FACB INDUSTRIES INCORPORATED BERHAD ("FACBII" OR THE "COMPANY")

PROPOSED CAPITALISATION OF THE DEBT OWING BY DAPAN HOLDINGS SDN BHD, AN INDIRECTLY WHOLLY-OWNED SUBSIDIARY OF KARAMBUNAI CORP BHD ("KCB"), TO FACBII TO BE FULLY SATISFIED VIA THE ISSUANCE OF NEW ORDINARY SHARES OF RM0.10 EACH IN KCB ("KCB SHARE(S)") TO FACBII ("PROPOSED CAPITALISATION")

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1. INTRODUCTION

On behalf of the Board of Directors of FACBII ("Board"), OSK Investment Bank Berhad ("OSK") wishes to announce that the Company had, on 6 December 2012, entered into a settlement agreement ("SA") with Dapan Holdings Sdn Bhd ("DHSB"), an indirectly wholly-owned subsidiary of KCB for the proposed capitalisation of debt owing by KCB to be fully satisfied via the issuance of new KCB Shares ("Settlement Shares") to FACBII ("Proposed Capitalisation").

On behalf of the Board, OSK also wishes to highlight that KCB had, on the even date, announced the following proposals, amongst others:-

i. Proposed capital reconstruction involving the cancellation of RM0.40 of the par value of every existing ordinary shares of RM0.50 each in the issued and paid-up share capital of KCB pursuant to Section 64(1) of the Companies Act, 1965 and the credit arising therefrom to be offset against the accumulated losses of KCB ("Proposed Capital Reconstruction");

ii. Proposed renounceable rights issue of up to 507,514,920 new KCB Shares ("Rights Share(s)") at an indicative issue price of RM0.10 per Rights Share on the basis of one (1) Rights Share for every four (4) KCB Shares held, together with up to 1,015,029,840 free detachable warrants ("Warrant(s)") on the basis of two (2) Warrants for every one (1) Rights Share subscribed for, based on an entitlement date to be determined later after the Proposed Capital Reconstruction ("Proposed Rights Issue with Warrants"); and

iii. A settlement of debt owing to Tan Sri Dr Chen Lip Keong ("TSCLK") via the issuance of new KCB Shares ("Proposed Capitalisation to TSCLK").

Further details on the Proposed Capitalisation are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED CAPITALISATION

As at 30 November 2012, the debt owing by Dapan Holdings Sdn Bhd, an indirectly and wholly-owned subsidiary of KCB, to FACBII, including all interest accumulated, amounted to RM35,633,818. On 6 December 2012, KCB had entered into a settlement agreement with FACBII to settle the RM35,633,818 owed by DHSB to FACBII and the additional interest to be charged on the total debt up to the date preceding the announcement of the book closure date for the Proposed Rights Issue with Warrants, owed by DHSB to FACBII via the issuance of Settlement Shares to FACBII at an issue price of RM0.1111 per ordinary share of RM0.10 each in KCB after the Proposed Capital Reconstruction.

Upon completion of the Proposed Capitalisation to FACBII, RM35,633,818 and the interest accumulated on the total debt due to FACBII shall be (and shall be deemed to be), fully and irrevocably settled, satisfied, released, discharged and cancelled by the issuance of the Settlement Shares and the Company and DHSB shall be (and will be deemed to be) irrevocably released from its obligations, claims and liabilities to FACBII in respect thereof. The total number of Settlement Shares to be issued to FACBII will depend on the total amount owing to FACBII by DHSB including interest that may be accrued preceding the announcement of the book closure date for the Proposed Rights Issue with Warrants.

The Proposed Capitalisation to FACBII will be implemented concurrently with the Proposed Rights Issue with Warrants. For the avoidance of doubt, the Settlement Shares will not be entitled to the Proposed Rights Issue with Warrants.

2.1 Basis and justification of determining the issue price and actual number of Settlement Shares

The issue price of the Settlement Shares has been fixed by the board of Directors of KCB at RM0.1111 each. This represents a discount of approximately 14.93% to the theoretical ex-rights price of KCB Shares of RM0.1306, calculated based on the five (5)-day weighted average market price ("WAMP") of the ordinary shares of RM0.50 each in KCB up to 5 December 2012 of RM0.1382.

