date and country of incorporation	Authorised share capital (1) RM	Issued and paid-up share capital (1) RM	Equity interest held %	Principal activities
Subsidiaries of our Company						
Jotech	334818-P	24.02.1995/ Malaysia	250,000,000	2	100	Investment holding
AIC	194514-M	06.03.1990/ Malaysia	500,000,000	2	100	Investment holding
AutoV	108253-W	18.10.1983/ Malaysia	200,000,000 (including 100,000,000 RCPS)	2	100	Investment holding
Subsidiaries of Jotech						
CFSB	738406-U	21.06.2006/ Malaysia	500,000	300,000	100	Cultivation and sales of oil palm fruit bunches
MPSB	245268-T	24.07.1992/ Malaysia	5,000,000	2,000,000	100	Cultivation and sales of oil palm fruit bunches
Jotech Metal Fabrication Industries Sdn Bhd	187741-P	06.10.1989/ Malaysia	5,000,000 (including 1,400,000 cumulative RCPS)	3,800,000 (including 1,400,000 cumulative RCPS)	100	Manufacturing and fabrication of tools and dies and stamped metal components for electrical and consumer electronics industries
Associated company of Jotech						
Rockhill	1514776	02.01.2009/ British Virgin Islands	USD50,000	USD10,000	40	Coal mining and marketing business

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

Name of companies	Company no.	Date and country of incorporation	Authorised share capital [1] RM	Issued and paid-up share capital [1] RM	Equity interest held %	Principal activities
Subsidiaries of Jotech Metal Fabrication Industries Sdn Bhd						
GuangDong Jotech Kong Yue Precision Industries Ltd	440700400001100	12.12.2003/ PRC	[2] USD4,000,000	[2] USD4,000,000	60	Manufacturing and fabrication of tools and dies and stamped metal components for electronics and electrical industries
PT Indotech Metal Nusantara	032/BH/10.08/VII97	05.07.1996/ Indonesia	USD1,000,000	USD1,000,000	100	Manufacturing and fabrication of tools and dies and stamped metal components for electronics and automotive industries
Yee Heng Precision Stamping Sdn Bhd	230667-P	12.12.1991/ Malaysia	500,000	50,000	100	Fabrication of tools, dies and precision metal stamping
Subsidiaries of AIC						
AIC Technology Sdn Bhd	377385-K	13.02.1996/ Malaysia	25,000,000 (including 10,000,000 cumulative redeemable preference shares)	12,950,713 (including 4,950,713 cumulative redeemable preference shares)	100	Investment holding
AIC Inspirasi Sdn Bhd	291304-V	04.03.1994/ Malaysia	100,000	100,000	100	Investment holding
AIC Properties Sdn Bhd [3]	278799-H	19.10.1993/ Malaysia	5,000,000	2,013,917	100	Dormant

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

Name of companies	Company no.	Date and country of incorporation	Authorised share capital [1] RM	Issued and paid-up share capital [1] RM	Equity interest held %	Principal activities
Subsidiaries of AIC *(Cont'd)*						
AIC-Toptek Communications Sdn Bhd [4]	610037-V	26.03.2003/ Malaysia	100,000	2	100	Dormant
Custom Tooling Engineering (Malaysia) Sdn Bhd [4]	303270-W	08.06.1994/ Malaysia	500,000	200,000	100	Dormant
Custom Tooling (Malaysia) Sdn Bhd	284936-D	23.12.1993/ Malaysia	1,000,000	500,005	100	Dormant
Integral CAD Technologies Sdn Bhd	241479-W	29.05.1992/ Malaysia	5,000,000	2,000,000	100	Dormant
Prodelcon	130535-A	10.11.1984/ Malaysia	1,300,000	1,249,000	100	Manufacturing of high precision tooling, die-sets, semiconductor moulds and parts and high precision components, jigs and fixtures and the design and manufacture of turnkey automation systems
Subsidiary of AIC Technology Sdn Bhd						
AIC Semiconductor Sdn Bhd [5]	355409-P	15.08.1995/ Malaysia	100,000,000 (including 28,000,000 RCPS)	66,885,000 (including 28,000,000 RCPS)	94	Design, procurement, sales, assembly and test of IC chips and other ancillary activities
Subsidiary of Prodelcon						
Isotrax Engineering Sdn Bhd	665198-D	08.09.2004/ Malaysia	100,000	2	100	Has not commenced operations

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

Name of companies	Company no.	Date and country of incorporation	Authorised share capital [1] RM	Issued and paid-up share capital [1] RM	Equity interest held %	Principal activities
Subsidiary of Integral CAD Technologies Sdn Bhd						
Alpha Mediatech Sdn Bhd [6] [7]	443664-D	19.08.1997/ Malaysia	500,000	100,000	100	Dormant
Subsidiaries of AutoV						
AutoV Sdn Bhd [3]	298423-H	03.05.1994/ Malaysia	500,000	500,000	100	Dormant
AutoV Mando Sdn Bhd	330518-K	13.01.1995/ Malaysia	6,500,000	5,800,002	70	Manufacture of automotive steering columns and related vehicle components
ASSB [3]	318982-W	06.10.1994/ Malaysia	1,000,000 (including 15,000,000 RCPS)	709,000 (including 10,900,000 RCPS)	100	Marketing of automotive starter motor
Automako Sdn Bhd	142107-H	13.07.1985/ Malaysia	1,600,000	1,050,000	100	Manufacture and sale of automotive wiper arms and blades and other related components
Autoventure Coat Sdn Bhd	219219-T	19.06.1991/ Malaysia	1,000,000	800,040	100	Dormant
Autoventure Corporation Sdn Bhd [3]	452232-K	07.11.1997/ Malaysia	5,000,000	3,000,000	100	Investment holding
Autovisor Plastics Sdn Bhd	193724-X	20.02.1990/ Malaysia	5,000,000	3,500,000	100	Manufacturing of sunvisors and interior car lamps

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

Name of companies	Company no.	Date and country of incorporation	Authorised share capital [(1)] RM	Issued and paid-up share capital [(1)] RM	Equity interest held %	Principal activities
Subsidiaries of AutoV *(Cont'd)*						
Aventur Door System Sdn Bhd	203879-K	06.09.1990/ Malaysia	10,000,000	6,000,000	100	Manufacture of car window regulators and other automotive components
Brimal Holdings Sdn Bhd	24451-W	10.09.1975/ Malaysia	25,000,000 (including 3,000,000 redeemable preference shares)	8,000,000	100	Design, manufacturing and assembly of automotive components and electronic products
JP Metal Sdn Bhd	281843-D	17.11.1993/ Malaysia	1,000,000	1,000,000	100	Manufacture and fabrication of tools and dies and stamped metal components for electronics and automotive industries
Nobel Decree Sdn Bhd [(3)]	261297-V	12.04.1993/ Malaysia	1,000,000	800,004	83.75	Manufacture and supply of automotive electric horns
Nuwizard Technologies Sdn Bhd [(3)]	428768-W	24.04.1997/ Malaysia	10,000,000 (including 100,000 redeemable preference shares)	6,005,600 (including 5,600 redeemable preference shares)	100	Dormant
Proreka	512454-M	25.04.2000/ Malaysia	5,000,000	1,831,000	100	Manufacturing and sourcing of parts for the automotive industry

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

Name of companies	Company no.	Date and country of incorporation	Authorised share capital [1] RM	Issued and paid-up share capital [1] RM	Equity interest held %	Principal activities
Associated company of AutoV						
Proreka Sprintex Sdn Bhd	610952-H	02.04.2003/ Malaysia	5,000,000	2,000,000	50	Manufacturing and trading of automotive superchargers
Subsidiaries of Autoventure Corporation Sdn Bhd						
Bryte-DY Sdn Bhd [3]	453829-X	26.11.1997/ Malaysia	5,000,000	2,500,000	100	Dormant
Direct Past Sdn Bhd [3]	444962-A	27.08.1997/ Malaysia	500,000	300,000	100	Dormant
HKR Manufacturing Sdn Bhd [3]	407229-D	24.10.1996/ Malaysia	500,000	300,000	100	Marketing of plastic injection, moulding products and related components
Subsidiaries of Proreka						
Proreka Automotive Parts Sdn Bhd	685308-P	22.03.2005/ Malaysia	500,000	2	100	Product design services and trading in automotive parts and accessories
Proreka Plastic Sdn Bhd	542274-D	19.03.2011/ Malaysia	500,000	350,000	100	Dormant
Proreka Tech Sdn Bhd	562468-W	24.10.2001/ Malaysia	5,000,000	3,000,000	85.33	Manufacturing and trading in automotive parts and accessories
Senko Sekei Sdn Bhd	597509-X	31.10.2002/ Malaysia	100,000	50,000	100	Dormant

Notes:

(1) *In RM unless otherwise stated.*

(2) *The company was incorporated as a limited liability company in PRC and does not have an issued and paid-up share capital.*

(3) *The auditors' report on the financial statements of the subsidiary contains an emphasis of matter on going concern. The ability of the subsidiary to continue as a going concern is dependent on the continuing financial support from the then holding company, AIC.*

(4) *On 9 April 2012, CCM has issued the second notice under Section 308(2) of the Act, which provides that on the expiration of the three (3) months from the date of the second notice, the name of the subsidiary will be struck off the register and the subsidiary will be dissolved.*

(5) *Inclusive of AIC's direct ordinary shareholdings of 19.09% in AIC Semiconductor Sdn Bhd.*

(6) *Application has been made to the CCM on 7 September 2011 to deregister this subsidiary.*

(7) *Inclusive of AIC's direct ordinary shareholdings of 30% in Alpha Mediatech Sdn Bhd.*

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10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES

10.1 Board of Directors

Within the limits set by our Articles, our Board is responsible for our governance and management. To ensure the effective discharge of their functions, our Board endeavours to follow our corporate governance guidelines, which sets out the following responsibilities:

(i) setting our objectives, goals and strategic plans with a view to maximising shareholders' value;

(ii) adopting and monitoring progress of our strategies, budgets, plans and policies;

(iii) overseeing the conduct of our businesses to evaluate whether our businesses are properly managed;

(iv) identifying our principal risks and ensuring the implementation of appropriate systems to mitigate and manage these risks. Our Board sets, where appropriate, objectives, performance targets and policies to manage the key risks faced by us;

(v) considering our management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure;

(vi) human resources planning and development; and

(vii) reviewing the adequacy and integrity of our internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

In accordance with Article 76 of our Articles, we must have at least two (2) Directors.

At least two (2) of our Directors or one-third (1/3) of our Board, whichever is higher, must also at all times be independent directors. As at the date of this Prospectus, our Board consists of nine (9) Directors, four (4) of whom are independent directors.

In accordance with Article 77 of our Articles, at the first annual general meeting, all our Directors shall retire from office and at the annual general meeting in every subsequent year, one-third (1/3) of our Directors or, if the number of Directors is not three (3) or a multiple of three (3), the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all our Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their last election.

The members of our Board as at the date of this Prospectus are set out below:

Name	Age	Date of appointment	Designation
Datuk Dr. Goh Tian Chuan	51	20.07.2011	Group Executive Chairman/CEO of our resources division
Kong Kok Keong	58	28.03.2012	Group Deputy Executive Chairman/CEO of our automotive division
Ooi Boon Pin	54	28.03.2012	Executive Director/CEO of our medical devices division and semiconductor division
Lim Siok Hui	63	28.03.2012	Executive Director/CEO of our E&E division
Chen Heng Mun	42	28.03.2012	Executive Director/Group Chief Financial Officer

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Name *(cont'd)*	Age	Date of appointment	Designation
Ash'ari bin Ayub	70	28.03.2012	Independent Non-Executive Director
Ng Kok Hok	51	28.03.2012	Independent Non-Executive Director
Wong Zee Shin	37	28.03.2012	Independent Non-Executive Director
Hon Poh Chow	55	28.03.2012	Independent Non-Executive Director

Our management and operations are led by Datuk Dr. Goh Tian Chuan, our Group Executive Chairman.

The details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Director	Date of appointment	Date of expiration of the current term of office	No. of years in office
Datuk Dr. Goh Tian Chuan	20.07.2011	*	Less than one (1) year
Kong Kok Keong	28.03.2012	*	Less than one (1) year
Ooi Boon Pin	28.03.2012	*	Less than one (1) year
Lim Siok Hui	28.03.2012	*	Less than one (1) year
Chen Heng Mun	28.03.2012	*	Less than one (1) year
Ash'ari bin Ayub	28.03.2012	^	Less than one (1) year
Ng Kok Hok	28.03.2012	*	Less than one (1) year
Wong Zee Shin	28.03.2012	*	Less than one (1) year
Hon Poh Chow	28.03.2012	*	Less than one (1) year

Notes:

* *In accordance with Article 77 of our Articles, all of our Directors shall retire from office at the forthcoming annual general meeting in 2012 and be eligible for re-election.*

^ *In accordance with Section 129(6) of the Act, director of seventy (70) years of age shall retire from office at every annual general meeting and be eligible for re-appointment.*

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10.1.1 Profiles of our Directors

(i) Datuk Dr. Goh Tian Chuan

Datuk Dr. Goh Tian Chuan, aged 51, is our founder, our Group Executive Chairman and the CEO of our Group's resources division. He was appointed to our Board on 20 July 2011.

Datuk Dr. Goh Tian Chuan graduated from the Royal Malaysia Police College in 1982 and was a Senior Police Officer attached to the police headquarters in Kepayan, Kota Kinabalu, Sabah for thirteen (13) years. He started his own business after leaving the police force in 1994. His businesses at present, apart from his investments in several public listed companies covers a multitude of industries from investment holding (earning rental) to plantation and property development and gaming businesses. He joined Everise Ventures Sdn Bhd, a subsidiary of Repco Holdings Berhad, in October 1995 as President. In September 2000, he was appointed by Danaharta Berhad as Non-Executive and Non-Independent Director of Repco Holdings Berhad and resigned on 27 August 2004.

On 8 November 2004, he was appointed as a Non-Independent and Non-Executive Director of Cepatwawasan Group Berhad. Subsequently, he was redesignated as CEO on 8 April 2005 and as Executive Chairman from 25 July 2005 to 31 October 2005.

Datuk Dr. Goh Tian Chuan was the Executive Chairman of AIC and Jotech. He was appointed to the board of directors of AIC on 15 June 2006. He was also appointed as a member of the Remuneration Committee of AIC on 31 July 2006. He was redesignated as Executive Chairman of AIC on 2 July 2007. Datuk Dr. Goh Tian Chuan was appointed to the board of directors of Jotech on 1 June 2006 and was also the Chairman of the Remuneration Committee of Jotech.

As for Nakamichi Corporation Berhad, Datuk Dr. Goh Tian Chuan was appointed to the board of directors on 8 July 2008 and was later redesignated as Executive Chairman on 3 February 2009. He was redesignated back as Non-Executive Chairman of Nakamichi Corporation Berhad on 1 November 2011 and resigned on 2 December 2011. Nakamichi Corporation Berhad and its group of companies are involved in the timber extraction industry.

He was also an Executive Director of Nucleus Electronics Ltd from 1 June 2006 to 6 March 2007. Nucleus Electronics Ltd is listed on the Main Board of the Stock Exchange of Singapore.

On 7 April 2012, he was conferred Honorary Doctorate of Civil Laws by European University Switzerland.

(ii) Kong Kok Keong

Kong Kok Keong, aged 58, was the Chairman and CEO of AutoV since 15 April 2006. He was appointed to our Board on 28 March 2012 as the Group Deputy Executive Chairman and is the CEO of our automotive division.

Kong Kok Keong obtained his B.A (Honours) in Business Studies from Leicester Polytechnic, United Kingdom in July 1979. He started his career with Binder Hamlyn (Chartered Accountants) in United Kingdom as an electronic data processing supervisor from September 1979 to January 1983. He then returned to Malaysia and joined Rashid Hussain Securities Sdn Bhd as a Finance Manager from April 1983 to August 1984. He moved on to Larut Tin Fields Bhd as an accountant from September 1984 to August 1985. From September 1985 to October 1987, he was the Financial Controller of Kimara Securities Sdn Bhd before joining Fountain Industries Sdn Bhd as an accountant from January 1988 to December 1988. Subsequently, he was a Director of Visionplan Systems (M) Sdn Bhd from January 1989 to April 1990. From May 1990 to March 1992, he was a commissioned dealer's representative for Arab-Malaysian Securities Sdn Bhd. He later joined Innosabah Securities Sdn Bhd and served as an Executive Director from April 1992 to December 2001. During that period, in September 1993, he was appointed as a Director of Sititrust & Administrator Ltd, a Labuan offshore company to which he still serve as a director until today.

(iii) Ooi Boon Pin

Ooi Boon Pin, aged 54, was the Executive Director and Group CEO of AIC and also the Non-Independent Non-Executive Director of Jotech since 20 August 2008. He was appointed to our Board on 28 March 2012 as an Executive Director and he is the CEO of our medical devices division and semiconductor division.

He graduated with an Honours Degree in Manufacturing Technology from the National Institute for Higher Education (University of Limerick), Ireland in 1981. While studying for his degree, he joined Analog Devices B.V., Ireland, in 1978, a company involved in design and wafer fabrication, assembly and test of semiconductors, as a Product Development Engineer and later as a Process Engineer in the assembly department. Upon his return to Malaysia in 1981, he joined Micro-Machining Sdn Bhd, as a Quality Assurance Engineer where he was in charge of quality assurance in tool room and lead frame stamping facility. He later assumed the position of Project Engineering Manager and was responsible for the development of new tool designs and end-of-line assembly equipment from design to manufacturing. He later set up Prodelcon in 1985 and is its Managing Director from 1996 till now. He was an Executive Director of Jotech since 30 April 1997 but was redesignated as a Non-Independent Non-Executive Director on 20 August 2008. He is also a member of the Audit and Nominating Committees of Jotech, Chairman of the Technical Advisory Committee for Applied Engineering and council member of the Penang Skills Development Centre.

(iv) Lim Siok Hui

Lim Siok Hui, aged 63, was the CEO of Jotech and was a member of Jotech's Executive Committee. He was appointed to the Board of Directors of Jotech since 7 August 1995 and was appointed to our Board on 28 March 2012 as an Executive Director. He is the CEO of our E&E division. He has been the Managing Director of Jotech Metal Fabrication since 1994, a position he still holds today.

Lim Siok Hui obtained his O-Levels in 1966 and he served in the national service of Singapore from 1966 to 1970. He commenced his career in 1970 as a supervisor in Alloy Industries (S) Pte Ltd, a company involved in the trading of and manufacturing of aluminium cans. He was promoted to factory manager in 1972 and was appointed as its director in 1974. From 1989 to 1994, he was appointed as the Managing Director of Intergrate (S) Pte Ltd, a company specialising in tools and dies.

He has more than 35 years of experience in the metal stamping industry, having worked with Japanese and Hong Kong metal stamping companies.

(v) Chen Heng Mun

Chen Heng Mun, aged 42, was appointed to the Board of AIC and AutoV on 1 August 2007 and 26 May 2008 respectively as Executive Director and Non-Independent Non-Executive Director respectively. He was appointed to our Board on 28 March 2012 as an Executive Director and he is also our Group Chief Financial Officer.

Prior to passing the professional exams conducted by the then Malaysian Association of Certified Public Accountants in 1995, Chen Heng Mun worked for KPMG, an international accounting firm from January 1991 to February 1996. He started as an Audit Assistant in KPMG and left as an Audit Supervisor. Subsequently, he joined AIC as Group Accountant in February 1996 and was appointed to the board of AIC on 1 August 2007 as an Executive Director/Chief Financial Officer. He was an Independent Non-Executive Director of Jotech from 3 January 2007 to 2 July 2007. Previously, from 17 January 2005 to 1 June 2006, he was the Non-Executive Director of Nucleus Electronics Ltd and an Executive Director of NCB from 23 June 2008 to 2 December 2011.

He is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Certified Public Accountants, Australia.

(vi) Ash'ari bin Ayub

Ash'ari bin Ayub, aged 70, is our Independent Non-Executive Director and he was appointed to our Board on 28 March 2012. He has been the Independent Non-Executive Director of AutoV since 20 February 2001. He was also a Chairman of the Audit Committee and Remuneration Committee of AutoV and was a member of the Nominating Committee of AutoV.

He passed the professional examination of the then Malaysian Association of Certified Public Accountants on 24 June 1967. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He started his career with Coopers Brothers & Co as an articled clerk in 1961 and was later promoted to a qualified audit assistant. He served in Coopers Brothers & Co until 1970. Thereafter, he worked in the Accountant General's Office as a Treasury Accountant from 1970 to 1972. He moved on to be a Chief Internal Auditor for Bank Bumiputera Malaysia Berhad from 1972 to 1973. He joined Universiti Kebangsaan Malaysia as a Bursar (equivalent to the designation of Chief Financial Officer) from 1973 to 1974. Thereafter, he was a senior partner in Coopers & Lybrand for about 20 years from 1974 until 1994. From 1995 to 1996, he served as a General Manager of Finance & Administration in Ranhill Bersekutu Sdn Bhd.

(vii) Ng Kok Hok

Ng Kok Hok, aged 51, is our Independent Non-Executive Director and he was appointed to our Board on 28 March 2012. Ng Kok Hok was appointed to the board of directors of AIC on 1 September 2007 as an Independent Non-Executive Director. On the same date, he was appointed as Chairman of the Audit Committee and Remuneration Committee and was a member of the Nominating Committee of AIC.

He graduated with an Honours Degree in Accounting from the Institute of Cost and Management Accountants, now known as the Chartered Institute of Management Accountants ("**CIMA**") in 1985. He is a Chartered Accountant with the Malaysian Institute of Accountants, an Associate Member of CIMA, a Chartered Global Management Accountant and a Member of the Financial Planning Association of Malaysia. He started his career as an Accountant with CMRS Sdn Bhd from 1986 to 1988. From 1988 to 1990, he moved on to become an Accountant for Kong Long Huat Chemicals Sdn Bhd. Thereafter, in 1990 he joined Kuala Lumpur Mutual Fund Berhad *(now known as Public Mutual Berhad)* as an Accountant. In 1992, he was promoted to the position of Finance Manager cum Company Secretary and in 1994, he assumed the position of Financial Controller. He then joined TA Unit Trust Management Berhad as General Manager in 1996 and subsequently progressed to the position of a CEO in 1997 where he continued to serve until 1999. From 1999 to 2003, he was the Corporate General Manager of CY Multimedia Sdn Bhd and from 2000 to 2004, he was the General Manager of Allday Best Sdn Bhd. He is the founder and is currently the Executive Director of Alpha Outlook Sdn Bhd, a company principally involved in power quality products and energy management systems. He founded Alpha Outlook Sdn Bhd on 17 March 2004. He is also an Independent Non-Executive Director of 1 Utopia Berhad *(formerly known as Tejari Technologies Berhad)* and Ingenuity Solutions Berhad, both of which are listed on the ACE Market of Bursa Securities.

(viii) Wong Zee Shin

Wong Zee Shin, aged 37, is our Independent Non-Executive Director and he was appointed to our Board on 28 March 2012. He was appointed to the Board of Jotech on 2 July 2007. He was the Independent Non-Executive Director of Jotech and was also the Chairman of the Audit and Nominating Committees and was a member of the Remuneration Committee.

He graduated with a Bachelor Degree in Finance and Accounting from the University Technology of Sydney, Australia in July 1999. He is a member of the Malaysian Institute of Accountants and Certified Public Accountants, Australia. He started his career in Ernst & Young, an international public accounting firm in Sandakan, Sabah from December 1999 to 2004. In August 2004, he joined Cepatwawasan Group Berhad as an Accountant and later joined Sogomax Sdn Bhd as an Accountant in June 2006. Subsequently in December 2009 to present, he joined Malbumi Estate Sdn Bhd as their Group Accountant.

(ix) Hon Poh Chow

Hon Poh Chow, aged 55, is our Independent Non-Executive Director and he was appointed to our Board on 28 March 2012.

He obtained his Diploma in Higher Accounting in June 1977 from the London Chamber of Commerce and Industry. He commenced his career with Texas Instruments (M) Sdn Bhd as a cost/financial analyst from June 1977 to January 1983. He then joined Ford Malaysia Sdn Bhd as a Senior Financial Analyst from February 1983 to May 1985. From June 1985 to June 1995, he was the Finance Manager of Mattel (KL) Sdn Bhd and from July 1995 to November 1998, he was the Head of Finance and Administration of IRIS Technologies (M) Sdn Bhd. Subsequently, he was the Regional Financial Controller, Asean for TRW Automotive – Lucas Varsity (M) Sdn Bhd ("**TRW**") from December 1998 to December 2000. He was then made the Regional Profitability/Commercial Management Manager, Asia Pacific of TRW and held the position from January 2001 to December 2003 before being promoted to Managing Director from January 2004 to June 2007. Subsequently, from October 2007 to January 2010 he was the Finance and Operations Controller of Forward Freight Services Sdn Bhd. After leaving Forward Freight Services Sdn Bhd, he was the Group Operations Director of Takasima Industries (M) Sdn Bhd from February 2010 to June 2011. He is currently the After Sales Business Advisor of Bermaz Motor Trading Sdn Bhd after joining them in October 2010. He is also the General Manager of Jaymart Sdn Bhd with effect from 16 January 2012.

10.1.2 Our Directors' shareholdings

The direct and indirect shareholdings of our Directors as at the LPD and after the Issuance are as follows:

	As at the LPD				After the Issuance			
	Direct		Indirect		Direct		Indirect	
Directors	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000	
Datuk Dr. Goh Tian Chuan	*	50.00	*	(1) 50.00	725,952	13.77	(2) 156,604	2.97
Kong Kok Keong	-	-	-	-	536,278	10.17	(3) 89,953	1.71
Ooi Boon Pin	-	-	-	-	78,431	1.49	(3) 19,286	0.37
Lim Siok Hui	-	-	-	-	58,006	1.10	-	-
Chen Heng Mun	-	-	-	-	1,862	0.04	(3) 2,005	0.04
Ash'ari bin Ayub	-	-	-	-	-	-	-	-
Ng Kok Hok	-	-	-	-	11	^	(3) 11	^
Wong Zee Shin	-	-	-	-	19	^	-	-
Hon Poh Chow	-	-	-	-	-	-	-	-

Notes:

^ *Negligible.*

* *Representing ten (10) Shares.*

(1) *Deemed interest by virtue of Section 6A of the Act held through his son, Goh See Yen.*

(2) *Deemed interest by virtue of Section 6A of the Act held through Cara Kaya Sdn Bhd and his son, Goh See Yen.*

(3) *Deemed interest by virtue of Section 134(12) of the Act held through his spouse.*

None of our Directors represent any corporate shareholders.

