
7. INDUSTRY OVERVIEW

The KIB Group's prospects are largely dependent to the Malaysian economy, the manufacturing industry in Malaysia, as well as the polymer and oleochemical industry in Malaysia.

7.1 OVERVIEW OF THE MALAYSIAN ECONOMY

The Malaysian economy remains resilient to post a higher real gross domestic product ("GDP") growth in the first half of 2003, despite the adverse external economic environment. While the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in the region had some transitory negative effects on tourism-related industries, it did not significantly impact the overall performance of the economy in the first half of the year. Consumer and business sentiments are expected to be further enhanced following the containment of SARS and better world economic outlook anticipated for the rest of the year. Hence, growth momentum is envisaged to continue in the second half of 2003. Overall growth for the year is estimated at 4.5%. Growth is expected to be across the board, driven largely by services and manufacturing output.

The steady economic performance, underpinned by stronger domestic demand and mild growth in the external sector, reflects the cumulative effect of the pro-growth fiscal and monetary policy measures. The growth was achieved in an environment of low inflation amidst stable labour market conditions. Further build-up in international reserves arising from larger current account surpluses and high commodity prices as well as better capitalization and restructuring of the banking and corporate sectors have strengthened macro economic fundamentals.

In an environment of increasing external uncertainties, domestic demand has proven to be a major contributory factor to economic growth over the past few years. Overall, the economy has become more resilient as domestic demand continues to drive growth in the face of a weak external sector. As business and consumer confidence gains further momentum, boosted by the introduction of the Package of New Strategies towards stimulating the nation's economic growth in generating economic activities by mobilizing domestic sources of growth, domestic demand (excluding changes in stocks) is expected to strengthen by 5% and contribute 4.5% to GDP growth.

The economic outlook for 2004 is envisaged to be favourable. Real GDP growth is expected to gain momentum and register a higher rate of 5.5%-6% in 2004. Growth is expected to emanate from higher exports on account of continuing improvement in world economic prospects while domestic demand will continue to be driven by pro-growth fiscal and monetary measures. Whilst all sectors are forecast to register higher growth, services and manufacturing will continue to lead GDP growth, contributing 3.1 and 2.2 percentage points, respectively.

(Source: Economic Report 2003/2004 as published by the Ministry of Finance)

The rest of this page is intentionally left blank

7. INDUSTRY OVERVIEW (Cont'd)

7.2 MANUFACTURING INDUSTRY IN MALAYSIA

The concerted efforts of the Government to broaden the economic base and develop new sources of growth have resulted in a gradual shift from over-dependence on a narrow range of export-earning products. The manufacturing sector remains the second largest contributor to GDP growth. Electrical and electronics still accounts for the major share of about 39% of manufacturing sector, of which about 30% comprises semiconductors. However, exports of chemical & chemical products have become increasingly important with RM11,347 million being exported in the first half of 2003 compared with RM9,135 million in the same period last year. Exports of higher value-add products, such as fashionable apparel, footwear and accessories have also featured more in manufacturing exports, comprising 3.2% of total manufacturing exports. In line with the concerted effort towards a domestic-driven economy, construction –related industries, mainly cement, steel and concrete, rebounded to register 11.5% growth during the period against 0.8% recorded in 2002.

Overall, output of the manufacturing sector expanded by 7.8% in the first six months (January – June 2002: 1.4%). The better-than-anticipated growth was the result of higher production of 7.9% in the second quarter 2003 (second quarter 2002: 6.5%). The export-oriented industries contributed slightly more than half of the total output of the manufacturing sector and were able to sustain their contributions for the first half of the year. Their performance was sustained by an upturn in demand, particularly for rubber products and apparel.

In 2004, external developments and strengthening domestic economy point to stronger growth in the manufacturing sector. Growth in export-oriented industries, in particular the electronics industry, is envisaged to gain strength following higher inter-regional trade, particularly between ASEAN and East Asia. Efforts to promote into higher value-added products will further boost cognisance of the on-going development processes, the overall value added of the manufacturing sector is expected to register a stronger growth of 7.2% in 2004.

(Source: Economic Report 2003/2004 as published by the Ministry of Finance)

The rest of this page is intentionally left blank

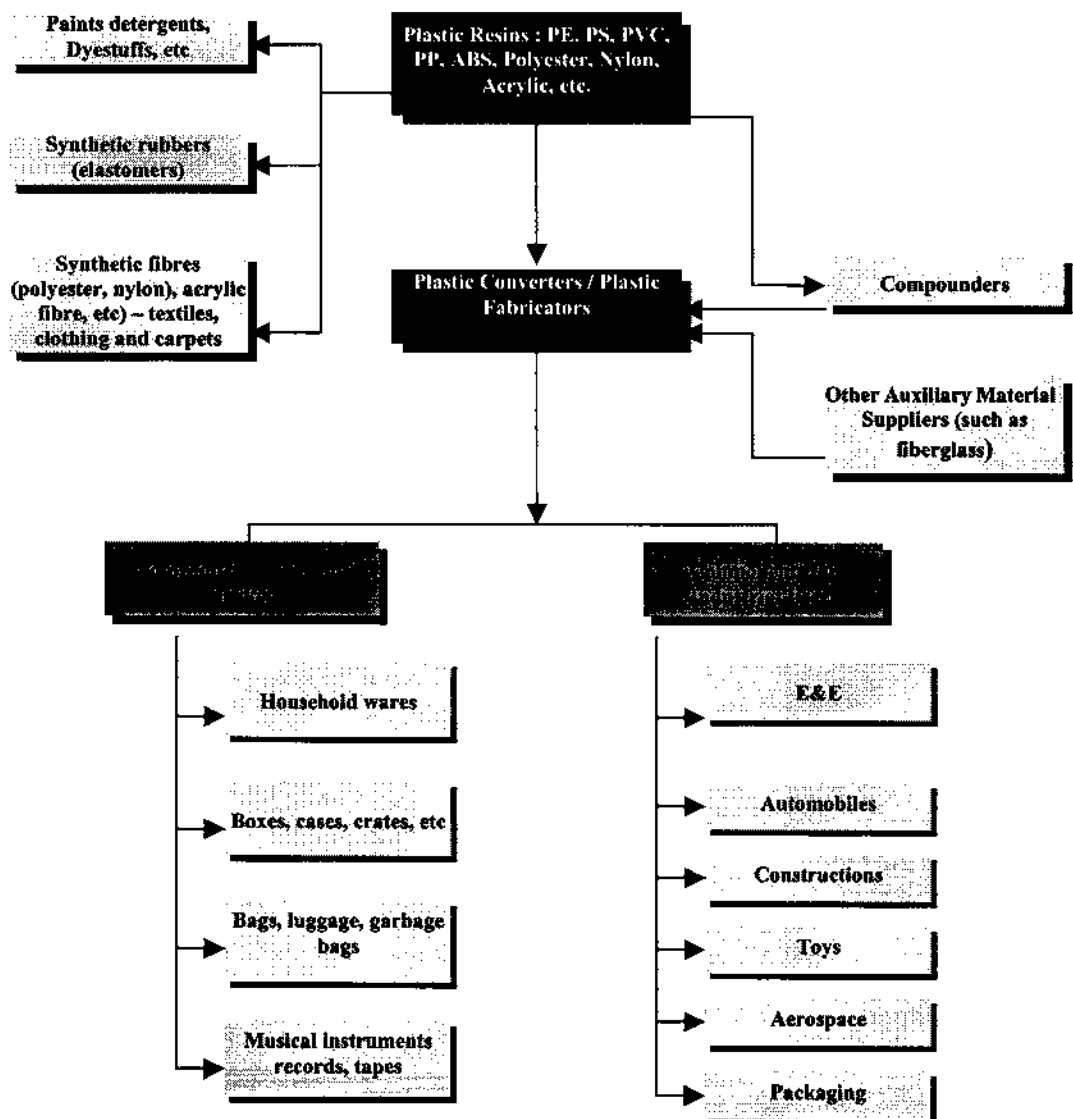
7. INDUSTRY OVERVIEW (Cont'd)

7.3 OVERVIEW OF POLYMER AND OLEOCHEMICAL INDUSTRY

7.3.1 Polymer industry

Polymers are crucial elements in the production process of any manufactured products. The developments of the polymer industry are highly dependent on the advancement in the petrochemical industry as about 90% of the polymers are made from petroleum.

The polymer industry is classified under the manufacture of synthetic resins and plastic materials. This industry involves three major segments, namely the manufactures of plastic resin, converters comprising injection molders, thermoformers and so forth and lastly the compounders.



(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

7. INDUSTRY OVERVIEW (Cont'd)

The polymer industry in Malaysia is in the growth stages of its life cycle. The short dip of polymer production in 2001 was affected by the global economic slowdown, notably weak demand from end user industries for example the E&E sector and plastic processing industry.

Overall, the polymer industry in Malaysia increased significantly by 10.2% annually in terms of total production between 1993 – 2003 period. The growth stages perspective is also supported by a substantial rise in total resin exports of 26.0% in 2003, amounting to RM4.8 billion as opposed to RM3.8 billion in 2002. Between 1991 – 2003 period, the total resin exports grew at an annual compounded growth rate of 35.1%.

In terms of total sales, it expanded substantially by 17.1% in 2003 compared with 9.6% in 2002. Over the period between 1993 – 2003, total sale value of resins grew at an annual compounded growth rate of 18.7%.

The production cycle in the polymer industry is comparatively more volatile compared with other sub-sectors in the industrial chemical industry. This was indicated by the coefficient of variation at 24.7% in the polymer industry, which is higher than 23.5% registered in the industrial chemicals industry.

Sales of polymer products increased substantially at a compounded annual average growth rate of 18.7% between 1993 and 2003. The upstream petrochemical projects undertaken during the early and mid 1990s have benefited local manufacturers in terms of consistent supply of raw materials at a cheaper price.

The rising demand for plastic from major segments such as packaging, E&E, motor vehicle and construction industries have spurred demand for local synthetic resins.

In addition, the tariff and non-tariff protections by the Government have provided great support to the local resins industry from external competition. The import tariff of resin used in PE and PP for ASEAN countries stood at 5.0% effective 1 January 2003. Imports of polymers from non-ASEAN countries are still subject to 20% - 30% tariff rate.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

(i) Competition

Competition in the polymer industry can be in any form such as local supply competition and import competition. In tandem with the advent of trade liberalisation within the ASEAN region, local polymer manufacturers are facing more intense competition from the key neighbouring countries, notably Singapore and Thailand. The import tariff for resins has been reduced to 5% and this will encourage higher imports by local converters due to their cheaper prices and broader choices of grades and quality.

In general, competition in both the local and overseas market is also dependent on firm-specific and product factors such as price, technical assistance, cost, quality, customer service, compliance to technical and properties specification and delivery and supply adequacy.