Accordingly, a total of 320,736,436 Settlement Shares shall be issued to FACBII for the settlement of RM35,633,818 based on the issue price of RM0.1111 per Settlement Share. The actual number of the Settlement Shares to be issued to FACBII shall be determined at a later date preceding the announcement of the book closure date for the Proposed Rights Issue with Warrants and will depend on the total debt (including interest) owing to FACBII by DHSB up to the date preceding the said announcement.

2.2 Ranking of the Settlement Shares

The Settlement Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing KCB Shares, save and except that the Settlement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Settlement Shares.

2.3 Listing of and quotation for the Settlement Shares

An application will be made to Bursa Malaysia Securities Berhad ("Bursa Securities") by KCB for the listing of and quotation for the Settlement Shares on the Main Market of Bursa Securities pursuant to the Proposed Capitalisation.

2.4 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by FACBII pursuant to the Proposed Capitalisation.

2.5 Additional financial commitment required

There is no additional financial commitment required for the Settlement Shares.

2.6 Emergence of new substantial shareholder

Upon completion of the Proposed Capitalisation, the Proposed Rights Issue with Warrants and the Proposed Capitalisation to TSCLK, FACBII will emerge as the new substantial shareholder of KCB, which will hold up to approximately 5.86% of the enlarged issued and paid-up share capital of KCB (assuming before the full exercise of the Warrants).

3. INTER-CONDITIONALITY

The Proposed Capitalisation is conditional upon the Proposed Capital Reconstruction and the Proposed Rights Issue with Warrants. However, the Proposed Capitalisation is not conditional upon any other corporate proposals currently and/ or to be undertaken by the Company.

4. INFORMATION ON KCB

KCB was incorporated in Malaysia on 30 December 1965 under the Companies Ordinance 1940 to 1946 as a limited company under the name of Electrical And Allied Industries Limited. Its name was changed several times since then and subsequently converted into a public limited company on 6 June 1967. It assumed its present name on 30 September 2004. KCB was listed on the then Main Board of Bursa Securities on 4 July 1967.

KCB is principally engaged in the business of investment holdings and provision of management services. Its subsidiaries are involved in property development, construction, project contractor, golf club owner and resort hotel operation and management, all of which are principally in Malaysia.

The authorised share capital of KCB as at 30 November 2012 is RM2,000,000,000 comprising 4,000,000,000 ordinary shares of RM0.50 each, of which RM1,015,029,840 comprising 2,030,059,680 ordinary shares of RM0.50 each have been issued and fully paid-up.

The directors and substantial shareholders of KCB and their respective shareholdings in KCB as at 30 November 2012 are as follows:-

Directors	**Nationality**	**<------------Direct------------>**		**<-----------Indirect----------->**	
		No. of shares	**%**	**No. of shares**	**%**
TSCLK	Malaysian	891,122,516	43.90	-	-
Chen Yiy Fon	Malaysian	-	-	-	-
Datuk Robin Loh Hoon Loi	Malaysian	-	-	-	-
Datuk Wan Kassim bin Ahmed	Malaysian	-	-	-	-
Chen Yiy Hwuan	Malaysian	-	-	-	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	Malaysian	-	-	-	-
Lim Mun Kee	Malaysian	-	-	-	-

Substantial Shareholder	**Nationality**	**<------------Direct------------>**		**<-----------Indirect----------->**	
		No. of shares	**%**	**No. of shares**	**%**
TSCLK	Malaysian	891,122,516	43.90	-	-

A summary of the audited consolidated financial information of KCB and its subsidiary companies ("KCB Group") for the financial year ended ("FYE") 31 March 2010 to 31 March 2012 and the unaudited consolidated financial information of KCB Group for the six (6)-month financial period ended ("FPE") 30 September 2012 are set out below:-