None of our Directors owns, directly or indirectly, any option to purchase any of our Shares.

10.1.3 Other principal business activities performed outside our Group and other principal directorships in the past five (5) years

Save as disclosed below, none of our Directors has performed any principal business activities outside our Group and/or have other principal directorships at present and in the last five (5) years preceding the LPD:

Director	Name of company	Principal activities	Date appointed as director	Date resigned as director	Position held
Datuk Dr. Goh Tian Chuan	Begajuta Sdn Bhd	Collection of FFB and oil palm plantation	30.12.2005	-	Director and substantial shareholder
	Begajuta Plantations Sdn Bhd	Dormant	09.09.1999	-	Director and substantial shareholder
	Bonus River Sdn Bhd	Dormant	02.03.2006	-	Director and substantial shareholder
	Cabletron (Sabah) Sdn Bhd	Dormant	13.07.2006	26.07.2007	Director
	Cara Kaya Sdn Bhd	Property holding and management, investment holding and oil palm plantation	05.12.2006	-	Director and substantial shareholder
	Citrasaba Sdn Bhd	Dormant	19.11.2007	-	Director and substantial shareholder
	Everise Ventures Sdn Bhd *	Management of number forecast operations	30.04.1997	-	Director and substantial shareholder
	Genap Mega Sdn Bhd	Investment holding	22.04.2003	-	Director and substantial shareholder
	Hasil Pelangi Sdn Bhd	Real property investment	22.01.2007	-	Director and shareholder
	Isti Bestari Sdn Bhd	Dormant	19.07.2010	-	Director and substantial shareholder

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Director	Name of company	Principal activities	Date appointed as director	Date resigned as director	Position held
Datuk Dr. Goh Tian Chuan *(cont'd)*	IT Collection Sdn Bhd	Dormant	01.11.2007	01.08.2011	Director
	K.K. Point Sdn Bhd	Real property investment	23.07.2007	-	Director and substantial shareholder
	Mobile Starhill (M) Sdn Bhd	Dormant	12.04.2005	-	Director and substantial shareholder
	Nakamichi Corporation Berhad group of companies	Investment holding whilst its subsidiary is principally involved in the extraction and sale of timber logs	08.07.2008	02.12.2011	Non-Executive Chairman and substantial shareholder
	Pimpinan Ceria Sdn Bhd	Investment holding	22.07.2004	17.02.2010	Director
	Pimpinan Jujur Sdn Bhd	Investment holding	22.07.2004	17.02.2010	Director
	Realton Development Sdn Bhd	Real property development and investment holding	06.10.1997	-	Director and substantial shareholder
	Silabumi Sdn Bhd	Dormant	18.10.2010	-	Director
	Siri Kurnia Sdn Bhd	Dormant	01.03.2007	04.05.2009	Director
	Tacaraya Sdn Bhd	Dormant	21.07.2004	-	Director and substantial shareholder
	Toupos Palm Oil Mill Sdn Bhd	Dormant	29.10.2010	-	Director and substantial shareholder
	Unique Glory Sdn Bhd	Money lending	13.07.1996	-	Director and substantial shareholder
	Valiant Properties Sdn Bhd	Dormant	06.04.2010	-	Director and substantial shareholder

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Director	Name of company	Principal activities	Date appointed as director	Date resigned as director	Position held
Kong Kok Keong	Begajuta Sdn Bhd	Collection of FFB and oil palm plantation	13.12.2006	01.11.2011	Director and substantial shareholder
	Begajuta Plantations Sdn Bhd	Dormant	18.09.2006	01.11.2011	Director and substantial shareholder
	Binary Beat Sdn Bhd	Dormant	16.05.2006	-	Director and substantial shareholder
	Citrasaba Sdn Bhd	Dormant	19.11.2007	01.11.2011	Director and substantial shareholder
	Compact Legend Sdn Bhd	Investment holding	26.11.2007	-	Director and substantial shareholder
	Genap Mega Sdn Bhd	Investment holding	17.04.2006	01.11.2011	Director and substantial shareholder
	Pimpinan Ceria Sdn Bhd	Investment holding	22.07.2004	17.02.2010	Director
	Pimpinan Jujur Sdn Bhd	Investment holding	22.07.2004	17.02.2010	Director
	Realton Development Sdn Bhd	Real property development and investment holding	01.04.2006	01.11.2011	Director
	Sititrust & Administrator	Labuan trust company licenced to carry on the work of a trustee, custodian, administrator of assets, provision of director and corporate secretary services, share registry and accounting services	30.09.1993	-	Director
Chen Heng Mun	Nakamichi Corporation Berhad group of companies	Investment holding whilst its subsidiary is principally involved in the extraction and sale of timber logs	23.06.2008	02.12.2011	Executive Director

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Director	Name of company	Principal activities	Date appointed as director	Date resigned as director	Position held
Ash'ari bin Ayub	AC Taxation Sdn Bhd *(formerly known as Ash'ari Cheong Taxation Sdn Bhd)*	Tax consultancy	12.02.2007	-	Non-Executive Director and substantial shareholder
	Ash'ari & Yew Consulting Sdn Bhd	Dormant	16.08.2000	-	Non-Executive Director and substantial shareholder
	BCB Berhad	Property development	16.05.2001	-	Independent Non-Executive Director
	Metrod (Malaysia) Sdn Bhd	Copper wire and rod manufacturer	28.12.2001	25.10.2011	Independent Non-Executive Director
	Metrod Holdings Berhad	Investment holding whilst its subsidiaries are principally involved in the procurement of raw materials, manufacturing and marketing of electrical conductivity grade copper wires, rods, strips and high-quality flat copper winding wire systems	25.08.2011	-	Independent Non-Executive Director
	Ranhill Utilities Sdn Bhd	Investment holding	12.04.2001	-	Non-Executive Director
	SAJ Holdings Sdn Bhd	Integrated water supply services	13.04.2012	-	Non-Executive Director
Ng Kok Hok	1 Utopia Berhad *(formerly known as Tejari Technologies Berhad)*	Investment holding, research, design and development of application specific electronic controller system for electronic hydraulic systems for various industrial automation, trading and servicing of computer hardware and parts, trading of telecommunication products and event management	16.12.2009	-	Independent Non-Executive Director

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Director	Name of company	Principal activities	Date appointed as director	Date resigned as director	Position held
Ng Kok Hok *(cont'd)*	Alpha Outlook Sdn Bhd	Supply and installation of voltage sag mitigation solutions and other electrical products	17.03.2004	-	Director and substantial shareholder
	Ingenuity Solutions Berhad	Investment holding	01.12.2010	-	Independent Non-Executive Director
	M & N Birdnest Enterprise Sdn Bhd	Ranching of bird's nest inclusive of rearing, harvesting, distribution and trading of bird's nest	14.04.2006	-	Director and substantial shareholder
Wong Zee Shin	Billion Aura Hotel Sdn Bhd	Dormant	18.02.2010	19.02.2010	Director
	Billion Aura Management Sdn Bhd	Dormant	18.02.2010	19.02.2010	Director
	CXR Vacation Sdn Bhd	Hotel operations	11.12.2007	28.03.2011	Director
	Di Bawah Pokok Sdn Bhd	Construction contract	09.06.2008	03.11.2010	Director
	Global Expedition (Malaysia) Sdn Bhd	Investment holding	01.08.2007	-	Director and substantial shareholder
	Lotus Masterpiece Sdn Bhd	Dormant	07.04.2008	31.07.2008	Director
	LVW Alliance Sdn Bhd	Dormant	08.10.2009	-	Director and substantial shareholder
	LVW Logistic Sdn Bhd	Transportation services	01.12.2004	-	Director and substantial shareholder
	LVW Prosper Group Sdn Bhd	Share and property investment	29.03.2004	-	Director and substantial shareholder
	Sukau (FFB) Sdn Bhd	Dormant	03.01.2012	-	Alternate Director

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Director	Name of company	Principal activities	Date appointed as director	Date resigned as director	Position held
Wong Zee Shin *(cont'd)*	Sukau Palm Oil Mill Sdn Bhd	Dormant	17.08.2011	-	Alternate Director
	Top Inworld Sdn Bhd	Dormant	04.06.2009	-	Director and substantial shareholder
Hon Poh Chow	Lucas Automotive Sdn Bhd	Automotive components manufacturing	03.03.2005	28.03.2007	Director

Note:

* *Inclusive of 33 other companies which are agents of Everise Ventures Sdn Bhd's numbers forecasting operations in which Datuk Dr. Goh Tian Chuan is also a director.*

The involvement of our Group Executive Chairman and Executive Directors in other businesses set out above does not preclude them from allocating most of their time to our Group because the daily operations in those businesses are managed by the respective companies' personnel. Their role in those other companies are limited to administrative duties such as the signing of cheques and attending board meetings in order to discharge their principal areas of responsibility as directors of those companies. They have been and have ensured that they would be able to fulfil and discharge their duties and responsibilities effectively as our Directors. As such, our Group Executive Chairman and Executive Directors' involvements in other businesses and operations outside of our Group are not expected to have any material effect on their contribution to our Group.

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10.1.4 Audit Committee

Our Audit Committee was established on 28 March 2012 and its members are appointed by our Board. Our Audit Committee shall comprise not less than three (3) members. All members of the Audit Committee must be non-executive Directors, a majority of whom shall be independent Directors. In the event a member of our Audit Committee resigns, dies or for any reason ceases to be a member resulting in non-compliance with the membership of our Audit Committee, our Board must fill the vacancy within three (3) months. The terms of office and performance of our Audit Committee and each of its members shall be reviewed by our Board no less than once every three (3) years. However, the appointment terminates when a member ceases to be a Director.

Our Audit Committee is authorised to:

(i) investigate any matter within its terms of reference;

(ii) to request the resources required to perform its duties; and

(iii) to request and be granted full and unrestricted access to any information it determines as relevant to its activities from any employee of our Company or our Group and all employees are directed to co-operate with any request made by our Audit Committee.

The primary functions and duties of our Audit Committee include reviewing, appraising and reporting to the Board on, among others:

(i) the discussion with the external auditors on the audit plan which states the nature and scope of the audit and ensure co-ordination of audit where more than one audit firm is involved;

(ii) the review with the external auditors, their evaluation of the system of internal controls and the statement on internal control, together with the management letters and the management's response;

(iii) the discussion of issues and reservations arising from the external audits, the audit report and any matters the external auditors may wish to discuss;

(iv) the assistance given by employees of the Group to the external and internal auditors;

(v) the review of, among others, the following in respect of the internal audit:

  (a) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

  (b) the internal audit programme;

  (c) the major findings of the internal audit investigations and the management's responses, ensuring that appropriate actions are taken on the recommendations of the internal auditors;

  (d) co-ordination of external audit with internal audit;

  (e) approval of any appointment of termination of the internal auditors, and appraisal of the performance of the group internal audit function; and

(f) resignations of internal auditors, together with providing the resigning internal auditors an opportunity to submit the reasons for resignation,

(vi) the review of the quarterly reporting to Bursa Securities and the year-end financial statements of the Group before the submission to the Board focussing particularly on:

(a) changes in or implementation of major accounting policies;

(b) significant and unusual events;

(c) compliance with accounting and financial reporting standards and other legal requirements; and

(d) any commentary on the future outlook for our Group,

(vii) the review of any related party transaction and conflict of interest situation that may arise within our Group, including any transaction, procedure or course of conduct that raises questions of management integrity;

(viii) the review of any letter of resignation from the external auditors together with the reason for the resignation;

(ix) the review of the re-appointment of our Group's external auditors, including the examination of the independence of the external auditors and, where appropriate, the reasons (supported by grounds) why it is not suitable to re-appoint the external auditors;

(x) the recommendation for the nomination and appointment of external auditors, as well as approval of the audit fee;

(xi) prompt reporting to Bursa Securities on any matter reported by our Audit Committee to our Board which has not been satisfactorily resolved, resulting in a breach by our Group of the Listing Requirements; and

(xii) any other function that may be mutually agreed upon by our Audit Committee and our Board from time to time, which would be beneficial to our Group and ensure the effective discharge of our Audit Committee's duties and responsibilities.

Our Audit Committee currently comprises the following members:

Name	Position	Date of appointment	Directorship
Ash'ari bin Ayub	Chairman	28.03.2012	Independent Non-Executive Director
Ng Kok Hok	Member	28.03.2012	Independent Non-Executive Director
Wong Zee Shin	Member	28.03.2012	Independent Non-Executive Director
Hon Poh Chow	Member	28.03.2012	Independent Non-Executive Director

10.1.5 Nominating Committee

Our Nominating Committee was established on 28 March 2012 and its members are appointed by our Board. Our Nominating Committee shall comprise not less than three (3) members. The majority of its members shall be independent non-executive Directors. The members of our Nominating Committee shall elect a Chairman from among their number who is not our Executive Director. In the event of any vacancy in our Nominating Committee resulting in the number of members being reduced to below three (3), our Board shall, within three (3) months fill the vacancy.

Our Nominating Committee is tasked with evaluating the suitability of candidates and make recommendations to our Board on all new Board appointments. Our Remuneration Committee is also empowered to assess the performance of our Directors, effectiveness of the Board and the board committee as a whole.

As an integral element in the process of appointing new directors, our Nominating Committee ensures that there is appropriate orientation and education programme for new Board members, supplemented by visits to key locations and meetings with key senior executives.

Our Nominating Committee currently comprises the following members:

Name	Position	Date of appointment	Directorship
Ng Kok Hok	Chairman	28.03.2012	Independent Non-Executive Director
Ash'ari bin Ayub	Member	28.03.2012	Independent Non-Executive Director
Wong Zee Shin	Member	28.03.2012	Independent Non-Executive Director

10.1.6 Remuneration Committee

Our Remuneration Committee was established on 28 March 2012 and its members are appointed by our Board. Our Remuneration Committee shall comprise not less than three (3) members. The majority of its members shall be our Non-Executive Directors or any person not having a relationship which, in the opinion of our Board, would interfere with the exercise of independent judgment in carrying out the functions of our Remuneration Committee. The members of our Remuneration Committee shall elect a Chairman from among their number who is not our Executive Director. In the event of any vacancy in our Remuneration Committee resulting in the number of members being reduced to below three (3), our Board shall, within three (3) months fill the vacancy.

The primary responsibilities of our Remuneration Committee include recommending to our Board a remuneration framework for Directors with the objective to ensure that our Company continues to attract and retain Directors needed to run the Group successfully.

Our Remuneration Committee currently comprises the following members:

Name	Position	Date of appointment	Directorship
Ash'ari bin Ayub	Chairman	28.03.2012	Independent Non-Executive Director
Datuk Dr. Goh Tian Chuan	Member	28.03.2012	Group Executive Chairman/CEO of our resources division
Ng Kok Hok	Member	28.03.2012	Independent Non-Executive Director
Wong Zee Shin	Member	28.03.2012	Independent Non-Executive Director

10.1.7 Service contracts with Directors

As at the date of this Prospectus, there are no existing or proposed service contracts entered into between our Directors and us, save for the standard employment contracts containing the normal terms of employment.

10.1.8 Remuneration and material benefits-in-kind of our Directors

The aggregate remuneration and benefits-in-kind paid or proposed to be paid to our Directors for services rendered or to be rendered to us in all capacities was RM4.1 million for the year ended 31 December 2010 and is forecasted to be between RM6.0 million to RM6.1 million for the eighteen (18)-month period ending 30 June 2012.

The remuneration of our Directors, which includes Directors' salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by the Remuneration Committee and subsequently approved by our Board. The payment of our Directors' fees must be further approved and endorsed by our shareholders at a general meeting.

The remuneration and benefits-in-kind paid or forecasted to be paid to our Directors are as follows:

	Remuneration band of our Directors	
Directors	For the year ended 31 December 2010	For the eighteen (18)-month period ending 30 June 2012 (Forecast)
	RM'000	RM'000
Datuk Dr. Goh Tian Chuan	1,600 – 1,650	2,400 – 2,450
Kong Kok Keong	300 - 350	850 - 900
Ooi Boon Pin	700 - 750	1,100 – 1,150
Lim Siok Hui	750 - 800	850 - 900
Chen Heng Mun	450 - 500	550 - 600
Ash'ari bin Ayub	<50	<50
Ng Kok Hok	<50	<50
Wong Zee Shin	<50	<50
Hon Poh Chow	-	-

10.1.9 Amounts or benefits paid or intended to be paid or given to our Promoter, Directors and substantial shareholders

Save as disclosed in Section 10.1.8 of this Prospectus and dividends paid (if any) to our shareholders, there are no other amounts or benefits paid or intended to be paid or given to any of our Promoter, Directors or substantial shareholders within the two (2) years preceding the date of this Prospectus.

10.2 Key management

Our key management consists of experienced personnel and is responsible for our day-to-day management and operations.

Our key management, as at the date of this Prospectus, comprises Datuk Dr. Goh Tian Chuan, Kong Kok Keong, Ooi Boon Pin, Lim Siok Hui and Chen Heng Mun.

10.2.1 Profiles of our key management

(i) Datuk Dr. Goh Tian Chuan

Please refer to Section 10.1.1(i) of this Prospectus for the profile of Datuk Dr. Goh Tian Chuan.

(ii) Kong Kok Keong

Please refer to Section 10.1.1(ii) of this Prospectus for the profile of Kong Kok Keong.

(iii) Ooi Boon Pin

Please refer to Section 10.1.1(iii) of this Prospectus for the profile of Ooi Boon Pin.

(iv) Lim Siok Hui

Please refer to Section 10.1.1(iv) of this Prospectus for the profile of Lim Siok Hui.

(v) Chen Heng Mun

Please refer to Section 10.1.1(v) of this Prospectus for the profile of Chen Heng Mun.

10.2.2 Our key management's shareholding

As our key management are also our Directors, please refer to Section 10.1.2 of this Prospectus for the shareholdings of our key management as at the LPD and after the Issuance.

10.2.3 Service contracts with our key management

As at the date of this Prospectus, there are no existing or proposed service contracts between our key management personnel and us save for the standard employment contracts containing the normal terms of employment.

10.2.4 Involvement of our key management in other businesses/corporations

As our key management are also our Directors, please refer to Section 10.1.3 of this Prospectus for further details on the involvement of our key management in other businesses/corporation.

10.3 Promoter

10.3.1 Promoter

Our Promoter is Datuk Dr. Goh Tian Chuan.

Please refer to Section 10.1.1(i) of this Prospectus for the profile of Datuk Dr. Goh Tian Chuan.

10.3.2 Our Promoter's shareholdings

As our Promoter is also our Director, please refer to Section 10.1.2 of this Prospectus for the shareholdings of Datuk Dr. Goh Tian Chuan.

10.4 Substantial shareholders

10.4.1 Substantial shareholders

(i) Datuk Dr. Goh Tian Chuan

Please refer to Section 10.1.1(i) of this Prospectus for the profile of Datuk Dr. Goh Tian Chuan.

(ii) Kong Kok Keong

Please refer to Section 10.1.1(ii) of this Prospectus for the profile of Kong Kok Keong.

(iii) LTAT

LTAT was established on 1 August 1972 in Malaysia by Act of Parliament (Act 101, 1973) and it has no share capital. The principal activities of LTAT are the provision of superannuation and other benefits to the members of the other ranks in the Armed Forces and to enable officers in the service to participate in a savings scheme and also to promote socio-economic development and to provide welfare and other benefits for the retiring and retired personnel of the Armed Forces of Malaysia. LTAT is not listed on any stock exchange.

On 21 March 2012, LTAT acquired 11.50% equity interest in AIC.

10.4.2 Substantial shareholders' shareholdings

Our substantial shareholders' shareholdings since incorporation and after the Issuance is set out below:

	As at incorporation on 15 July 2011				As at the LPD				After the Issuance			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000		'000		'000	
Promoter and substantial shareholder												
Datuk Dr. Goh Tian Chuan	*	50.00	*	(1) 50.00	*	50.00	*	(1) 50.00	725,952	13.77	(2)156,604	2.97
Substantial shareholders												
Goh See Yen	*	50.00	-	-	*	50.00	-	-	*	^	-	-
Kong Kok Keong	-	-	-	-	-	-	-	-	536,278	10.17	-	-
LTAT	-	-	-	-	-	-	-	-	300,000	5.69	-	-

Notes:

* *Representing ten (10) Shares.*

^ *Negligible. Goh See Yen will cease to be our substantial shareholder upon the Issuance.*

(1) *Deemed interest by virtue of Section 6A of the Act held through his son, Goh See Yen.*

(2) *Deemed interest by virtue of Section 6A of the Act held through Cara Kaya Sdn Bhd and his son, Goh See Yen.*

Save as set out in Sections 10.1.2, 10.2.2 and 10.4.2 of this Prospectus, we are not aware of any other person who directly or indirectly, jointly or severally, exercises control over us.

10.5 Changes in our Promoter's and substantial shareholders' shareholdings in our Company since incorporation and up to the Issuance

Please refer to Section 10.4.2 of this Prospectus for the changes in the shareholdings of our Promoter and substantial shareholders since our incorporation and up to the Issuance.

10.6 Relationships or associations between our Directors, key management, substantial shareholders and Promoter

There are no family relationships or associations between our Directors, key management, substantial shareholders and Promoter.

10.7 Declaration by our Directors, key management and Promoter

As at the LPD, none of our Directors, key management or Promoter is or has been involved in the following events (whether in or outside Malaysia):

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

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

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

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

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

10.8 Employees

Our total workforce for the past three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010 and as at the LPD is as follows:

Business divisions	Year ended 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010	As at the LPD
IMS division	1,884	1,938	2,027	2,088
Resources division	-	-	-	106
Total	**1,884**	**1,938**	**2,027**	**2,194**

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

As at the LPD, the total number of our employees broken down by their job scope, years in service and whether they are employed as a full time or contractual staff are as follows:

	No. of employees			
Category of employees	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Directors	-	-	5	5
Management	15	20	57	92
Engineering and R&D	29	70	47	146
Sales and marketing	7	15	15	37
Technician and supervisory	44	89	134	267
Administration and clerical	57	96	130	283
Production				
- Skilled	147	405	392	944
- Unskilled	84	134	40	258
General workers	92	63	7	162
Total	**475**	**892**	**827**	**2,194**

	No. of employees		
Category of employees	**Contractual**	**Non-Contractual**	**Total**
Directors	-	5	5
Management	7	85	92
Engineering and R&D	9	137	146
Sales and marketing	-	37	37
Technician and supervisory	-	267	267
Administration and clerical	6	277	283
Production			
- Skilled	284	660	944
- Unskilled	131	127	258
General workers	9	153	162
Total	**446**	**1,748**	**2,194**

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

As at the LPD, we have employees in the following countries:

Country	No. of employees
Indonesia	106
Malaysia	1,900
PRC	185
Taiwan	3
Total	**2,194**

Based on the table above, 21.65% have less than one (1) year tenure with our Group, 40.66% of our employees have been with our Group for an average of between one (1) and five (5) years, while 37.69% of our employees have more than five (5) years of services with us. Non-contractual employees represent 79.67% of our total workforce with the remaining 20.33% being contractual employees.

The majority of our Group's employees are involved in our Group's IMS division and they account for approximately 95.17% of our total workforce. As at the LPD we have 2,194 employees of which 1,900 are based in Malaysia, 185 are based in PRC, 106 are based in Indonesia and 3 are based in Taiwan. Of the total workforce based in Malaysia, 636 are foreign employees, representing approximately 33.47% of our total workforce in Malaysia. Of these 636 foreign employees, 539 are for our Group's IMS division and 97 are for our Group's resources division.

Our foreign workers are hired from Bangladesh, Indonesia, Myanmar, Nepal and Vietnam. All of our foreign workers have the necessary and valid work permits. Save for the employees of PT Indotech Metal Nusantara, our subsidiary in Indonesia, whom are represented by Serikat Pekerja Metal Indonesia, none of our other employees are members of any union and there has not been any industrial disputes with Serikat Pekerja Metal Indonesia since the inception of PT Indotech Metal Nusantara.

We recognise the importance of staff training as it allows our staff to be updated on the latest technology, industry standards and product innovations. We provide on-the-job training to our employees from time to time. Most of the training programmes are conducted in-house, throughout the year. Technical staff also attended technical training courses and production training from in-house experts. The main objectives of our Group's training and development programmes are to ensure that employees are familiar with the latest developments in production machinery and to promote higher productivity and work efficiency.

Throughout 2010 to and up to the LPD, our employees have completed various training and development programmes organised in-house and/or by external consultants. The selected external training and development programmes completed by the relevant employees of our Group are set out below:

Calendar year	Programme	Organiser
2012	Budget Seminar and Updates on Recent Tax Developments	Ernst & Young Tax Consultants Sdn Bhd
	Advanced Semiconductor Failure And Yield Analysis	Image Transforms (M) Sdn Bhd

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER, SUBSTANTIAL SHAREHOLDERS AND EMPLOYEES *(Cont'd)*

Calendar year	Programme	Organiser
	Eagle Test Systems –ETS 364/600 Basic Programming	Teradyne Malaysia Ltd (Melaka)
	Creo User Interface & The Basic Creo Concept	PD Solutions Sdn Bhd
	Chemical Spillage & PPE (Personal Protective Equipment)	Safetyware Sdn Bhd
2011	CCCF (Completely Check Completely Find) Study Visit To Toyota Thailand	Toyota Sports Centre
	Increased Productivity with MES (Manufacturing Execution System) HYDRA Value-Add without Wastage Seminar	SIRIM Berhad
	The Power of Supply Chain	Penang Skills Development Centre
	Surfcam Wirecut Training	Rapid Team Solution Sdn Bhd
	Effective warehouse/ inventory management and Incoterms (International Commercial Terms) 2010	GDP Training and Resources Sdn Bhd
	Safety in workplace	In house training
2010	MAJAICO (Malaysia Japan Automotive Industries Co-operation) TRAINING	Small and Medium Industries Development Corporation
	Internal Quality Audit Training ISO14001:2004	Sheffield Consulting Groups
	Atmel RF Testing	Atmel Corporation , USA
	JMP (JUMP- STATISTICAL SOFTWARE) - Statistical Data Exploration	SAS Institute Sdn Bhd
	AutoCAD (Computer-Aided-Design)	I-Gentech Sdn Bhd
	Inside Innovation	Selangor Human Resource Development Centre

In addition, we have also conducted internal trainings which include, among others, programmes on mould troubleshooting techniques, maintenance of and method of using calipers and micrometers, fire drill training, health and safety awareness training.