7. INDUSTRY OVERVIEW (Cont'd)

Among the compounders in the local market, competition depends on the degree of integration, vertically or horizontally. Integrated compounders such as Malayan Electro Chemical and Industrial Resins Berhad have full integration of operations from supply of PVC to compounding business. Therefore they tend to procure higher market share than the independent compounders.

Independent compounders focus primarily in compounding operations, although there are some firms, which produce final products as well as actively involved in resin trade and distribution.

Independent compounders such as HLSB will have a number of advantages over resin producers compounders (e.g. Industrial Resins Berhad and Malayan Electro Chemical Co. Sdn. Bhd) such as faster delivery time, more personalized customer services, a wider range of formulation capabilities, willingness to supply small volume orders (the resin producers find futile to serve), a wider options for base materials, and a rapid turnaround.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

(ii) Demand and supply conditions

The polymer and specialty compounders industries are dependent on a wide range of end user industries. The main users are the plastic products industry; paints, lacquer and varnishes industry; and textiles industry.

Due to its durable, lightweight and corrosion resistance, plastics are increasingly being consumed in place of metal, steel and other traditional materials.

The polymer industry is highly correlated with the performance of plastic products industry. The correlation coefficient between synthetic resin sales and plastic product sales stands at 0.99. Similarly, the magnitude of sensitivity of synthetic resins against the changes in the plastic product sales is comparatively elastic at 1.12. In other words, for every 1% increase in plastic product sales, sales of synthetic resin sales will likely rise by 1.12%.

Paint, lacquers and varnishes industry consumed about 2.3% of the total polymer gross output in 1991, based on the 1991 Input – Output tables. The key polymer products used include alkyds, polyester resins, polyacrylates and co-polymers (including butyl acrylates, butyl methacrylates, methyl acrylates, acrylic acids, methacrylates), polyvinyl acetate and co-polymers. There is limited local supply of the specialized resins used for paints and coatings in Malaysia for both water-based and solvent-based products, especially in the area of industrial paints. Due to the lack of supply, most of the polymers consumed by the paint and coating industries are imported.

Only 2.1% of the locally produced polymer products were being consumed by the textiles industry due to the inadequacy of domestic capacity to meet the increasing demand from textile industry. Other raw materials for the production of polyester are imported.

7. INDUSTRY OVERVIEW (Cont'd)

The E&E industry is an indirect user of polymer products. The use of polymer products is through the plastic fabricators or processors that supply plastic parts and components to the OEMs or MNCs involved in the E&E sector. RAMCS estimates the consumption of polymer products by the E&E industry to be 7.8%, based on the 1991 Input – Output tables.

The demand for resins by the construction sector can be gauged through the demand for PVC pipes. The construction sector utilises approximately 55% by weight of total PVC used and accounts for about 8% of the total production by plastic products in 2002.

(Source: Malaysian Plastic Manufacturers Association and RAMCS)

Plastics are used in the automotive industry with applications ranging from body panels to under-hood manifolds and cushioned instrumental panels. The automotive industry directly consumed only 1.1% of the polymer products. In terms of indirect consumption, which is through the plastic fabricators industry, the automotive segment took up approximately 9.0% of the total production of plastic products.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

7.3.2 Linkages between oleochemical industry and surfactant industry

Oleochemicals refer to the fatty acid and glycerol derived from the splitting of the triglyceride structures of oils and fats. There are basically three major chemical products namely fatty acids, fatty alcohol and fatty acid methyl ester. These products are derived from vegetable oil such as crude palm oil, palm kernel oil, coconut oil, soya bean oil, cotton oil and animal origin such as tallow. Fatty alcohol, which is derived from vegetable oils notably palm kernel oil and crude coconut oil, are classified as natural fatty alcohol. Meanwhile, synthetic fatty alcohol is originated from petrochemicals such as paraffin and ethylene. Fatty alcohol is largely used as a raw material for detergent and soap. In addition, it is also used as a raw material for various types of consumer products such as shampoo, cosmetics and lubricant additive.

The Malaysian oleochemicals industry expanded its production from 1.5 million MT in 2002 to 1.7 million MT in 2003. Currently, about 60% of the total production of crude palm kernel oil and 5% of crude palm oil are consumed in the production of oleochemicals. Approximately 80% of fatty alcohols are used as a “surfactant”, or “surface active ingredient”. It is the wetting and foaming agents, which form the basis for most aqueous cleaners.

Surfactant can also be produced from petroleum constituents and chemically modified fatty acids. It is estimated that approximately 9%-15% of the total raw materials for the production of soap and shampoo is surfactant. Other raw materials comprise emulsifier, solvents, softeners or builders, preservative, thickeners, perfume, colouring agents and other components.

7. INDUSTRY OVERVIEW (Cont'd)

Before 1985, tallow was an important raw material for the oleochemical industry. From 1985 to 1995, however, its role had become less important due to a fundamental shift towards the use of vegetable oils. The percentage share of coconut oil declined due to the increasing popularity of palm and palm kernel oils consumption during 1990s. The market share of coconut oil has declined from 3.4% in 1994 to 2.7% in 2003, reflecting that the production of coconut oil is unlikely to increase significantly in the future and its role in the oleochemical industry is also become less significant.

The main players in the surfactant industry include Cognis Oleochemicals (M) Sdn Bhd, Matrix Corporation Sdn Bhd, Palamide Sdn Bhd and Southern Edible Oil Industries (M) Sdn Bhd.

The annual sales of the surfactant industry in Malaysia increased at an annual compounded growth rate of 6.8% between 1991 and 2003 underpinned by the strong demand for soap and cleaning preparations. In 2003, the market size is estimated at RM95 million sales per annum.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

(i) Competition

The low technological content in the manufacture of soap has attracted many players in this industry. According to the Manufacturing Census 2001 published by Department of Statistics, the total number of establishments in the manufacture of soap and cleaning preparations as well as perfumes and toiletries stood at 87 as at end 2000. Until today, there are still a number of firms producing soaps from the saponification of oils and fats using caustic soda. Saponification is the chemical process of neutralisation of fatty acid.

Competition remains intense within the natural oils and fats, especially between coconut oil and palm kernel oil. This situation can be aggravated with the entry of genetically modified oilseeds in the international markets. Price competitiveness and consumer appeals are the key factors determining the subsistence of business for PKDE.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

(ii) Demand and supply conditions

Total demand of surfactant in Asia stood at 3.5 million MT in 2001, representing 38.9% of the global surfactant demand. In terms of choices of preference, anionic accounted for 74% of the total demand in Asia or 2.6 million MT. By contrast, market share of nonionic surfactant was comparatively low in Asia at 21.0% compared with the global market share of 36.0%.

Due to the lack of specific industry data on surfactant products and the need to estimate the industry size, RAMCS has made several assumptions critical for this purpose. The assumptions are as follows:

- (a) Surfactants comprised 9% - 12% of the total cost of goods sold in the manufacture of soaps and cleaning preparations between 1990-2003 period; and

7. INDUSTRY OVERVIEW (Cont'd)

- (b) The cost of goods sold accounted for 80% of the total sales of soaps and cleaning preparations.

The annual sales of the surfactant industry increased at an annual compounded growth rate of 6.8% between 1991 and 2003 underpinned by the strong demand for soap and cleaning preparations. In 2003, the market size is estimated at RM95 million sales per annum.

Based on KMSB's sales of RM4.3 million in 2003, KMSB is estimated to have a market share of 4.6% in the surfactant industry.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

7.4 PROSPECTS OF POLYMER AND OLEOCHEMICAL INDUSTRY**7.4.1 Prospects of polymer industry**

The polymer industry is projected to increase in sales by a compounded annual growth rate ("CAGR") of 16.7% between 2004-2010 under the assumption that the Malaysian real GDP will grow by a CAGR of 7.2%. The robust growth in the polymer industry will be also supported by salient demand from the key end-user industries such as E&E, transport equipment, plastic products, construction, paints and coatings industries. Similarly, the favourable prospects of the end-user industries will likely to spur the compounding business to grow by 5.9% annually between 2004-2010 since resin compounding is an essential prerequisite for the end-users to enhance its final product performance and quality. Therefore, there will be a continuous demand for compounding services with increasing stringent properties requirements for high-technology applications.

Demand for PVC, in particular will exhibit best growth opportunities due to its relatively lower cost, better performance, design and processing ease than other plastic materials. "Green PVC" products and more environmentally friendly flame-retardants and plasticisers are gaining acceptance and have become safer for industrial applications.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

The rest of this page is intentionally left blank

7. INDUSTRY OVERVIEW (Cont'd)

7.4.2 Prospects of surfactant industry

The prospect of the surfactant industry especially with PKDE is relatively promising based on the following factors: -

- The diversification and expansion of surfactant markets provide an incentive and opportunity for the broad range of R&D activities, especially aimed at developing economically profitable processing techniques and new products;
- The migration towards more environmental friendly and biodegradable products will ensure the demand for natural oils and fats derived surfactants can be sustained;
- Inadequate and unstable global supply of coconut oil due to smallholder owned plantations, weak distribution channel, lack of choice in planting material and inappropriate planting strategies have caused a shift to the perfect substitute, namely palm kernel oil;
- The markets for natural oils and fats derived surfactant industry, particularly palm kernel oil, are expected to increase given the large-scale oil palm plantation estate that allows for better technological improvement and assurance for higher yields. Palm kernel oil is a mere by-product of palm oil production, equivalent to 0.1 to 0.13MT of palm kernel oil for every one MT of crude palm oil produced; and
- The increasing demand for the surfactant from end-user industries such as personal care, soap and cleaning preparations fuelled by rising population will continue to boost the surfactant industry. Moreover, demand forces from the world populated countries such as China and India will continue to lead the world surfactant industry.

(Source: Industry Report on Polymer and Surfactant Industries in Malaysia – RAMCS)

7.5 RELEVANT LAWS AND REGULATIONS GOVERNING THE POLYMER AND OLEOCHEMICAL INDUSTRIES

HLSB'S manufacturing activities are governed by the Industrial Co-Ordination Act, 1975. In addition, the use of certain chemicals by the KIB Group is also governed by the Poisons Act, 1952.

The KIB Group has taken all necessary steps to ensure that the relevant requirements or regulations are complied with. Further details on the major licences and permits governing the Group's operations are disclosed in Section 11.2 of this Prospectus.

7. INDUSTRY OVERVIEW (Cont'd)

7.6 FUTURE PLANS, STRATEGIES AND PROSPECTS OF THE KIB GROUP

This business plan outlines the strategy and plans of the KIB Group to become one of the leading compound producers in the region and to provide a comprehensive and innovative range of polymeric and oleochemical products to its customers.