	<-------------------------Audited	**---------------------------**	**>**	**<----Unaudited---->**
	<-----------------------FYE 31 March	**---------------------**	**>**	**Six (6)-month FPE 30 September 2012**
	2010 RM'000	**2011 RM'000**	**2012 RM'000**	**RM'000**
Revenue	139,677	125,288	149,158	41,553
Loss before tax	(43,010)	(372,740)	(53,505)	34,676
Loss after tax attributable to equity holders	(35,758)	(376,371)	(42,597)	34,635
Shareholders' funds/ Net asset ("NA")	769,612	698,779	571,301	605,990
Total borrowings	474,941	499,835	388,761	215,736
Gearing (times)	0.62	0.72	0.68	0.36

Commentary on past performance:-

FYE 31 March 2010

For the FYE 31 March 2010, KCB Group recorded revenue of RM139.68 million representing a decrease of RM58.71 million or approximately 29.59% as compared to the revenue of the previous financial year. The decrease in revenue was mainly due to lower contribution from the property segment as some of the development projects had reached the completion stage and hence recorded lower revenue.

During the financial year under review, KCB Group continued to record a loss after tax as a result of the lower revenue generated as compared to the previous financial year and after taking into account financing costs of RM37.15 million. KCB Group's gearing ratio increased to 0.62 times as compared to 0.60 times as at the previous financial year contributed by the increase in the total borrowings coupled with the decrease in NA.

FYE 31 March 2011

For the FYE 31 March 2011, KCB Group recorded revenue of RM125.29 million representing a decrease of RM14.39 million or 10.30% as compared to the revenue of the previous financial year, mainly due to lower contribution from the property segment as some of the development projects had reached the completion stage and hence recorded lower revenue.

During the financial year under review, KCB Group incurred a loss after tax of RM376.37 million as compared to the RM35.76 million for the previous financial year mainly due to the write-down of valuation for the 1.36 acres of development land in Bukit Unggul. The proposed development of the aforementioned land was affected by the ruling to stop developments on hilly areas by the state government of Selangor. KCB Group's gearing ratio increased to 0.72 times as compared to 0.62 times as at the previous financial year contributed by the increase in the total borrowings coupled with the significant decrease in NA

FYE 31 March 2012

For the FYE 31 March 2012, KCB Group recorded revenue of RM149.16 million representing an increase of RM23.87 million or 19.05% as compared to the revenue of the previous financial year. The higher revenue was driven mainly by the increase in the revenue from the property development sector as a result of the land disposal and finalisation of the Nexus Residence Karambunai project.

Despite the higher revenue recorded during the financial year under review, KCB Group continued to record a loss after tax after taking into account financing costs of RM32.79 million. KCB Group's gearing ratio decreased to 0.68 times as compared to 0.72 times as at the previous financial year contributed by the significant decrease in the total borrowings despite the decrease in NA.

Unaudited six (6)-month FPE 30 September 2012

For the six (6)-month FPE 30 September 2012, KCB Group recorded revenue of RM41.55 million representing a decrease of RM30.57 million or 42.38% as compared to the revenue for the corresponding quarter in the preceding year. The decrease was mainly attributable to the absence of land sales during the financial period under review.

During the financial period under review, KCB Group recorded a profit after tax of RM34.63 million as compared to a loss after tax of RM15.38 million for the corresponding quarter in the preceding year. The increase was mainly attributable to the one-off waiver of a portion of the promissory note by the holder. KCB Group's gearing ratio significantly decreased to 0.36 times as compared to 0.68 times as at the previous financial year contributed by the significant decrease in total borrowings mainly due to the full settlement and waiver of the portion of the promissory note by RM154.19 million coupled with the increase in NA.

5. SALIENT TERMS OF THE SA

i. Conditions Precedent

The settlement agreement with FACBII shall be conditional upon the following conditions precedent (hereinafter referred to as the "FACBII's Conditions Precedent") being fulfilled by the Cut Off Date, being 31 July 2013:-

(a) the approval of the shareholders of FACBII being obtained for the Proposed Capitalisation to FACBII and execution of all necessary agreements and/or documents in connection with the Proposed Capitalisation to FACBII;

(b) the approval of the shareholders of KCB being obtained for the following proposals:-

(i) Proposed Capital Reconstruction;

(ii) Proposed Capitalisation to FACBII;

(iii) Proposed Capitalisation to TSCLK;

(iv) Proposed Rights Issue with Warrants;

(v) Proposed Exemption;

(v) Proposed Amendments; and

(vi) execution of all necessary agreements and/or documents in connection with the above proposals;

