

K-One

K-ONE TECHNOLOGY BERHAD

(Company No : 539757-K)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 9,450,000 NEW ORDINARY SHARES OF RM0.10 EACH COMPRISING:-

- 2,500,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 6,200,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- 750,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF K-ONE TECHNOLOGY BERHAD AND ITS SUBSIDIARIES.

AT AN ISSUE PRICE OF RM0.75 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION PURSUANT TO ITS LISTING ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 3 OF THIS PROSPECTUS

Adviser, Sponsor, Managing Underwriter and Placement Agent

AmMerchant Bank Berhad

(Company No. 23742-V)
A member of



AmInvestment Group



K-One Technology Berhad
(539757-K)
B-13-D1, Block B, Plaza Mont' Kiara
2 Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Tel: 03 6203 5186 Fax: 03 6203 5182
Website : www.k-one.com.my
E-mail : konegp@k-one.com.my

THIS PROSPECTUS IS DATED 1 DECEMBER 2005

PROSPECTUS

RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF K-ONE TECHNOLOGY BERHAD ("K-ONE TECH" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING.

THE ADVISER, SPONSOR, MANAGING UNDERWRITER AND PLACEMENT AGENT ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") AND THE BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") HAVE APPROVED THE PUBLIC ISSUE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC AND THE BURSA SECURITIES RECOMMEND THE PUBLIC ISSUE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF K-ONE TECH AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

THE BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF K-ONE TECH OR OF ITS SECURITIES.

CHARACTERISTICS OF THE MESDAQ MARKET OF BURSA SECURITIES: -

INVESTORS SHOULD BE AWARE THAT MESDAQ IS A DISTINCT MARKET IN MANY ASPECTS FROM THE SECOND AND MAIN BOARD OF THE BURSA SECURITIES. IN PARTICULAR, COMPANIES LISTED ON MESDAQ ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES. COMPANIES THAT ARE LISTED ON MESDAQ MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, WHILST POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON MESDAQ MAY BE OF HIGHER INVESTMENT RISK. THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

OTHERS

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

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for K-One Tech's entire enlarged share capital on the MESDAQ Market of the Bursa Securities is set out below: -

| <u>Date</u> | <u>Event</u> |
|------------------|--|
| 1 December 2005 | : Issue of Prospectus/Opening date of the Public Issue |
| 22 December 2005 | : Closing date of the Public Issue |
| 27 December 2005 | : Tentative date for balloting of applications |
| 4 January 2006 | : Tentative date for despatch of notice of allotment of the ordinary shares of K-One Tech to successful applicants |
| 5 January 2006 | : Tentative listing date |

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 22 DECEMBER 2005 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF K-ONE TECH TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

SHOULD THE CLOSING DATE OF THE AFORESAID APPLICATION BE EXTENDED, THE DATES FOR THE BALLOTING, ALLOTMENT AND LISTING OF K-ONE TECH'S ENTIRE ISSUED AND PAID-UP CAPITAL ON THE MESDAQ MARKET OF THE BURSA SECURITIES MIGHT BE EXTENDED ACCORDINGLY. ANY CHANGES TO THE APPLICATION PERIOD FOR THE PUBLIC ISSUE WILL BE NOTIFIED TO THE PUBLIC VIA AN ADVERTISEMENT IN A WIDELY CIRCULATED DAILY BAHASA MALAYSIA AND ENGLISH NEWSPAPER.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings: -