Under the leadership of Dr. Chua Kee Lam, the Managing Director and founder of the KIB Group, the Company has progressed over the last decade from a modest trader of PVC compound under Hsing Lung Trading Sdn Bhd, into a regionally recognised polymer and oleochemical manufacturer with exports to the Middle East, Thailand, Vietnam, Brunei and Singapore. Today, the Group consists of three (3) subsidiary companies, namely HLSB, AISB and KMSB.

The Group's products consist of various types of PVC compound and PVC colour master batch, chemical stearates, one pack lead systems, PKDE, CDP and other toiletry products and cleaning liquids. The Group's products can be applied to various industry sectors, such as in the consumer industry, cable industry, plastic industry, construction sector and telecommunication sector.

The business strategy of the Group has always been to focus on a competitive pricing and high quality compounds to its customers. With the thirty (30) years technical know-how of the founders in the field of chemistry, the Group has been able to penetrate the polymeric and oleochemical industry, from a single customer base to over thirty (30) customers in the past ten (10) years. The growth of the Group has been tremendous, and it has expanded to operating at five (5) factories, to manufacture its polymer and oleochemical products, in the States of Johor and Selangor.

The Group intends to become a one-stop compound manufacturer, with the capabilities of producing a wide range of polymeric and oleochemical products. Besides the existing PVC compound, the Group also intends to produce polyolefin based compound such as PE colour masterbatch, XLPE and TPO/TPE modified compounds, which are becoming popular in the market.

The Group intends to expand its factory size, to increase the production capacity for its polymeric products. The Group is constructing a customised factory for its oleochemical products that is capable of producing a wider range of products, and which will also have the capability to provide services as a contract manufacturer.

The polymer and oleochemical industries are still growing, as many manufacturers are constantly seeking techniques to improve on their end products. Premised on this, with the technical know-how and production capabilities of the Group, there is potential for the Group to be a leading compound manufacturer, to penetrate the domestic and regional market share of the polymeric and oleochemical industry. The polymer industry is poised to grow 7.5% in 2003 on the back of the expected growth of the electronics and electrical sectors, transport equipment, plastic products and paint and coatings industry. For the oleochemical industry, the world demand is expected to increase for products derived from oleochemical base, as it exhibits many distinct advantages over other chemical based products, such as petrochemical. In addition, oleochemical products are more biodegradable, therefore possess less threat to the environment.

7. INDUSTRY OVERVIEW (Cont'd)

With the listing of the Group on the MESDAQ Market, it is expected that the required financing for the Group is provided for, to expand on its production capacity, to provide for its proposed R&D expenditure, and most importantly to enable the Group to achieve its business development plans. Hence, in recognising the potential growth of the above two industries, coupled with the technical knowledge of the key personnel in the Group, the management is confident to become a leading compound manufacturer in the region.

The rest of this page is intentionally left blank

8. SUMMARY OF THE FIVE-YEAR BUSINESS PLAN

The following is a summary of the business plan prepared by KIB for the purpose of inclusion in this Prospectus:

8.1 Objectives

The KIB Group aspires to be one of the reputable and leading compound producers in the region. The KIB Group's strategy for future growth will be guided by the following broad principles:

- (i) To become a one-stop compound manufacturer, with the capacities of providing a comprehensive and innovative range of polymeric and oleochemical products to its customers;
- (ii) To attain total customers' satisfaction; and
- (iii) To continuously strive for efficiency, innovation and technological advancement.

8.2 Business Strategy

To achieve the objectives stated in Section 8.1 above, the strategies to be pursued over the next five (5) years are summarised as follows:

Type of Strategy	Action Plan
Competitive Strategy	<ul style="list-style-type: none"> • Provision of complete range of PVC compound and polyolefin based compounds for industrial applications and oleochemical products • Focus on competitive pricing and high quality products to its customers. Continued customer orientation by continuously improves its production process to remain efficient and to meet customers' requirements • Increase production capacity and venture into new products with the proposed purchase of a new factory located at Taman Perindustrian Sri Plentong, Johor Bahru.
Marketing Strategy	<ul style="list-style-type: none"> • To penetrate new markets in selected ASEAN countries by appointing new distributors in the selected ASEAN countries to promote and expand the KIB Group's polymeric and oleochemical products • To source for more opportunities to contract manufacture for its oleochemical products

8. SUMMARY OF THE FIVE-YEAR BUSINESS PLAN (Cont'd)

Type of Strategy	Action Plan
Operational Strategy	<ul style="list-style-type: none">Intends to employ additional experienced staff in the field of chemistry and R&D. Continuous staff training and development is emphasized to enable them to keep abreast with new technologyIntends to purchase more automated machines and high precision capacity to replace traditional infrastructure notably in labour-intensive equipment in view of the tight labour market

8.3 Conclusion

The Directors believe that the KIB Group will have potential growth in its existing products. The Group currently has the expertise and technical skills to maintain its existing customers as well as to capture new customers.

The KIB Group believes that its major strength in the technical expertise is to vary its existing products and to formulate new products in accordance to the requirements of the markets. Further, the Directors of KIB believe the KIB Group's strength lies in its experienced management team, proven track record with established players and its comprehensive products. Based on their track record, market presence and the list of existing and potential clients for its products in the polymeric and oleochemical industries, the Directors believe that the KIB Group is well positioned to increase its market share and achieve its mission.

Premised on the above, the KIB Group believes that it is able to capitalise on its strength and takes advantage of the opportunities offered to the KIB Group.

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

9.1 PROMOTERS**9.1.1 Profile**

The profile of the Promoters of KIB is set out below: -

- (i) **Dr. Chua Kee Lam**, a Malaysian, aged 63 was appointed as the Managing Director of KIB on 28 April 2004 and he is also a Promoter, substantial shareholder and key management of KIB. Dr. Chua graduated in 1967 with a degree in Chemistry from Nanyang University, Singapore and subsequently in 1973, he obtained a PhD in Chemistry from McMaster University Hamilton, Ontario, Canada.

Dr. Chua began his career in 1973 with the University of Malaya as a chemistry lecturer. In 1976, he moved to UIC-Marchon (Pte) Ltd, a joint venture company between UIC of Singapore and Marchon of UK, manufacturing mainly anionic surfactants in Singapore. He was appointed as Senior Chemist in charge of quality control and developing toiletry and detergent formulas with the products produced by the Company. He served the Company for five (5) years and resigned in 1981 before joining Chong Shing Cable Sdn Bhd as a General Manager. He also assisted the holding company, Universal Cable Bhd to set up a PVC compounding plant. Apart from being the Managing Director of Karyon, he is also the Managing Director for HLSB, AISB and KMSB. Currently Dr. Chua is heading the R&D team for HLSB, AISB and KMSB and is responsible for all the R&D activities within the KIB Group. He has more than thirty-five (35) years of experience in the field of chemistry.

- (ii) **Koay Choo Cheng**, a Malaysian, aged 54 was appointed as the Executive Director of KIB on 28 April 2004 and he is also a Promoter, substantial shareholder and key management of KIB. In addition, he also sits on the Boards of HLSB and KMSB.

Mr. Koay began his career as a marketing representative of Guthrie Engineering Sdn Bhd in 1979 covering the state of Johor. He resigned three (3) years later, in 1981 to join Chong Sing Cables as the Sales Executive based in Johor Bahru and Kuala Lumpur in charge of supplying electric cables covering Peninsular Malaysia. In 1990, Mr. Koay joined Leader Universal Cable Sdn Bhd as a Deputy Branch Manager based in Petaling Jaya and has served the company for ten (10) years prior to joining HLSB and KMSB, taking up the position as the Sales and Marketing Director, responsible for the sales and marketing activities of the companies. Mr. Koay has more than twenty-five (25) years of experience in the field of marketing.

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (iii) **Wo Ka Seng**, a Malaysian, aged 59 was appointed as the Executive Director of KIB on 28 April 2004 and he is also a Promoter, substantial shareholder and key management of KIB. In addition, he also sits on the Boards of KMSB and AISB. Mr. Wo graduated in 1968 with a degree in Commerce from Nanyang University, Singapore and began his career in the field of research and data processing in Survey Research Malaysia ("SRM") in 1968 and subsequently promoted as a Research and EDP Manager in SRM. Mr. Wo resigned from SRM in 1978 to join RJ Reynolds Berhad ("RJR") as a Product and Marketing Services Manager. He served RJR for seventeen (17) years before joining United Cable & Industries Sdn Bhd as the company's Director in 1995. He resigned from the post one (1) year later, in 1996 and joined KMSB as a Director. During the years with SRM, Mr. Wo was actively involved developing a program to conduct market research for the ASEAN region. Mr. Wo has conducted promotions and developed marketing plans during his years with RJR. Currently, Mr. Wo is responsible for the sales activities of KMSB and he also oversees the accounts, administration and production activities of the company. He has more than thirty-five (35) years of experience in the field of market research.
- (iv) **Wo Chin Yong**, a Malaysian, aged 24 is a Promoter, substantial shareholder and key management of KIB. He graduated in 2001 with a degree in Management and Management Information System from Purdue University, United States of America. Mr. Wo began his career in 2001 as a Production Executive with Kumpulan Jebco (M) Sdn Bhd. He resigned from the company in 2002 before joining Hualon Corporation (M) Sdn Bhd ("Hualon") as a Marketing Executive. He left Hualon in 2003 prior to joining KMSB, taking up the position as a Marketing Executive. He has recently been promoted as the Production Manager for KMSB, responsible for the production activities of the company. Mr Wo is also involved in the overall marketing activities of the KIB Group.
- (v) **Chua Ling Hong**, a Malaysian, aged 29 is a Promoter, substantial shareholder and key management of KIB. He graduated in 1997 with a degree in Business Studies majoring in Marketing from Nanyang University, Singapore.