Being an OEM, we observe stringent internal quality management system. This is because our ability to continue attracting new customers is attributed to the quality of our Group's products. Therefore, we have also provided our employees with ISO training from external experts. This allows our employees to familiarise themselves with ISO standards and requirements and increase their understanding of quality control.

11. APPROVALS AND CONDITIONS

11.1 Approvals and conditions

The shareholders of Jotech, AIC and AutoV have, at their EGMs held on 20 March 2012, 21 March 2012 and 22 March 2012 respectively approved the disposal of the Jotech Business, the disposal of the AIC Business, the disposal of the AutoV Business and the Distributions. The holders of the Jotech Warrants and the AIC Warrants have at their respective warrant holders meetings held on 20 March 2012 and 21 March 2012 respectively approved their respective Warrant Schemes.

In addition, the relevant authorities or bodies have given their approval for the Acquisitions (including the Share Issue), the Distributions, the Warrant Schemes, the Issuance and our Listing which are subject to the conditions set out below and the status of compliance with these conditions are also set out below as follows:

11.1.1 SC

(i) The SC had, via its letter dated 25 January 2012, approved, among others, the:

(a) Acquisitions, resulting in a significant change in business directions or policy of Jotech, AIC and AutoV under Section 212(2)(f) of the CMSA;

(b) distribution by Jotech, AIC and AutoV of their respective assets other than cash to their members, under Section 212(2)(e) of the CMSA;

(c) Share Issue under Section 212(2)(a) of the CMSA; and

(d) transfer of the listing status of any one of Jotech, AIC or AutoV to our Company,

subject to compliance with the following conditions:

Details of conditions imposed	Status of compliance
(i) The Principal Adviser to our Company, Jotech, AIC and AutoV to fully comply with the relevant requirement under the SC's Equity Guidelines and the Prospectus Guidelines - Equity and Debt pertaining to the implementation of the proposals, which includes, among others, the Acquisitions, the Capital Reduction and Capital Repayment, the Warrant Scheme and the Share Issue ("**Proposals**");	Complied.
(ii) The Principal Adviser, Alliance Investment Bank Berhad, OSK Investment Bank Berhad, KAF Investment Bank Berhad, our Company, Jotech, AIC and AutoV to fully comply with the Listing Requirements pertaining to the implementation of the Proposals and the issuance of the circulars (which include the independent advice letters) to the Entitled Shareholders and the issuance of the explanatory statements to the Entitled Warrant Holders; and	Complied.
(iii) The Principal Adviser and our Company to inform the SC of the completion of the Proposals immediately upon such completion.	To be complied.

(ii) The SC had, via its letter dated 18 October 2011, approved our request for waivers from complying with certain requirements of the Prospectus Guidelines, as set out below:

Reference to the Prospectus Guidelines	Details of waivers and conditions of approval	Status of compliance and reference
Prospectus Guidelines - Equity and Debt		
Paragraph 1.10		
Relief from the requirement to publish a summary advertisement of our Prospectus in a Bahasa Malaysia newspaper which is widely circulated.	Approved.	Not applicable.
Paragraph 8.01(a) to (d)		
Relief from disclosing the required information under the above paragraphs in respect of all subsidiaries and associated companies, except for: (a) Date and place of incorporation; (b) Registration number; (c) Principal activities; (d) Percentage of interest to be held by us; (e) Authorised, issued and paid-up capital; and (f) List of subsidiaries and associated companies of the subsidiary/associated company.	Approved.	Complied, as disclosed in Section 9.2 of this Prospectus.
Paragraphs 8.01(g), 8.02(k) and (l)		
Relief from disclosing the required information under the above paragraphs save for the disclosure of key licences, permits, brand names, patents and franchises which are material to our Group.	Approved.	Complied, as disclosed in Section 6.14 and Appendix II of this Prospectus.
Chapter 9 and Paragraph 9.06(b)		
Relief from disclosing the finalised details of our board of directors as well as our audit, remuneration and nomination committees at the point of submission of the application to the SC.	Approved, subject to the submission of information on the proposed directors and proposed committees' members to the SC at least fourteen (14) days prior to the submission of the prospectus for registration.	Complied, as disclosed in Sections 10.1, 10.1.4, 10.1.5 and 10.1.6 of this Prospectus.

11. APPROVALS AND CONDITIONS *(Cont'd)*

Reference to the Prospectus Guidelines	Details of waivers and conditions of approval	Status of compliance and reference
Prospectus Guidelines - Equity and Debt *(Cont'd)*		
Paragraph 11.01		
Relief from disclosing the information on all related party transactions for the past three (3) full financial years. We will instead disclose in the registrable prospectus the information on all recurrent related party transactions for the past three (3) full financial years, assuming our Group has been in existence for the past three (3) years under review.	Approved.	Complied, as disclosed in Section 13.1.2 of this Prospectus.
Paragraphs 12.10, 12.11 and 12.12		
Relief from complying with the requirements of the above paragraphs and to allow the inclusion of the unaudited interim financial results of Jotech, AIC and AutoV in the registrable prospectus based on the same format as those announced to Bursa Securities.	Approved, subject to the auditors conducting a review on the unaudited interim financial statements of Jotech, AIC and AutoV in accordance with the International Standard Review Engagements 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity".	Complied. The unaudited quarterly results for the 12-month period ended 31 December 2011 of Jotech, AIC and AutoV respectively are enclosed in Appendices III, IV and V of this Prospectus.
Paragraph 12.15		
Relief from preparing the proforma financial information based on our audited financial results.	Approved, however we and/or the Principal Adviser is reminded to comply with paragraph 12.16(a) of the Prospectus Guidelines - Equity and Debt.	Complied, as disclosed in Section 8.5 of this Prospectus.
Paragraph 12.16		
Relief from complying with the requirement to disclose the proforma financial information as at a date which is not more than six (6) months prior to the issue of our Prospectus.	Approved.	Noted.

11. APPROVALS AND CONDITIONS *(Cont'd)*

Reference to the Prospectus Guidelines	Details of waivers and conditions of approval	Status of compliance and reference
Prospectus Guidelines - Equity and Debt *(Cont'd)* Chapter 13		
Relief from preparing an accountant's report for inclusion in our Prospectus. We will instead attach the annual reports of Jotech, AIC and AutoV for the past three (3) financial years in CD-ROM format to our Prospectus, and will state where such information may be obtained and downloaded.	Approved.	Complied, as disclosed in Section 8.1 of this Prospectus.
Procedures for registration Paragraphs 1.10(i), (j), (k) and 1.13(b)		
(a) Relief from the requirement to include the original or certified copies of the audited financial statements of the subsidiaries of Jotech, AIC and AutoV for the last three (3) to five (5) financial years and the current financial period for the registration of our Prospectus. Instead, the annual report of Jotech, AIC and AutoV for the past three (3) financial years will be made available for inspection and included for the registration of our Prospectus;	Approved.	Complied.
(b) Relief from issuing the expert's report disclosed in our Prospectus in Bahasa Malaysia; and		
(c) Relief from submitting for confirmation of registration, two (2) registrable copies of the Bahasa Malaysia prospectus.		

Our Promoter is not subject to a moratorium on his shareholdings in our Company.

(iii) The SC had, in its letter dated 25 January 2012, approved our resulting equity structure on our Listing under the Equity Requirements for Public Listed Companies, subject to the Principal Adviser and our Company informing SC of the status of compliance of the conditions imposed by the MITI (as set out in Section 11.1.2 of this Prospectus) upon Completion.

11.1.2 MITI

Pursuant to manufacturing licences issued by MITI to a few of our subsidiaries, an application to MITI has been submitted for its approval for the disposals of the respective subsidiaries of Jotech, AIC and AutoV holding the manufacturing licences issued by MITI, to us. The approvals of MITI were obtained on 13 January 2012 and 25 April 2012 respectively, subject to the approval of the SC (as set out in Section 11.1.1(iii) of this Prospectus) and our Company is required to inform MITI after the completion of among others, the Acquisitions.

11.1.3 High Court of Malaya

The High Court of Malaya had on 3 April 2012 and 10 April 2012, granted the respective orders confirming the Warrant Schemes and Distributions.

11.1.4 Bursa Securities

Bursa Securities had, in its letter dated 8 May 2012, approved our admission to the Official List and our Listing.

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12. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)

Globaltec Formation Berhad

(formerly known as Temasek Formation Berhad)
(Company No. 953031-A)

Registered Office:
802, 8th Floor
Block C, Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

18 MAY 2012

The Shareholders
Globaltec Formation Berhad ***(formerly known as Temasek Formation Berhad)***

Dear Sir/Madam,

On behalf of the Board of Directors of Globaltec Formation Berhad *(formerly known as Temasek Formation Berhad)* ("**GFB**") ("**Board**"), I report, after making due enquiries in relation to:

(i) GFB during the period between 15 July 2011 (being the date of incorporation);

(ii) Jotech Holdings Berhad ("**Jotech**") and its subsidiaries ("**Jotech Group**") during the period between 31 December 2010 (being the date to which the last audited financial statements of Jotech Group have been made up);

(iii) AIC Corporation Berhad ("**AIC**") and its subsidiaries ("**AIC Group**") during the period between 31 December 2010 (being the date to which the last audited financial statements of AIC Group have been made up); and

(iv) AutoV Corporation Berhad ("**AutoV**") and its subsidiaries ("**AutoV Group**") during the period between 31 December 2010 (being the date to which the last audited financial statements of AutoV Group have been made up),

and the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

(i) the business of GFB, Jotech Group, AIC Group and AutoV Group ("**GFB Group**") has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the date of incorporation of GFB and the last audited financial statements of Jotech Group, AIC Group and AutoV Group respectively which have adversely affected the trading or the value of the assets of GFB Group;

(iii) the current assets of GFB Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantee or indemnity given by GFB Group;

(v) there have been, since the date of incorporation of GFB and the last audited financial statements of Jotech Group, AIC Group and AutoV Group respectively, no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in respect of any borrowings; and

(vi) save as disclosed in this Prospectus, there have been, since the date of incorporation of GFB and the last audited financial statements of Jotech Group, AIC Group and AutoV Group respectively, no material change in the published reserves or any unusual factors affecting the profits of GFB Group.

Yours faithfully,
For and on behalf of the Board of
Globaltec Formation Berhad ***(formerly known as Temasek Formation Berhad)***

Datuk Dr. Goh Tian Chuan, JP
Group Executive Chairman

13. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

13.1 Related party transactions

Under the Listing Requirements that are applicable to companies listed on the Main Market of Bursa Securities, a **"related party transaction"** is a transaction entered into by a listed company or its subsidiaries that involves the interests, direct or indirect, of a related party. A **"related party"** of a listed company is:

(i) a director; or

(ii) a major shareholder who has an interest or interests in one or more voting shares in a corporation and the nominal amount of those shares or the aggregate of the nominal amounts of those shares, is:

(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or

(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation,

and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or CEO or a major shareholder of the listed company or its subsidiaries or holding company.

Further, a related party includes a person connected with such director or major shareholder as defined under the Listing Requirements.

As set out in Section 11.1.1(ii) of this Prospectus, we have been exempted from disclosing all related party transactions for the past three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010. Therefore, disclosures below are only in respect of our non-recurrent related party transactions which we have entered into since our incorporation, and recurrent related party transactions assuming that our Group has been in existence for the past three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010.

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

13.1.1 Non-recurrent related party transactions

Save as disclosed below, there are no other existing or potential material non-recurrent related party transactions since our incorporation up to the date of this Prospectus.

Our Directors confirmed that the non-recurrent material related party transactions set out below were carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties.

Transacting parties	Nature of relationship	Nature of transaction	Transaction value
			RM'000
Our Company and Jotech	Datuk Dr. Goh Tian Chuan is our Group Executive Chairman/CEO of our resources division and a major shareholder of our Company. He is the Executive Chairman and was a major shareholder in Jotech.	Acquisition of the Jotech Business pursuant to the Merger Agreement	217,300
Our Company and AIC	Datuk Dr. Goh Tian Chuan is our Group Executive Chairman/CEO of our resources division and a major shareholder of our Company. He is the Executive Chairman and was a major shareholder of AIC.	Acquisition of the AIC Business pursuant to the Merger Agreement	339,200
Our Company and AutoV	Datuk Dr. Goh Tian Chuan is our Group Executive Chairman/CEO of our resources division and a major shareholder in our Company. He was a major shareholder of AutoV. Chen Heng Mun is our Executive Director/Group Chief Financial Officer. He is the Non-Independent Non-Executive Director of AutoV. He is the Executive Director of AIC, which was a major shareholder of AutoV.	Acquisition of the AutoV Business pursuant to the Merger Agreement	154,400

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

13.1.2 Recurrent related party transactions

Our Group has entered into transactions that are of a revenue or trading nature with related parties, which are necessary for our day-to-day operations ("**Recurrent Transactions**").

The past Recurrent Transactions were carried out on an arm's length basis and on commercial terms which were not more favourable to the related parties than those generally available to third parties and which were also not detrimental to our minority shareholders. Our Directors also confirmed based on the procedures set out in Section 13.3 of this Prospectus that such future Recurrent Transactions will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties and which will not be detrimental to our minority shareholders.

We will make disclosures in our annual report of the aggregate value of transactions conducted based on the nature of Recurrent Transactions made, the names of the related parties involved and their relationship with our Company during the financial year and in the annual reports for subsequent financial years.

Save as disclosed below, there are no other material Recurrent Transactions or potential material Recurrent Transactions that we have entered into in respect of which rights and obligations are subsisting and/or proposed for the years ended 31 December 2008, 31 December 2009 and 31 December 2010.

			Transaction value		
Transacting parties	**Nature of relationship**	**Nature of transaction**	**Year ended 31 December 2008**	**Year ended 31 December 2009**	**Year ended 31 December 2010**
			RM'000	**RM'000**	**RM'000**
AIC Semiconductor Sdn Bhd ("**AICS**") and Atmel Corporation ("**Atmel**")	Atmel holds 6.1% equity interest and 19.9% of RCPS in AICS	Assembly and testing of IC chips by AICS for Atmel	29,420	25,329	17,570

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

13.1.3 Transactions entered into that are unusual in their nature or conditions

Save as disclosed in Section 13 of this Prospectus, our Directors have confirmed that to the best of their knowledge and belief, we have not entered into any transactions which are unusual in their nature or conditions, involving goods, services, tangible or intangible assets in respect of the past three (3) financial years under review.

13.1.4 Outstanding loans and guarantees

Our Directors have confirmed that to the best of their knowledge and belief, there are no outstanding loans (including guarantees of any kind), made by us or our subsidiaries to or for the benefit of our related parties for the past three (3) financial years under review.

13.2 Conflict of interests

13.2.1 Our Directors' and substantial shareholders' direct and indirect interest in other businesses and corporations carrying on a similar trade as our Group

Save as disclosed below, none of our Directors or substantial shareholders has any interest, direct or indirect, in other businesses or corporations currently carrying on a similar trade as us.

Director/substantial shareholder	Company	Principal activities	Position held	Equity interest as at the LPD	
				Direct %	Indirect %
Datuk Dr. Goh Tian Chuan	Cara Kaya Sdn Bhd	Property holding and management, investment holding and oil palm plantation	Director and substantial shareholder	99.99	* 0.01
	Begajuta Sdn Bhd	Collection of FFB and oil palm plantation	Director and substantial shareholder	40.00	-
Kong Kok Keong	Begajuta Sdn Bhd	Collection of FFB and oil palm plantation	Substantial shareholder	40.00	-

Note:

* *Deemed interest by virtue of Section 6A of the Act held through his spouse.*

13.2.2 Our Directors' and substantial shareholders' direct and indirect interest in other businesses and corporations who are our Group's customers or suppliers

None of our Directors or substantial shareholders has any direct or indirect interest, in other businesses or corporations which are our customers or suppliers.

The interests of Datuk Dr. Goh Tian Chuan and Kong Kok Keong, our Directors and substantial shareholders in the other businesses and corporations as set out above would not give rise to a situation of conflict of interest with the businesses of our Group.

The involvement of Datuk Dr. Goh Tian Chuan as a director and substantial shareholder in these other businesses does not preclude him from allocating most of his time to our Group because the daily operations in those businesses are managed by the respective companies' personnel. His role in Begajuta Sdn Bhd and Cara Kaya Sdn Bhd is limited to administrative duties such as the signing of cheques and attending board meetings in order to discharge his principal areas of responsibility as a director. Datuk Dr. Goh Tian Chuan has ensured that he would be able to fulfil and discharge his duties and responsibilities effectively as our Director.

Similarly, the involvement of Kong Kok Keong as a substantial shareholder of Begajuta Sdn Bhd, does not preclude him from allocating most of his time to our Group because he is merely a substantial shareholder of the company. He does not hold any executive position and is not involved in the daily operations of the company. Kong Kok Keong has ensured that he would be able to fulfil and discharge his duties and responsibilities effectively as our Director.

13.3 Monitoring and oversight of related party transactions and conflict of interest

Related party transactions, by their very nature, involve a conflict of interest between the related parties and us with whom we entered into such transactions with. Any related party transaction or conflict of interest situation involving us (including any future related party transaction and conflict of interest situation) must be reviewed by our Audit Committee which will report such transaction or conflict to our Board for their further action. If any related party transaction involves any of:

(i) our Directors and persons connected/related to them; and/or

(ii) our major shareholders and persons connected/related to them,

then:

(i) the relevant Director and persons connected/related to that Director; and/or

(ii) the relevant major shareholder and persons connected/related to that major shareholder,

are required to abstain from deliberation and/or voting at the relevant Board meeting and general meeting in deciding on the related party transaction.

Further, our Audit Committee has the following responsibilities in relation to the monitoring of related party transactions and conflict of interests:

(i) review the propriety of any related party transaction and conflict of interest situation that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(ii) review the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions;

(iii) review all related party transactions entered into by our Company and our Group during the Audit Committee's quarterly meeting in order to ensure that the related party transactions were entered into on an arm's length basis and on normal commercial terms; and

(iv) review and approve the circular to our shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions and the statements by the Audit Committee in respect of the proposed shareholders' mandate for recurrent related party transactions.

13.4 Declaration by our advisers on conflict of interests

13.4.1 Declaration by Maybank IB

Save as disclosed below, Maybank IB confirms that as at the LPD, it is not aware of any circumstances that exist or are likely to give rise to a possible conflict of interest situation in relation to its capacity as the Principal Adviser and the Joint Financial Adviser for our Listing.

Maybank IB is also the Principal Adviser and Joint Financial Adviser to Jotech, AIC and AutoV for the preparation of all submissions of Jotech, AIC and AutoV to the regulatory authorities, where required, and the circulars to shareholders of Jotech, AIC, AutoV and the explanatory statements to the warrant holders of Jotech and AIC in relation to the Acquisitions (including the Share Issue), the Distributions and the Warrant Schemes. Alliance Investment Bank Berhad, OSK Investment Bank Berhad and KAF Investment Bank Berhad have been appointed as the independent advisers to advise non-interested directors and non-interested shareholders of Jotech, AIC and AutoV respectively on the Acquisitions (including the Share Issue) and the Distributions.

Maybank, its related and associated companies ("**Maybank Group**") form a diversified financial group which offers an extensive range of financial products and services which includes commercial banking, investment banking, Islamic banking, offshore banking, insurance and takaful, factoring, trustee services, asset management, stock broking, nominee services, venture capital and internet banking. Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group, in addition to the role involved in our Listing. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Group, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group. This is a result of the businesses of Maybank Group generally acting independently of each other and accordingly there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group.

Maybank Group has, in the ordinary course of their banking business, granted credit facilities to our Group. As at the LPD, our Group has several banking facilities with Maybank amounting to approximately RM36.55 million, of which RM9.27 million is outstanding.

Notwithstanding the appointment of Maybank IB as the Principal Adviser and Joint Financial Adviser to our Company, Jotech, AIC and AutoV for the Listing, the Acquisitions (including the Share Issue), the Distributions and the Warrant Schemes, and the granting of credit facilities to our Group, Maybank IB is of the view that this aforementioned does not result in a conflict of interest situations due to the following reasons:

(i) the appointment of Alliance Investment Bank Berhad, OSK Investment Bank Berhad and KAF Investment Bank Berhad as the independent advisers to advise non-interested directors and non-interested shareholders of Jotech, AIC and AutoV respectively on the Acquisitions (including the Share Issue) and the Distributions; and

(ii) the credit facilities granted to our Group are not material when compared to the audited total assets of Maybank Group as at 31 December 2011, which arose in the ordinary course of business of the Maybank Group in view of Maybank Group's extensive participation in the Malaysian banking industry.

13.4.2 Declaration by Astramina

Astramina confirms that there is no conflict of interest in its capacity as the Joint Financial Adviser for our Listing.

13.4.3 Declaration by Mah-Kamariyah & Phillip Koh

Mah-Kamariyah & Phillip Koh confirms that there is no conflict of interest in its capacity as the Solicitor and Due Diligence Solicitor of our Company for our Listing.

13.4.4 Declaration by Lee Choon Wan & Co

Lee Choon Wan & Co confirms that there is no conflict of interest in its capacity as the Solicitor and Due Diligence solicitor of AIC for our Listing.

13.4.5 Declaration by Teh & Lee

Teh & Lee confirms that there is no conflict of interest in its capacity as the Solicitor and Due Diligence Dolicitor of Jotech and AutoV for our Listing.

13.4.6 Declaration by Infobusiness Research & Consulting Sdn Bhd

Infobusiness Research & Consulting Sdn Bhd confirms that there is no conflict of interest in its capacity as the Independent Market Researcher for our Listing.

13.4.7 Declaration by KPMG

KPMG confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants of our Company for our Listing.

14. ADDITIONAL INFORMATION

14.1 Share capital

(i) No securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.

(ii) Save as disclosed in Section 9.1.4 of this Prospectus, no person has been or is entitled to be given an option to subscribe for any of our Company's shares, stocks or debentures. We do not have and we have not agreed conditionally or unconditionally to put any of our share capital under any option.

(iii) There is currently no scheme involving our employees and Directors in our capital.

(iv) Save as disclosed in this Prospectus, and save as provided under our Articles and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of us or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

(v) Pursuant to the Supplemental Agreement and the Supplemental Proreka SPA, 10,900,000 RCPS of ASSB have been issued and therefore on full conversion, 216,183,333 Shares will be issued, representing approximately 3.94%* of our enlarged share capital. Such an issuance will have a dilutive effect on your shareholdings in our Company.

Note:

* *Based on our enlarged share capital after the Issuance and assuming conversion of the RCPS of ASSB of RM548,982,958 comprising 5,489,829,581 Shares.*

14.2 Extracts of our Articles

The following provisions are extracted from our Articles in respect of the transfer of our securities, the remuneration of our Directors, the voting and borrowing powers of our Directors and changes in share capital and variation of class rights (which are no less stringent than those required by law). The words and expressions appearing in the following provisions shall bear the same meanings used in our Articles unless the context otherwise requires.

(i) **Transfer of Securities**

Article 26 - Transferor's Right

The instrument of transfer of any securities shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the securities until the name of the transferee is entered in the ROD in respect thereof.

Article 27 - Refusal to register transfers

Depository may refuse to register any transfer of Deposited Securities that does not comply with the Central Depositories Act and the Rules, no securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 28 - Closing of registers

The registration of transfers may be closed at such times and for such periods as the Directors may from time to time determine, provided it shall not be closed for more than thirty (30) days in any year. The Company shall give Bursa Securities prior written notice of the period of the intended suspension or closure and the purposes thereof, which notice shall be at least ten (10) market days or such number of days as may be prescribed by Bursa Securities. In relation to the suspension or closure, the Company shall give written notice in accordance with the Rules to prepare the appropriate ROD.

Article 29 - Transfer of securities

The transfer of any listed securities or class of listed securities of the Company which have been deposited with Depository, shall be by way of book entry by Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act, and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

Article 30 - Instrument of Transfer

Subject to the provisions of the Central Depositories Act and the Rules, every instrument of transfer shall be in writing and in the form approved in the Rules and shall be presented to the Depository with such evidence (if any) as the Depository may require to prove the title of the intending transferor and that the intended transferee is a qualified person.

(ii) Remuneration of the Directors

Article 85 - Directors' fee

The fees payable to the Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as that Directors may determine provided always that:-

(a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

(c) any fee paid to an Alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 86 - Reimbursement

The Directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meeting of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration.

Article 87 - Special Remuneration

If by arrangement with the Directors, any Director shall perform or render any special duties outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged provided that the special remuneration payable to non-executive director shall not by way of a commission on or percentage of profits or turnover.

Article 121 - Remuneration of Managing Director and/or Executive Director

A Managing Director or Deputy Managing Director and/or Executive Directors shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission, or participation in profits or partly in one way and partly in another) as the Directors may determine. Such remuneration may not include a commission on or a percentage of turnover.

(iii) Voting and Borrowing Powers of the Directors

Article 91 - General Powers of the Company Vested in Directors

The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles or provisions of the Act, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Article 92 - Powers of Directors

The Directors shall not without the prior approval of the Company in general meeting:

(a) carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's undertaking or property;

(b) exercise any power of the Company to issue shares unless otherwise permitted under the Act;

(c) subject to Section 132E of the Act, enter into any arrangement or transaction with a Director of the Company or its holding Company or with a person connected with such a Director to acquire from or dispose to such Director or person any non-cash assets of the requisite value as stated in the Act; and

(d) issue warrants as call options on such terms and subject to such conditions which may be recommended by the Directors which confers a right to subscribe for new shares of the Company.

Article 93 - Director's Borrowing Powers

The Directors may exercise all the powers of the Company to borrow or raise money for the purpose of the Company's or any of its related corporations' businesses on such terms as they think fit and may secure the repayment of the same by mortgage or charge upon the whole or any part of the Company's undertaking and property (both present and future) including its uncalled or unissued capital and may issue bonds, debentures and other securities whether charged upon the whole or part of the assets of the Company or otherwise but the Directors shall not borrow any money or mortgage or charge any of the Company's or any of the subsidiary companies' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 108 - Directors' Power to Vote

Subject to these Articles, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes and subject to Article 106 the Chairman of the meeting shall have a second or casting vote. Where two (2) Directors form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a second or casting vote.

Article 109 - Restriction on Voting

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted.

(iv) Changes in capital and variation of class rights

Article 10 - Modification of class rights

Subject to the provisions of Section 65 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths (3/4) of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class. To every such separate meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) Members of the class holding or representing by proxy, one-third (1/3) of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one (1) vote for every such share held by him. To every such special resolution the provisions of Section 152 of the Act shall with such adaptation as are necessary apply.

Article 45 - Power to Increase Capital

The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

Article 47 - Issue of Securities

Notwithstanding the foregoing and subject to the Act and the Listing Requirements, the Company must ensure that it shall not issue any shares or convertible securities if the nominal value of the those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten per cent (10%) of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue.