| | |
|---|---|
| Act | : The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force |
| ADA | : Authorised Depository Agent |
| ADA Code | : ADA (Broker) Code |
| AmMerchant Bank | : AmMerchant Bank Berhad (Company No. 23742-V) |
| Application | : The application for the Public Issue Shares by way of Application Forms or by way of Electronic Share Application |
| Application Form(s) | : The printed Application Form(s) for the application for the Public Issue Shares |
| ATM | : Automated Teller Machine |
| Axis | : Axis Communication AB |
| Bonus Issue I | : The bonus issue of 598,000 new ordinary shares of RM1.00 each in K-One Tech on the basis of approximately 162 new ordinary shares of RM1.00 each in K-One Tech for every 100 existing shares held before the sub-division of shares |
| Bonus Issue II | The bonus issue of 5,850,000 new Shares in K-One Tech on the basis of approximately 26 new Shares for every 100 existing shares held before the Public Issue |
| Bonus Shares I | : The 598,000 ordinary shares of RM1.00 each in K-One Tech issued pursuant to the Bonus Issue I |
| Bonus Shares II | The 5,850,000 Shares in K-One Tech issued pursuant to the Bonus Issue II |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) |
| Bursa Securities or the Securities Exchange | : Bursa Malaysia Securities Berhad (Company No. 635998-W) |
| CDS | : Central Depository System |
| Celljump | : Cell Jump, AS |
| Central Depositories Act | : The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force |
| C Tech | : C Technologies AB |
| Deposited Security | : A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules |
| Depositor | : A holder of a Securities Account |
| EBIDTA | : Earnings before interest, depreciation, taxation and amortisation |
| EMB Tech | : EMB Technology Sdn Bhd (Company No. 635610-M) |

DEFINITIONS (Cont'd)

| | |
|------------------------------|---|
| Electronic Share Application | : An application for the Public Issue Shares through Participating Financial Institutions |
| EPS | : Earnings per share |
| ESOS | : The employee share option scheme of up to 10% of the issued and paid-up share capital of the Company |
| FIC | : Foreign Investment Committee |
| ISO | : International Organisation for Standardisation |
| K-One Ind | : K-One Industry Sdn Bhd (Company No. 554489-P) |
| K-One Tech or Company | : K-One Technology Berhad (Company No. 539757-K) |
| K-One Group or Group | : K-One Tech and its subsidiary companies |
| Listing | : Admission to the Official List and the listing of and quotation for the entire issued and paid share capital of K-One Tech of RM3,780,000 comprising 37,800,000 Shares on the MESDAQ Market of the Bursa Securities |
| Listing Requirements | : The Listing Requirements of the Bursa Securities for the MESDAQ Market |
| Listing Scheme | : The Bonus Issue I, Rights Issue, Subscription, Share Split, Bonus Issue II, Public Issue, Listing and ESOS collectively |
| Logitech | : Suzhou Logitech Electronic Co Ltd |
| Malaysian Public | : Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia |
| MDC | : Multimedia Development Corporation (Company No. 635998-W) |
| MESDAQ Market | : The MESDAQ Market of the Bursa Securities |
| MHA | : MHA Logistics Ltd |
| MI | : Minority interests |
| MIH or Issuing House | : Malaysian Issuing House Sdn Bhd (Company No. 258345-X) |
| MITI | : Ministry of International Trade and Industry |
| MPR | : MPR Services BV |
| MSC | : Multimedia Super Corridor |
| Multimedia | : Collectively, the communication, computer and consumer electronic industries |
| NTA | : Net tangible assets |
| Option | : The right to subscribe for new Shares of the Company upon acceptance of an offer under the ESOS |
| PAT | : Profit after taxation |

DEFINITIONS (Cont'd)

| | | |
|--|---|--|
| Participating Financial Institution(s) | : | Refers to the participating financial institutions for Electronic Share Application as listed in Section 14 of this Prospectus |
| PBT | : | Profit before taxation |
| PE Multiple | : | Price earnings multiple |
| Promoters | : | Collectively, Ir. Lim Beng Fook, Edwin, Lim Soon Seng, Martin and Bjorn Braten |
| Public Issue | : | The public issue of 9,450,000 new Shares in K-One Tech at an issue price of RM0.75 per new Share payable in full upon application, subject to the terms and conditions of this Prospectus |
| Public Issue Price | : | RM0.75 for each Public Issue Share |
| Public Issue Shares | : | The 9,450,000 new Shares in K-One Tech which are the subject of the Public Issue |
| R&D | : | Research and development |
| Record of Depositors | : | A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules |
| Rights Issue | : | The rights issue of 1,282,000 new ordinary shares of RM1.00 each in K-One Tech on the basis of approximately 132 new ordinary shares of RM1.00 each for every 100 ordinary shares of RM1.00 held |
| Rights Share | : | The 1,282,000 new ordinary shares of RM1.00 each in K-One Tech issued pursuant to the Rights Issue |
| RM and sen | : | Ringgit Malaysia and sen respectively |
| Rules | : | The Rules of the Central Depository |
| SC | : | Securities Commission |
| SC Guidelines | : | SC's Policies and Guidelines on Issue/Offer of Securities |
| Securities Account | : | An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor |
| Share(s) | : | Ordinary share(s) of RM0.10 each |
| Share Split | : | Share split involving the subdivision into ten (10) ordinary shares of RM0.10 each in K-One Tech for every one (1) ordinary share of RM1.00 each in K-One Tech |
| Sony Ericsson | : | Sony Ericsson Mobile Communications AB |
| StoneMountain | : | StoneMountain Inc. |
| Subscription | : | The subscription by K-One Tech of 499,998 new ordinary shares of RM1.00 each in EMB Tech for EMB Tech for RM499,998 cash and acquisition by K-One Tech of 2 ordinary shares of RM1.00 each in EMB Tech from the existing shareholders of EMB Tech for purchase consideration of RM2.00 |
| Thales | : | Thales Communication AS |