Mr. Chua began working in Bengawan Solo Pte Ltd ("BSPL") as a Corporate Planning Executive, directly assisting the Director. He was then well exposed to various functions, including marketing, human resources, production, purchasing and overall coordination. He resigned from BSPL in 1999 to join Polyvinyl Pte Ltd as a Sales and Marketing Executive covering the whole Malaysia. Later in 2000, Mr. Chua joined HLSB as a Manager, taking charge of functions such as purchasing, marketing, human resources, quality control, product development, product and overall management. In addition, he is also responsible for sales and production activities of AISB and has recently been promoted as the General Manager of HLSB in charge of the production and marketing activities of the company.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (vi) **Chua Ling Lee**, a Malaysian, aged 26 is a Promoter, substantial shareholder and key management of KIB. She graduated in 1999 with a degree in Commerce majoring in Corporate Finance from Adelaide University, Australia. Ms. Chua began her career in year 2000 as a Customer Service Officer in charge of daily banking operations with Hong Leong Bank Berhad. She resigned in the same year before joining HLSB as a Manager in charge of HLSB and AISB's accounts, administration and human resource. In addition, Ms. Chua is also responsible for sales and production activities of AISB.
- (vii) **Central Equity Sdn Bhd**, incorporated in Malaysia as a private limited company under the Act on 27 January 1993. The present authorised share capital of the company is RM250,000. The total issued and paid-up share capital is RM2.00 comprising of two (2) ordinary shares of RM1.00 each held by Yeoh Chin Kiang and Yeoh Jih Chang. The company's directors are namely Yeoh Chin Kiang, his wife, Yeoh Jih Horng Chang and his son, Yeoh Eng How. Central Equity Sdn Bhd is principally an investment holding company.
- (viii) **Teoh Liang Huat @ Teoh Lean Huat**, a Malaysian, aged 65, is a Promoter and a substantial shareholder of KIB. In addition, he also sits on the board of AISB. Mr. Teoh graduated in 1964 with a degree in Engineering from Royal Melbourne Institute of Technology, Australia. He began his career as an engineer with the state government of Victoria, Australia in 1965 and resigned three (3) years later in 1968. Later in the same year, Mr. Teoh joined the Malaysian government under the Ministry of Housing. He has been in the business of property development and plantation for more than thirty (30) years and holds directorship in several private limited companies.
- (ix) **Tan Yeow Pong**, a Malaysian, aged 51 is a Promoter and a shareholder of KIB. He graduated in 1971 with a diploma in Accounting from Federal Institute of Technology. Mr. Tan began his career in 1971 as a general clerk for Hawley & Hazel Chemical Sdn Bhd. He served the company for two (2) years and left the company in 1973 prior to joining Roxy (Malaysia) Sdn Bhd as a bookkeeper. From 1980 to 1985, he became the Financial Controller of PT Wili Antariksa Electronics in Jakarta Indonesia. In 1986 he became a sole proprietor for Distr Marketing. He is currently the Managing Director of Grochem (M) Sdn Bhd.
- (x) **Ang Ah Kow @ Ang Cheok Sai**, a Malaysian, aged 65 is a Promoter and a substantial shareholder of KIB. He graduated in 1967 with a fellowship diploma in Electrical Engineering from the Royal Melbourne Institute of Technology, Australia and was a member of the Institute of Engineers, Australia until 2000.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Mr. Ang began his career in 1970 when he joined NatSteel taking up the position as an Assistant Engineer and has since promoted to his current position as the Executive Vice President of NatSteel Ltd (Singapore). Prior to joining NatSteel Ltd., he was an Electrical Engineer of Hydro-Electric Commission of Tasmania, Australia. Mr. Ang is currently responsible for NatSteel's China operations and has been seconded to China since 1996. He is currently the Chairman and General Manager of Wujin NatSteel Calcilif Product Ltd., Chairman of Southern NatSteel (Xiamen) Co. Ltd., Chairman of ChangShu NatSteel Calcific Product Ltd and Vice Chairman of Wuji Jinyang Metal Products Co Ltd.

- (xi) **Poon Sau Mui**, a Malaysian, aged 56 is a Promoter and a substantial shareholder of KIB. She graduated in 1969 with a degree in Medical Laboratory Technology from the National Taiwan University, Taiwan. She started her practical training at Prince Henry Hospital specialising in Cancer Cyto-Technology in 1970. In 1971 she graduated from Hong Kong University in Advance Medical Technology and subsequently passed the examination held in Tokyo and became a member of International Academy of Cancer Society. She has been active in the field of Medical Laboratory Technologist for the past 22 years. Mdm. Poon began her career with Namloong Cancer Hospital, Aberdeen, Hong Kong in 1971. She resigned in 1973 before joining Assunta Hospital, Petaling Jaya in 1975. During her tenure in Assunta Hospital, she was promoted as a Senior Medical Laboratory Technologist.
- (xii) **Teoh Kooi Kim**, a Malaysian, aged 57 is a Promoter and a substantial shareholder of KIB. She graduated in 1971 with a degree in Science from Monash University, Australia. Mdm. Teoh began her career in 1971 as a lab technician with Royal Park Hospital, Victoria. In 1972, she moved to St Joseph Hospital, Ontario Canada as a lab technician and served the company for one (1) year before resigning in 1973. Prior to her retirement, she was attached with HLSB as Administration Manager from 1997 to 2000.

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.1.2 Shareholdings of Promoters in KIB

Based on the Register of Shareholders of KIB as at the date of this Prospectus, the direct and indirect interests of the Promoters in the issued share capital of the Company before and after the Public Issue, and assuming full exercise of the ESOS Options are as follows: -

Name of Promoters	Nationality/Place of Incorporation	←-----Before the Public Issue-----→				←-----After the Public Issue-----→				←-----After Full Exercise of ESOS Options-----→			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dr. Chua Kee Lam	Malaysian	10,898,664	12.12	8,095,920 ¹	9.00	11,798,664 [*]	9.83	8,645,920 ¹¹	7.21	13,298,664 ¹¹	10.07	10,445,920 ¹¹	7.91
Chua Ling Hong	Malaysian	1,825,256	2.03	13,894,043 ²	15.45	2,125,256 [*]	1.77	15,044,043 ²²	12.54	3,025,256 ⁸	2.29	17,444,043 ²²	13.21
Chua Ling Lee	Malaysian	1,332,924	1.48	14,386,375 ²	16.00	1,582,924 [*]	1.32	15,586,375 ²²	12.99	2,482,924 ⁴	1.88	17,986,375 ²²	13.62
Teoh Kooi Kim	Malaysian	1,662,455	1.85	21,697,623 ³	24.11	1,662,455 [*]	1.39	23,497,623 ³³	19.59	1,662,455 [*]	1.26	26,797,623 ³³	20.30
Teoh Liang Huat (@ Teoh Lean Huat	Malaysian	6,376,090	7.08	2,927,144 ⁴	3.25	6,726,090 [*]	5.61	2,927,144 ⁴	2.45	6,726,090 [*]	5.10	2,927,144 ⁴	2.22
Ang Ah Kow (@ Ang Cheuk Sai	Malaysian	9,979,382	11.10	-	-	9,979,382	8.32	-	-	9,979,382	7.56	-	-
Poon Sau Mui	Malaysian	8,785,268	9.76	-	-	8,785,268	7.32	300,000 ⁷	0.25	8,785,268	6.66	1,250,000 ⁷	0.95
Koay Choo Cheng	Malaysian	5,423,970	6.03	1,592,384 ⁵	1.77	6,223,970 [*]	5.19	1,592,384 ⁵	1.33	7,673,970 [*]	5.81	1,592,384 ⁵	1.21
Tan Yeow Pong	Malaysian	4,648,472	5.16	-	-	4,848,472 [*]	4.04	-	-	4,848,472	3.67	-	-
Wo Ka Seng	Malaysian	3,951,091	4.39	1,751,607 ⁶	1.94	4,601,091 [*]	3.83	1,901,607 ⁶	1.59	5,801,091 [*]	4.39	2,351,607 ⁶	1.78
Wo Chin Yong	Malaysian	1,100,272	1.22	4,602,426 ⁶	5.11	1,175,272 [*]	0.98	5,327,426 ⁶	4.44	1,625,272 ⁸	1.23	6,527,426 ⁶	4.94
Central Equity Sdn Bhd	Malaysia	3,845,978	4.27	-	-	3,845,978	3.20	-	-	3,845,978	2.91	-	-

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes: -

- 1 Deemed interested by virtue of his wife's interest, namely Teoh Kooi Kim and his children's interests, namely, Chua Ling Hong and Chua Ling Lee, his sister's interest, name Chua Bee Yock, and his brother's interest, namely Chua Tiang Chu @ Chua Tiong Choo.
- 2 Deemed interested by virtue of his parents' interests, namely Dr. Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee and vice versa.
- 3 Deemed interested by virtue of her husband's interest, namely Dr. Chua Kee Lam, her children's interests, namely Chua Ling Hong and Chua Ling Lee, and her brothers' interests, namely Teoh Lean Hoe and Teoh Liang Huat @ Teoh Lean Huat, and her sister's interest, namely Teoh Tang Kim @ Teoh Tung Kim.
- 4 Deemed interested by virtue of his brother's interest, namely Teoh Lean Hoe, and his sisters' interests, namely Teoh Kooi Kim and Teoh Tang Kim @ Teoh Tung Kim.
- 5 Deemed interested by virtue of his son's interest, namely Kouy Kee Sheng.
- 6 Deemed interested by virtue of his children's interests, namely Wo Chin Yong and Wo Shee Ling and vice versa.
- 7 Deemed interested by virtue of her husband's interest, namely Pueng Chin Thong @ Fang Chin Tong.

(Please refer to Section 2.2 for the shareholdings of Teoh Tang Kim @ Teoh Tung Kim, Kouy Kee Sheng, Wo Shee Ling and Pueng Chin Thong @ Fang Chin Tong.)

- * Based on their respective pink form allocations pursuant to the allocation of Public Issue Shares to eligible Directors and employees of KIB, as follows:

Eligible Directors and employees	No. of Public Issue Shares
Dr. Chua Kee Lam	900,000
Koay Choo Cheng	800,000
Wo Ka Seng	650,000
Teoh Liang Huat @ Teoh Lean Huat	350,000
Chua Ling Hong	300,000
Pueng Chin Thong @ Fang Chin Tong	300,000
Chua Ling Lee	250,000
Tan Yeow Pong	200,000
Wo Chin Yong	75,000
Wo Shee Ling	75,000

- # After the respective ESOS allocations as follows:

Eligible Directors and employees	No. of ESOS Options
Dr. Chua Kee Lam	1,500,000
Koay Choo Cheng	1,450,000
Wo Ka Seng	1,200,000
Teoh Liang Huat @ Teoh Lean Huat	-
Pueng Chin Thong @ Fang Chin Tong	950,000
Chua Ling Hong	900,000
Chua Ling Lee	900,000
Tan Yeow Pong	-
Wo Chin Yong	450,000
Wo Shee Ling	-

9.1.3 Other Directorship and Substantial Shareholdings

None of the Promoters of KIB hold other directorships and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.2 SUBSTANTIAL SHAREHOLDERS

9.2.1 Shareholdings of substantial shareholders in KIB

Based on the Register of Shareholders of KIB as at the date of this Prospectus, the direct and indirect interests of the substantial shareholders in the issued share capital of the Company before and after the Public Issue and assuming full exercise of the ESOS Options are as follows: -