Article 48 - Company May Alter its Capital in Certain Ways

The Company may by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum and Articles of Association and the Act; provided that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the resulting shares one or more of such share may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; or

(c) cancel any shares not taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 49 - Capital Raised by the Creation of New Shares

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the provisions herein contained with reference to payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise. Unless otherwise provided in accordance with these Articles the new shares shall be Ordinary Shares.

Article 50 – Reduction of Capital

The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act.

14.3 Limitation on the right to hold securities and/or exercise voting rights

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as securities required to be deposited with Bursa Depository.

Dealing in securities deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository (**"Depositor"**) by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the ROD maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 Material litigation

Our Group is not engaged in any material litigation, whether as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position.

14.5 Material contracts

Save as disclosed below, we have not entered into any material contracts, not being contracts entered into in the ordinary course of business, during the two (2) years preceding the date of this Prospectus:

(i) Novation Agreement dated 23 March 2012 entered into between AIC, CIMB Islamic Trustee Berhad (as Trustee for the Amanah Raya Real Estate Investment Trust) ("**CIMB Islamic Trustee**") and our Company, whereby AIC agreed and CIMB Islamic consented to the assignment and transfer to our Company of the lease of all that piece of land held under HS(D) 97328, Lot PT No. 611 and HS(D) 97329 Lot PT No. 612, both of Section 16, Bandar Shah Alam, District of Petaling, State of Selangor together with all erected buildings/structures thereon but excluding all the plants and machineries installed/affixed/brought or to be installed/affixed/brought on those said land ("**Property**") in consideration of our Company assuming the entire responsibility for and undertaking to carry out, discharge, observe and perform all obligations on the part of AIC pursuant to the Lease Agreement dated 13 September 2006 entered between AIC and Amanah Raya Berhad. The completion of the novation of the lease of the Property shall be effective only after the completion of the Merger Agreement, the consent of the relevant state authority for the said novation has been obtained and the completion of a financial and legal due diligence exercise in respect of our Company having been completed to the satisfaction of CIMB Islamic Trustee;

(ii) Shareholders Agreement dated 23 September 2011 entered into between Proreka Sprintex Sdn Bhd ("**Proreka Sprintex**"), Automotive Technology Group Limited ("**ATG**") and Proreka whereby ATG and Proreka both hold 50% of the shares in Proreka Sprintex and agreed to regulate their rights, obligations and liability as shareholders in Proreka Sprintex in relation to their obligations to manufacture and to sell and distribute the superchargers in the nominated territory pursuant to a Licence, Sales and Distribution Agreement entered into on 23 September 2011;

(iii) The Merger Agreement (as amended and varied by the Supplemental Agreement);

(iv) The Proreka SPA (as amended and varied by the Supplemental Proreka SPA). The Proreka SPA was completed on 9 November 2011;

(v) Sale & Purchase Agreement dated 21 April 2011 entered into between Prodelcon and Penang Development Corporation for the purchase by Prodelcon of an unencumbered parcel of vacant industrial leasehold land, identified as Plot 321 at Penang Science Park, Bukit Minyak, measuring approximately 4.011 acres, for a cash consideration of RM2.97 million. This acquisition was completed on 21 October 2011;

(vi) Conditional Sale and Purchase Agreement dated 23 November 2010 entered into between Jotech and Hiew Yon Fo, Pang Kim Fan (**"Vendors"**) for the acquisition by Jotech of the entire equity interest in CFSB for a purchase consideration of approximately RM4.06 million respectively to be satisfied by RM1.06 million cash and 30 million new Jotech Shares. The Conditional Sale and Purchase Agreement was completed on 22 March 2011;

(vii) Conditional Sale and Purchase Agreement dated 23 November 2010 entered into between Jotech and the Vendors for the acquisition by Jotech of the entire equity interest in MPSB for a purchase consideration of approximately RM23.10 million to be satisfied by RM8.10 million cash and the issuance of 150 million new Jotech Shares. The Conditional Sale and Purchase Agreement was completed on 22 March 2011; and

(viii) Sale and Purchase Agreement dated 30 March 2010 entered into between our wholly owned subsidiary, Prodelcon and Mipox Malaysia Sdn Bhd for the disposal of Prodelcon's investment properties to Mipox Malaysia Sdn Bhd, comprising two (2) parcels of leasehold industrial lands and buildings (offices and factories), located at Lot 7 and 9, Lintang Bayan Lepas 2, Phase IV, Kawasan Perindustrian Bayan Lepas, 11900 Pulau Pinang for a total cash consideration of RM4.6 million. The Sale and Purchase Agreement was completed on 26 July 2010 and resulted in a gain on disposal of RM2.6 million.

14.6 Repatriation of capital and remittance of profits

14.6.1 PRC

Under PRC laws, there are no control restrictions on the remittance of profit of the subsidiaries to the holding company.

As to the capital distribution, under the PRC laws, foreign investors are not allowed to repatriate the capital of foreign investment enterprises out of PRC unless the repatriation of the capital has been duly approved by Ministry of Commerce (or its delegated authorities) under the capital decrease or liquidation situations. The repatriation of the capital is further subject to the approval of the State Administration of Foreign Exchange (or its delegated authorities).

14.6.2 Indonesia

There are no exchange control restrictions or currency restrictions in Indonesia that would prevent the repatriation of funds (regardless of whether they are profits or capital in nature). The payment of dividend and/or repatriation of capital by PT Indotech Metal Nusantara to Jotech Metal Fabrication Industries Sdn Bhd has to be reported directly to Bank Indonesia if it is done through an overseas bank account or intercompany/office accounts. Similarly, the payment of dividend and/or repatriation of capital by PT Indotech Metal Nusantara to Jotech Metal Fabrication Industries Sdn Bhd, if done via an Indonesia Bank, have to be reported to Bank Indonesia via the remitting bank.

14.7 Public take-overs

During the last year ended 31 December 2011 and the subsequent period up to the LPD, there were no:

(i) public take-over offers by third parties in respect of our securities; and

(ii) public take-over offers by our Company in respect of other corporations' securities.

14.8 Consents

The Principal Adviser, Joint Financial Advisers, the Solicitor and Due Diligence Solicitor for our Company, the Solicitors and Due Diligence Solicitors for Jotech, AIC and AutoV respectively, the Company Secretaries, the Share Registrar, the Principal Bankers/Principal Financier and the Independent Market Researcher have, before the issue of this Prospectus, given and have not subsequently withdrawn their written consents for the inclusion in this Prospectus of their names in the manner and form in which such names appear in this Prospectus.

Our Auditors and Reporting Accountants have, before the issue of this Prospectus, given and not subsequently withdrawn their written consents for the inclusion in this Prospectus of their names and the Reporting Accountants' letters on the proforma consolidated financial information and the proforma consolidated statements of financial position in the manner and form in which they are contained in this Prospectus.

14.9 Documents available for inspection

Copies of the following documents may be inspected at our registered office during office hours for a period of twelve (12) months from the date of this Prospectus:

(i) Our Memorandum of Association and Articles;

(ii) Our material contracts referred to in Section 14.5 of this Prospectus;

(iii) Our Reporting Accountants' letters on the proforma consolidated financial information and the proforma consolidated statements of financial position referred to in Section 8.5 of this Prospectus;

(iv) The Directors' Report as referred to in Section 12 of this Prospectus;

(v) Our IMR Report and the Executive Summary of the IMR Report as referred to in Section 7 of this Prospectus;

(vi) The letters of consent referred to in Section 14.8 of this Prospectus;

(vii) The audited consolidated financial statements of Jotech, AIC and AutoV for the last three (3) years ended 31 December 2008, 31 December 2009 and 31 December 2010; and

(viii) The audited financial statements of all subsidiaries of Jotech, AIC and AutoV for the last five (5) years ended 31 December 2006, 31 December 2007, 31 December 2008, 31 December 2009 and 31 December 2010.

14.10 Responsibility statements

Our Directors and Promoter have reviewed and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy and correctness of the information given in this Prospectus and confirm that, after making all reasonable enquiries and, to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB as the Principal Adviser and Joint Financial Adviser and Astramina as the Joint Financial Adviser for the Listing acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts on the Listing.

APPENDIX I BUSINESS LOCATION AND SUMMARY OF LANDED PROPERTIES

The table below sets out the material properties owned by our Group as at the LPD:

No.	Name of registered owner/location/address	Description/existing use	Land area/ built-up area	Age of building/ date of issuance of certificate of fitness	Tenure/ date of expiry of lease	Major encumbrances/ restrictions in interest	Net book value as at 31 December 2010
			* sq. ft.				RM
1.	**AIC Semiconductor Sdn Bhd** Lot 26 & 27 Zone Perindustrian Phase 1 Kulim Hi-Tech Industrial Park 09000 Kedah Malaysia	Office building annexed to a factory building / Currently used for assembly and test of IC chips	Total land area: 513,140/ Plant 1: 95,000 Plant 2: 89,000	Plant 1: 15 years/ 8.9.1997 Plant 2: 11 years/ 17.5.2002	Lease over 60 years/ 19.8.2056	Charged to Malaysian Industrial Development Finance Berhad vide presentation no. 18002/2007	35,275,680
2.	**Prodelcon** Plot 78 Lintang Bayan Lepas 7 Phase IV Kawasan Perindustrian Bayan Lepas 11900 Pulau Pinang Malaysia	Office building annexed to a factory building / Currently used for manufacture of semiconductor tooling products, automation systems and precision machining	66,000/ 51,000	14 years/ 23.7.1998	Lease over 60 years/ 10.7.2057	-	6,036,839
3.	**AIC Properties Sdn Bhd** Country Lease No.: 015028234 Kg Gudon Jalan UMS (KK- Sulaman Highway) Kota Kinabalu, Sabah Malaysia	Vacant land designated within an area zoned for "High Density Residential Use" / The land is purchased for investment purposes and currently there is no existing use	7.808 acres	N/A	Lease over 999 years/ 13.10.2924	-	11,033,201

No.	Name of registered owner/location/address	Description/existing use	Land area/ built-up area	Age of building/ date of issuance of certificate of fitness	Tenure/ date of expiry of lease	Major encumbrances/ restrictions in interest	Net book value as at 31 December 2010
			* sq. ft.				RM
4.	**AutoV** Lot 27217, Jalan Haji Abdul Manan Batu 51/2, Off Jalan Meru 41050 Klang Selangor Darul Ehsan Malaysia	Single storey detached factory with a double storey office / Currently used for manufacturing of automotive components	53,604/ 37,502	[1] 17 years/ 12.08.2010	Freehold	-	2,752,894
5.	**JP Metal Sdn Bhd** Lot 6, Jalan 6/4 Kawasan Perindustrian Seri Kembangan 43300 Seri Kembangan Petaling Jaya,Selangor Malaysia	Single storey detached factory with a double storey office / Currently used for metal stamping operations	48,319/ 29,881	23 years/ 20.11.1989	Freehold	-	3,362,477
6.	**Jotech Metal Fabrication Industries Sdn Bhd** No. 20 & 22 Jalan Masyhur 1 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Malaysia	3-storey office with single storey detached factory building / Currently used for manufacturing and fabrication of tools and dies and precision stamping parts for electronic and electrical industries	78,400/ 63,000	15 years/ 11.11.1997	Freehold	Pledged to OCBC Bank Berhad vide presentation no. 80729/2007 and 80730/2007	6,656,956
7.	**Jotech Metal Fabrication Industries Sdn Bhd** No. 24, Jalan Masyhur 1 Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Malaysia	3-storey office with single storey detached factory building / Currently used for manufacturing and fabrication of tools and dies precision stamping parts for electronic and electrical industries	39,200/ 25,052	20 years/ 1.4.1992	Freehold	Pledged to OCBC Bank Berhad vide presentation no. 87062/2006	3,504,180

No.	Name of registered owner/location/address	Description/existing use	Land area/ built-up area	Age of building/ date of issuance of certificate of fitness	Tenure/ date of expiry of lease	Major encumbrances/ restrictions in interest	Net book value as at 31 December 2010
			* sq. ft				RM
8.	**PT Indotech Metal Nusantara** Kawasan Industri KIIC Lot C-7C, Jln. Tol Jakarta-Cikampek KM 47 Teluk Jambe Karawang 41361 Jawa Barat Indonesia	2-storey office with single storey detached factory building / Currently used for manufacturing and fabrication of tools and dies and precision stamping parts for the electronic and automotive industries	79,040/ 46,228	15 years/ 25.8.1997	Lease over 30 years/ 24.9.2021	Pledged to PT Bank OCBC Indonesia vide presentation no. AK002822	2,486,563
9.	**GuangDong Jotech Kong Yue Precision Industries Ltd** Kong Yue Industrial Park 18 Kong Yue Road XinHui District JiangMen City GuangDong Province PRC	2-storey office with single storey detached factory building / Currently used for manufacturing and fabrication of tools and dies and precision stamping parts for the electronic and electrical industries	358,793/ 93,076	9 years/ (2) 17.8.2007	Lease over 50 years/ 11.5.2053	Pledged to XinHui Rural Credit Union Bank vide presentation no. 899B and 899C dated 23 July 2009 and 20 July 2009 respectively	5,396,915

Notes:

* *In sq. ft. unless otherwise stated.*

(1) *The age of building was based on the date of completion on 12 January 1995. The certificate of fitness for the property was subsequently issued on 12 August 2010.*

(2) *Based on the Project Completion Inspection Report (工程竣工验收报告) dated 17 August 2007 issued by Xinhui Construction Project Quality and Safety Supervision Department (新会市建设工程质量安全监督站制).*

To the best of our Directors' knowledge and belief, there is no breach of any property or land use conditions and/or no non-compliance with any regulatory requirement, land rules, building regulations and environmental issue which may materially affect our Group's operation and utilisation of assets in respect of the property owned by our Group as set out above.

The table below sets out the material landed properties rented by our Group:

No.	Name of lessor/address	Description/existing use	Area rented	Tenure/ date of expiry	Monthly rental and service charges
			sq. ft.		RM
1.	**Sri Badas Sdn Bhd** Block 7, Lot 68, 2nd Floor, Prima Square Phase 1, Mile 4, North Road 90000, Sandakan, Sabah Malaysia	3-storey shop-cum-office building / Currently being used as the office space for MPSB and CFSB	1,400	6 years/ 31.5.2017	1,380
2.	**Ho Yeat Seong** Lot P.T. 39479 No. 17, Jalan Industri PBP 3 Taman Industri Pusat Bandar Puchong Mukim Petaling District of Petaling, Selangor Darul Ehsan Malaysia	1-storey factory and 3-storey office building / Currently being used as the manufacturing site and warehouse of Proreka	66,650	2 years/ 31.12.2012	56,000
3.	**Eternal Accord Sdn Bhd** Lot PT 2631 Kampung Baru Sungai Buluk 47000, Sungai Buluh Selangor Darul Ehsan Malaysia	1-storey factory and 2-storey office building / Currently being used as the office space, manufacturing site and warehouse of Proreka Tech Sdn Bhd	30,600	3 years/ 31.5.2015	(1) 18,200
4.	**Tan Kho Khew Properties Sdn Bhd** Lot 717G (Grant 2605) Jalan Welfare Kampung Sg Buloh 47000 Selangor Darul Ehsan Malaysia	1-storey warehouse / Currently used as the warehouse of Proreka Tech Sdn Bhd	6,000	1 year/ 31.7.2012	4,000

No.	Name of lessor/address	Description/existing use	Area rented	Tenure/ date of expiry	Monthly rental and service charges
			sq. ft.		RM
5.	**CIMB Islamic Trustee Berhad (as trustee for Amanah Raya Real Estate Investment Trust)** Wisma AIC Lot 3, Persiaran Kemajuan Seksyen 16 40200 Shah Alam Selangor Darul Ehsan Malaysia	3-storey office building with 2-storey factory building and warehouse / Currently used as office space and warehouse by AIC, AutoV and Brimal Holdings Sdn Bhd	19,217	10 years/ 12.9.2016	110,833.33 for year 1 to year 3 118,750.00 for year 4 to year 7 126,666.67 for year 8 to year 10

Note:

(1) The rental for this property will be increased to RM20,000 per month beginning October 2012.

None of the properties disclosed above are in breach of any property or land use conditions and/or is in non-compliance with current statutory requirements, land rules or building regulations.

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The table below sets out the oil palm plantations of our Group:

No.	Registered owner/ sub-lessee	Location/address	Title type	Description of property/ existing use	Land area	Tenure/ date of expiry of lease	Major encumbrances/ restriction in interest	Net book value as at 31 December 2010
					Hectares ("ha.")			RM
1.	Pang Kin Fan and Hiew Yon Fo/ MPSB [1]	Division 1, Bukit Garam/Sg. Lokan Off KM76.5 Sandakan-Lahad Datu Highway Kinabatangan Sabah	Country Lease ("CL") and Native Title ("NT")	Oil palm plantation with twenty (20) lots subject lands of which mostly are contiguous and collectively irregular in shape. The northern part generally comprises of hills and valley floors while the southern part is generally flat.	(i) CL: 142.883	CL [2] (i) 17.293 ha. leasehold/ 31.12.2081 (ii) 59.570 ha. leasehold/ 31.12.2082 (iii) 5.830 ha. leasehold/ 31.12.2082 (iv) 36.200 ha. leasehold/ 31.12.2096 (v) 23.990 ha. leasehold/ 31.12.2100	Charged to RHB Bank Berhad as security for bank borrowings All land is only for the purpose of cultivation of rice and/or agricultural crop of economic value. Only crops approved by the Director of Agriculture/ Director of Fisheries/ Director of Animal Husbandry and Veterinary Services shall be planted or cultivated on the said land	4,415,595
					(ii) NT: 40.510	NT (i) 40.510 ha. perpetual/ 31.05.2039 [3]		

APPENDIX I BUSINESS LOCATION AND SUMMARY OF LANDED PROPERTIES *(Cont'd)*

No.	Registered owner/ sub-lessee	Location/address	Title type	Description of property/ existing use	Land area ha.	Tenure/ date of expiry of lease	Major encumbrances/ restriction in interest	Net book value as at 31 December 2010 RM
				The average range of FFB yields are as follows: **Year of planting / Planted ha. / ^ Average yield (Metric Tonne ("MT")/ha.)** 1996 – 57.44 – 20.90 – 32.80 1997 – 11.00 – 18.16 – 28.32 1999 – 26.00 – 2.79 – 11.51 2002 – 22.80 – 0.31 – 16.93 2004 – 16.18 – 0.57 – 27.01 2008 – 42.47 – *				
		Division 2 Bukit Garam/Sg. Lokan Off KM76.5 Sandakan-Lahad Datu Highway Kinabatangan Sabah	NT, Provisional List ("PL") and Field Register ("FR")	Oil palm plantation with fifty-five (55) lots subject lands of which mostly are contiguous and collectively have a rough rectangular shape. The combined parcel has terrain comprising mainly broad hills interspersed by minor valley floors while undulating grounds, flat and lowlying areas are also found.	(i) NT: 225.219 (ii) FR: 4.828 (iii) PL : 9.801	**NT** (i) 205.829 ha. perpetual / 12.12.2098 (4) (ii) 19.390 ha. perpetual/ 31.05.2039 (3) **FR** (i) 4.828 ha. perpetual/ 31.05.2039 (3) **PL** (i) 9.801 ha. leasehold/ 31.12.2079 (2)	Charged to RHB Bank Berhad as security for bank borrowings All land is only for the purpose of cultivation of rice and/or agricultural crop of economic value. Only crops approved by the Director of Agriculture/ Director of Fisheries/ Director of Animal Husbandry and Veterinary Services shall be planted or cultivated on the said land	6,353,572

APPENDIX I BUSINESS LOCATION AND SUMMARY OF LANDED PROPERTIES *(Cont'd)*

No.	Registered owner/ sub-lessee	Location/address	Title type	Description of property/ existing use	Land area	Tenure/ date of expiry of lease	Major encumbrances/ restriction in interest	Net book value as at 31 December 2010
					ha.			RM
				The average range of FFB yields are as follows: **Year of planting** / **Planted ha.** / **^ Average yield MT/ha.** 1998 / 51.66 / 6.34 – 26.36 1999 / 74.81 / 4.03 – 27.56 2000 / 74.83 / 11.96 – 21.71 2002 / 3.50 / 19.85 – 37.52 2003 / 15.00 / 11.22 2005 / 4.60 / 23.96				
		Division 3, Bukit Garam/Sg. Lokan, Off KM 76.5 Sandakan- Lahad Datu Higway Kinabatangan, Sabah	CL and NT	Oil palm plantation with eighty-nine (89) lots subject land of which mostly are contiguous and collectively have a roughly inverted 'V' shape. The combined parcel has a terrain that contains swathes of flat lower lying land as well as higher grounds of undulating land and low hills with long gentle slopes.	(i) CL: 24.270 (ii) NT: 364.534	**CL** [2] (i) 24.270 ha. leasehold/ 31.12.2096 **NT** (i) 361.271 ha. perpetual/ 31.05.2039 [3] (ii) 3.263 ha. perpetual/ 13.07.2040 [3]	Charged to RHB Bank Berhad as security for bank borrowings All land is only for the purpose of cultivation of rice and/or agricultural crop of economic value. Only crops approved by the Director of Agriculture/ Director of Fisheries/ Director of Animal Husbandry and Veterinary Services shall be planted or cultivated on the said land	17,444,155

No.	Registered owner/ sub-lessee	Location/address	Title type	Description of property/ existing use	Land area	Tenure/ date of expiry of lease	Major encumbrances/ restriction in interest	Net book value as at 31 December 2010
					ha.			RM
				The average range of FFB yields are as follows: [5] Year of production / Average yield (MT/ha.) 2009 — 17.37 2010 — 14.29 The planted area are as follows: [6] Year of planting / Planted ha. 2002 — 117.43 2005 — 148.46 2007 — 75.89				
2.	Pang Kin Fan and Hiew Yon Fo/ CFSB [7]	Bukit Garam/ Sg. Lokan Off KM76.5 Sandakan – Lahad Datu Highway Kinabatangan Sabah	NT	Oil palm plantation with twenty-one (21) lots of subject land of which mostly are contiguous land and collectively have a pistol like shape. The combined parcel comprises of mainly low undulating slopes and flat lowerlying patches.	NT: 104.205	NT (i) 97.185 ha. perpetual/ 07.12.2040 [3] (ii) 7.020 ha. perpetual/ 18.12.2038 [3]	Charged to Public Bank Berhad as security for bank borrowings All land is only for the purpose of cultivation of rice and/or agricultural crop of economic value. Only crops approved by the Director of Agriculture/ Director of Fisheries/ Director of Animal Husbandry and Veterinary Services shall be planted or cultivated on the said land.	2,295,353

APPENDIX I BUSINESS LOCATION AND SUMMARY OF LANDED PROPERTIES *(Cont'd)*

No.	Registered owner/ sub-lessee	Location/address	Title type	Description of property/ existing use	Land area	Tenure/ date of expiry of lease	Major encumbrances/ restriction in interest	Net book value as at 31 December 2010
					ha.			RM
				The average range of FFB yields are as follows: **Year of planting / Planted ha. / # Average yield** **MT/ha.** 1996 - 1997: 85.49 ha; 15.82 – 19.69 2007: 9.40 ha; *			

Notes:

^ *Based on average lowest and highest yields between years 2002 and 2010.*

* *Negligible.*

\# *Based on average lowest and highest yields between years 2007 and 2010.*

(1) *MPSB is a wholly-owned subsidiary of Jotech as at 22 March 2011.*

(2) *Leasehold term of ninety-nine (99) years.*

(3) *Sublease term of thirty (30) years.*

(4) *Sublease term of ninety-nine (99) years.*

(5) *The estate was acquired recently and no records of the years of planting of the oil palm were provided by the previous owners.*

(6) *The plantation was acquired recently and no records of the average yield in relation to the oil palm planted for years 2002 to 2007.*

(7) *CFSB is a wholly-owned subsidiary of Jotech as at 22 March 2011.*

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The table below sets out the material properties acquired subsequent to 31 December 2010 and up to the LPD:

No.	Name of registered owner/location/address	Description/existing use	Land area/ built-up area	Age of building/ date of issuance of certificate of fitness	Tenure/ date of expiry of lease	Major encumbrances/ restrictions in interest	Net book value as at 31 December 2011
			sq. ft.				RM
1.	**PT Indotech Metal Nusantara** Kawasan Industri KIIC Lot E-4B, Jln. Tol Jakarta-Cikampek KM47 Teluk Jambe Karawang, 41361 Jawa Barat Indonesia	Construction of a 2-storey office and single storey detached factory / To be used for manufacturing and fabrication of tools and dies and precision stamping parts for the electronic and automotive industries	107,639/ N/A	-	Lease over 30 years/24.9.2025	Pledged to PT Bank OCBC Indonesia vide presentation no. BB901755	2,806,849
2.	**Vested in the State Authority of Penang** * Plot 321 being part of Mukim 13 Daerah Tengah Seberang Perai Tengah Penang	Vacant land / To be used by Prodelcon for the manufacturing of surgical instruments, implants and radio frequency microwave, photonics components, design and fabrication including refurbishing of IC moulds, die sets, spares, jig and fixtures and automation systems	174,719/ N/A	-	Lease over 60 years/N/A ^	The land shall not be transferred, charged, leased, sub-leased, let or involved in any dealings without the written consent of the State Authority of Penang	2,961,975

Notes:

* *Pursuant to the Sales and Purchase Agreement dated 21 April 2011 between Prodelcon and Penang Development Corporation ("**PDC**"), the land will be alienated to PDC and will subsequently be transferred to Prodelcon. The State Authority of Penang has approved the said alienation and transfer vide its letter to PDC dated 25 August 2011. The State Authority of Penang, PDC and Prodelcon are now in the process of effecting the alienation and transfer of the land.*

^ *As the individual issue document of title to the land has not been issued, the commencement and expiry of the sixty (60) year lease cannot be determined at this juncture.*