DEFINITIONS (Cont'd)

| | | |
|------------------|---|---|
| Tier 1 Customers | : | Potential and existing customers with both global operations and exceed USD1.0 billion sales revenue per annum |
| Tier 2 Customers | : | Potential and existing customers with both regional operations and exceed USD100 million sales revenue per annum but less than USD1.0 billion |
| USD | : | United States Dollar |
| Zource | : | Zource Scandinavia AB |

Technical Definitions

| | | |
|-----------|---|--|
| 3G | : | 3G is a short term for third-generation wireless, and refers to near-future developments in personal and business wireless technology especially mobile communications |
| Bluetooth | : | Wireless technology that enables any electrical device to wirelessly communicate in the 2.5 GHz ISM (licence free) frequency band |
| CAD | : | Computer aided design |
| CAM | : | Computer assisted manufacturing |
| D&D | : | Design and development |
| EMS | : | Electronics manufacturing services |
| FEA | : | Finite element analysis |
| ICT | : | Information and communication technology |
| IP | : | Intellectual property |
| ODM | : | Original design manufacturer |
| OEM | : | Original equipment manufacturer |
| PCB | : | Printed circuit board |
| RF | : | Radio frequency |

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TABLE OF CONTENTS

| | Page |
|--|-----------|
| INDICATIVE TIMETABLE | i |
| DEFINITIONS | ii-v |
| CORPORATE DIRECTORY | x-xii |
| 1. INFORMATION SUMMARY | 1 |
| 1.1 HISTORY AND BUSINESS | 1 |
| 1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF THE K-ONE GROUP..... | 3 |
| 1.3 INTELLECTUAL PROPERTY RIGHTS..... | 5 |
| 1.4 FINANCIAL HIGHLIGHTS | 5 |
| 1.5 PROFORMA CONSOLIDATED BALANCE SHEETS OF THE K-ONE GROUP AS AT 30 JUNE 2005..... | 6 |
| 1.6 SUMMARY OF MATERIAL RISK FACTORS..... | 7 |
| 1.7 PROFIT AND DIVIDEND RECORD | 8 |
| 1.8 PROFORMA GROUP NTA AS AT 30 JUNE 2005..... | 8 |
| 1.9 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE | 8 |
| 1.9.1 SHARE CAPITAL..... | 8 |
| 1.9.2 CLASS OF SHARES..... | 9 |
| 1.10 PROPOSED UTILISATION OF PROCEEDS..... | 9 |
| 1.11 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENT AND MATERIAL LITIGATION..... | 9 |
| 2. PARTICULARS OF THE PUBLIC ISSUE | 11 |
| 2.1 SHARE CAPITAL..... | 12 |
| 2.2 OPENING AND CLOSING OF APPLICATION | 12 |
| 2.3 CRITICAL DATES OF THE PUBLIC ISSUE | 13 |
| 2.4 BASIS OF ARRIVING AT THE PUBLIC ISSUE PRICE | 13 |
| 2.5 DETAILS OF THE PUBLIC ISSUE | 13 |
| 2.6 PURPOSES OF THE PUBLIC ISSUE | 15 |
| 2.7 PROPOSED UTILISATION OF PROCEEDS..... | 15 |
| 2.8 FINANCIAL IMPACT OF UTILISATION OF PROCEEDS..... | 17 |
| 2.9 UNDERWRITING COMMISSION AND BROKERAGE | 17 |
| 2.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT | 18 |
| 3. RISK FACTORS | 27 |
| 4. INFORMATION ON THE GROUP | 36 |
| 4.1 BACKGROUND | 36 |
| 4.1.1 INCORPORATION AND COMMENCEMENT OF BUSINESS | 36 |
| 4.1.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL | 36 |
| 4.1.3 LISTING SCHEME | 36 |
| 4.2 BUSINESS OVERVIEW..... | 40 |
| 4.2.1 GROUP STRUCTURE | 40 |
| 4.2.2 TYPES OF PRODUCTS AND/OR SERVICES | 41 |
| 4.2.3 TECHNOLOGY USED | 42 |
| 4.2.4 APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED | 44 |
| 4.2.5 BRAND NAMES, PATENTS, TRADE MARKS, LICENCES, TECHNICAL ASSISTANCE AGREEMENTS, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS..... | 46 |