(c) the approval of the shareholders of DHSB being obtained for the Proposed Capitalisation to FACBII and execution of all necessary agreements and/ or documents in connection with the Proposed Capitalisation to FACBII;

(d) High Court sanction being obtained pursuant to Section 64 of the Act pursuant to the Proposed Capital Reconstruction;

(e) the approval of SC being obtained for the Proposed Exemption;

(f) the approval of Bursa Securities for the listing of and quotation for the Settlement Shares, the Right Shares, the Warrants and the new KCB Shares to be issued arising from the exercise of the Warrants;

(g) the execution of deed of termination to terminate the novation agreement dated 7 August 2008 entered into by FACBII, DHSB and Beribu Ukiran Sdn Bhd;

(h) the execution of deed of termination and revocation of the corporate guarantee dated 7 August 2008 entered into by FACBII and KCB; and

(i) the approvals, consents authorisations, permits or waivers of any authorities and any other third parties necessary or appropriate to carry out the above proposals and the terms and conditions of the settlement agreement with FACBII.

If any or all of the FACBII's Conditions Precedent are not fulfilled or waived by the Cut Off Date, provided that it is lawful for the parties to the settlement agreement to waive the same and to proceed with the Proposed Capitalisation to FACBII:-

(a) for any reason whatsoever; or

(b) an affected party elects not to accept any of the condition(s) contained in any authorities' approval, consents or waivers,

the parties to the settlement agreement may mutually agree in writing to an extension of time to enable the party responsible for the unfulfilled FACBII's Condition Precedent to procure the fulfilment of the same, failing which the settlement agreement shall lapse and be of no further effect thereafter.

Upon all of the FACBII's Conditions Precedents being fulfilled or waived, the settlement agreement with FACBII shall become unconditional and shall be completed in the manner as set out in the settlement agreement with FACBII.

6. RATIONALE FOR THE PROPOSED CAPITALISATION

The Proposed Capitalisation will serve as an avenue for FACBII to fully settle the debt owing by KCB in an expeditious manner. In addition, the Proposed Capitalisation will allow FACBII to participate in the future prospects of KCB Group via the holding of a substantial shareholding in KCB. As set out in the Section 8 of this announcement, under the economic transformation programme ("ETP") led by Performance Management Delivery Unit ("PEMANDU"), the Karambunai peninsular ("Karambunai") has been identified as one of the Entry Point Project ("ETP") under the Tourism National Key Area whereby Karambunai is to be developed into an eco-integrated resort. The new development is expected to bring positive prospects to KCB as the project is located on the KCB Group's landbank in Karambunai.

7. OUTLOOK AND PROSPECTS OF THE MALAYSIAN PROPERTY AND TOURISM MARKET

The construction sector posted a strong growth of 18.9% during the first half of 2012, the fastest pace since 1995. This impressive performance was underpinned by robust construction activity in the civil engineering and residential subsectors. Reflecting the buoyant construction activities, the total value of construction works rose 24.6% to RM38.1 billion. The private sector contributed 69.8% of the total value of construction works. The non-residential and civil engineering subsectors were the main contributors constituting 36.5% and 31.2% respectively, followed by the residential subsector (26.4%). For the year, the sector is expected to grow 15.5%, contributing 0.5 percentage points to the overall gross domestive product ("GDP") growth.

The construction sector is envisaged to expand strongly by 11.2%, with all subsectors registering steady growth. The sector is expected to benefit from the acceleration of ongoing construction activities, particularly from the ETP and second rolling plan ("RP2") construction-related projects. Of significance, exploration activities in oil and gas industries and major projects such as the electrified double-tracking between Ipoj – Padang Besar, LPT2 Jabur – Kuala Terengganu, mass rapid transit ("MRT") and the River of Life are expected to drive the growth of the civil engineering subsector. The non-residential subsector is expected to expand spurred by the industrial building segment and the commencement of the construction of the Tun Razak Exchange ("TRX"). The residential subsector is also projected to expand, albeit at a moderate pace, after recording several years of strong growth. Key housing development projects, particularly in Sungai Buloh and Bandar Malaysia in Sungai Besi, which are expected to commence in 2013, will support residential construction activities.