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
AIC Semiconductor Sdn Bhd	Manufacturing Licence	MITI	Licence No. A011115, Serial no. A 016968	Manufacturing Licence under the Industrial Co-Ordination Act 1975 to produce integrated circuits	5.4.1997	N/A	1. 19.09% of the company's shares shall be held by GFB.	To be complied
							2. The company must train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							3. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Noted
	Warehouse/ Manufacturing warehouse licence	Royal Malaysia Customs	K16-G6-2007-00000011	Warehouse/ Manufacturing warehouse licence under Section 65/65A Customs Act 1967 for IC chips	1.5.2012	30.4.2014	1. Machines which are directly used for the manufacturing process has to be in new condition and not used. Used machines can be imported on the condition that the licencee obtains prior approval from MITI.	Noted
							2. 80% of the finished products (based on value) are for export and 20% of the finished products are for sale in the local market are subject to any relevant duty/ tax at the time.	Noted
							3. Disposal of remainder, waste and manufacturing litter has to obtain written consent from the Director of the Sate Custom (Pengarah Kastam Negeri)	Noted
							4. Licencee will be required to obtain a bank guarantee of RM50,000.00 to guarantee the safety duty/tax for raw material/ component, finished product which are kept in the Licence Manufacturing Warehouse as well as for removal of goods with duty.	Complied

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							5. Licencee has to inform the Assistant Officer in charge of the Factory (Pegawai Kanan Yang Mengawal Kilang) in writing when one of the following events occurs in the period of fourteen (14) days: (a) changes in the company's member of board of directors; (b) a resolution passed to wind up the company; (c) an order made for winding up of the company; (d) appointment of liquidation or receivership is made; (e) company is involved in any civil claim case, bankruptcy, discharge, closure of business and others.	Noted
Automako Sdn Bhd	Manufacturing licence	MITI	A016709 Ref: A028527	To act as manufacturer of wiper arm and blade assembly	25.1.2008	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Sales of shares must be communicated to MITI.	Noted
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Noted
	Manufacturing licence under Sales Tax Act 1972	Royal Customs and Excise Malaysia	B10-CJ-A040559/1991	Activity 411: Machine and replacement tools	1.9.1991	N/A	1. Licence subject to Custom Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Complied
							2. Licence must be renewed one month before expiry date.	Noted

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							3. No goods other than specified in licence may be stored in licenced warehouse or inland clearance depot.	Noted
							4. Licence does not relieve the duty to comply with requirements of other written laws.	Noted
AutoV Mando Sdn Bhd	Manufacturing licence	MITI	A010414 Ref: A021538	To act as manufacturer for steering column with universal joint	10.8.1995	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. 70% of the company's shares shall be held by GFB.	To be complied
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia	Complied
	Manufacturing licence	Royal Customs and Excise Malaysia	B10-A-54268/95	Licence under the Sales Tax Act 1972 to manufacture the following products: 1. Steering column with universal joint 2. Gear power steering and brake system	17.8.1995	N/A	1. The Sales Tax Act 1972 requires that a return of taxable sales be made in respect of each taxable period and that tax be paid thereon on or before the twenty-eight day of the following month	Complied
							2. A new licence is required when: (a) a partner withdraws or a new partner is added to a partnership; (b) a registered company takes over a licenced business or company which is not a registered company; or (c) where a company is leased.	Noted

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							3. In the case of any alteration to the name of the licenced business or company the licence should be forwarded to the Senior Officer of Sales Tax in charge of the district in which the company has its principal place of business for amendment.	Noted
	Manufacturing licence	MITI	A010414 Ref: A023209	To act as a manufacturer of gear power steering	14.3.2005	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. 70% of the company's shares shall be held by GFB.	To be complied
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
ASSB	Manufacturing licence	Royal Customs and Excise Malaysia	B10-CJ-96000089/ 1996	Manufacturing licence under the Sales Tax Act 1972 Activity: 430	1.7.1996	N/A	1. Licence is subject to Custom Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Complied
							2. Licence must be renewed one (1) month before expiry date.	Noted
							3. No goods other than those specified in the licence may be stored in a licenced warehouse or inland clearance depot.	Noted
							4. Licence does not relieve duty to comply with requirements of other written laws.	Noted

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
Autovisor Plastics Sdn Bhd	Manufacturing licence	MITI	A010828 Ref: A016492	To act as a manufacturer of sun visor, room and interior lamp for automobile	9.9.1994	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Sales of shares must be communicated to MITI.	Noted
							3. To train the Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
	Manufacturing licence	Royal Customs and Excise Malaysia	B10-CJ-A033169/1993	Manufacturing licence under Sales Tax Act 1972, Activity: 415	1.1.1991	-	1. Licence subject to Custom Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Complied
							2. Licence must be renewed one month before expiry date.	Noted
							3. No goods other than specified in licence may be stored in licenced warehouse or inland clearance depot.	Noted
							4. Licence does not relieve duty to comply with requirements of other written laws.	Complied
Aventur Door System Sdn Bhd	Manufacturing licence	MITI	A016710 Ref: 028528	To act as a manufacturer for window regulators	20.2.2008	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Sales of shares must be communicated to MITI.	Noted
							3. To train the Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
	Manufacturing licence	Royal Customs and Excise Malaysia	B10-CJ-A040558/1991	Manufacturing licence under Sales Tax Act 1972 Activity: 430	5.9.1991	N/A	1. This licence is subject to the Custom Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Complied
							2. This licence must be renewed one month before the expiry date.	Noted
							3. No goods other than those specified in the licence may be stored in a licenced warehouse or inland clearance depot.	Noted
							4. This licence does not relieve the company of the duty to comply with the requirements of other written laws.	Noted
Brimal Holdings Sdn Bhd	Manufacturing licence	MITI	A016603 Ref: A025696	To act as a manufacturer of seat belts, car child seat belts, mirrors, industrial harness, cargo restraints and lifting slings	5.2.2008	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. All of the company's shares shall be held by GFB	To be complied
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
							5. The company must export at least 70% of its products.	Complied

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
	Manufacturing licence	MITI	A016602 Ref: A025695	To act as manufacturer of side trims, sun visors, air filter housing, water reserve tanks and deadners	5.2.2008	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. All of the company's shares shall be held by GFB.	To be complied
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
							5. The company must export at least 70% of its products.	Complied
	Manufacturing licence	MITI	A012199 Ref: A023860	To act as manufacturer of 3 dimension head mounted display	8.8.2005	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. All of the company's shares shall be held by GFB.	To be complied
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
	Manufacturing licence	MITI	A013426 Ref: A021207	To act as manufacturer of headlining	10.2.2003	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. All of the company's shares shall be held by GFB	To be complied

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
	Manufacturing licence	Royal Customs and Excise Malaysia	B10-CJ-96000017/ 1996	Manufacturing licence under the Sales Tax Act 1972 Activity: 430	19.1.1996	N/A	1. This licence is subject to the Custom Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Complied
							2. This licence must be renewed one month before the expiry date.	Noted
							3. No goods other than those specified in the licence may be stored in a licenced warehouse or inland clearance depot.	Noted
							4. This licence does not relieve the company from complying with the requirements of other written laws.	Noted
Bryte-DY Sdn Bhd	Manufacturing licence	MITI	A016717 Ref: 028539	To act as a manufacturer of windscreen wiper rubber blades	12.12.2007	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Sales of shares must be communicated to MITI.	Noted
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
CFSB	FFB sales licence	Malaysian Palm Oil Board	508947-902000	To sell FFB under the estate category set out in the licence	1.8.2011	31.7.2012	1. The company is prohibited from selling FFB to any other person except those who have been granted an authority to purchase FFB.	Complied
							2. The FFB sold must be sourced from the approved estates set out in the licence, being Mukim Sg. Labaong Kinabatangan, Sabah.	Complied
GuangDong Jotech Kong Yue Precision Industries Ltd	Business licence	Jiangmen Administration for Industry and Commerce Bureau	44070040-0001100	To undertake activities relating to precision metal stamping and manufacture of tools	12.3.2003	12.3.2033	1. The licence enables the company to carry out precision metal stamping and tooling manufacturing activities.	Complied
							2. The company must achieve annual sales of more than USD5 million, failing which the licencee is required to notify the approving authority of the non-compliance and thereafter the board of the licencee is to decide on the next course of action.	Complied
							3. Sales pricing for both local and export markets will be according to market rates and subject to periodic review by the board of directors.	Noted
	Certificate for import and export	XinHui District, JiangMen City, Guangdong Province, Customs of the PRC	44079321-53	Customs registration for the import and export of goods	28.3.2003	27.3.2014	1. The company must maintain contributed capital of not less than USD4 million.	Complied
							2. The company is allowed to import and export materials relating to precision metal stamping and tooling.	Noted

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
Jotech Metal Fabrication Industries Sdn Bhd	Manufacturing licence	MITI	A011229	To act as licenced manufacturer for metal stamp parts, fabricated metal and hardboard components.	13.12.1997	N/A	1. Subject to the approval of the State Authority and Jabatan Alam Sekitar.	Noted
							2. All of the company's shares shall be held by GFB.	To be complied
							3. The company must train the Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. The company must implement the project as approved and in accordance with the rules and regulations in Malaysia.	Noted
	Manufacturing and warehouse licence	Royal Malaysia Customs	J10-GPB-0036/2011	To be exempted from duties imposed on raw materials for the production of exported goods.	1.3.2011	28.2.2013	The manufacturer must at all times, fulfill the following conditions in order to be exempted from duties imposed on raw materials:	Complied
							1. Manufacturers who meet the definition of manufacturing production activities under Section 2(1) of the Customs Act 1967.	
							2. Manufacturers who export finished goods with a value of more than 80% of the total value of production within the past twelve (12) months.	
							3. Manufacturers who have a manufacturing licence under the Industrial Coordination Act 1975.	
							4. The company is required to pay amounts of RM70,000 and RM50,000 as security for the licence.	

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
JP Metal Sdn Bhd	Manufacturing licence	MITI	A011130 Ref: A016991	To act as manufacturer of metal stamped parts/ metal fabricated products/ hardboard components	16.6.1997	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Approval of MITI must be obtained before the sale of the shares of this company from the foreign holder.	Noted
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
							5. At least 80% of the shares of the company must be held by Malaysians.	Complied
							6. The approved project must be launched within six (6) months from the date this approval or any other extension of time be approved by the officer. Failure to comply with this condition may render the licence to be forfeited.	Complied
							7. The shareholding structure of the company must reflect the equity structure of the company. MITI must be informed for the appointment and any changing in the shareholders.	Complied
							8. If the company intends to purchase used machinery, approval from MITI and a valuation report is needed. MITI must approve any change of machinery which will affect the export of the company.	Noted

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							9. MITI's approval is required if the company intends to execute the following agreements: (a) joint venture agreement (b) technical assistance and "*know-how*" Agreement (c) licensing agreement (d) intellectual property rights agreement (e) "turnkey" contract agreement (f) management agreement	Complied
							10. The products of the company must conform to the standards set by the Malaysia government.	Complied
							11. At least 30% of the shareholders must be Bumiputera. Appointment of a foreign shareholder must be approved by MITI.	Complied
	Manufacturer's licence	Royal Customs and Excise Malaysia	Pindaan 2-B10-0100625/2001	Licence under the sales tax act - manufacturer's licence	1.9.2001	N/A	Nil	N/A
MPSB	FFB sales licence	Malaysian Palm Oil Board	503468-202000	To sell FFB under the estate category set out in the licence	1.3.2012	29.2.2013	1. The company is prohibited from selling FFB to any other person except those who have been granted an authority to purchase FFB from the authorities.	Complied
							2. The FFB sold must be sourced from the approved estates set out in the licence, being Mk. Sabangan and Sg. Labaong Kinabatangan Sabah.	Complied

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
Nobel Decree Sdn Bhd	Manufacturing licence	Royal Customs and Excise Malaysia	B10-CJ-A047539/1994	Manufacturing Licence under Sales Tax Act 1972 Activity: 420	1.1.1994	N/A	1. This licence is subject to the Custom Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Complied
							2. This licence must be renewed one month before the expiry date.	Noted
							3. No goods other than those specified in the licence may be stored in a licenced warehouse or inland clearance depot.	Noted
							4 This licence does not relieve the company from complying with the requirements of other written laws.	Noted
Prodelcon	Manufacturing licence	MITI	A011069/ Serial no. A016896	Manufacturing Licence under the Industrial Co-ordination Act 1975 to manufacture: 1. Moulds, tools and dies for electrical, electronics and plastic industries 2. Jigs and fixtures 3. Metal stamped parts 4. Assembly of automated material handling equipment 5. Metal furniture and trolley	15.8.1997	N/A	1. All of the company's shares shall be held by GFB.	To be complied
							2. The company must train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							3. The company must implement the project as approved in accordance with the rules and regulations in Malaysia.	Noted
	Manufacturing licence	MITI	A011069/ Serial no. A025632	Manufacturing licence under the Industrial Co-ordination Act 1975 to manufacture machined parts and assembly of machined parts	25.1.2008	N/A	All of the company's shares shall be held by GFB. ^	To be complied

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
	Warehouse/ Manufacturing licence	Royal Malaysia Customs	P79/LMW/ 050/2010/ P79/LMW/ 050(A)/20 10 Certificate no. G6-00000024/ 07	Warehouse licence under Section 65/65A of the Customs Act 1967 for mould and spares, die sets and spares, jig fixture, aluminium articles, medical instrument, optical articles and machine parts	1.8.2010	31.7.2012	1. Machines which are directly used for the manufacturing process has to be in a new condition and not used. Used machines can be imported on the condition that the licencee obtains prior approval from MITI.	Complied
							2. 80% of the finished products (based on value) are for export and 20% of the finished products are for sale in local market as approved. Release for local market is subject to any relevant duty/ tax at the time.	Noted
							3. Disposal of remainder, waste and manufacturing litter has to obtain written consent from the Director of the Sate Custom (Pengarah Kastam Negeri).	Noted
							4. Licencee will be required to obtain a bank guarantee of RM32,000.00 to guarantee the safety duty/ tax for raw material/ component, finished product which are kept in the Licence Manufacturing Warehouse as well as for removal of goods with duty.	Complied
							5. Licencee has to inform the Assistant Officer in charge of the Factory (Pegawai kanan yang mengawal kilang) in writing when one of the following events occurs in the period of fourteen (14) days: (a) changes in the company's member of board of directors (b) a resolution passed to wind up the company (c) an order made for winding up of the company	Noted

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							(d) appointment of liquidation or receivership is made (e) company is involved in any civil claim case, bankruptcy, discharge, closure of business and others	
Proreka	Manufacturing licence	MITI	A 015701 Ref: A 024184	Manufacturing licence for automotive plastic part assembly and automotive lamp assembly	24.5.2006	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Sales of shares must be communicated to MITI.	Noted
							3. To train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
	Manufacturer's Licence	Royal Customs and Excise Malaysia	B10-02000555/ 2002	Manufacturer's licence issued under the Sales Tax Act 1972	12.6.2000	N/A	1. The Sales Tax Act, 1972 requires that a return of taxable sales be made in respect of each taxable period and that tax be paid thereon or before the twenty eight (28th) day of the following month.	Complied
							2. In the case of any alteration to the name of licenced business or company the licence should be forwarded to the Senior Officer of Sales Tax in-charge of the district in which you have you principal place of business for amendment.	Noted

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
	Manufacturing licence	MITI	A 015652 Ref: A 024184	Manufacturing Licence for "Car Seat Assembly"	24.5.2006	N/A	1. Subject to the approval from the state authority and Jabatan Alam Sekitar.	Complied
							2. Sales of shares must be communicated to MITI.	Noted
							3. To train the Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of employment.	Noted
							4. To implement the project as approved and in accordance to the rules and regulations in Malaysia.	Complied
Proreka Plastic Sdn Bhd	Manufacturer's Licence	Royal Customs and Excise Malaysia	B10-02000181/ 2002	Manufacturer's licence under the Sales Tax Act 1972	15.8.2001	N/A	1. The Sales Tax Act, 1972 requires that a return of taxable sales be made in respect of each taxable period and that tax be paid thereon or before the twenty eight day of the following month.	Complied
							2. In the case of any alteration to the name of licenced business or company the licence should be forwarded to the Senior Officer of Sales Tax in-charge of the district in which you have you principal place of business for amendment.	Noted
Proreka Tech Sdn Bhd	Manufacturer's Licence	Royal Customs and Excise Malaysia	B10-06000225/ 2006	Licence under the Sales Tax Act 1972	14.9.2006	N/A	1. The Sales Tax Act, 1972 requires that a return of taxable sales be made in respect of each taxable period and that tax be paid thereon or before the twenty eight day of the following month.	Complied

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
							2. In the case of any alteration to the name of licenced business or company the licence should be forwarded to the Senior Officer of Sales Tax in-charge of the district in which you have you principal place of business for amendment.	Noted
PT Indotech Metal Nusantara	Manufacturing licence (Izin usaha industri)	Badan Koordinasi Penanaman Modal	207/T/INDUSTRI/2001	To act as licenced manufacturer for metal stamp parts, fabricated metal and dies	15.5.2001	14.5.2031	The company must request for new approval if the production capacity increases to more than 30% from the initial approval limit	To be complied (if applicable)
	Export licence (Ijin entrepot produksi untuk tujuan eksport)	Mentri Keuangan	261/KMK.05/1997	Licence for export finished products (dies and stamped metal parts)	11.7.1997	N/A	In the case of any alteration to the name of the licenced business or company, the licence should be forwarded to the senior officer of Mentri Keuangan for approval.	To be complied (if applicable)
	Angka Pengenal Impor Produsen	Badan Koordinasi Penanaman Modal	1015020100-B	Licence that may be used by the company only to import raw materials, unfinished products and goods for the production process (manufacturing of metal stamp parts)	4.10.2010	N/A	1. The company is allowed to produce dies and stamped metal parts only.	Complied
							2. Stamped metal parts (which does not include compulsory export productions) produced by the company must be fully exported.	Complied
							3. The company must request for new approval if the production capacity increases to more than 30% from the initial approval limit.	To be complied (if applicable)
							4. The company may only import goods for its own use or for supporting production process.	Complied

APPENDIX II OUR APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED *(Cont'd)*

Licencee	Licence	Approving authority	Permit / licence no.	Description of licence	Effective date	Expiry date	Salient conditions imposed	Status of compliance
Yee Heng Precision Stamping Sdn Bhd	Pioneer Status	MITI	MITI:ID/BI/ S/o.45/41/ 155/(15)	100% exemption of statutory income for a period of five (5) years for the qualifying manufacturing activity of tool, dies and precision metal stamping parts	12.9.2009	11.9.2014	1. At least 70% of the company's shares must be bought and held by Malaysian citizens.	Complied
							2. The end products must be sold to the electronic and engineering industry.	Complied

Note:

^ *Pursuant to the approval letter from MITI dated 21 February 2012.*

(Prepared for the inclusion in this Prospectus)



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Independent Auditors' Report on Review of Interim Financial Information to the Board of Directors of Jotech Holdings Berhad ("the Company")

(Company No.334818-P)
(Incorporated in Malaysia)

Introduction

We have reviewed the accompanying condensed consolidated statements of financial position as at 31 December 2011, and the condensed consolidated statements of comprehensive income for the individual and cumulative quarters ended 31 December 2011, and the condensed consolidated statement of changes in equity and cash flows for the period then ended, and the accompanying notes thereon (collectively referred to as "interim financial information", which we have stamped for the purpose of identification) of the Company. The Board of Directors of the Company is responsible for the preparation and fair presentation of the interim financial information in accordance with FRS 134, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the approved Standard on Auditing in Malaysia applicable to review engagements, ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with approved Standard on Auditing in Malaysia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not presented fairly, in all material respects, in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysia Accounting Standard Board in Malaysia.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Company No. 334818-P

Restriction on Use and Distribution

This report is made solely to the Board of Directors in connection with the review of the Company's interim financial information as at and for the period ended 31 December 2011 and for no other purpose. We do not assume responsibility to any other person for the content of this report. It should not be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, without our prior written consent.

Yours faithfully,

KPMG
Firm No. AF 0758
Chartered Accountants

9 April 2012

JOTECH

JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended 31 December 2011 – unaudited

Discontinued operations	**Three months ended**		**Period ended**	
RM in thousand (RM'000)	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Revenue	27,637	31,981	109,693	129,813
Cost of sales	(23,221)	(27,435)	(89,149)	(108,881)
Gross profit	4,416	4,546	20,544	20,932
Operating expenses	(4,565)	(4,224)	(15,456)	(14,406)
Other operating expense	(799)	(10)	(1,495)	(1,002)
Other operating income	3,134	3,159	23,492	3,705
Results from operating activities	2,186	3,471	27,085	9,229
Finance income	29	6	69	141
Finance costs	(835)	(366)	(2,856)	(1,516)
Profit/(Loss) from operations	1,380	3,111	24,298	7,854
Share of profit/(loss) of associates, net of tax	-	66	1,299	2,488
Profit / (Loss) before tax	1,380	3,177	25,597	10,342
Income tax expense	(447)	(68)	(3,044)	(969)
Profit/(Loss) for the period	933	3,109	22,553	9,373
Profit/(Loss) attributable to:				
Owners of the Company	897	3,021	22,322	9,030
Non-controlling interests	36	88	231	343
Profit/(Loss) for the period	933	3,109	22,553	9,373
Basic earnings/(loss) per ordinary share (sen)	0.081	0.327	2.096	0.977
Diluted earnings/(loss) per ordinary share (sen)	0.081	n.a*	1.997	n.a*

* *The diluted earnings per share were not presented as the effect of the assumed conversion of warrants outstanding would be anti-dilutive.*

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the twelve months ended 31 December 2011 – unaudited (continued)

Discontinued operations	**Three months ended**		**Period ended**	
RM in thousand (RM'000)	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Profit / (Loss) for the period	933	3,109	22,553	9,373
Foreign currency translation gain/(loss) for foreign operations	29	117	1,915	(2,143)
Other comprehensive income/(loss) for the period, net of tax	29	117	1,915	(2,143)
Total comprehensive income for the period	962	3,226	24,468	7,230
Total comprehensive income attributable to:				
Owners of the Company	836	3,108	23,757	7,331
Non-controlling interests	126	118	711	(101)
Total comprehensive income for the period	962	3,226	24,468	7,230

(The Condensed Unaudited Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

KPMG Stamped For Identification Purposes only PETALING JAYA

JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011 – unaudited

RM in thousand (RM'000)	Note	As at the end 31.12.2011	As at the end 31.12.2010 Audited
Non-current assets			
Property, plant and equipment		-	55,737
Investment in associates		-	36,602
Intangible assets		-	2,122
Receivables, deposits and prepayments			707
		-	95,168
Current Assets			
Inventories		-	12,410
Receivables, deposits and prepayments		-	26,379
Current tax assets		-	248
Other investments		-	1,740
Cash and cash equivalents		-	22,568
		-	63,345
Assets of disposal group classified as held for sale	B11	234,400	-
TOTAL ASSETS		234,400	158,513
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		110,430	92,430
Reserves		41,065	17,287
Reserves of disposal group classified as held for sale	B11	5,001	-
Total Shareholders' Equity		156,496	109,717
Non-controlling interests		6,975	6,264
Total Equity		163,471	115,981
Non-current liabilities			
Borrowings		-	16,536
Deferred tax liabilities		-	1,939
		-	18,475
Current Liabilities			
Payables and accruals		-	14,019
Short term borrowings		-	9,316
Taxation		-	722
		-	24,057
Liabilities of disposal group classified as held for sale	B11	70,929	-
Total liabilities		70,929	42,532
TOTAL EQUITY AND LIABILITIES		234,400	158,513
Net assets per share attributable to ordinary equity holders of the parent (RM)		0.142	0.119

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2010)

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the twelve months ended 31 December 2011 – unaudited

Discontinued operations *RM in thousand (RM'000)*	**Period ended** **31.12.2011**	 **31.12.2010**
Cash flows from operating activities		
Profit / (Loss) before tax	25,597	10,342
Adjustments for :		
Impairment loss on other investments	688	392
Reversal of impairment loss on other investments	(470)	-
Reversal of impairment loss on other receivables	-	(300)
Reversal of impairment loss on investment in associate	-	(2,968)
Negative goodwill of investments	(23,297)	-
Unrealised (profit)/loss on foreign exchange	41	299
Share of profit of equity accounted associate	(1,299)	(2,488)
Gain on disposal of quoted investments	(142)	(108)
Gain on disposal of property, plant and equipment	(27)	(225)
Loss on disposal of subsidiary	440	-
Property, plant and equipment written off	2	23
Depreciation and amortisation	5,966	6,526
Finance costs	2,856	1,516
Finance income	(69)	(141)
Dividend income	(114)	(238)
Operating profit before working capital changes	10,172	12,630
Changes in working capital:		
Net change in current assets	6,800	(3,695)
Net change in current liabilities	489	(1,835)
Cash generated from operations	17,461	7,100
Taxes – (paid)/refunded	(2,164)	(973)
Net cash generated from operating activities	15,297	6,127
Cash flow from investing activities		
Acquisition of property, plant and equipment	(13,691)	(7,651)
Acquisition of other investments	(1,312)	(1,162)
Acquisition of associate	-	(271)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(9,178)	(175)
Loan to associate	(182)	-
Proceeds from disposal of discontinued operation, net of cash and cash equivalents	6,351	-
Proceeds from disposals of other investments	1,487	658
Dividends received	114	238
Interest received	69	141
Proceeds from disposal of property, plant and equipment	28	1,120
Net cash used in investing activities	(16,314)	(7,102)
Cash flow from financing activities		
Interest paid	(2,856)	(1,516)
Payment of hire purchase liabilities	(280)	(274)
Net drawdown/(repayment) of borrowings	206	(287)
Net cash used in financing activities	(2,930)	(2,077)
Net decrease in cash and cash equivalents	(3,947)	(3,052)
Effects of exchange rate fluctuations on cash held	307	(843)
Cash and cash equivalents at beginning of period	22,568	26,463
Cash and cash equivalents at end of period	18,928	22,568



JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31 December 2011 – unaudited
(continued)

Discontinued operations *RM in thousand (RM'000)*	**Period ended** **31.12.2011**	 **31.12.2010**
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	15,256	13,197
Placements with licensed banks and approved financial institutions	3,672	9,371
	18,928	22,568

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2010)

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 31 December 2011 – unaudited

	← Attributable to owners of Company →								
	← *Non-Distributable* →					*Distributable*			
RM in thousand (RM'000)	**Share Capital**	**Share Premium**	**Capital Reserve**	**Translation Reserve**	**Reserve of disposal group classified as held for sale**	**Retained Profit**	**Sub-total**	**Non-controlling Interest**	**Total**
At 1 January 2010									
- as previously stated	92,430	2,284	-	243	-	7,145	102,102	6,365	108,467
- effect of adopting FRS 139	-	-	-	-	-	284	284	-	284
At 1 January 2010, restated	92,430	2,284	-	243	-	7,429	102,386	6,365	108,751
Total comprehensive income for the period	-	-	-	(1,699)	-	9,030	7,331	(101)	7,230
At 31 December 2010/1 January 2011	92,430	2,284	-	(1,456)	-	16,459	109,717	6,264	115,981
Total comprehensive income for the period	-	-	-	1,435	-	22,322	23,757	711	24,468
Issue of ordinary shares	18,000	-	5,022	-	-	-	23,022	-	23,022
Reserve attributable to disposal group held for sale	-	-	(5,022)	21	5,001	-	-	-	-
At 31 December 2011	110,430	2,284	-	-	5,001	38,781	156,496	6,975	163,471

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2010)

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The quarterly financial report do not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2010.