TABLE OF CONTENTS (cont'd)

| | | |
|-----------|---|-----------|
| 4.2.6 | DEPENDENCY ON PATENTS, LICENCES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS | 46 |
| 4.2.7 | OPERATING OR TRADING MECHANISM..... | 47 |
| 4.2.8 | ESTIMATED MARKET COVERAGE, POSITION AND SHARE | 47 |
| 4.2.9 | SIGNIFICANT NEW OR PROPOSED PRODUCTS/SERVICES..... | 48 |
| 4.2.10 | PRINCIPAL MARKETS FOR PRODUCTS..... | 50 |
| 4.2.11 | TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS/INPUTS | 50 |
| 4.2.12 | QUALITY CONTROL PROCEDURES | 50 |
| 4.2.13 | R&D..... | 50 |
| 4.2.14 | INTERRUPTIONS IN BUSINESS FOR THE PAST TWELVE (12) MONTHS | 52 |
| 4.2.15 | EMPLOYEES | 52 |
| 4.2.16 | KEY ACHIEVEMENTS/MILESTONES/AWARDS..... | 53 |
| 4.2.17 | MODES OF MARKETING/DISTRIBUTION/SALES..... | 54 |
| 4.2.18 | LOCATION OF BUSINESS | 55 |
| 4.2.19 | PRODUCTION/OPERATING CAPACITIES AND OUTPUT | 56 |
| 4.3 | SUBSIDIARIES..... | 56 |
| 4.3.1 | EMB TECH | 56 |
| 4.3.2 | K-ONE IND | 56 |
| 4.4 | INDUSTRY OVERVIEW..... | 57 |
| 4.4.1 | OVERVIEW OF THE MALAYSIAN ECONOMY..... | 57 |
| 4.4.2 | OVERVIEW, PERFORMANCE AND FUTURE GROWTH OF THE GLOBAL ELECTRONICS INDUSTRY | 58 |
| 4.4.3 | PLAYERS AND COMPETITION..... | 58 |
| 4.4.4 | LAWS AND REGULATIONS..... | 59 |
| 4.4.5 | DEMAND AND SUPPLY CONDITIONS..... | 59 |
| 4.4.6 | SUBSTITUTE PRODUCTS/SERVICES | 59 |
| 4.4.7 | PROSPECTS AND OUTLOOK OF THE INDUSTRY | 59 |
| 4.5 | MAJOR CUSTOMERS..... | 60 |
| 4.6 | MAJOR SUPPLIERS | 61 |
| 4.7 | FUTURE PLANS, STRATEGIES AND PROSPECTS | 61 |
| 5. | INFORMATION ON PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT..... | 62 |
| 5.1 | PROMOTERS..... | 62 |
| 5.1.1 | PARTICULARS AND SHAREHOLDINGS | 62 |
| 5.1.2 | PROFILES OF PROMOTERS | 63 |
| 5.1.3 | DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDINGS OF PROMOTERS IN ALL OTHER PUBLIC CORPORATIONS FOR THE PAST TWO YEARS PRECEDING THE DATE HEREOF..... | 63 |
| 5.2 | SUBSTANTIAL SHAREHOLDERS | 64 |
| 5.2.1 | PARTICULARS AND SHAREHOLDINGS | 64 |
| 5.2.2 | PROFILES OF SUBSTANTIAL SHAREHOLDERS..... | 64 |
| 5.3 | DIRECTORS | 65 |
| 5.3.1 | PARTICULARS AND SHAREHOLDINGS | 65 |
| 5.3.2 | PROFILES OF DIRECTORS | 66 |
| 5.3.3 | DIRECTORS' REMUNERATION AND BENEFITS | 66 |
| 5.4 | DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDERS IN ALL OTHER PUBLIC CORPORATIONS FOR THE PAST TWO (2) YEARS..... | 67 |
| 5.5 | AUDIT COMMITTEE..... | 67 |
| 5.6 | KEY MANAGEMENT | 68 |
| 5.6.1 | PARTICULARS AND SHAREHOLDINGS | 68 |
| 5.6.2 | PROFILES OF THE KEY MANAGEMENT | 69 |
| 5.7 | INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS..... | 70 |
| 5.8 | DECLARATION OF DIRECTORS AND KEY MANAGEMENT TEAM..... | 71 |
| 5.9 | FAMILY RELATIONSHIPS AND ASSOCIATIONS..... | 71 |
| 5.10 | EXISTING OR PROPOSED SERVICE AGREEMENTS..... | 71 |
| 5.11 | CHANGES IN SHAREHOLDINGS IN THE COMPANY FOR THE PAST THREE (3) YEARS..... | 72 |