Name	Nationality	Before the Public Issue				After the Public Issue				After Full Exercise of ESOS Options			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Woo Min Fong	Malaysian	13,647,018	15.17	68,235 ¹	0.08	13,647,018	11.38	68,235 ¹	0.06	13,647,018	10.34	68,235 ¹	0.05
Woo Shin Khiat	Malaysian	68,235	0.08	13,647,018 ¹	15.17	68,235	0.06	13,647,018 ¹	11.38	68,235	0.05	13,647,018 ¹	10.34
Dr. Chua Kee Lam	Malaysian	10,898,664	12.12	8,095,920 ²	9.00	11,798,664 ³	9.83	8,645,920 ²	7.21	13,298,664 ⁴	10.07	10,445,920 ²	7.91
Chua Ling Hong	Malaysian	1,825,256	2.03	13,894,043 ³	15.45	2,125,256 ⁵	1.77	15,044,043 ³	12.54	3,025,256 ⁶	2.29	17,444,043 ³	13.21
Chua Ling Lee	Malaysian	1,332,924	1.48	14,386,375 ³	16.00	1,582,924 ⁴	1.32	15,586,375 ³	12.99	2,482,924 ⁴	1.88	17,986,375 ³	13.62
Chua Bee Yock	Malaysian	2,797,639	3.11	11,376,310 ⁷	12.64	2,797,639	2.33	12,276,310 ⁷	10.23	2,797,639	2.12	13,776,310 ⁷	10.43
Chua Tiang Chu @ Chua Tiong Choo	Malaysian	477,646	0.53	13,696,303 ⁷	15.22	477,646	0.40	14,596,303 ⁷	12.16	477,646	0.36	16,096,303 ⁷	12.19
Teoh Kooi Kim	Malaysian	1,662,455	1.85	21,697,623 ⁸	24.11	1,662,455	1.39	23,497,623 ⁸	19.59	1,662,455	1.26	26,797,623 ⁸	20.30
Teoh Liang Huat @ Teoh Lean Huat	Malaysian	6,376,090	7.08	2,927,144 ⁴	3.25	6,726,090 ⁵	5.61	2,927,144 ⁴	2.45	6,726,090	5.10	2,927,144 ⁴	2.22
Teoh Lean Hoe	Malaysian	1,066,187	1.18	8,237,047 ⁴	9.15	1,066,187	0.89	8,587,047 ⁴	7.17	1,066,187	0.81	8,587,047 ⁴	6.51
Teoh Tang Kim @ Teoh Tung Kim	Malaysian	198,502	0.22	9,104,732 ⁴	10.11	198,502	0.17	9,454,732 ⁴	7.89	198,502	0.15	9,454,732 ⁴	7.17
Ang Ah Kow @ Ang Cheok Sai	Malaysian	9,979,382	11.10	-	-	9,979,382	8.32	-	-	9,979,382	7.56	-	-
Poon Sau Mui	Malaysian	8,785,268	9.76	-	-	8,785,268	7.32	300,000 ⁹	0.25	8,785,268	6.66	1,250,000 ⁹	0.95
Puang Chin Thong @ Fang Chin Tong	Malaysian	-	-	8,785,268 ⁸	9.76	300,000 ⁹	0.25	8,785,268 ⁹	7.32	1,250,000 ⁹	0.95	8,785,268 ⁹	6.66
Koay Choo Cheng	Malaysian	5,423,970	6.03	1,592,384 ⁵	1.77	6,223,970 ⁷	5.19	1,592,384 ⁵	1.33	7,673,970 ⁸	5.81	1,592,384 ⁵	1.21

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Nationality	Before the Public Issue				After the Public Issue				After Full Exercise of ESOS Options			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Koay Kee Sheng	Malaysian	1,592,384	1.77	5,423,970 ⁵	6.03	1,592,384	1.33	6,223,970 ⁵	5.19	1,592,384	1.21	7,673,970 ⁵	5.81
Wo Ka Seng	Malaysian	3,951,091	4.39	1,751,607 ⁶	1.94	4,601,091 [*]	3.83	1,901,607 ⁶	1.59	5,801,091 [*]	4.39	2,351,607 ⁶	1.78
Wo Chin Yong	Malaysian	1,100,272	1.22	4,602,426 ⁶	5.11	1,175,272 [*]	0.98	5,327,426 ⁶	4.44	1,625,272 [*]	1.23	6,527,426 ⁶	4.94
Wo Shee Ling	Malaysian	651,335	0.72	5,051,363 ⁶	5.61	726,335 [*]	0.61	5,776,363 ⁶	4.81	726,335	0.55	7,426,363 ⁶	5.62

Notes: -

- 1 Deemed interested by virtue of her sister's interest, namely Woo Shin Khaiat and vice versa.
- 2 Deemed interested by virtue of his wife's interest, namely Teoh Kooi Kim, his children's interests, namely Chua Ling Hong and Chua Ling Lee, his sister's interest, namely Chua Bee Yock, and his brother's interest, namely Chua Tiang Chu @ Chua Tiang Choo.
- 3 Deemed interested by virtue of his parents' interests, namely Dr. Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee and vice versa.
- 4 Deemed interested by virtue of his brother's interest, namely Teoh Lean Hoe, and his sisters' interests, namely Teoh Kooi Kim and Teoh Tang Kim @ Teoh Tung Kim and vice versa.
- 5 Deemed interested by virtue of his son's interest, namely Koay Kee Sheng and vice versa.
- 6 Deemed interested by virtue of his children's interests, namely Wo Chin Yong and Wo Shee Ling and vice versa.
- 7 Deemed interested by virtue of his brothers' interests, namely Dr. Chua Kee Lam and Chua Tiang Chu @ Chua Tiang Choo and vice versa.
- 8 Deemed interested by virtue of her husband's interest, namely Dr. Chua Kee Lam, her children's interests, namely Chua Ling Hong and Chua Ling Lee, her brothers' interests, namely Teoh Lean Hoe and Teoh Liang Huat @ Teoh Lean Huat, and her sister's interest, namely Teoh Tang Kim @ Teoh Tung Kim.
- 9 Deemed interested by virtue of her husband's interest, namely Pueng Chin Thong @ Fang Chin Tong and vice versa.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

* Based on their respective pink form allocations pursuant to the allocation of Public Issue Shares to eligible Directors and employees of KIB, as follows:

Eligible Directors and employees	No. of Public Issue Shares
<i>Dr. Chua Kee Lam</i>	900,000
<i>Koay Choo Cheng</i>	800,000
<i>Wo Ka Seng</i>	650,000
<i>Teoh Liang Huat @ Teoh Lean Huat</i>	350,000
<i>Chua Ling Hong</i>	300,000
<i>Pueng Chin Thong @ Fang Chin Tong</i>	300,000
<i>Chua Ling Lee</i>	250,000
<i>Wo Chin Yong</i>	75,000
<i>Wo Shee Ling</i>	75,000

After the respective ESOS allocations as follows:

Eligible Directors and employees	No. of ESOS Options
<i>Dr. Chua Kee Lam</i>	1,500,000
<i>Koay Choo Cheng</i>	1,450,000
<i>Wo Ka Seng</i>	1,200,000
<i>Pueng Chin Thong @ Fang Chin Tong</i>	950,000
<i>Chua Ling Hong</i>	900,000
<i>Chua Ling Lee</i>	900,000
<i>Wo Chin Yong</i>	450,000

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.2.2 Other Directorship and Substantial Shareholdings

Save for Woo Min Fong, who is a Director of Winitex Holdings Bhd as well as a Director and substantial shareholder of Synergy Track Berhad (non-listed), none of the substantial shareholders of KIB hold other directorships and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years.

9.3 DIRECTORS**9.3.1 Profile**

Save for the profile of Dr Chua Kee Lam, Koay Choo Cheng and Wo Ka Seng which are disclosed in Section 9.1.1 of this Prospectus, the profile of the other Directors of KIB are as follows: -

- (i) **Woo Min Fong**, a Malaysian, aged 57 was appointed as the Non-Executive Director of KIB on 28 April 2004. She is also a substantial shareholder of KIB. Ms. Woo was a Member of the Institute of Chartered Secretaries and Administrators, UK from 1970 to 1989. She is an Associate Member of Malaysian Association of Institute of Chartered Secretaries and Administrators since 1989.

Ms. Woo started her career as a practising Chartered Secretary with Chua & Co in 1969. From 1978 to 1990, she was the Executive Director of P.L. Chua & Co Sdn Bhd. She became the Managing Director of Chua, Woo & Lee Sdn Bhd from 1991 to 1994. Since 1994, she has assumed the position of Managing Director of Chua, Woo & Company Sdn Bhd, a company providing corporate and secretarial services.

- (ii) **Tsen Keng Yam**, a Malaysian, aged 54 was appointed as the Chairman and Non-Executive Director of KIB on 28 April 2004. Mr. Tsen was admitted as a member of the Institute of Chartered Accountants in England & Wales ("ICAEW") in 1976. He is currently a Fellow member of ICAEW and is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants, respectively.

Mr. Tsen started his career in Malaysia in 1978 as a Consultant for Hanafiah Raslan & Mohamed ("HRM") and he was subsequently promoted as a Senior Consultant in 1980. In 1984, Mr. Tsen was promoted as a Principal for HRM and became a Partner in 1988. In 1990, HRM merged with Arthur Andersen & Co. He retired as a Partner in Arthur Andersen & Co. in June 2003. Mr. Tsen has over thirty (30) years of experience in the accounting profession, particularly in financial reporting, auditing, taxation and planning, company secretarial as well as corporate management and advisory functions. Mr Tsen was recently also appointed to the Board of Talam Corporation Berhad in April 2004.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (iii) **Dr. Tan Seng Leong (“Dr. Tan”)**, a Singaporean, aged 60 was appointed as an Independent Non-Executive Director of KIB on 28 April 2004. He graduated in 1967 with a degree in Chemistry from Nanyang University, Singapore and subsequently in 1970, he obtained a PhD in chemistry from University of Technology, Loughborough, UK .

He began his career in 1970 as a Postdoctoral Research Fellow with the University of Wales, Swansea, UK. From 1972 to 1980, Dr. Tan worked with the Department of Scientific Services, Ministry of Health in Singapore as a Scientific Officer. He then moved to Hong Seh Chemical Co Pte Ltd as a Technical Manager in 1980 and resigned three years later. From 1983 to 1985 he joined Prime-Chem Industries Pte Ltd, taking up the post as a Managing Director. In 1985, Dr. Tan joined Albright & Wilson Asia Pacific (AWAP), Pte Ltd Singapore as a Vice President in Technical, a member of Executive Committee. In 1991, he was charged with additional responsibility of marketing/sales of specialty products for the region. Dr. Tan relinquished the responsibility of specialities in September 1994 after being given a new assignment in Changsha, China. He then resigned in 1998 to take the post as a Managing Director of Hua-Chen Nice Chemicals Co Ltd, Shijazhuang, China, responsible for the operations of the company. Dr. Tan is also a Director of Nice Chemicals Pte Ltd, since 1999. He has more than twenty-eight (28) years of experience in technical management, marketing and sales management and general management at board level.