Net inflow in the travel account expanded moderately to RM11.2 billion on account of higher gross outflows to RM17.9 billion. The larger travel outflows were attributed to higher expenditure for business, holiday and education. Despite global economic uncertainties, tourism receipts remained the major contributor to total earnings in the services account and expanded to RM29.1 billion, in line with increased tourist arrivals at 2.4%. However, net inflow in the travel account is projected to increase to RM27.3 billion following the Government's initiatives to promote Malaysia as a preferred tourist destination.

(Source: Economic Report 2012/2013, Ministry of Finance Malaysia)

The tourism industry is one of the key economic growth sectors, contributing almost 12% to GDP. Total revenue generated from the tourism sector is estimated to increase to RM62 billion in 2012. In conjunction with Visit Malaysia Year 2013/ 2014, the Government has allocated RM358 million under development expenditure, an increase of 42%, to target 26.8 million tourist arrivals. In addition, for tour operators who bring in at least 750 foreign tourists or handle 1,500 local tourists a year, the Government proposes that the income tax exemption be extended for 3 years.

(Source: Budget 2013, Ministry of Finance Malaysia, 28 September 2012)

8. PROSPECTS OF KCB GROUP

Under the ETP led by PEMANDU, Karambunai has been identified as one of the ETP under the Tourism National Key Area whereby Karambunai is to be developed into an eco-integrated resort. The KCB Group is optimistic that the new development will bring positive prospects to KCB as the project is located on the KCB Group's landbank in Karambunai.

(Source: Management of KCB)

9. RISK FACTORS

9.1 Sensitivity to economic downturn and business risk in the property market

The property development business of KCB Group is subject to inherent risks in the property development industry, which includes labour supply, volatility in construction material prices and changes in regulatory framework of the construction and/or property development industries. The demand for properties is dependent on the general economic, business and credit conditions as well as the availability of supply in the market.

The leisure and tourism businesses of KCB Group are generally cyclical and sensitive to changes in global, regional or domestic economy. Other factors outside the control of KCB Group could include political or civil unrest, natural disasters, outbreaks of disease, increases in energy costs and other travel expenses and other events may have a negative impact on the leisure and tourism businesses in Malaysia.

The effects of weaker demand for these businesses could be mitigated in a slow economic environment by good planning in terms of design, timing of launch and pricing for the property development business and in terms of marketing and promotion for the leisure and tourism businesses. KCB will leverage on its strength and experience as a property development manager, hotel and golf club operator to manage these risks closely.

9.2 Competition risks

The property development business of KCB Group faces competition from various property developers. Competitiveness of a property development company is dependent on its ability to acquire reasonably priced land banks at strategic locations, availability of labour supply and the market price of properties.

The leisure and tourism businesses of KCB Group is also highly competitive and ongoing completion of new hotels or renovations of competing hotel properties can reduce the competitiveness of older or existing properties. The success of a hotel depends on its ability to compete in areas such as room rates, quality of accommodation, brand recognition, service level and other amenities.

KCB has also undertaken the refurbishment of its Nexus Resort & Spa Karambunai to maintain its quality and competitive edge. KCB will continue to take measures to mitigate these risks such as conducting market research, monitoring and adjusting operational and marketing strategies in response to changing economic conditions and market demand in the property development as well as leisure and tourism businesses.

9.3 Capitalisation risks

Although the Board believes that FACBII may derive benefits from the Proposed Capitalisation as KCB may improve its businesses in the future, there is no assurance that the anticipated benefits of the Proposed Capitalisation will be realised. There is also no assurance that the share price of KCB will increase in accordance with the improvement of KCB's businesses.

However, the Company has mitigated such risk by adopting prudent investment strategies and conducting assessment and review prior to making its capitalisation decisions.

10. FINANCIAL EFFECTS OF THE PROPOSED CAPITALISATION

The financial effects of the Proposed Capitalisation are set out below:-

10.1 Issued and paid-up share capital and substantial shareholders' shareholding

The Proposed Capitalisation will not have any effect on the issued and paid-up share capital and the substantial shareholders' shareholding structure of FACBII as the Proposed Capitalisation does not involve any issuance of new ordinary shares in FACBII.