TABLE OF CONTENTS (cont'd)

| | | |
|------------|--|------------|
| 6. | APPROVALS AND CONDITIONS | 73 |
| 6.1 | APPROVALS AND CONDITIONS..... | 73 |
| 6.2 | MORATORIUM ON SHARES | 74 |
| 7. | RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST | 76 |
| 7.1 | EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST | 76 |
| 7.2 | TRANSACTIONS WHICH ARE UNUSUAL IN THEIR NATURE OR CONDITIONS | 76 |
| 7.3 | OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES | 76 |
| 7.4 | INTEREST IN SIMILAR BUSINESS | 77 |
| 7.5 | PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS..... | 77 |
| 7.6 | CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS IS INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF THE GROUP..... | 77 |
| 7.7 | RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE..... | 78 |
| 7.8 | DECLARATION BY THE ADVISERS | 78 |
| 8. | OTHER INFORMATION CONCERNING THE GROUP | 79 |
| 8.1 | INFORMATION ON LAND AND BUILDINGS | 79 |
| 9. | FINANCIAL INFORMATION | 80 |
| 9.1 | HISTORICAL FINANCIAL INFORMATION..... | 80 |
| 9.2 | ANALYSIS OF HISTORICAL FINANCIAL INFORMATION | 81 |
| | 9.2.1 SEGMENTAL ANALYSIS OF REVENUE AND OPERATING PROFIT..... | 81 |
| | 9.2.2 ANALYSIS AND COMMENTARY ON FINANCIAL INFORMATION..... | 83 |
| 9.3 | DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE, POSITION AND OPERATIONS | 85 |
| 9.4 | WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENT, MATERIAL LITIGATION AND TRADE RECEIVABLES..... | 86 |
| 9.5 | PROFORMA CONSOLIDATED BALANCE SHEETS OF THE K-ONE GROUP AS AT 30 JUNE 2005..... | 88 |
| 9.6 | MOVEMENTS IN THE SHARE CAPITAL AND SHARE PREMIUM | 93 |
| 9.7 | REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2005..... | 94 |
| 10. | ACCOUNTANTS' REPORT | 95 |
| 11. | DIRECTORS' REPORT..... | 134 |
| 12. | BYE-LAWS OF THE ESOS..... | 135 |
| 13. | OTHER GENERAL INFORMATION | 156 |
| 13.1 | SHARE CAPITAL..... | 156 |
| 13.2 | ARTICLES OF ASSOCIATION..... | 156 |
| 13.3 | DIRECTORS AND SUBSTANTIAL SHAREHOLDERS | 160 |
| 13.4 | MATERIAL CONTRACTS | 163 |
| 13.5 | MATERIAL AGREEMENTS | 165 |
| 13.6 | GENERAL INFORMATION | 172 |
| 13.7 | CONSENTS | 172 |