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.3.2 Shareholdings of Directors in KIB

Based on the Register of Shareholders of KIB as at the date of this Prospectus, the direct and indirect interests of the Directors in KIB before and after the Public Issue and assuming full exercise of the ESOS Options are as follows: -

Name	Designation	◀-----Before the Public Issue -----▶		◀-----After the Public Issue -----▶		◀-----After Full Exercise of ESOS Options -----▶	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Board of Directors							
Tsen Keng Yam	Chairman/ Independent Non-Executive Director	2,729,404	3.03	2,929,404	2.44	2,929,404	2.22
Woo Min Fong	Non-Executive Director	13,647,018	15.17	13,647,018	11.38	13,647,018	10.34
Dr. Chua Kee Lam	Managing Director	10,898,664	12.12	11,798,664*	9.83	13,298,664*	10.07
Wo Ka Seng	Executive Director	3,951,091	4.39	4,601,091*	3.83	5,801,091*	4.39
Koay Choo Cheng	Executive Director	5,423,970	6.03	6,223,970*	5.19	7,673,970*	5.81
Dr. Tan Seng Leong	Independent Non-Executive Director	1,240,638	1.38	1,240,638	1.03	1,240,638	0.94

Notes: -

- 1 Deemed interested by virtue of her sister's interest, namely *Woo Shin Kiat*.
- 2 Deemed interested by virtue of his wife's interest, namely *Teoh Kooi Kim*, his children's interests, namely *Chua Ling Hong* and *Chua Ling Lee*, his sister's interest, namely *Chua Bee Yock*, and his brother's interest, namely *Chua Tiang Chu @ Chua Tiang Choo*.
- 3 Deemed interested by virtue of his children's interests, namely *Wo Chin Yong* and *Wo Shee Ling*.
- 4 Deemed interested by virtue of his son's interest, namely *Koay Kee Sheng*.

(Please refer to Section 2.2 for shareholding of *Woo Shin Kiat*, *Teoh Kooi Kim*, *Chua Ling Hong*, *Chua Ling Lee*, *Chua Bee Yock*, *Chua Tiang Chu @ Chua Tiang Choo*, *Wo Chin Yong*, *Wo Shee Ling* and *Koay Kee Sheng*)

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

* Based on their respective indicative pink form allocations pursuant to the allocation of Public Issue Shares to eligible employees and Directors of KIB, as follows: -

<i>Eligible Directors and employees</i>	<i>No. of Public Issue Shares</i>
<i>Dr. Chua Kee Lam</i>	<i>900,000</i>
<i>Koay Choo Cheng</i>	<i>800,000</i>
<i>Wo Ka Seng</i>	<i>650,000</i>
<i>Chua Ling Hong</i>	<i>300,000</i>
<i>Chua Ling Lee</i>	<i>250,000</i>
<i>Tsen Keng Yam</i>	<i>200,000</i>
<i>Wo Chin Yong</i>	<i>75,000</i>
<i>Wo Shee Ling</i>	<i>75,000</i>

† After the respective ESOS allocations as follows: -

<i>Eligible Directors and Employees</i>	<i>No. of ESOS Options</i>
<i>Dr. Chua Kee Lam</i>	<i>1,500,000</i>
<i>Koay Choo Cheng</i>	<i>1,450,000</i>
<i>Wo Ka Seng</i>	<i>1,200,000</i>
<i>Chua Ling Hong</i>	<i>900,000</i>
<i>Chua Ling Lee</i>	<i>900,000</i>
<i>Wo Chin Yong</i>	<i>450,000</i>

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**9.3.3 Other Directorship and Substantial Shareholdings**

Save as disclosed below, none of the Directors of KIB hold other directorships and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years.

Name	Company	←-----Directorships-----→		Direct Substantial shareholding %
		Date of appointment	Date of resignation	
Woo Min Fong	Winitex Holdings Bhd (non-listed)	17.09.1997	-	-
	Winitex Corporation Berhad (non-listed)	14.07.2004	-	-
	Synergy Track Berhad (non-listed)	20.05.2003	-	50.00
Tsen Keng Yam	Talam Corporation Berhad	30.04.2004	-	-

9.3.4 Directors' remuneration and benefits

For the financial year ended 31 March 2004, approximately RM518,948 were paid to the Directors of the KIB Group. For the financial year ending 31 March 2005, it is estimated that approximately RM560,000 will be paid to the Directors of the KIB Group. The Directors of the KIB Group fall within the following remuneration bands:

Remuneration Band (RM)	Number of Directors	
	12 Months Ended 31 March 2004	12 Months Ending 31 March 2005
below 50,000	2	5
50,001 – 100,000	2	2
100,001 and above	2	2

9.3.5 Executive Directors' involvement in other businesses/corporations

As at the date of this Prospectus, none of the Executive Directors of KIB is involved in the operations of other business or corporations in Malaysia, save and except for the operations of the KIB Group.

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.4 AUDIT COMMITTEE

KIB has set up an Audit Committee which comprises the following Board members: -

Name	Responsibility	Directorship
Tsen Keng Yam	Chairman	Independent Non-Executive Director
Wo Ka Seng	Member	Executive Director
Dr. Tan Seng Leong	Member	Independent Non-Executive Director

The main functions of the Audit Committee include the review of audit plan and audit report with the auditors, review of the scope of internal audit procedures, review of balance sheets and profits and loss accounts, review of appointment of auditors, to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the companies within the group and undertake such other responsibilities as may be agreed to by the committee and the Board.

The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

9.5 KEY MANAGEMENT AND EMPLOYEES**9.5.1 Profile**

Save for the profile of Chua Ling Hong, Wo Chin Yong and Chua Ling Lee which has been disclosed in Section 9.1.1 of this Prospectus, the profile of the other key management of the KIB Group is as follows:-

Yeoh Eng How, a Malaysian, aged 25. He graduated in 2002 with a degree in Chemical Engineering from University of Melbourne, Australia. Prior to joining the Group, he started his career as a vacation trainee with Ta Win Holdings Berhad in December 2001, assisting the copper smelting section in analysing the Hydrogen and Oxygen content in the copper samples. Mr. Yeoh is currently the Production Engineer of HLSB and he is also responsible in the production activities of AISB, taking up the position as a Business Development Manager.

The rest of this page is intentionally left blank

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.5.2 Shareholding of key management in KIB

Based on the Register of Shareholders of KIB as at the date of this Prospectus, the direct and indirect interests of the key management in KIB before and after the Public Issue and assuming full exercise of the ESOS Options are as follows: -

Name	Designation	◀-----Before the Public Issue-----▶		◀-----After the Public Issue-----▶		◀-----After Full Exercise of ESOS Options-----▶							
		Direct	Indirect	Direct	Indirect	Direct	Indirect						
		No. of Shares	%	No. of Shares	%	No. of Shares	%						
Chua Ling Hong	General Manager	1,825,256	2.03	13,894,043 ¹	15.45	2,125,256 [*]	1.77	15,044,043 ^{*1}	12.54	3,025,256 [*]	2.29	17,444,043 ^{*1}	13.21
Ycoi Eng How	Production Manager	-	-	-	-	155,000 [*]	0.13	-	-	450,000 [*]	0.34	-	-
Wu Chin Yong	Production Manager	1,100,272	1.22	4,602,426 ²	5.11	1,175,272 [*]	0.98	5,327,426 ^{*2}	4.44	1,625,272 [*]	1.23	6,527,426 ^{*2}	4.94
Chua Ling Lee	Administration Manager	1,332,924	1.48	14,386,375 ³	16.00	1,582,924 [*]	1.32	15,586,375 ^{*3}	12.99	2,482,924 [*]	1.88	17,986,375 ^{*3}	13.62

Notes: -

- 1 Deemed interested by virtue of his parents' interests, namely Dr. Chua Kee Lam and Teoh Kooi Kim and his siblings' interest, namely Chua Ling Lee.
- 2 Deemed interested by virtue of his siblings' interest, namely Wo Shee Ling and his parent's interest, namely Wo Ka Seng.
- 3 Deemed interested by virtue of her parents' interests, namely Dr. Chua Kee Lam, and Teoh Kooi Kim and her brother's interest, namely Chua Ling Hong.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

* *Based on their respective indicative pink form allocations pursuant to the allocation of Public Issue Shares to eligible employees of KIB, as follows: -*

<i>Eligible employees</i>	<i>No. of Public Issue Shares</i>
<i>Chua Ling Hong</i>	<i>300,000</i>
<i>Chua Ling Lee</i>	<i>250,000</i>
<i>Yeoh Eng How</i>	<i>155,000</i>
<i>Wo Chin Yong</i>	<i>75,000</i>
<i>Wo Shee Ling</i>	<i>75,000</i>

After the respective indicative ESOS allocations as follows:

<i>Eligible employees</i>	<i>Indicative no. of ESOS Options</i>
<i>Chua Ling Hong</i>	<i>900,000</i>
<i>Chua Ling Lee</i>	<i>900,000</i>
<i>Wo Chin Yong</i>	<i>450,000</i>
<i>Yeoh Eng How</i>	<i>450,000</i>

9.5.3 Other Directorship and Substantial Shareholdings

None of the key management of KIB hold other directorships and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years.

9.5.4 Key Management's involvement in other business corporations

As at the date of this Prospectus, save for Yeoh Eng How who is a director in Central Equity Sdn Bhd, none of the key management of KIB is involved in the operations of other business or corporation in Malaysia, save and except for the operations of the KIB Group.

9.6 DECLARATION

None of the Directors or key management is or was involved in the following events, whether in or outside Malaysia:

- (i) A petition under any bankruptcy or insolvency laws filed 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) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice activity.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**9.7 FAMILY AND RELATIONSHIP**

Save as disclosed below, there are no family or business relationships amongst the Directors, Promoters, substantial shareholders and key management of KIB Group: -

- (i) Chua Ling Hong, and Chua Ling Lee are the children of Dr. Chua Kee Lam and Teoh Kooi Kim;
- (ii) Dr. Chua Kee Lam and Teoh Kooi Kim are husband and wife;
- (iii) Koay Kee Sheng is the son of Koay Choo Cheng;
- (iv) Wo Chin Yong and Wo Shee Ling are the children of Wo Ka Seng;
- (v) Teoh Liang Huat @ Teoh Lean Huat, Teoh Kooi Kim, Teoh Lean Hoe and Teoh Tang Kim @ Teoh Tung Kim are siblings;
- (vi) Woo Min Fong and Woo Shin Khiat are siblings;
- (vii) Dr. Chua Kee Lam, Chua Bee Yock and Chua Tiang Chu @ Chua Tiong Choo are siblings; and
- (viii) Pueng Chin Thong @ Fang Chin Tong and Poon Sau Mui are husband and wife.