10.2 NA and gearing

The Proposed Capitalisation will not have any effect on the NA, NA per share and the gearing level of FACBII for the financial year ending 30 June 2013.

10.3 Earnings and earning per share ("EPS")

The Proposed Capitalisation is not expected to have any material effect on the earnings and EPS of FACBII for the financial year ending 30 June 2013.

11. APPROVALS REQUIRED

The Proposed Capitalisation is subject to the following approvals being obtained:-

i. The shareholders of FACBII for the Proposed Capitalisation at an extraordinary general meeting ("EGM") to be convened; and

ii. Any other relevant authorities, if required.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals, the Proposed Capitalisation is expected to be completed by the third quarter of 2013.

13. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Capitalisation pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 84.96% which is the aggregate value of the consideration received in relation to the Proposed Capitalisation, compared with the market value of the ordinary shares of FACBII (excluding treasury shares).

14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED

Save as disclosed below, the Company is not aware of any other director and/ or major shareholder of FACBII and/ or persons connected to them who have any interest, directly or indirectly, in the Proposed Capitalisation:-

14.1 Interested Directors

TSCLK, Chen Yiy Fon, Chen Yiy Hwuan, Dato' Wan Kassim bin Ahmed and Lim Mun Kee, being the directors of FACBII who are also the directors of KCB, are deemed interested in the Proposed Capitalisation.

Accordingly, TSCLK, Chen Yiy Fon, Chen Yiy Hwuan, Dato' Wan Kassim bin Ahmed and Lim Mun Kee have abstained and will continue to abstain from all Board deliberations and voting in respect of the Proposed Capitalisation at the Board meetings. They will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company on the resolution pertaining to the Proposed Capitalisation to be tabled at the EGM to be convened. They have also undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Capitalisation.

14.2 Interested major shareholder

TSCLK, being a major shareholder of FACBII, is deemed interested in the Proposed Capitalisation.

Accordingly, TSCLK will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company on the resolutions pertaining to the Proposed Capitalisation to be tabled at the EGM to be convened. He has also undertaken to ensure that persons connected to him will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company, if any, on the resolutions pertaining to the Proposed Capitalisation.

15. ADVISER

OSK has been appointed as the Adviser for the Proposed Capitalisation.

16. INDEPENDENT ADVISER

In view of the interest of certain directors as set out in Section 14 of the announcement, the Proposed Capitalisation is deemed a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Securities. In this respect, TA Securities Holdings Berhad has been appointed as the independent adviser to provide the non-interested directors and shareholders of FACBII with an independent evaluation on the fairness and reasonableness of the Proposed Capitalisation.

17. RELATED PARTY TRANSACTION

The transaction entered into between the FACBII Group and TSCLK, being a related party of FACBII, and/ or persons connected to TSCLK for the preceding 12 months up to 30 November 2012, involves the interest income receivable from DHSB to FACB Group of RM2.68 million

18. AUDIT COMMITTEE'S RECOMMENDATION

The Company's Audit Committee, after having considered all the relevant aspects in respect of the Proposed Capitalisation including the rationale as set out in Section 6 of this announcement and the independent opinion by the independent adviser, is of the opinion that the Proposed Capitalisation is in the best interest of the Company and was transacted under normal commercial terms in a fair and reasonable manner. As such the Company's Audit Committee is of the view that the Proposed Capitalisation is not detrimental to the interest of the non-interested shareholders.

19. DIRECTORS' RECOMMENDATION

The Board, save for the Interested Directors, after having considered all aspects of the Proposed Capitalisation, including its rationale as set out in Section 6 of this announcement, is of the opinion that the Proposed Capitalisation is in the best interest of the Company and the terms and conditions of the SA are fair and reasonable.

20. APPLICATION TO THE AUTHORITIES

Barring unforeseen circumstances, the application to the relevant authorities in relation to the Proposed Capitalisation is expected to be made within a period of two (2) months from the date of this announcement.

21. DOCUMENTS FOR INSPECTION

A copy of the SA will be made available for inspection at the registered office of FACBII at Etiqa Twins, Tower 1, Level 13, 11 Jalan Pinang, 50450 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 6 December 2012.