A2 Changes in Accounting Policies

Save as disclosed below, the significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010.

i) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Under FRS 3 (revised), the definition of a business has been broadened, which will result in more acquisitions being treated as business combinations.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any minority (will be known as non-controlling) interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

NOTES TO THE INTERIM FINANCIAL REPORT (continued)

A2 Changes in Accounting Policies (continued)

i) Accounting for business combinations (continued)

Acquisitions on or after 1 January 2011 (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Any non-controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and /or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

ii) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

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JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

NOTES TO THE INTERIM FINANCIAL REPORT (continued)

A2 Changes in Accounting Policies (continued)

ii) Loss of control (continued)

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be recognised as cost on initial measurement of the investment.

iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

The Group has not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*
- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- IC 15, *Arrangements for the Construction of Real Estate*

The Group plans to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012 except for IC Interpretation 19, Amendments to IC Interpretation 14 and IC Interpretation 15 which are not applicable to the Group.



JOTECH HOLDINGS BERHAD

(Company No. 334818-P)
QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

NOTES TO THE INTERIM FINANCIAL REPORT (continued)

A2 Changes in Accounting Policies (continued)

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior periods' financial statements upon their first adoption.

Following the announcement by the Malaysian Accounting Standards Board on 1 August 2008, the Group's financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") framework for annual periods beginning on 1 January 2012.

A3. Audit report

The preceding financial statements for the year ended 31 December 2010 were reported on without any qualification.

A4. Seasonal or cyclical factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the period ended 31 December 2011.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flow

Save as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter and the financial year to date.

As disclosed in Note B7 below, the Jotech Business (as defined in Note B7) fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations.

As a result of the above:

(i) all assets, liabilities and related reserves of the Group as at 31 December 2011 have been classified and presented on the consolidated statements of financial position, as 'held for sale' in accordance with FRS 5;

(ii) the entire results of the Group for the current quarter and period and preceding year corresponding quarter and period have been presented on the consolidated statements of comprehensive income as "Discontinued Operations" in accordance with FRS 5; and

(iii) the cash flows of the Group for the current period and preceding year corresponding period have been presented on the consolidated statements of cash flows as "Discontinued Operations" in accordance with FRS 5.

A6. Material changes in estimates

There were no material changes in estimates in the prior financial year which have a material effect in the period ended 31 December 2011.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases and resale of the Company's debt or equity securities for the period ended 31 December 2011.

A8. Dividend paid

Since the end of the previous financial year, no dividend was paid by the Company.

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JOTECH HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT (continued)

A9. Segmental information

Segmental information is presented in respect of the Group's business segments. Inter-segment pricing is determined base on a negotiated basis.

Discontinued operations
For the twelve months ended 31 December 2011:

(In thousands of RM)	← Discontinued operations →				
	Investment Holding	Precision Stamping	Oil Palm Plantation	Eliminations	Consolidated
External revenue	114	101,510	8,069	-	109,693
Inter segment revenue	585	1,747	-	(2,332)	-
Total revenue	699	103,257	8,069	(2,332)	109,693
Segment results	19,434	3,823	3,828		**27,085**
Finance costs					(2,856)
Finance income					69
Share of net profit of associate					1,299
Profit before tax					**25,597**
Income tax expense					(3,044)
Profit for the period					**22,553**
Other comprehensive income for the period					1,915
Total comprehensive income for the period					24,468
Non-controlling interest					(711)
Total comprehensive income attributable to owners of the Company					**23,757**

A10. Valuation of property, plant and equipment

The Group accounts its property, plant and equipment at cost less accumulated depreciation and does not adopt a policy to revalue its property, plant and equipment.

A11. Material events subsequent to the end of the interim period

There have been no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current period.

A12. Changes in composition of the Group

There were no changes in the composition of the Group in the current quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT (continued)

A13. Contingent liabilities/Contingent assets

There were no contingent liabilities/assets since the last annual balance sheet date.

A14. Capital commitment

The approved and contracted for material capital commitment as at 31 December 2011 amounted to RM4.26 million in respects of factory building, machinery and equipment for a second plant expansion currently being undertaken by PT Indotech Metal Nusantara, a wholly-owned subsidiary of the Company.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

B1. Review of Group performance

The Group registered revenue of RM27.6 million for the current quarter compared to RM32.0 million achieved in the corresponding quarter last year. This was attributable to lower revenue recorded by the Precision Stamping Division of RM6.6 million or 20%. The revenue decline was partially offset by the contribution from Oil Palm Plantation Division of RM2.2 million or 8% to the Group's revenue.

In the current quarter, as a result of the slowing business condition particularly in the electronics and electrical industry, the subsidiaries in Malaysia and China both posted lower revenue. Indonesia automotive business continues to be robust although business was affected by shortages of parts as a result of flood in Thailand.

The Group recorded a net profit of RM0.9 million for the current quarter compared to RM3.1 million profit registered in the corresponding quarter last year. The reduction was mainly due to lower revenue performance of the Precision Stamping Division and RM3.0 million gain from reversal of impairment in investment in associate recorded in the corresponding quarter last year.

Included in the other income of RM3.1 million in the current quarter was a negative goodwill recognized from fair value adjustment on investments in Oil Palm Plantation subsidiaries of RM10.9 million which was offset by reversal of RM7.4 million gain previously recognized from mark-to-market value of investment in associate company.

The Group's revenue for financial period to date of RM109.7 million was reduced by RM20.1 million as compared to the corresponding period. This was attributable to lower revenue posted by the Precision Stamping Division as well as revenue consolidated from the disposed subsidiary was lower by RM12 million. A total revenue of RM8.1 million was contributed by the newly acquired Oil Palm Plantation Division for the financial period to date.

The net profit for the financial period to date improved by RM13.2 million to RM22.6 million. The increase was attributable to the following:

(i) profit contribution from the newly acquired Oil Palm Plantation Division of RM1.9 million for the current financial period; and
(ii) recognition of negative goodwill (net of tax) of RM21.9 million on the revaluation of investments in oil palm plantations subsidiaries.

B2. Comparison with preceding quarter's results

The current quarter revenue of RM27.6 million reflected a decline of RM2.1 million or 7% against the preceding quarter revenue of RM29.7 million. Current quarter business demand was generally slower than the preceding quarter had resulted in a lower revenue contribution by the Precision Stamping segment of RM1.8 million or 6.6%. The Oil Palm Plantations Division's revenue was also reduced by RM0.3 million.

The Group's current quarter results declined by RM5.9 million compared to the preceding quarter of RM6.8 million net profit. The reduction was mainly attributable to RM3.5 million reversal of deferred tax recognized in the preceding quarter and lower revenue performance by both the Precision Stamping Division and Oil Palm Plantations Division.



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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

B3. Prospects

The strong growth of automotive industry in Indonesia presents a good prospect for Jotech's Precision Stamping Division to contribute positively to the Group. Phase 1 of a new manufacturing plant in Indonesia was completed in December 2011 and is expected to contribute positively to the Group starting 2012. The strong demand by the automotive customers in Indonesia in the near to medium term will allow the Indonesia subsidiary to spearhead the growth in performance of the Group over the next few years.

The Group will continue to focus in growing the Oil Palm Plantation Division and with a positive prospect of strong crude palm oil price, this Division will contribute positively to the Group.

The Board of Directors foresees a continual positive prospect for the financial performance of the Group for the remaining financial quarters.

B4. Variance of actual profit from forecast profit / shortfall in profit guarantee

Not applicable as no profit forecast was published.

B5. Profit/(loss) for the period

	Current quarter 31.12.2011 RM'000	Financial year-to-date 31.12.2011 RM'000
Profit/(loss) for the period is arrived at after charging:		
Depreciation of property, plant and equipment	1,570	5,966
Impairment loss on other investments	269	688
Loss on disposal of a subsidiary	-	440
Net foreign exchange loss	1,034	723
Property, plant and equipment written off	-	2
Reversal of gain in fair value of investment in associate	7,374	-
and after crediting:		
Dividend income	30	114
Gain on disposal of other investments	60	142
Gain on disposal of property, plant and equipment	-	27
Negative goodwill of investments	10,853	23,297
Reversal of impairment loss on other investments	260	470

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B6. Taxation

The taxation for the current quarter and year-to-date are as follows:-

	Current quarter 31.12.2011 RM'000	Financial year-to-date 31.12.2011 RM'000
Current tax expense		
Malaysia	8	731
Overseas	76	1,081
Total current tax	84	1,812
Deferred tax		
Malaysia	363	1,232
Total income tax expense	447	3,044

The effective tax rate for the current quarter is higher than the statutory tax rate principally due to losses incurred by certain subsidiaries where group relief is not available and non-deductibility of certain operating expenditure for tax purpose. The year-to-date effective tax rate being lower than the statutory tax rate is principally due to non-taxability of certain other operating income recognised.

B7. Corporate proposals

Save as disclosed below, there are no corporate proposals that were announced but not completed within 7 days from the date of issue of this quarterly report.

On 29 July 2011, Maybank Investment Bank Berhad ("Maybank IB"), being the adviser to Jotech in respect of the Proposed Disposal (as defined below) had announced on behalf of the Board of Directors of the Company ("Board") that the Company had received an offer ("Offer") of even date from Temasek Formation Berhad ("TFB") (then known as Temasek Formation Sdn Bhd), a company whose major shareholder and director, namely Datuk Goh Tian Chuan ("Datuk Goh") is also a major shareholder and Executive Chairman of the Company, to acquire the entire business and undertakings, including all assets and liabilities of the Company ("Jotech Business") ("Proposed Disposal").

Together with the Offer, TFB simultaneously made offers on substantially the same terms and conditions to acquire the entire businesses and undertakings, including all assets and liabilities, of AIC Corporation Berhad ("AIC") ("AIC Business") and AutoV Corporation Berhad ("AutoV") ("AutoV Business"). Such simultaneous offers, together with the Offer (collectively known as the "Merger Exercise Offer"), shall constitute a single consolidated offer as at 29 July 2011 for the purposes of achieving the merger of the businesses and undertakings of AIC, Jotech and AutoV (collectively known as "Target Companies"), including all assets and liabilities of the Target Companies as at completion of the Proposed Disposal in accordance with the terms of the Merger Agreement (as defined below) ("Completion").

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B7. Corporate proposals (continued)

On 24 August 2011, Maybank IB announced on behalf of the Board that the non-interested Directors of Jotech have decided to accept the Offer, subject to, among others the approval of the shareholders of Jotech and relevant authorities, where required. As the Merger Exercise Offer represents a related party transaction in view of Datuk Goh's substantial shareholdings in the Target Companies, Alliance Investment Bank Berhad ("Alliance") has been appointed by Jotech to advise the non-interested Directors and the non-interested shareholders of Jotech.

On 22 August 2011 and 24 August 2011, Maybank IB announced on behalf of the board of directors of AutoV and AIC respectively that they have decided to accept the offer from TFB to acquire the AutoV Business ("Proposed AutoV Business Disposal") and AIC Business ("Proposed AIC Business Disposal") upon the terms and conditions contained in their respective offer letters dated 29 July 2011 issued by TFB to AutoV and AIC.

On 15 September 2011, Maybank IB announced on behalf of the Board that Jotech had on even date entered into a definitive merger agreement ("Merger Agreement") with TFB, AIC and AutoV in relation to the Merger Exercise Offer.

On 21 September 2011, Maybank IB, on behalf of the Board had announced to clarify, among others, that the Board had resolved not to seek other alternative bids in respect of our Business.

On 22 December 2011, Maybank IB announced on behalf of the Board that Jotech have entered into the Supplemental Agreement for the purposes of recording variations to certain terms of the Proposed AutoV Business Disposal, resulting from a supplemental agreement dated 22 December 2011 entered into between AutoV and the Proreka (M) Sdn Bhd ("Proreka") Vendors in respect of the Proreka sale and purchase agreement ("Proreka SPA"). The variations include revising the terms of the AutoV redeemable convertible preference shares issued to the Proreka Vendors under the Proreka SPA.

Ministry of International Trade and Industry, Malaysia ("MITI") had, via its letter dated 13 January 2012, approved the Proposed Disposal subject to the approval of the Securities Commission Malaysia ("SC"). TFB has been granted a grace period of one (1) year from the date of the letter of approval from MITI to comply with the equity conditions and is required to inform MITI after the completion of the Proposals.

On 26 January 2012, Maybank IB announced on behalf of the Board that the SC had, via its letter dated 25 January 2012, approved the applications sought in relation to the Proposals.

On 24 February 2012, Maybank IB announced on behalf of the Board that the extraordinary general meeting ("EGM") of Jotech will be held at Tiara Rini Ballroom, The Royale Bintang The Curve, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 20 March 2012 at 10.30 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions as set out in the enclosed Notice of EGM.



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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B7. Corporate proposals (continued)

In addition, on behalf of Jotech, Maybank IB announced that the court convened meeting ("Court Convened Meeting") of the holders of warrants 2007/2012 in Jotech ("Warrant Holders Meeting") will be held at Tiara Rini Ballroom, The Royale Bintang The Curve, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 20 March 2012 at 2.30 p.m., or immediately after the conclusion or adjournment of the abovementioned EGM, whichever is later, or any adjournment thereof, for the purposes of considering and, if thought fit, approving (with or without modification or addition), a scheme of arrangement between the Company and its Warrant Holders, via the resolution as set out in the enclosed Notice of Court Convened Meeting.

The Notice of EGM and Notice of Court Convened Meeting have been send out to shareholders and warrant holders of Jotech on 27 February 2012.

The Offer entails the following proposals ("Proposals"):

i) Proposed Disposal;
ii) Proposed Distribution;
iii) Proposed Share Issue;
iv) Proposed Bonus Issue; and
v) Proposed Warrant Scheme

which is further described below.

Proposed Disposal

The Proposed Disposal entails TFB acquiring the Jotech Business for a total purchase consideration ("Consideration") equivalent to:

(a) RM0.18 for each ordinary share of RM0.10 each in Jotech ("Jotech Share"), being 20% above the volume weighted average market price ("VWAMP") of Jotech Shares for the five (5) market days up to and including 26 July 2011, being the last trading day prior to the Offer, of RM0.15, multiplied by the total number of outstanding Jotech Shares, at a date to be determined later by TFB in consultation with Jotech; and

(b) RM0.09 for each Warrant , being 16.88% above the VWAMP of the Warrants for the five (5) market days up to and including 26 July 2011, being the last trading day prior to the Offer, of RM0.077, multiplied by the total outstanding number of Warrants in issue at a date to be determined later by TFB in consultation with Jotech.

The Consideration shall be satisfied by the issuance of an equivalent value of new ordinary shares of RM0.10 each in TFB ("TFB Share") at an issue price of RM0.12 per TFB Share, less/excluding such number of TFB Shares to be received by Jotech arising from its entitlement to TFB Shares pursuant to its existing 28,023,900 ordinary shares of RM1.00 each in AIC, being such TFB Shares to which Jotech will be entitled to under a proposed distribution, similar to the Proposed Distribution (as defined below), to be undertaken by AIC in connection with the implementation of the Proposed AIC Business Disposal under the Merger Exercise Offer.

The Consideration is intended to be distributed/paid to the entitled shareholders of Jotech and Warrant Holders pursuant to the Proposed Distribution and Proposed Warrant Scheme as defined below.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B7. Corporate proposals (continued)

Proposed Distribution

Jotech shall, subject to obtaining all requisite approvals, implement a proposed distribution exercise comprising:

(i) a capital reduction exercise ("Proposed Capital Reduction") in accordance with Sections 60(2) and/or 64 of the Companies Act, 1965 ("Act"), involving a reduction of the share capital and/or share premium reserve (if applicable) of Jotech via cancellation of Jotech's issued and paid-up share capital, which shall require confirmation by the High Court of Malaya pursuant to Sections 60(2) and/or 64 of the Act; and

(ii) a capital repayment exercise ("Proposed Capital Repayment") involving:

(a) the distribution-in-specie of the TFB Shares to be received by Jotech upon completion of the Proposed Disposal to all the entitled shareholders of Jotech; and

(b) the distribution-in-specie of the TFB Shares to be received by Jotech arising from its entitlement to the TFB Shares pursuant to its existing 28,023,900 ordinary shares of RM1.00 each in AIC held by Jotech in AIC, to all the entitled shareholders of Jotech.

(collectively known as the "Proposed Distribution").

Proposed Share Issue

In connection with the Proposed Disposal, TFB shall simultaneously with the implementation of the Proposed Distribution (which will result in the cancellation of the entire share capital of Jotech), subscribe for and Jotech shall allot and issue 20 new Jotech Shares to TFB at an issue price of RM0.10 each ("Proposed Share Issue"). Accordingly, immediately following the completion of the Proposed Distribution and Proposed Share Issue, the share capital of Jotech shall be RM2.00, comprising 20 Jotech Shares, all of which shall be held by TFB.

Proposed Bonus Issue

In order to facilitate the Proposed Distribution, Jotech shall, prior to the implementation of the Proposed Capital Reduction, undertake a bonus issue of shares, which shall not be credited to the entitled shareholders of Jotech and shall immediately be cancelled pursuant to the Proposed Capital Reduction and which is to be effected by way of capitalising all sums standing to the credit of the share premium account, retained profits and/or any other reserves which may be capitalised, including the net gain arising from the Proposed Disposal ("Proposed Bonus Issue"). The actual number of bonus shares to be issued per Jotech Share would be dependent on the amount to be capitalised and the total issued and paid-up capital of Jotech, as at the entitlement date for the Proposed Distribution.



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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B7. Corporate proposals (continued)

Proposed Warrant Scheme

In conjunction with the Proposed Disposal, Jotech shall implement a scheme of arrangement under Section 176 of the Act ("Proposed Warrant Scheme") to pay the Warrants holders their entitlements to the Consideration in consideration for the cancellation of the exercise rights pursuant to the Warrants and thereafter proceed to cancel all the Warrants so that all the outstanding Warrants are effectively and validly cancelled.

Upon Completion, each of the Target Companies will separately apply to Bursa Malaysia Securities Berhad ("Bursa Securities") to be delisted from the Main Market of Bursa Securities and subsequently subject to the requisite approvals being obtained, TFB shall assume the listing status of any one of the Target Companies and be listed on the Main Market of Bursa Securities.

B8. Group borrowings

The Group borrowings as at 31 December 2011 were as follows:-

	RM'000
Secured	53,547
Unsecured	-
Total Group Borrowings	53,547

	RM'000
Short Term	22,195
Long Term	31,352
Total Group Borrowings	53,547

The total borrowings denominated in foreign and local currency as at 31 December 2011 were as follows:-

	RM'000
Foreign Currency:	
- USD1,577,500 @ RM3.1685/USD1	4,998
- RMB13,800,000 @ RM0.5034/RMB1	6,947
- IDR19,082,660,000@ RM0.0349/IDR100	6,667
Local Currency	34,935
Total Group Borrowings	53,547

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B9. Financial Instruments

a) Derivatives

There were no new or existing derivatives as at the end of the reporting period.

b) Gains/(losses) arising from fair value changes in financial liabilities

There were no gains or losses arising from fair value changes in financial liabilities in this reporting period.

B10. Material litigation

There is no material litigation against the Group as at the date of this report.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B11. Discontinued operation and disposal group classified as held for sale

Pursuant to the Merger Agreement as mentioned in Note B7 above, the Jotech Business fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations. Accordingly, all assets, liabilities and related reserves of the Group have been classified and presented on the consolidated statements of financial position as 'held for sale' in accordance with FRS 5. As at 31 December 2011, the assets, liabilities and reserves classified as 'held for sale' comprised as follows:

RM in thousand (RM'000)	**As at the end 31.12.2011**
ASSETS	
Property, plant and equipment	142,831
Investment in associates	37,901
Intangible assets	1,821
Inventories	12,415
Receivables, deposits and prepayments	18,890
Current tax assets	127
Other investments	1,487
Cash and cash equivalents	18,928
Assets classified as held for sale	234,400
LIABILITIES	
Borrowings	53,547
Deferred tax liabilities	3,446
Payables and accruals	13,293
Taxation	643
Liabilities classified as held for sale	70,929
Net assets of disposal group classified as held for sale	163,471
RESERVE	
Capital reserve	5,022
Foreign currency translation reserve	(21)
Reserve classified as held for sale	5,001

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B12. Earnings/(loss) per share

	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Profit/(loss) attributable to equity holders of the parent	RM'000	RM'000	RM'000	RM'000
From discontinued operations	897	3,021	22,322	9,030
Basic				
Weighted average number of ordinary shares @ 10 sen ('000)	1,104,300	924,300	1,064,848	924,300
Basic earnings/(loss) per share (sen)				
From discontinued operations	0.081	0.327	2.096	0.977
Diluted				
Weighted average number of ordinary shares @ 10 sen ('000)	1,110,619	n.a*	1,117,707	n.a*
Diluted earnings/(loss) per share (sen)				
From discontinued operations	0.081	n.a*	1.997	n.a*

** The diluted earnings per share were not presented as the effect of the assumed conversion of warrants outstanding would be anti-dilutive.*

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

B13. Realised and unrealised profits/(losses)

The format of disclosure of the breakdown of realised and unrealised profits or losses is prescribed in Bursa Malaysia's directive dated 20 December 2010.

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 31.12.2011 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries	
-Realised	21,118
-Unrealised	(1,993)
	19,125
Total share of retained profits/(accumulated losses) from associated companies	
-Realised	3,862
-Unrealised	(945)
	22,042
Consolidation adjustments	16,739
Total retained earnings	38,781

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(Prepared for inclusion in this Prospectus)

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Independent Auditors' Report on Review of Interim Financial Information to the Board of Directors of AIC Corporation Berhad ("the Company")

(Company No. 194514-M)
(Incorporated in Malaysia)

Introduction

We have reviewed the accompanying condensed consolidated statements of financial position as at 31 December 2011, and the condensed consolidated statements of comprehensive income for the individual and cumulative quarters ended 31 December 2011, and the condensed consolidated statement of changes in equity and cash flows for the period then ended, and the accompanying notes thereon (collectively referred to as "interim financial information", which we have stamped for the purpose of identification) of the Company. The Board of Directors of the Company is responsible for the preparation and fair presentation of the interim financial information in accordance with FRS 134, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the approved Standard on Auditing in Malaysia applicable to review engagements, ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with approved Standard on Auditing in Malaysia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not presented fairly, in all material respects, in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysia Accounting Standard Board in Malaysia.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Company No. 194514-M

Restriction on Use and Distribution

This report is made solely to the Board of Directors in connection with the review of the Company's interim financial information as at and for the period ended 31 December 2011 and for no other purpose. We do not assume responsibility to any other person for the content of this report. It should not be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, without our prior written consent.

Yours faithfully,

KPMG
Firm No. AF 0758
Chartered Accountants

9 April 2012

AIC CORPORATION BERHAD

(Incorporated in Malaysia)
Company No: 194514-M

QUARTERLY UNAUDITED FINANCIAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2011

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AIC Corporation Berhad
Condensed unaudited consolidated statements of comprehensive income for the period ended 31 December 2011

	Current quarter 31.12.2011 RM'000	Preceding year corresponding quarter 31.12.2010 RM'000	Current period 31.12.2011 RM'000	Preceding year 31.12.2010 RM'000
Discontinued operations				
Revenue	33,862	37,575	137,348	167,400
Operating expenses	(34,449)	(40,699)	(132,680)	(156,275)
Other operating income	529	3,284	7,982	8,555
Profit/(Loss) from operations	(58)	160	12,650	19,680
Interest income	90	111	332	262
Finance costs	(393)	(306)	(1,845)	(2,399)
Profit/(Loss) before taxation	(361)	(35)	11,137	17,543
Tax expense	239	472	(1,407)	(1,603)
Profit/(Loss) for the period	(122)	437	9,730	15,940
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	(122)	437	9,730	15,940
Profit/(Loss) attributable to:				
Owners of the Company	(82)	534	9,891	15,569
Non-controlling interests	(40)	(97)	(161)	371
Profit/(Loss) for the period	(122)	437	9,730	15,940
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(82)	534	9,891	15,569
Non-controlling interests	(40)	(97)	(161)	371
Total comprehensive income/(loss) for the period	(122)	437	9,730	15,940
Basic earnings/(loss) per ordinary share (sen)	(0.05)	0.31	5.69	8.95
Diluted earnings/(loss) per ordinary share (sen)	(0.04)	0.27	4.94	7.78

(The condensed unaudited consolidated statements of comprehensive income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)



AIC Corporation Berhad
Condensed unaudited consolidated statement of financial position as at 31 December 2011

	31.12.2011 RM'000	Audited 31.12.2010 RM'000
Non current assets		
Property, plant and equipment	-	104,175
Other investment	-	13,456
Investment property	-	11,033
Goodwill on consolidation	-	4,326
Total non current assets	-	132,990
Current assets		
Receivables, deposits and prepayments	-	40,139
Inventories	-	19,901
Current tax assets	-	145
Cash and cash equivalents	-	16,697
Assets of disposal group classified as held for sale	202,082	-
Total current assets	202,082	76,882
TOTAL ASSETS	202,082	209,872
Equity attributable to owners of the Company		
Share capital	173,873	173,873
Reserves	(37,164)	(39,712)
Reserves of disposal group classified as held for sale	7,343	-
	144,052	134,161
Non-controlling interests	9,947	10,108
Total equity	153,999	144,269
Long term and deferred liabilities		
Borrowings	-	17,283
Deferred tax liabilities	-	8,791
Total long term and deferred liabilities	-	26,074
Current liabilities		
Payables and accruals	-	27,751
Tax liabilities	-	740
Borrowings	-	11,038
Liabilities of disposal group classified as held for sale	48,083	-
Total current liabilities	48,083	39,529
Total liabilities	48,083	65,603
TOTAL EQUITY AND LIABILITIES	202,082	209,872
Net assets per share attributable to owners of the Company (RM)	0.83	0.77

(The condensed unaudited consolidated statement of financial position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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AIC Corporation Berhad
Condensed unaudited consolidated statements of cash flow for the period ended 31 December 2011

	31.12.2011 RM'000	31.12.2010 RM'000
Discontinued operations		
Cash flows from operating activities		
Profit before taxation	11,137	17,543
Adjustments for:		
Amortisation of government grant	-	(552)
Bad debts written off	-	20
Change in fair value of other investment	(5,568)	(3,298)
Change in fair value of derivatives	340	(27)
Depreciation	14,014	14,085
Dividend income	(438)	(259)
Gain on disposal of investment properties	-	(2,596)
Goodwill written off	14	-
Impairment loss on property, plant and equipment	-	685
Interest expense	1,845	2,298
Interest income	(332)	(262)
Inventories written off	214	551
(Reversal)/Impairment loss on receivables	(21)	131
Unrealised foreign exchange (gain)/loss	(1,267)	721
Other non-cash items	(21)	(567)
Operating profit before working capital changes	19,917	28,473
Changes in working capital:		
Inventories	(1,108)	(3,784)
Receivables, deposits and prepayments	2,992	(417)
Payables and accruals	(4,522)	4,379
Cash generated from operations	17,279	28,651
Interest income received	332	262
Taxation refunded	-	1,286
Taxation paid	(2,732)	(1,803)
Net cash generated from operating activities	14,879	28,396
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,176)	(12,680)
Purchase of other investment	-	(1,535)
Dividend received	328	194
Proceeds from disposal of other investment	-	30
Proceeds from disposal of property, plant and equipment	-	128
Proceeds from disposal of non-current assets held for sale	-	4,600
Additions in investment property	(12)	(11,033)
Net cash used in investing activities	(7,860)	(20,296)





AIC Corporation Berhad
Condensed unaudited consolidated statements of cash flow for the period ended 31 December 2011
(continued)

	31.12.2011 RM'000	31.12.2010 RM'000
Discontinued operations		
Cash flows from financing activities		
Interest paid	(1,845)	(2,298)
Increase in deposits pledged	-	(28)
Repayment of bank borrowings – net	(12,026)	(10,181)
Net cash used in financing activities	(13,871)	(12,507)
Net decrease in cash and cash equivalents	(6,852)	(4,407)
Cash and cash equivalents at beginning of period	15,722	20,129
Cash and cash equivalents at end of period	8,870	15,722
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	3,403	3,482
Deposits with licensed banks (excluding deposits pledged)	3,141	7,265
Short term placement funds	2,326	4,975
	8,870	15,722

(The condensed unaudited consolidated statements of cash flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)





AIC Corporation Berhad
Condensed unaudited consolidated statements of changes in equity for the period ended 31 December 2011

	Attributable to owners of the Company							
	Share capital RM'000	Share premium RM'000	Non-distributable reserves RM'000	Reserves of disposal group classified as held for sale RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2011	173,873	4,437	7,343	-	(51,492)	134,161	10,108	144,269
Reserves attributable to disposal group held for sale	-	-	(7,343)	7,343	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	9,891	9,891	(161)	9,730
At 31 December 2011	173,873	4,437	-	7,343	(41,601)	144,052	9,947	153,999

	Attributable to owners of the Company						
	Share capital RM'000	Share premium RM'000	Non-distributable reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2010							
- as previously stated	173,873	4,437	7,343	(68,816)	116,837	9,731	126,568
- effect of adopting FRS 139	-	-	-	1,755	1,755	6	1,761
- as restated	173,873	4,437	7,343	(67,061)	118,592	9,737	128,329
Total comprehensive income for the year	-	-	-	15,569	15,569	371	15,940
At 31 December 2010	173,873	4,437	7,343	(51,492)	134,161	10,108	144,269

(The condensed unaudited consolidated statements of changes in equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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Explanatory notes

1. Basis of preparation

The quarterly financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The quarterly financial report do not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2010.