9.8 SERVICE AGREEMENT

None of the Directors and key management has entered into any service agreement with the KIB Group.

9.9 CHANGES IN PROMOTERS AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS OF KIB FOR THE PAST THREE (3) YEARS

The changes in the registered substantial shareholders and their shareholdings since incorporation up to the date of this Prospectus are as follows: -

Name	Date of allotment	Cumulative KIB Shares held			
		Direct		Indirect	
		No. of shares	%	No. of shares	%
Dr. Chua Kee Lam*	01.06.2004	8,784,720	12.11	6,525,610 ¹	9.00
	03.06.2004	10,898,664	12.12	8,095,921 ¹	9.00
Chua Ling Hong*	01.06.2004	1,471,220	2.03	11,199,110 ²	15.45
	03.06.2004	1,825,256	2.03	13,894,043 ²	15.45
Chua Ling Lee*	01.06.2004	1,074,390	1.48	11,595,940 ²	16.00
	03.06.2004	1,332,924	1.48	14,386,375 ²	16.00
Teoh Kooi Kim*	01.06.2004	1,340,000	1.85	17,489,080 ³	24.11
	03.06.2004	1,662,455	1.85	21,697,623 ³	24.11
Teoh Liang Huat @ Teoh Lean Huat*	01.06.2004	5,139,360	7.08	2,359,390 ⁴	3.25
	03.06.2004	6,376,090	7.08	2,927,144 ⁴	3.25
Teoh Lean Hoe	01.06.2004	859,390	1.18	6,639,360 ⁴	9.15
	03.06.2004	1,066,187	1.18	8,237,047 ⁴	9.15

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Date of allotment	Cumulative KIB Shares held			
		Direct		Indirect	
		No. of shares	%	No. of shares	%
Teoh Tang Kim @ Teoh Tung Kim	01.06.2004	160,000	0.22	7,338,750 ¹	10.11
	03.06.2004	198,502	0.22	9,104,732 ⁴	10.11
Koay Choo Cheng*	01.06.2004	4,371,920	6.03	1,283,520 ⁵	1.77
	03.06.2004	5,423,970	6.03	1,592,384 ⁵	1.77
Koay Kee Sheng	01.06.2004	1,283,520	1.77	4,371,920 ⁵	6.03
	03.06.2004	1,592,384	1.77	5,423,970 ⁵	6.03
Wo Ka Seng*	01.06.2004	3,184,730	4.39	1,411,860 ⁶	1.94
	03.06.2004	3,951,091	4.39	1,751,607 ⁶	1.94
Wo Chin Yong*	01.06.2004	886,860	1.22	3,709,730 ⁶	5.11
	03.06.2004	1,100,272	1.22	4,602,426 ⁶	5.11
Wo Shee Ling	01.06.2004	525,000	0.72	4,071,590 ⁶	5.61
	03.06.2004	651,335	0.72	5,051,363 ⁶	5.61
Chua Tiang Chu @ Chua Tiong Choo	01.06.2004	385,000	0.53	11,039,720 ⁷	15.22
	03.06.2004	477,646	0.53	13,696,303 ⁷	15.22
Chua Bee Yock	01.06.2004	2,255,000	3.11	9,169,720 ⁷	12.64
	03.06.2004	2,797,639	3.11	11,376,310 ⁷	12.64
Woo Min Fong	01.06.2004	11,000,000	15.17	55,000 ⁸	0.08
	03.06.2004	13,647,018	15.17	68,235 ⁸	0.08
Woo Shin Khiat	01.06.2004	55,000	0.08	11,000,000 ⁸	15.17
	03.06.2004	68,235	0.08	13,647,018 ⁸	15.17
Pueng Chin Thong @ Fang Chin Tong	01.06.2004	-	-	7,081,250 ⁹	9.76
	03.06.2004	-	-	8,785,268 ⁹	9.76
Tan Yeow Pong	01.06.2004	3,746,840	5.16	-	-
	03.06.2004	4,648,472	5.16	-	-
Central Equity Sdn Bhd*	01.06.2004	3,100,000	4.27	-	-
	03.06.2004	3,845,978	4.27	-	-
Ang Ah Kow @ Ang Cheok Sai*	01.06.2004	8,043,750	11.10	-	-
	03.06.2004	9,979,382	11.10	-	-
Poon Sau Mui*	01.06.2004	7,081,250	9.76	-	-
	03.06.2004	8,785,268	9.76	-	-

Notes: -

- 1 Deemed interested by virtue of his wife's interest, namely Teoh Kooi Kim, his children's interests, namely Chua Ling Hong and Chua Ling Lee, his sister's interest, namely Chua Bee Yock, and his brother's interest, namely Chua Tiang Chu @ Chua Tiong Choo.
- 2 Deemed interested by virtue of his parents' interests, namely Dr. Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee and vice versa.
- 3 Deemed interested by virtue of her husband's interest, namely Dr. Chua Kee Lam, her children's interests, namely Chua Ling Hong and Chua Ling Lee, her brothers' interests, namely Teoh Lean Hoe and Teoh Liang Huat @ Teoh Lean Huat, and her sister's interest, namely Teoh Tang Kim @ Teoh Tung Kim.
- 4 Deemed interested by virtue of his brother's interest, namely Teoh Lean Hoe and his sisters' interests, namely Teoh Kooi Kim and Teoh Tang Kim @ Teoh Tung Kim and vice versa.

9. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- 5 *Deemed interested by virtue of his son's interest, namely Koay Kee Sheng and vice versa.*
- 6 *Deemed interested by virtue of his children's interests, namely Wo Chin Yong and Wo Shee Ling and vice versa.*
- 7 *Deemed interested by virtue of his brothers' interests, namely Dr. Chua Kee Lam and Chua Tiang Chu @ Chua Tiong Choo and vice versa.*
- 8 *Deemed interested by virtue of her sister's interest, namely Woo Shin Khiat and vice versa.*
- 9 *Deemed interested by virtue of his wife's interest, namely Poon Sau Mui and vice versa.*
- * *Denotes Promoters*

The rest of this page is intentionally left blank

10. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST

10.1 RELATED PARTY TRANSACTIONS

Save as disclosed below, there are no transactions, existing or potential, entered or to be entered by KIB or its subsidiary companies as at the date hereof, which involve the interest, direct or indirect, of the Directors, substantial shareholders and/or persons connected to them as defined under Section 122A of the Act.

- (i) KMSB has been supplying PKDE to Grochem (M) Sdn Bhd since 1997. Tan Yeow Pong, a Promoter and shareholder of the KIB Group, is also the Managing Director and substantial shareholder of Grochem (M) Sdn Bhd. For the financial year ended 31 March 2004, KMSB supplied approximately RM199,929 worth of PKDE representing only 3.28% of sales to Grochem (M) Sdn Bhd. The principal activity of Grochem (M) Sdn Bhd is contract manufacturing of household chemical products, car-care products, cosmetics and toiletries and industrial chemical products.
- (ii) Woo Min Fong, a non-executive Director and substantial shareholder of the KIB Group, is also the Managing Director and substantial shareholder of Chua, Woo & Company Sdn Bhd ("CWC") through her direct equity interest of 25% in CWC. CWC has been providing secretarial and share registration services to the KIB Group since April 2003. The current secretarial fees chargeable to the KIB Group is RM470 per month.
- (iii) AISB had on 1 July 2003 entered into a tenancy agreement with Teoh Kooi Kim for the rental of a factory for its operations. Teoh Kooi Kim is Dr. Chua Kee Lam's wife who is also a Promoter and substantial shareholder of KIB. The said factory is located at no 18, Jalan Canggih 6, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor. The tenancy agreement is for a fixed term of one (1) year, renewable annually at a monthly rental of RM3,000.

The Directors of KIB are of the opinion that the above transactions are carried out on arms length basis which are on terms not more favourable to the related party than those generally available to the public.

There are no transactions, existing or potential, entered or to be entered by KIB or its subsidiaries as at the date hereof which involved the interest, direct or indirect, of its key management personnel.

10.2 CONFLICT OF INTERESTS

There is no conflict of interest between the KIB Group and its Adviser, Reporting Accountants and Solicitors. The Adviser, Reporting Accountants and Solicitors are paid a fee for their professional services.

10.3 INTERESTS IN SIMILAR BUSINESS

None of the Directors nor substantial shareholders and/or key management is interested, directly or indirectly, in any other business carrying similar trade as the Company and its subsidiary companies.

10. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST

10.4 PROMOTION OF MATERIAL ASSETS

Save as disclosed in 10.1(iii), none of the Directors or substantial shareholders have any interests, direct or indirect, in the promotion of or in any assets which have been, within the two (2) years preceding the date of this Prospectus, acquired or disposed of by or leased to or proposed to be acquired, disposed of by or leased to the Company or its subsidiary.

The rest of this page is intentionally left blank

11. OTHER INFORMATION CONCERNING THE KIB GROUP

11.1 LANDED PROPERTIES

The summary of the information on landed properties of the KIB Group is as follows: -

No.	Registered Owner/ Beneficial Owner	Title/Location/ Postal Address	Description/ Existing use	Land/Built-up Area (Square Metres)	Tenure (Years)	Approximate age of building (Years)	Restriction in Interest/Encumbrances	Audited net book value as at 31 March 2004 (RM)
1.	HU.SB	H.S.(D) 212193, PTD 111291, Mukim of Plentonong, District of Johor Bahru, Johor Darul Takzim <i>Postal Address:</i> No. 1, Jalan Sri Plentonong 6, Taman Perindustrian Sri Plentonong, 81750 Masai, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon. Details of the factory are set out as follows: Building Main Floor Area 1,989 Ancillary Floor Area 130 The certificate of fitness for occupation for the factory has been issued on 29 September 1998.	3,927 / 2,119	Freehold	5	Charged to RHB Bank Berhad	2,418,715

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

No.	Registered Owner/ Beneficial Owner	Title/Location/ Postal Address	Description/ Existing use	Land/Built-up Area (Square Metres)	Tenure (Years)	Approximate age of building (Years)	Restriction in Interest/Encumbrances	Audited net book value as at 31 March 2004 (RM)
2.	HLSB	H.S.(D) 101591, PTD 65088 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim <i>Postal Address</i> No. 29, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	A 1½ -storey semi-detached factory, details of which are set out as follows: Built-up area (Square metres) Main Floor Area 421 Ancillary Floor Area 377 The certificate of fitness for occupation for the factory has been issued on 10 November 1992.	656/ 798	Freehold	11	Charged to RHB Bank Berhad	668,759
3.	HLSB	H.S.(D) 101554, PTD 65051 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim <i>Postal Address</i> No. 103, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	A 1½ -storey semi-detached factory, details of which are set out as follows: Built-up area (Square metres) Building 674 Factory 31 A substation The certificate of fitness for occupation for the factory has been issued on 4 October 1992.	1,015/ 705	Freehold	11	Charged to RHB Bank Berhad	409,547