TABLE OF CONTENTS (cont'd)

| | | |
|------------|--|------------|
| 13.8 | DOCUMENTS FOR INSPECTION | 172 |
| 13.9 | RESPONSIBILITY STATEMENTS..... | 173 |
| 14. | PROCEDURES FOR APPLICATION AND ACCEPTANCE | 174 |
| 14.1 | OPENING AND CLOSING OF APPLICATION | 174 |
| 14.2 | METHODS OF APPLICATION..... | 174 |
| 14.3 | PROCEDURE FOR APPLICATIONS..... | 174 |
| | 14.3.1 TERMS AND CONDITIONS OF APPLICATION USING APPLICATION FORMS | 175 |
| | 14.3.2 TERMS AND CONDITIONS FOR ELECTRONIC SHARE APPLICATION | 178 |
| 14.4 | APPLICATION AND ACCEPTANCE..... | 184 |
| 14.5 | CDS ACCOUNTS..... | 185 |
| 14.6 | NOTICE OF ALLOTMENT | 186 |
| 14.7 | LIST OF ADAS..... | 186 |

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name | Address | Designation | Nationality |
|--------------------------|--|--|--------------------|
| Ir. Lim Beng Fook, Edwin | A-07-B, Block A, Tower A Mont' Kiara Aman 2 Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur | Executive Chairman | Malaysian |
| Lim Soon Seng, Martin | 15B-17-5 Mont' Kiara Pines 2 Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur | Chief Executive Officer/ Executive Director | Malaysian |
| Bjorn Braten | Jegerasen 3A N-1362 Hosle, Norway | Vice President of Business Development/ Executive Director | Norwegian |
| Loi Kim Fah | 139, Taman Cermay Jaya Jalan Dato Siamang Gagap 70400 Seremban Negeri Sembilan | Independent Non- Executive Director | Malaysian |
| Goh Chong Chuang | 34, Jalan RJ1/1 Taman Rasah Jaya 70300 Seremban Negeri Sembilan | Independent Non- Executive Director | Malaysian |

AUDIT COMMITTEE

| Name | Designation | Directorship |
|------------------|-----------------------------|---|
| Loi Kim Fah | Chairman of Audit Committee | Independent Non-Executive Director |
| Bjorn Braten | Member of Audit Committee | Vice President of Business Development/ Executive Director |
| Goh Chong Chuang | Member of Audit Committee | Independent Non-Executive Director |

COMPANY SECRETARY

: Jauhari Bin Hassan
(LS 03681)
37, Lorong Mahsuri 1
Taman Bunga Raya
53000 Kuala Lumpur
Telephone No : 03 7956 5889

REGISTERED OFFICE

: Ground Floor
No. 8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan
Telephone No : 03 7956 5889

CORPORATE DIRECTORY (Cont'd)

- HEAD / MANAGEMENT OFFICE** : B-13-D1, Block B, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Telephone No : 03 6203 5186
Facsimile No : 03 6203 5182
E-mail : konegp@k-one.com.my
Website : <http://www.k-one.com.my>
- REGISTRAR** : Symphony Share Registrars Sdn Bhd (378993-D)
Level 26, Menara Multi-Purpose Capital Square
No 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No : 03 2721 2222
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs T H Law & Co. (AF No: 0942)
Chartered Accountants
1st Floor
10A, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan
Telephone No : 03 7956 5333
- SOLICITORS FOR THE PUBLIC ISSUE** : Messrs Azman Davidson & Co
Advocates and Solicitors
Suite 13.03, 13th Floor
Menara Tan & Tan
207, Jalan Tun Razak
50400 Kuala Lumpur
Telephone No : 03 2164 0200
- PRINCIPAL BANKERS** : Bumiputra-Commerce Bank Berhad (13491-P)
Level 2 Bangunan UMNO
Lot P5.5 Persiaran Perbandaran Section 14
40675 Shah Alam
Selangor Darul Ehsan
Telephone No : 03 5511 3495
- Standard Chartered Bank Malaysia Berhad (115793-P)
18, 20 and 22 Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No : 03 7725 3017
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No : 03 2693 2075

CORPORATE DIRECTORY (Cont'd)

- ADVISER, SPONSOR,
MANAGING UNDERWRITER
AND PLACEMENT AGENT** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No : 03 2078 2633
- UNDERWRITERS** : AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No : 03 2078 2633
- : AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No : 03 2078 2788
- LISTING SOUGHT** : MESDAQ Market of the Bursa Securities

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