The Board of Directors has on 30 December 2011 approved the change in the financial year end of the Group from 31 December to 30 June and the next audited financial statements shall be for a period of 18 months from 1 January 2011 to 30 June 2012.

2. Significant Accounting Policies

Save as disclosed below, the significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010.

i) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Under FRS 3 (revised), the definition of a business has been broadened, which will result in more acquisitions being treated as business combinations.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any minority (will be known as non-controlling) interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.



Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Any non-controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and /or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

ii) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be recognised as cost on initial measurement of the investment.

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iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

The Group has not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*
- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)



- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

The Group's financial statements for annual period beginning on 1 July 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board and International Financial Reporting Standards (IFRSs). As a result, the Group will not be adopting the above FRSs, Interpretations and amendments.

3. Qualified audit report

The preceding annual audited financial statements of the Group were reported on without any qualification.

4. Unusual items affecting assets, liabilities, equity, net income or cash flows

Save as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to-date.

As disclosed in Note 11 below, the AIC Business (as defined in Note 11) fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations.

As a result of the above:

(i) all assets, liabilities and related reserves of the Group as at 31 December 2011 have been classified and presented on the consolidated statements of financial position, as 'held for sale' in accordance with FRS 5;

(ii) the entire results of the Group for the current quarter and period and preceding year corresponding quarter and period have been presented on the consolidated statements of comprehensive income as "Discontinued Operations" in accordance with FRS 5; and

(iii) the cash flows of the Group for the current year and preceding period have been presented on the consolidated statements of cash flows as "Discontinued Operations" in accordance with FRS 5.

5. Changes in estimates

There were no changes in the estimates of amounts which give a material effect for the current quarter and financial period.

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6. Taxation

The tax expense for the current quarter and financial period are as follows:

	Current quarter 31.12.2011 RM'000	Financial period 31.12.2011 RM'000
Tax expense, Malaysia		
– current	561	2,207
– over provision in prior year	(297)	(297)
Deferred tax credit		
– current	(503)	(503)
	(239)	1,407

The tax expense for the Group for the current quarter and financial period relates to the taxable income from our precision tooling and automation segment.

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate due mainly to the losses incurred by the semiconductor and investment holding segments.

The effective tax rate of the Group for the financial period is lower than the statutory tax rate due mainly to certain non-taxable income, which mainly comprised of the increase in fair value of the other investment.

7. Valuation of property, plant and equipment

As at 31 December 2011, the valuations of land and building have been brought forward, without amendments from the audited financial statements as at 31 December 2010.

8. Borrowings

The Group borrowings as at the end of the reporting period are as follows:

	Total RM'000
Non-Current	6,163
Current	11,066
Total Group borrowings	17,229

As at 31 December 2011, all the borrowings are secured and there are no outstanding foreign currency denominated borrowings.

9. Debt and equity securities

There were no issuances, cancellations, repurchases and repayments of the Company's debt or equity securities for the current quarter and financial period.





As at 31 December 2011, 26,230,129 Warrants C which has an exercise period of 10 years commencing 12 March 2008 and ending on 9 March 2018 and an exercise price of RM1.00 for each new ordinary share in the Company remains unexercised.

10. Changes in composition of the Group

Save as disclosed below, there was no change in the Group structure for the financial period and up to the date of this report.

Prodelcon Sdn Bhd, a wholly owned subsidiary of the Company had on 21 March 2011 acquired the entire equity interest, comprising 2 ordinary shares of RM1.00 each in Isotrax Engineering Sdn Bhd for a total cash consideration of RM2.

11. Corporate proposals

Save as disclosed below, there are no corporate proposals that were announced but not completed within 7 days from the date of issue of this quarterly report.

On 29 July 2011, Maybank Investment Bank Berhad ("Maybank IB"), being the adviser to AIC in respect of the Proposed Disposal (as defined below) had announced on behalf of the Board of Directors of the Company ("Board") that the Company had received an offer ("Offer") of even date from Temasek Formation Berhad ("TFB") (then known as Temasek Formation Sdn Bhd), a company whose major shareholder and director, namely Datuk Goh Tian Chuan ("Datuk Goh") is also a major shareholder and Executive Chairman of the Company, to acquire the entire business and undertakings, including all assets and liabilities of the Company ("AIC Business") ("Proposed Disposal").

Together with the Offer, TFB simultaneously made offers on substantially the same terms and conditions to acquire the entire businesses and undertakings, including all assets and liabilities, of Jotech Holdings Berhad ("Jotech") ("Jotech Business") and AutoV Corporation Berhad ("AutoV") ("AutoV Business"). Such simultaneous offers, together with the Offer (collectively known as the "Merger Exercise Offer"), shall constitute a single consolidated offer as at 29 July 2011 for the purposes of achieving the merger of the businesses and undertakings of AIC, Jotech and AutoV (collectively known as "Target Companies"), including all assets and liabilities of the Target Companies as at completion of the Proposed Disposal in accordance with the terms of the Merger Agreement (as defined below) ("Completion").

On 24 August 2011, Maybank IB announced on behalf of the Board that the non-interested Directors of AIC have decided to accept the Offer, subject to, among others the approval of the shareholders of AIC and relevant authorities, where required. As the Merger Exercise Offer represents a related party transaction in view of Datuk Goh's substantial shareholdings in the Target Companies, OSK Investment Bank Berhad ("OSK") has been appointed by AIC to advise the non-interested Directors and the non-interested shareholders of AIC.

On 22 August 2011 and 24 August 2011, Maybank IB announced on behalf of the board of directors of AutoV and Jotech respectively that they have decided to accept the offer from TFB to acquire the AutoV Business ("Proposed AutoV Business Disposal") and Jotech Business ("Proposed Jotech Business Disposal") upon the terms and conditions contained in their respective offer letters dated 29 July 2011 issued by TFB to AutoV and Jotech.

On 15 September 2011, Maybank IB announced on behalf of the Board that AIC had on even date entered into a definitive merger agreement ("Merger Agreement") with TFB, Jotech and AutoV in relation to the Merger Exercise Offer.



The Offer entails the following proposals ("Proposals"):

i) Proposed Disposal;
ii) Proposed Distribution;
iii) Proposed Share Issue;
iv) Proposed Bonus Issue; and
v) Proposed Warrant Scheme

which is further described below.

Proposed Disposal

The Proposed Disposal entails TFB acquiring the AIC Business for a total purchase consideration ("Consideration") equivalent to:

(a) RM1.80 for each ordinary share of RM1.00 each in AIC ("AIC Share"), being 20% above the volume weighted average market price ("VWAMP") of AIC Shares for the five (5) market days up to and including 26 July 2011, being the last trading day prior to the Offer, of RM1.50, multiplied by the total number of outstanding AIC Shares, at a date to be determined later by TFB in consultation with AIC; and

(b) RM1.00 for each Warrant C, being 17.37% above the VWAMP of the Warrants C for the five (5) market days up to and including 26 July 2011, being the last trading day prior to the Offer, of RM0.852, multiplied by the total outstanding number of Warrants C in issue at a date to be determined later by TFB in consultation with AIC.

The Consideration shall be satisfied by the issuance of an equivalent value of new ordinary shares of RM0.10 each in TFB ("TFB Share") at an issue price of RM0.12 per TFB Share, less/excluding such number of TFB Shares to be received by AIC arising from its entitlement to TFB Shares pursuant to its existing 11,600,000 ordinary shares of RM1.00 each in AutoV, being such TFB Shares to which AIC will be entitled to under a proposed distribution, similar to the Proposed Distribution (as defined below), to be undertaken by AutoV in connection with the implementation of the Proposed AutoV Business Disposal under the Merger Exercise Offer.

The Consideration is intended to be distributed/paid to the entitled shareholders of AIC and Warrant C Holders pursuant to the Proposed Distribution and Proposed Warrant Scheme as defined below.

Proposed Distribution

AIC shall, subject to obtaining all requisite approvals, implement a proposed distribution exercise comprising:

(i) a capital reduction exercise ("Proposed Capital Reduction") in accordance with Sections 60(2) and/or 64 of the Companies Act, 1965 ("Act"), involving a reduction of the share capital and/or share premium reserve (if applicable) of AIC via cancellation of AIC's issued and paid-up share capital, which shall require confirmation by the High Court of Malaya pursuant to Sections 60(2) and/or 64 of the Act; and

(ii) a capital repayment exercise ("Proposed Capital Repayment") involving:

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(a) the distribution-in-specie of the TFB Shares to be received by AIC upon completion of the Proposed Disposal to all the entitled shareholders of AIC; and

(b) the distribution-in-specie of the TFB Shares to be received by AIC arising from its entitlement to the TFB Shares pursuant to its existing 11,600,000 ordinary shares of RM1.00 each in AutoV held by AIC in AutoV, to all the entitled shareholders of AIC.

(collectively known as the "Proposed Distribution").

Proposed Share Issue

In connection with the Proposed Disposal, TFB shall simultaneously with the implementation of the Proposed Distribution (which will result in the cancellation of the entire share capital of AIC), subscribe for and AIC shall allot and issue 2 new AIC Shares to TFB at an issue price of RM1.00 each ("Proposed Share Issue"). Accordingly, immediately following the completion of the Proposed Distribution and Proposed Share Issue, the share capital of AIC shall be RM2.00, comprising 2 AIC Shares, all of which shall be held by TFB.

Proposed Bonus Issue

In order to facilitate the Proposed Distribution, AIC shall, prior to the implementation of the Proposed Capital Reduction, undertake a bonus issue of shares, which shall not be credited to the entitled shareholders of AIC and shall immediately be cancelled pursuant to the Proposed Capital Reduction and which is to be effected by way of capitalising all sums standing to the credit of the share premium account, retained profits and/or any other reserves which may be capitalised, including the net gain arising from the Proposed Disposal ("Proposed Bonus Issue"). The actual number of bonus shares to be issued per AIC Share would be dependent on the amount to be capitalised and the total issued and paid-up capital of AIC, as at the entitlement date for the Proposed Distribution.

Proposed Warrant Scheme

In conjunction with the Proposed Disposal, AIC shall implement a scheme of arrangement under Section 176 of the Act ("Proposed Warrant Scheme") to pay the Warrants C holders their entitlements to the Consideration in consideration for the cancellation of the exercise rights pursuant to the Warrants C and thereafter proceed to cancel all the Warrants C so that all the outstanding Warrants C are effectively and validly cancelled.

Upon Completion, each of the Target Companies will separately apply to Bursa Malaysia Securities Berhad ("Bursa Securities") to be delisted from the Main Market of Bursa Securities and subsequently subject to the requisite approvals being obtained, TFB shall assume the listing status of any one of the Target Companies and be listed on the Main Market of Bursa Securities.

On 17 January 2012, Maybank IB had announced on our behalf that the Ministry of International Trade and Industry had vide its letter dated 13 January 2012 (which was received on 17 January 2012), approved the Proposed Disposal, subject to the conditions detailed in the said announcement.

On 26 January 2012, Maybank IB had announced on our behalf that the Securities Commission had vide its letter dated 25 January 2012 (which was received on 26 January 2012), granted its approval under Section 212(5) of the Capital Markets and Services Act 2007, for the Proposals, subject to the conditions detailed in the said announcement.

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On 24 February 2012, Maybank IB had announced:

i) that the extraordinary general meeting ("EGM") of the Company will be held at Tiara Rini Ballroom, The Royale Bintang The Curve, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 21 March 2012 at 10.30 a.m., or any adjournment thereof, for the purpose of considering and approving the Proposed Disposal, Proposed Distribution, Proposed Share Issue and Proposed Bonus Issue; and

ii) that the court convened meeting of the holders of Warrants C will be held at Tiara Rini Ballroom, The Royale Bintang The Curve, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 21 March 2012 at 2.00 p.m., or immediately after the conclusion or adjournment of the abovementioned EGM, whichever is later, or any adjournment thereof, for the purpose of considering and approving the Proposed Warrants Scheme.

The notice of the EGM and court convened warrant holders meeting have been sent out on 27 February 2012.

12. Material events subsequent to the period end

There are no material events subsequent to the period end.

13. Contingent liabilities/assets

As at 31 December 2011, the Company had executed corporate guarantees in favour of licensed banks and financial institutions of up to a limit of RM28.5 million and USD0.3 million for credit facilities granted to its subsidiaries. Out of the total banking facilities secured by corporate guarantees, a total borrowings of RM6.2 million were outstanding at the period end.

14. Notes to the statement of comprehensive income

Other than interest income and finance costs, included in the statement of the comprehensive income are the following credits/(charges):

	Current quarter	Preceding year corresponding quarter	Current period	Preceding year
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Bad debts written off	-	-	-	(20)
Changes in fair value of derivatives	(44)	125	(340)	27
Changes in fair value of other investment	(1,508)	2,551	5,568	3,298
Depreciation	(3,481)	(3,558)	(14,014)	(14,085)
Dividend income	-	27	438	259
Foreign exchange gain/(loss)	211	(1,389)	1,186	(2,322)
Gain on disposal of investment properties	-	-	-	2,596
Gain on disposal of property, plant and equipment	-	-	-	40
Goodwill written off	(14)	-	(14)	-
Impairment loss on property, plant and equipment	-	(685)	-	(685)
Inventories written off	(214)	(551)	(214)	(551)
Property, plant and equipment written off	-	(1)	(1)	(1)
Rental income	393	393	1,571	1,687
Reversal/(Impairment) loss on receivables	-	(221)	21	(131)



15. Segmental information

Analysis by business segments being the primary basis of the Group's segment reporting for the financial period ended 31 December 2011 is as follows:

	Test and assembly and other semiconductor related activities RM'000	Precision tooling and automation RM'000	Investment holding RM'000	Total RM'000
Discontinued operations				
Segment revenue				
Revenue from external customers	84,099	51,241	2,008	137,348
Inter-segment revenue	-	1	12,677	12,678
Discontinued operations				
Segment profit before tax	(3,702)	10,813	4,082	11,193
Income/(Expenses) included in the measure of Segment Profit are:				
Change in fair value of other investment	-	-	5,568	5,568
Change in fair value of derivatives	(340)	-	-	(340)
Depreciation	(11,897)	(2,114)	(11)	(14,022)
Goodwill written off	-	-	(14)	(14)
Interest expense	(563)	(113)	(1,169)	(1,845)
Interest income	52	109	171	332
Inventories written off	-	(214)	-	(214)
Reversal of impairment loss on receivavbles	-	21	-	21
Assets of disposal group classified as held for sale				
Segment assets	116,717	45,028	36,056	197,801
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments	1,581	7,498	10	9,089
Liabilities of disposal group classified as held for sale				
Segment liabilities	23,807	12,744	11,532	48,083

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Reconciliation to consolidated profit before tax as below:

	Financial period ended 31.12.2011 RM'000
Discontinued operations	
Total segment profit	11,193
Consolidation adjustments	(56)
Consolidated profit before tax	11,137

Reconciliation to consolidated total assets as below:

	As at 31.12.2011 RM'000
Assets classified as held for sale	
Total segment assets	197,801
Goodwill on consolidation	4,326
Consolidation adjustments	(45)
Consolidated total assets	202,082

16. Capital commitments

Capital commitments as at 31 December 2011 are as follows:

	RM'000
Purchase of plant and equipment:	
- Approved and contracted for	-
- Approved but not contracted for	19,962
Lease agreement ^	6,935
Total	26,897

Note:

^ *Based on the remaining lease obligation with CIMB Trustee Berhad (As Trustee for the Amanah Raya Real Estate Investment Trust) ("CIMB Trustee") to lease certain leasehold land and buildings from CIMB Trustee.*

17. Seasonal and cyclical factors

There are no material seasonal or cyclical factors affecting the income and performance of the Group.

18. Material litigation

There is no material litigation within 7 days from the date of the quarterly report.

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19. Review of performance

I) Current period versus preceding year corresponding period - Revenue

Analysis on Group basis

The Group's revenue for the current period has slid RM30.1 million or 18% to RM137.3 million as compared to the preceding year corresponding period. The slide was due mainly to a decrease in revenue of RM36.3 million registered by the semiconductor segment, which was partly offset by an increase in revenue of RM6.0 million recorded by the precision tooling and automation segment.

Segmental analysis

a) The decrease in revenue of the semiconductor segment from RM120.4 million in the preceding year corresponding period to RM84.1 million for the current period was mainly due to the weak global semiconductor market affecting all semiconductor segments, with high overall inventory recorded globally throughout the year. As the revenue of our semiconductor segment is predominantly denominated in USD, our semiconductor segment was also hit by the depreciation of the United States Dollar ("USD") against the RM.

b) The increase in revenue of the precision tooling and automation segment from RM45.2 million in the preceding year corresponding period to RM51.2 million for the current period was due mainly to increase in demand for its photonics microwave products.

II) Current period versus preceding year corresponding period - Results

Analysis on Group basis

The Group's net profit for the current period has declined by RM5.7 million from the preceding year corresponding period to RM9.9 million. This drop was mainly attributable to a decline of RM8.1 million in the results registered by the semiconductor segment which was partially offset by an increase of RM2.4 million in the net profit generated by the investment holding segment.

Segmental analysis

a) In tandem with the decrease in revenue, the semiconductor segment's results declined from a net profit of RM5.7 million in the preceding year corresponding period to a net loss of RM2.5 million in the current period. This was mainly attributable to the abovementioned low sales volume, weaker USD against RM and the continuous strengthening of commodity prices, such as gold and copper, affecting our raw material costs.

b) Included in the net profit of the precision tooling and automation in the preceding year corresponding period was a net credit of RM1.8 million comprising of a gain on disposal of investment property of RM2.6 million which was partially offset by asset impairments/write offs as a result of a fire incident of RM0.8 million. Excluding the said net credit and in line with the increase in its revenue, net profit from the precision tooling and automation segment moved up from RM6.6 million for the preceding year corresponding period to RM8.3 million for the current period. This was mainly a result of the increase in revenue mentioned above and higher margins earned.



c) The increase in the net profit contributed by the investment holding segment was mainly bolstered by the fair value gain on its other investment of RM5.6 million (RM3.3 million in the preceding year corresponding period) due to the higher market price of its quoted investment.

III) Current quarter versus preceding year corresponding quarter - Revenue

Analysis on Group basis

The Group's revenue for the current quarter declined by RM3.7 million to register at RM33.9 million as compared to RM37.6 million in the preceding year corresponding quarter. This was due mainly to a drop of RM8.3 million in the revenue of the semiconductor segment. The decrease was partly off-set by an increase of RM4.6 million in the revenue of the precision tooling and automation segment.

Segmental analysis

a) The decline in the semiconductor segment's revenue from RM26.2 million to RM18.0 million was mainly due to the continuous weakness in the global semiconductor market and inventory correction by its customers to adjust for the lower demand.

b) The increase in the precision tooling and automation segment's revenue from RM10.9 million to RM15.5 million was mainly attributable to an increase in demand for its photonics microwave products.

IV) Current quarter versus preceding year corresponding quarter - Results

Analysis on Group basis

The Group's registered a net loss of RM0.1 million for the current quarter versus a net profit of RM0.5 million for the preceding year corresponding quarter. This decrease is represented by a decrease of RM3.9 million in the results contributed by the investment holding segment. This decline was partly offset by an increase of RM2.4 million and RM0.9 million in the net profits generated by the precision tooling and automation and semiconductor segments respectively.

Segmental analysis

a) The investment holding segment recorded a net loss of RM2.1 million for the current quarter versus a net profit of RM1.8 million for the preceding year corresponding quarter. This was attributable to a fair value loss for its other investment of RM1.5 million, whereas included in the preceding year corresponding quarter was a fair value gain on other investment of RM2.6 million.

b) Despite the significant drop of RM8.3 million in its revenue, the semiconductor segment for the current quarter recorded a lower net loss of RM0.6 million as compared to a net loss of RM1.5 million for the preceding year corresponding quarter. The improvement was mainly due to better product mix with higher profit margin and a lowered fixed and semi-fixed overhead costs achieved through cost control measures undertaken by the semiconductor segment.

c) Included in the net profit of the precision tooling and automation segment for the preceding year corresponding quarter was asset impairments/write offs as a result of a fire incident of RM0.8 million. Excluding the impairment/write offs, the precision tooling and automation segment recorded an improvement in its net profit from RM1.0 million in the preceding year corresponding quarter to RM2.6 million in the current quarter aided by the increase in its revenue and higher margins earned.

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20. Quarterly analysis

Revenue

Analysis on Group basis

Quarter on quarter, the Group's revenue increased by RM2.8 million from RM31.1 million to register at RM33.9 million, due mainly to an increase in the revenue from the precision tooling and automation segment of RM4.3 million. This increase was partly offset by the decrease in the revenue of RM1.4 million of the semiconductor segment.

Segmental analysis

a) The increase in the precision tooling and automation segment's revenue from RM11.2 million in the preceding quarter was due mainly to an increase in demand for its photonics microwave products.

b) The decrease in the semiconductor segment's revenue from RM19.3 million in the previous quarter was due to a decrease in sales volume resulting from the overall weak global demand.

Results

Analysis on Group basis

Despite the increase in revenue, the Group's profit before tax fell by RM3.7 million from RM3.3 million in the previous quarter to a loss before tax of RM0.4 million in the current quarter. This decrease is represented by a decrease of RM4.5 million and RM0.5 million in the results before tax contributed by the investment holding and semiconductor segments respectively. This decline was partly offset by an increase of RM1.3 million in profit before tax generated by the precision tooling and automation segment.

Segmental analysis

a) The increase in the precision tooling and automation's profit before tax from RM2.1 million to RM3.4 million quarter on quarter was mainly due to an increase in its revenue and improving margins.

b) The decrease in the results of the investment holding segment is mainly attributable to a fair value loss for its other investment of RM1.5 million, whereas included in the previous quarter was a fair value gain on other investment of RM2.7 million.

c) The increase in semiconductor segment's loss before tax from RM1.3 million to RM1.7 million, quarter on quarter is mainly due to the lower sales volume mentioned above.

21. Prospects

Due to the current sovereign debt and financial crisis in Europe and the slowing pace of the global economy, the Board is of the view that the remaining period to the end of financial year to be challenging.

22. Profit forecast

Not applicable as no profit forecast was published.





23. Earnings per share

Basic earnings/(loss) per share

The basic earnings/(loss) per share for the Group was arrived as follows:

	Current quarter 31.12.2011	Preceding year corresponding quarter 31.12.2010	Current period 31.12.2011	Preceding year corresponding period 31.12.2010
Profit/(Loss) attributable to owners of the Company (RM'000)	(82)	534	9,891	15,569
Weighted average number of ordinary shares ('000)	173,873	173,873	173,873	173,873
Basic earnings/(loss) per share (sen)	(0.05)	0.31	5.69	8.95

Diluted earnings/(loss) per share

The diluted earnings/(loss) per share of the Group was arrived as follows:

	Current quarter 31.12.2011	Preceding year corresponding quarter 31.12.2010	Current period 31.12.2011	Preceding year corresponding period 31.12.2010
Profit/(Loss) attributable to owners of the Company (RM'000)	(82)	534	9,891	15,569
Weighted average number of ordinary shares (basic) ('000)	173,873	173,873	173,873	173,873
Effect of conversion of warrants outstanding ('000)	26,230	26,230	26,230	26,230
Weighted average number of ordinary shares (diluted) ('000)	200,103	200,103	200,103	200,103
Diluted earnings/(loss) per share (sen)	(0.04)	0.27	4.94	7.78

24. Dividends

The Board does not recommend any dividend in respect of the financial period ended 31 December 2011.