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

No.	Registered Owner/ Beneficial Owner	Title/Location/ Postal Address	Description/ Existing use	Land/Built-up Area (Square Metres)	Tenure (Years)	Approximate age of building (Years)	Encumbrances	Audited net book value as at 31 March 2004 RM
4.	HILSB	H.S.(D) 98573, PTD 61077 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim <u>Postal Address</u> No. 23, Jalan Dedap 34, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim	A double storey house, details of which are set out as follows: Built-up area (Square metres) Building Main Floor Area 129 Ancillary Area 29 The certificate of fitness for occupation for the house has been issued on 31 July 1986.	143/ 158	Freehold	16	Charged to RHB Bank Berhad	134,982
5.	KMSB	H.S.(D) 115058, PT 36393, Mukim of Sungai Buluh, District of Petaling, Selangor <u>Postal Address:</u> Lot No. 1031, Jalan Utarid U5/16, Mah Sing Integrated Industrial Park, Bandar Pinggiran Subang, Selangor	A corner lot vacant industrial land within the Mah Sing Integrated Industrial Park.	2,046	Leasehold for 99 years expiring on 11 December 2096	Construction in progress	Charged to RHB Bank Berhad	580,343

Notes:

There is no breach of land-use conditions for Properties No. (1), (4) and (5). However, there are some minor extensions made to the factory buildings of Property No.(2) and No.(3) which were not in accordance with the approved building plans. Nevertheless, KIB will be relocating part of the production facilities of the two (2) affected factories to Property No. (1). The remaining facilities will be relocated to a new factory, which shall be purchased using part of the proceeds received from the Rights Issue and the Public Issue as disclosed under Section 3.9. Further, KIB has provided an undertaking to the SC to dismantle the said factory extensions made to the factory buildings of Property No.(2) and (3) within six (6) months from the date of the listing of KIB Shares on the MESDAQ Market of Bursa Securities.

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

Transaction on the acquisition of the landed properties during the past two (2) years preceding the valuation of the respective properties.

Save for the landed properties as disclosed in items (1) and (5) of Section 11.1 above, which were acquired on 28 January 2003 and 16 July 2002 at a purchase price of RM2,400,000 and RM550,575 respectively, there were no other transactions involving the purchase of the properties during the past two (2) years preceding the date of the valuation of the respective properties.

Further details on the description and existing use of the above landed properties are set out in Section 6 of this Prospectus.

11.2 MAJOR APPROVALS, LICENCES AND PERMITS

11.2.1 Licences

The licences held by the KIB Group are as follows: -

No.	Authority	Date Issued	Subject Matter	Material Conditions	Status Compliance	Held By
1.	MITI	23 May 2003	Manufacturing Licence Serial No. A021320 issued pursuant to the Industrial Co-ordination Act, 1975 ("ICA") authorising HLSB to manufacture PVC compound operates from its factory located at No. 29, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim, effective from 28 January 2003.	Nil	N/A	HLSB
2.	MITI	23 May 2003	Manufacturing Licence Serial No. A021321 issued pursuant to the ICA authorising HLSB to manufacture PVC compound operates from its factory located at No. 103, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim, effective from 28 January 2003.	Nil	N/A	HLSB
3.	MITI	23 May 2003	Manufacturing Licence Serial No. A021322 issued pursuant to the ICA authorising HLSB to manufacture PVC compound operates from its factory located at PFD 111291, No. 1, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim, effective from 28 January 2003.	Nil	N/A	HLSB

Note:

The licenses stated above do not carry any expiry date.

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

11.2.2 Approvals and Conditions

The SC and FIC on 23 March 2004, Bursa Securities on 30 March 2004 and MITI on 15 October 2003 approved the listing of KIB. The approvals from the aforesaid authorities were subjected to, inter-alia, the following conditions: -

Authority	Details of Conditions Imposed	Status of Compliance
SC	KIB is required to disclose the status of the utilisation of proceed in its quarterly and annual reports until the proceeds are fully utilised;	To be complied with
	KIB is required to increase its Bumiputera equity participation to at least 30% within five (5) years from the listing date or within one (1) year on KIB meeting the profit track record requirement for listing on the Second Board of Bursa Securities, whichever is earlier;	To be complied with
	PMBB/KIB is required to furnish the effective new equity structure of KIB upon implementation of the listing scheme; and	To be complied with
	PMBB/KIB is required to furnish a preliminary proposal to the SC for KIB to fully comply with the requirement of Bumiputera equity participation within six (6) months before the deadline for compliance with the Bumiputera equity participation as stated above.	To be complied with

The rest of this page is intentionally left blank

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
Bursa Securities	KIB to furnish the final copy of the Bye-Laws and confirmation letter from its Adviser pursuant to Rule 6.12 of Guidance Notes 6 of the Listing Requirements of Bursa Securities for the MESDAQ Market ("MMLR")	Complied. The final copy of the Bye-Laws dated 1 June 2004 and the confirmation letter dated 3 June 2004 was furnished to the SC on 3 June 2004. Please refer to Section 16 of this Prospectus.
	KIB to inform Bursa Securities on the appointment of Independent Directors and to provide confirmation that they qualify as independent Directors as defined in the MMLR;	Complied. The confirmation letter was submitted to Bursa Securities on 16 June 2004.
	Prior to the issuance of the prospectus, the Adviser to furnish a written confirmation to Bursa Securities supported by RAM Consultancy Services Sdn Bhd's opinion and justification on how the business activities of the KIB Group are substantially related and complement each other;	The confirmation letter dated 14 June 2004 was submitted to Bursa Securities on 14 June 2004.
	Detailed disclosure in the prospectus of KIB of the following: a. The manner in which the business activities of the KIB Group are substantially related and complement each other; and b. The nature of related party transactions with Teoh Kooi Kim, Grochem (M) Sdn Bhd and Chua, Woo & Company Sdn Bhd ("related parties") that they were on arms-length basis and the interests of directors/substantial shareholders of the KIB Group in the related parties; and	Complied. Please refer to Section 6.7 of this Prospectus. Complied. Please refer to Section 10.1 of this Prospectus.
	KIB to include a negative statement in its prospectus on the exclusion of profit forecast and projections from the prospectus and the reasons thereof (if applicable).	Complied. Please refer to Section 12.5 of this Prospectus.

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
MITI	KIB is required to increase its Bumiputera equity participation to at least 30% within five (5) years from the listing date or within one (1) year on KIB meeting the requirements for listing on the Second board of Bursa Securities, whichever is earlier;	To be complied with
	To obtain SC's approval for the listing scheme on and compliance with the Policies and Guidelines on Issue/Offer of Securities issued by the SC; and	SC's approval was obtained on 23 March 2004.
	To obtain MESDAQ's approval.	MESDAQ's approval was obtained on 30 March 2004.

The rest of this page is intentionally left blank

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)**11.3 MORATORIUM ON THE DISPOSAL OF PROMOTERS' SHARES**

Pursuant to the Listing Requirements, KIB Shares held by Promoters amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official Listing of the MESDAQ Market, are to be placed under moratorium. The Promoters and details of the KIB Shares are subjected to moratorium as follows: -

Name Of Promoters	At The Time Of Admission*				After Full Exercise Of ESOS Options			
	No. Of KIB Shares Held	% Of Share Capital#	No. Of KIB Shares To Be Held Under Moratorium	% Of Share Capital#	No. Of KIB Shares Held	% Of Enlarged Share Capital	No. Of KIB Shares To Be Held Under Moratorium	% Of Enlarged Share Capital
Dr. Chua Kee Lam	12,298,664	9.95	11,324,532	9.16	13,298,664	10.08	11,324,532	8.58
Ang Ah Kow @ Ang Cheok Sai	9,979,382	8.07	8,497,983	6.87	9,979,382	7.56	8,497,983	6.44
Poon Sau Mui	8,785,268	7.10	7,481,130	6.05	8,785,268	6.66	7,481,130	5.67
Teoh Liang Huat @ Teoh Lean Huat	6,726,090	5.44	5,727,629	4.63	6,726,090	5.10	5,727,629	4.34
Koay Choo Cheng	7,673,970	6.21	6,534,800	5.29	7,673,970	5.81	6,534,800	4.95
Tan Yeow Pong	4,848,472	3.92	4,128,736	3.34	4,848,472	3.67	4,128,736	3.13
Wo Ka Seng	4,941,091	4.00	4,939,942	4.00	5,801,091	4.39	4,939,942	3.74
Central Equity Sdn Bhd	3,845,978	3.11	3,275,058	2.65	3,845,978	2.91	3,275,058	2.48
Chua Ling Hong	2,675,256	2.16	2,576,169	2.08	3,025,256	2.29	2,576,169	1.95
Teoh Kooi Kim	1,662,455	1.34	1,415,670	1.14	1,662,455	1.26	1,415,670	1.07
Chua Ling Lee	2,182,924	1.77	2,114,344	1.71	2,482,924	1.88	2,114,344	1.60
Wo Chin Yong	1,385,272	1.12	1,384,007	1.12	1,625,272	1.23	1,384,007	1.05
Total	67,004,822	54.19	59,400,000	48.04	69,754,822	52.84	59,400,000	45.00

Notes: -

* After the exercise of their respective ESOS Options before the admission of the Company to the Official Listing of the MESDAQ Market, as follows:

	<i>No. of ESOS Options</i>
Wo Ka Seng	340,000
Wo Chin Yong	210,000
Koay Choo Cheng	1,450,000
Chua Ling Hong	550,000
Chua Ling Lee	600,000
Dr. Chua Kee Lam	500,000
Total	3,650,000

Based on the enlarged share capital after the Public Issue and exercise of the above ESOS Options totaling 123,650,000 KIB Shares.

11. OTHER INFORMATION CONCERNING THE KIB GROUP (Cont'd)

The moratorium condition has been accepted by the Promoters. The Promoters will not be allowed to sell, transfer or otherwise dispose of any part of its interest in the shares held by them in the Company within one (1) year from the date of the admission of KIB to the Official List of the MESDAQ Market. Thereafter, they are permitted to sell, transfer or otherwise dispose up to a maximum of one third (1/3) of their shareholding per annum on a straight-line basis of their respective shareholding under moratorium.

The Registrar and the Depository have been informed in writing in relation to the moratorium of the aforesaid shareholders to ensure that it does not register any transfer not in compliance with the moratorium restrictions.

The rest of this page is intentionally left blank