25. Realised and unrealised profits/losses

The breakdown of the accumulated losses of the Group into realised and unrealised profits/(losses) as follows:

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Realised	(39,970)	(42,586)
Unrealised	(1,586)	(8,830)
	(41,556)	(51,416)
Consolidation adjustments	(45)	(76)
Total accumulated losses	(41,601)	(51,492)





26. Discontinued operations and disposal group classified as held for sale

Pursuant to the Merger Agreement as mentioned in Note 11 above, the AIC Business fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations. Accordingly, all assets, liabilities and related reserves of the Group have been classified and presented on the consolidated statements of financial position as 'held for sale' in accordance with FRS 5. As at 31 December 2011, the assets, liabilities and reserves classified as 'held for sale' comprised as follows:

	31.12.2011 RM'000	31.12.2010 RM'000
Assets		
Property, plant and equipment	99,272	104,175
Other investment	19,024	13,456
Investment property	11,045	11,033
Goodwill on consolidation	4,326	4,326
Receivables, deposits and prepayments	36,828	40,139
Inventories	20,797	19,901
Current tax assets	946	145
Cash and cash equivalents	9,844	16,697
Assets of disposal group classified as held for sale	202,082	209,872
Liabilities		
Borrowings	17,229	28,321
Deferred tax liabilities	8,288	8,791
Payables and accruals	21,955	27,751
Tax liabilities	611	740
Liabilities of disposal group classified as held for sale	48,083	65,603
Net assets of disposal group classified as held for sale	153,999	144,269
Reserves		
Revaluation reserve	1,302	1,302
Capital reserve	6,041	6,041
Reserves of disposal group classified as held for sale	7,343	7,343



(Prepared for inclusion in this Prospectus)



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Independent Auditors' Report on Review of Interim Financial Information to the Board of Directors of AutoV Corporation Berhad ("the Company")

(Company No. 108253-W)
(Incorporated in Malaysia)

Introduction

We have reviewed the accompanying condensed consolidated statements of financial position as at 31 December 2011, and the condensed consolidated statements of comprehensive income for the individual and cumulative quarters ended 31 December 2011, and the condensed consolidated statement of changes in equity and cash flows for the period then ended, and the accompanying notes thereon (collectively referred to as "interim financial information", which we have stamped for the purpose of identification) of the Company. The Board of Directors of the Company is responsible for the preparation and fair presentation of the interim financial information in accordance with FRS 134, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the approved Standard on Auditing in Malaysia applicable to review engagements, ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with approved Standard on Auditing in Malaysia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not presented fairly, in all material respects, in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysia Accounting Standard Board in Malaysia.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Company No. 108253-W

Restriction on Use and Distribution

This report is made solely to the Board of Directors in connection with the review of the Company's interim financial information as at and for the period ended 31 December 2011 and for no other purpose. We do not assume responsibility to any other person for the content of this report. It should not be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, without our prior written consent.

Yours faithfully,

KPMG
Firm No. AF 0758
Chartered Accountants

9 April 2012

AutoV

AutoV Corporation Berhad

(Incorporated in Malaysia)
Company No : 108253-W

QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

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AutoV Corporation Berhad

(Company No. 108253-W)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011

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	CURRENT QUARTER 3 months ended 31 Dec		CUMULATIVE QUARTER 12 months ended 31 Dec	
	2011 RM'000 Unaudited	2010 RM'000 Unaudited	2011 RM'000 Unaudited	2010 RM'000 Audited
Discontinued operations				
Revenue	35,312	26,325	112,491	102,580
Cost of sales	(28,863)	(21,369)	(91,031)	(81,997)
Gross profit	6,449	4,956	21,460	20,583
Other income	1,268	962	2,789	3,110
Administrative expenses	(6,021)	(2,782)	(16,767)	(11,229)
Other expenses	-	-	-	-
Results from operating activities	1,696	3,136	7,482	12,464
Finance cost	(116)	(17)	(169)	(60)
Interest income	89	95	381	339
Profit before taxation	1,669	3,214	7,694	12,743
Income tax expense	(809)	(937)	(2,262)	(756)
Profit from continuing operations	860	2,277	5,432	11,987
Other comprehensive income	-	-	-	-
Total comprehensive income	860	2,277	5,432	11,987
Attributable to:-				
Owners of the Company	851	2,099	4,862	11,367
Non-controlling interests	9	178	570	620
Total comprehensive income	860	2,277	5,432	11,987
Earnings per share				
Basic earnings per share (sen)	1.43	3.60	8.18	19.48
Diluted earnings per share (sen)	1.12	N/A	6.42	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

AutoV Corporation Berhad

(Company No. 108253-W)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



	As At 31 Dec 2011 Unaudited RM'000	As At 31 Dec 2010 Audited RM'000
ASSETS		
Property, plant and equipment	-	9,141
Development expenditure	-	2,102
Goodwill	-	245
Deferred tax assets	-	1,001
Total non-current assets	-	12,489
Inventories	-	9,436
Trade & other receivable	-	14,042
Prepayments	-	2,006
Current tax assets	-	133
Cash and cash equivalents	-	25,759
Assets of group classified as held for sale	120,570	-
Total current assets	120,570	51,376
TOTAL ASSETS	120,570	63,865
EQUITY		
Share capital	64,994	58,360
Share premium	5,292	2,421
Other reserves	-	700
Accumulated losses	(11,893)	(15,662)
Reserves of group classified as held for sale	18,355	-
Total equity attributable to owners of the Company	76,748	45,819
Non-controlling interest	3,966	3,891
Total equity	80,714	49,710
LIABILITIES		
Borrowing	-	294
Government grant	-	253
Deferred taxation	-	232
Total non-current liabilities	-	779
Trade & other payables	-	11,387
Current tax liabilities	-	244
Government grant	-	69
Borrowing	-	1,270
Provision	-	406
Liabilities of group classified as held for sale	39,856	-
Total current liabilities	39,856	13,376
Total Liabilities	39,856	14,155
TOTAL EQUITY AND LIABILITIES	120,570	63,865
	-	-
Net assets per share attributable to owners of the Company (sen)	118.08	78.51

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

AutoV Corporation Berhad

(Company No. 108253-W)



CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011

	Attributable to shareholders of the Company						
	Non-distributable						
	Share Capital RM'000	Share Premium RM'000	Consolidation Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 January 2011	58,360	2,421	700	(15,662)	45,819	3,891	49,710
Ordinary shares issued	6,525	2,871	-	-	9,396	-	9,396
RCPS issued	109	-	15,587		15,696	-	15,696
Fair value adjustment on securities issued for acquisition of subsidiary	-	-	2,068		2,068	-	2,068
Profit for the period	-	-	-	4,862	4,862	570	5,432
Dividend to owners	-	-	-	(1,093)	(1,093)	(495)	(1,588)
At 31 December 2011	64,994	5,292	18,355	(11,893)	76,748	3,966	80,714
At 1 January 2010							
- as previously stated	58,360	2,421	700	(25,497)	35,984	3,513	39,497
- effect from adopting FRS 139	-	-	-	-	-	-	-
- as restated	58,360	2,421	700	(25,497)	35,984	3,513	39,497
Profit for the period	-	-	-	11,367	11,367	620	11,987
Dividend to owners	-	-	-	(1,532)	(1,532)	(242)	(1,774)
At 31 December 2010	58,360	2,421	700	(15,662)	45,819	3,891	49,710

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

AutoV Corporation Berhad

(Company No. 108253-W)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS



	12 months ended 31 Dec	
	2011 Unaudited RM'000	2010 Audited RM'000
Discontinued operations		
Cash flows from operating activities		
Profit before taxation from continuing operations	7,694	12,743
Adjustment for non-cash flow items:		
Impairment of trade receivables	-	333
Depreciation	2,999	2,569
Amortisation of development costs	835	835
Amortisation of government grant	(101)	(109)
Interest expense	121	60
Interest income	(380)	(339)
Provision for warranties	1,253	525
Negative goodwill	(139)	-
Gain on disposal of subsidiary	-	(30)
Gain on disposal of other investment	-	(6)
Gain on disposal of property, plant and equipment	(5)	(20)
Property, plant and equipment written off	118	93
Others	8	51
Operating profit before changes in working capital	12,403	16,705
Change in inventories	828	(2,942)
Change in trade and other receivables	(4,816)	5,900
Tax paid	(3,188)	(950)
Warranties paid	(627)	(613)
Change in trade and other payables	699	(767)
Net cash from / (used in) operating activities	5,299	17,333
Cash flows from investing activities		
Purchase of property, plant & equipments	(5,044)	(965)
Proceed from disposal of other investment	-	16
Proceed from sale of property, plant & equipments	24	20
Acquisition of subsidiary, net of cash	(9,215)	-
Development cost incurred	(109)	(78)
Interest received	381	339
Net cash from / (used in) investing activities	(13,963)	(668)
Cash flows from financing activities		
Drawdown/ (Repayment) of loans and borrowings	1,120	(49)
Government grant received	24	61
Interest paid	(121)	(60)
Deposit released/(pledged)	(1,421)	179
Repayment of finance lease and hire purchase creditors	(344)	(141)
Dividends paid to owners of the Company	(1,093)	(1,532)
Dividend paid to minority shareholders of a subsidiary	(495)	(242)
Net cash from / (used in) financing activities	(2,330)	(1,784)
Net change in Cash and cash equivalents	(10,994)	14,881
Cash and cash equivalents at beginning of period	24,203	9,322
Cash and cash equivalents at end of period	13,209	24,203
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following:		
Deposits with licensed banks and other corporations	10,942	18,452
Cash and bank balances	7,646	7,307
Bank overdraft	(2,402)	-
	16,186	25,759
Deposits pledged as security	(2,977)	(1,556)
	13,209	24,203

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

AutoV Corporation Berhad

(Company No. 108253-W)

QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

AutoV Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The condensed consolidated interim financial statements of the Group as at and for the period ended 31 December 2011 comprises the Company and its subsidiaries, together referred to as "the Group".

The Board of Directors has on 30 December 2011 approved the change in the financial year end of the Group from 31 December to 30 June and the next audited financial statements shall be for a period of 18 months from 1 January 2011 to 30 June 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 February 2012.

1. Basis of preparation

The quarterly financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia. The quarterly financial report do not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2010.

2. Significant Accounting Policies

Save as disclosed below, the significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010.

I. Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations. From 1 January 2011 the Group has applied FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Under FRS 3 (revised), the definition of a business has been broadened, which will result in more acquisitions being treated as business combinations.

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AutoV Corporation Berhad

(Company No. 108253-W)

QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

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Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any minority (will be known as non-controlling) interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Any non-controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and /or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

II. Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements (revised)* since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be recognised as cost on initial measurement of the investment.

III. Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements (revised)* where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.



In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

The Group has not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*
- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures (revised)*
- IC 15, *Arrangements for the Construction of Real Estate*

The Group plans to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012 except for IC Interpretation 19, Amendments to IC Interpretation 14 and IC Interpretation 15 which are not applicable to the Group.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior periods' financial statements upon their first adoption.

Following the announcement by the Malaysian Accounting Standards Board on 1 August 2008, the Group's financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") framework for annual periods beginning on 1 January 2012.

3. Qualified audit report

The preceding annual audited financial statements of the Group were reported on without any qualification.



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4. Unusual items affecting assets, liabilities, equity, net income or cash flows

Save as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to date:

As disclosed in Note 15 below, the AutoV Business (as defined in therein) fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations.

As a result of the above:

(i) all assets, liabilities and related reserves of the Group as at 30 September 2011 have been classified and presented on the consolidated statements of financial position, as 'held for sale' in accordance with FRS 5;

(ii) the entire results of the Group for the current quarter and period and preceding year corresponding quarter and period have been presented on the consolidated statements of comprehensive income as "Discontinued Operations" in accordance with FRS 5; and

(iii) the cash flows of the Group for the current period and preceding year corresponding period have been presented on the consolidated statements of cash flows as "Discontinued Operations" in accordance with FRS 5.

5. Changes in estimates

There were no changes in the estimates of amounts which give a material effect for the current quarter and financial period to date.

6. Taxation

The tax expense for the current quarter is as follows:

	RM'000
Malaysian income tax	
- Current	1,293
- Prior year	19
Deferred tax	950
	2,262



7. Purchase or sale of unquoted investments/properties

Save as dislosed in Note 12 below, there were no purchases or sales of unquoted investments/properties for the current quarter and financial period to date.

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8. Notes to the statement of comprehensive income

Other than interest income and finance costs, included in the statement of comprehensive income are the following credits/(charges):

	Current Quarter		Financial Year-to-Date	
	Dec-11 RM'000	Dec-10 RM'000	Dec-11 RM'000	Dec-10 RM'000
Depreciation	(971)	(643)	(2,999)	(2,569)
Amortisation	(155)	(182)	(734)	(726)
Impairment of receivables	-	-	-	(333)
Impairment of inventories	-	-	-	185
Gain on disposal of investment	-	-	-	36
Gain on disposal of properties	-	-	-	-
Gain on disposal of equipment	5	-	5	20
Plant & equipment written off	(5)	-	(118)	(93)
Gain/(Loss) on foreign exchange	(65)	659	826	2,494
Gain/(Loss) on derivatives	-	-	-	-
Other exceptional items	-	-	-	-

9. Valuation of property, plant and equipment

As at the end of the financial period, the valuations of land and building have been brought forward, without amendments from the audited financial statements as at 31 December 2010.

10. Borrowings

The Group borrowings as at the end of the reporting period are as follows:

	RM'000
Non-Current	5,299
Current	6,805
Total Group borrowings	12,104



As at the end of the financial quarter, all the borrowings are secured and there are no outstanding foreign currency denominated borrowings.

11. Debt and equity securities

On 8 November 2011, the Company issued 6,525,000 ordinary shares of RM1.00 each and 10,900,000 Redeemable Convertible Preference Shares ("RCPS") of RM0.01 each at an issue price of RM1.44 per share and RCPS.

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12. Changes in composition of the Group

On 18 March 2011, the Company completed its acquisition of 100% equity interest in JP Metal Sdn Bhd ("JPM") for an aggregate consideration of RM7,000,000.

On 9 November 2011, the Company completed its acquisition of 100% equity interest in Proreka (M) Sdn Bhd ("PMSB") for an aggregate consideration of RM27,880,000.

The effects from the acquisitions are as follows:

	Recognised Value on Acquisition		
	JPM	PMSB	Total
	RM'000	RM'000	RM'000
Total assets	11,394	36,317	47,711
Total liabilities	4,255	25,080	29,335
Fair value of net identifiable assets and liabilities acquired	7,139	11,237	18,376
Cash paid on acquisition	7,000	2,788	9,788
Fair value of equity & RCPS issued	-	27,160	27,160
Goodwill/ (Negative goodwill) acquired	(139)	18,711	18,572
Cash acquired on acquisition	649	(76)	573
Net cash outflow on acquisition	6,351	2,864	9,215

The acquired subsidiaries have contributed the following results to the Group:

	Financial Year to Date		
	JPM	PMSB	Total
	RM'000	RM'000	RM'000
Revenue	13,213	9,245	22,458
Profit after taxation	1,185	962	2,147

13. Non-current assets held for sale

Non-current assets held for sale as at the end of the financial period are disclosed in Note 28 below.



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14. Segmental information

The Group operates wholly in Malaysia. Financial information by industry segments is not presented as the Group's activities are principally engaged in the manufacturing and supplying of automotive and related components.

15. Corporate proposals

Save as disclosed below, there are no other corporate proposals that were announced but not completed within 7 days from the date of issue of this quarterly report.

Proposed disposal of the entire business and undertakings of AutoV Group

On 29 July 2011, Maybank Investment Bank Berhad ("Maybank IB"), being the adviser to AutoV in respect of the Proposed Disposal (as defined below) had announced on behalf of the Board of Directors of the Company ("Board") that the Company had received an offer ("Offer") of even date from Temasek Formation Berhad ("TFB") (then known as Temasek Formation Sdn Bhd), a company whose major shareholder and director, namely Datuk Goh Tian Chuan ("Datuk Goh") is also a major shareholder of the Company, to acquire the entire business and undertakings, including all assets and liabilities of the Company ("AutoV Business") ("Proposed Disposal").

Together with the Offer, TFB simultaneously made offers on substantially the same terms and conditions to acquire the entire businesses and undertakings, including all assets and liabilities, of Jotech Holdings Berhad ("Jotech") ("Jotech Business") and AIC Corporation Berhad ("AIC") ("AIC Business"). Such simultaneous offers, together with the Offer (collectively known as the "Merger Exercise Offer"), shall constitute a single consolidated offer as at 29 July 2011 for the purposes of achieving the merger of the businesses and undertakings of AIC, Jotech and AutoV (collectively known as "Target Companies"), including all assets and liabilities of the Target Companies as at completion of the Proposed Disposal in accordance with the terms of the Merger Agreement (as defined below) ("Completion").

On 22 August 2011, Maybank IB announced on behalf of the Board that the non-interested Directors of AutoV have decided to accept the Offer, subject to, among others the approval of the shareholders of AutoV and relevant authorities, where required. As the Merger Exercise Offer represents a related party transaction in view of Datuk Goh's substantial shareholdings in the Target Companies, KAF Investment Bank Berhad ("KAF") has been appointed by AutoV to advise the non-interested Directors and the non-interested shareholders of AutoV.

On 24 August 2011, Maybank IB announced on behalf of the board of directors of AIC and Jotech that they have decided to accept the offer from TFB to acquire the AIC Business ("Proposed AIC Business Disposal") and Jotech Business ("Proposed Jotech Business Disposal") upon the terms and conditions contained in their respective offer letters dated 29 July 2011 issued by TFB to AIC and Jotech.



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On 15 September 2011, Maybank IB announced on behalf of the Board that AutoV had on even date entered into a definitive merger agreement ("Merger Agreement") with TFB, Jotech and AIC in relation to the Merger Exercise Offer.

The Offer entails the following proposals ("Proposals"):

i) Proposed Disposal;
ii) Proposed Distribution;
iii) Proposed Share Issue; and
iv) Proposed Bonus Issue

which is further described below.

Proposed Disposal

The Proposed Disposal entails TFB acquiring the AutoV Business for a total purchase consideration ("Consideration") equivalent to RM2.38 for each ordinary share of RM1.00 each in AutoV("AutoV Share"), being 20% above the volume weighted average market price ("VWAMP") of AutoV Shares for the five (5) market days up to and including 26 July 2011, being the last trading day prior to the Offer, of RM1.98, multiplied by the total number of outstanding AutoV Shares, at a date to be determined later by TFB in consultation with AutoV.

The Consideration shall be satisfied by the issuance of an equivalent value of new ordinary shares of RM0.10 each in TFB ("TFB Share") at an issue price of RM0.12 per TFB Share.

The Consideration is intended to be distributed/paid to the entitled shareholders of AutoV pursuant to the Proposed Distribution as defined below.

Proposed Distribution

AutoV shall, subject to obtaining all requisite approvals, implement a proposed distribution exercise comprising:

i) a capital reduction exercise ("Proposed Capital Reduction") in accordance with Sections 60(2) and/or 64 of the Companies Act, 1965 ("Act"), involving a reduction of the share capital and/or share premium reserve (if applicable) of AutoV via cancellation of AutoV's issued and paid-up share capital, which shall require confirmation by the High Court of Malaya pursuant to Sections 60(2) and/or 64 of the Act; and

ii) a capital repayment exercise ("Proposed Capital Repayment") involving the distribution-in-specie of the TFB Shares to be received by AutoV upon completion of the Proposed Disposal to all the entitled shareholders of AutoV.

(collectively known as the "Proposed Distribution").

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Proposed Share Issue

In connection with the Proposed Disposal, TFB shall simultaneously with the implementation of the Proposed Distribution (which will result in the cancellation of the entire share capital of AutoV), subscribe for and AutoV shall allot and issue 2 new AutoV Shares to TFB at an issue price of RM1.00 each ("Proposed Share Issue"). Accordingly, immediately following the completion of the Proposed Distribution and Proposed Share Issue, the share capital of AutoV shall be RM2.00, comprising 2 AutoV Shares, all of which shall be held by TFB.

Proposed Bonus Issue

In order to facilitate the Proposed Distribution, AutoV shall, prior to the implementation of the Proposed Capital Reduction, undertake a bonus issue of shares, which shall not be credited to the entitled shareholders of AutoV and shall immediately be cancelled pursuant to the Proposed Capital Reduction and which is to be effected by way of capitalising all sums standing to the credit of the share premium account, retained profits and/or any other reserves which may be capitalised, including the net gain arising from the Proposed Disposal ("Proposed Bonus Issue"). The actual number of bonus shares to be issued per AutoV Share would be dependent on the amount to be capitalised and the total issued and paid-up capital of AutoV, as at the entitlement date for the Proposed Distribution.

Upon Completion, each of the Target Companies will separately apply to Bursa Malaysia Securities Berhad ("Bursa Securities") to be delisted from the Main Market of Bursa Securities and subsequently subject to the requisite approvals being obtained, TFB shall assume the listing status of any one of the Target Companies and be listed on the Main Market of Bursa Securities.

On 17 January 2012, Maybank IB had announced on our behalf that the Ministry of International Trade and Industry had vide its letter dated 13 January 2012 (which was received on 17 January 2012), approved the Proposed Disposal, subject to the conditions detailed in the said announcement.

On 26 January 2012, Maybank IB had announced on our behalf that the Securities Commission had vide its letter dated 25 January 2012 (which was received on 26 January 2012), granted its approval under Section 212(5) of the Capital Markets and Services Act 2007, for the Proposals, subject to the conditions detailed in the said announcement.

On 24 February 2012, Maybank IB had announced on our behalf that the Extraordinary General Meeting to approve the above has been fixed on 22 March 2012, details as contained in the Circular to Shareholders dated 27 February 2012.

16. Contingent liabilities/assets

As at the end of the financial period, the Company had executed corporate guarantees in favour of licensed banks and financial institutions of up to a limit of RM5.0 million for credit facilities granted to its subsidiaries. Out of the total banking facilities secured by corporate guarantees, a total borrowing of RM1.852 million were outstanding at the period end.

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17. Capital commitments

There were no material capital commitments to be disclosed in the financial statement for the current financial period.

18. Material events subsequent to the period end

There are no other material events subsequent to the period end.

19. Derivatives

There were no outstanding financial derivatives held as at the end of the financial period.

20. Seasonal and cyclical factors

There are no material seasonal or cyclical factors affecting the income and performance of the Group.

21. Material litigation

There is no material litigation within 7 days from the date of the quarterly report.

22. Review of performance

I) Current period versus preceding year corresponding period - Revenue

The Group's revenue has increased by RM9.9 million or 3.7% from RM102.6 million in the preceding year corresponding period to RM112.5 million for the current period. This was mainly due to the revenue contribution of RM22.5 million from the newly acquired subsidiaries, JPM and PMSB, which helped cushioned the impact from reduced car production during the financial period arising from the Japan tsunami and Thailand floods.

II) Current period versus preceding year corresponding period - Results

Due to the reduced car production during the financial period , the Group registered a lower profit after tax of RM5.4 million for the current period compared to RM12.0 million for the preceding year's corresponding period.

III) Current quarter versus preceding year corresponding quarter - Revenue

The Group's revenue for the current quarter has increased by RM9.0 million or 34.2% from RM26.3 million in the preceding year corresponding quarter mainly due to the revenue contribution from the newly acquired subsidiaries in 2011.

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IV) Current quarter versus preceding year corresponding quarter - Results

Despite the increase in revenue compared to the preceeding year's corresponding quarter, the profit after tax for the current quarter fell RM1.4 million or 62.2% to RM0.9 million for the current quarter. This has mainly due to a significant decrease in the supply of components arising from lower car production volume in the current year.

23. Quarterly analysis

I) Revenue

Quarter on quarter, the Group's revenue increased by RM7.9 million or 28.9% from the previous quarter's revenue of RM27.4 million, due mainly to revenue contribution from Proreka (M) Sdn Bhd during the financial quarter.

II) Results

In spite of the increase in revenue, the Group's profit before tax decreased by RM0.3 million from the preceding quarter's profit before tax of RM2.0 million, mainly attributed to the increase in expenses for the recent corporate exercises during the financial quarter.

24. Prospects

In view of the current local market sentiments while paying heed to the uncertain global economy, the Board is cautiously optimistic that the remaining period to the end of financial year to be satisfactory.

25. Profit forecast

Not applicable as no profit forecast was published.



26. Earnings per share

Basic earnings per share

The basic earnings per share for the current quarter have been calculated based on the Group's profit attributable to the owners of the Company over the weighted average number of ordinary shares in issue of 59,447,247.

Diluted earnings per share

The fully diluted earnings per share for the current quarter have been calculated based on the Group's profit attributable to the owners of the Company over the total share capital issued and assuming that the RCPS are fully converted.

27. Dividends

The Board of Directors does not recommend any dividend in respect of the current financial period.

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28. Discontinued operations and disposal group classified as held for sale

Pursuant to the Merger Agreement as mentioned in Note 15 above, the AutoV Business fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations. Accordingly, all assets, liabilities and related reserves of the Group have been classified and presented on the consolidated statements of financial position as 'held for sale' in accordance with FRS 5.

As at 31 December 2011, the assets, liabilities and reserves classified as 'held for sale' comprised as follows:

	RM'000
Assets	
Property, plant and equipment	26,920
Development expenditure	1,368
Goodwill	18,955
Deferred tax assets	1,001
Inventories	16,369
Trade & other receivable	35,028
Prepayments	-
Current tax assets	2,341
Cash and cash equivalents	18,588
Assets of disposal group classified as held for sale	120,570
Liabilities	
Trade & other payables	24,960
Current tax liabilities	227
Government grant	245
Borrowing	12,104
Provision	1,032
Deferred tax liabilities	1,288
Liabilities of disposal group classified as held for sale	39,856
Net assets of disposal group classified as held for sale	80,714
Reserves	
Other reserves	18,355
Reserves of disposal group classified as held for sale	18,355

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29. Realised and unrealised profit and loss

The breakdown of the accumulated losses of the Group is as follows:

	As At 31 Dec 2011 RM'000	As At 31 Dec 2010 RM'000
Realised	(45,701)	(49,104)
Unrealised	730	364
	(44,971)	(48,740)
Consolidation adjustments	33,078	33,078
Total accumulated losses	(11,893)	(15,662)

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