

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

8.1 Promoter

DPLSK is the promoter of the Company. The details of DPLSK are set out in Section 8.3.3 of this Prospectus. Save for ECB, DPLSK does not hold other directorships and/or have substantial shareholdings in other public companies incorporated in Malaysia for the past two (2) years preceding LPD.

8.2 Substantial Shareholders

8.2.1 Shareholdings

The Substantial Shareholders of ECB and their respective shareholdings, according to the Register of Substantial Shareholders and Register of Members of ECB after the Rights Issue and Offer for Sale are as follows:

Shareholders	Nationality/ Place of incorporation	After the Rights Issue and Offer for Sale ⁽³⁾							
		Scenario A				Scenario B			
		Direct		Indirect		Direct		Indirect	
		No. of ordinary shares 000	%	No. of ordinary shares 000	%	No. of ordinary shares 000	%	No. of ordinary shares 000	%
Perharap	Malaysia	29,104	19.41	-	-	29,104	19.72	-	-
TP	Malaysia	17,500	11.67	-	-	17,500	11.86	-	-
IM	Malaysia	32,087	21.40	-	-	32,087	21.74	-	-
AR	Malaysia	10,089	6.73	-	-	10,089	6.84	-	-
DPLSK	Malaysian	-	-	78,691 ⁽¹⁾	52.48	25,000	16.94	78,691 ⁽¹⁾	53.31
Datin Wong Mun Yee	Malaysian	-	-	78,691 ⁽¹⁾	52.48	-	-	78,691 ⁽¹⁾	53.31
Lim Ah Yee	Malaysian	-	-	78,691 ⁽¹⁾	52.48	-	-	78,691 ⁽¹⁾	53.31
Lim Ah Chai	Malaysian	-	-	78,691 ⁽¹⁾	52.48	-	-	78,691 ⁽¹⁾	53.31
Long Bin Ngah Mat Unah	Malaysian	-	-	10,089 ⁽²⁾	6.73	-	-	10,089 ⁽²⁾	6.84

Notes:

⁽¹⁾ Deemed interest by virtue of his interest in Perharap, TP, and IM pursuant to Section 6A of the CA.

⁽²⁾ Deemed interest by virtue of his interest in AR pursuant to Section 6A of the CA.

⁽³⁾ Assuming the Offer Shares are fully subscribed by the Malaysian public investors.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

The details of Perharap, TP, IM and AR are as follows:

- (a) Perharap was incorporated in Malaysia under the CA on 11 March 2002 as a private limited company. It is principally an investment holding company. As at LPD, ECB is the only investment of Perharap.

The Directors of Perharap and their respective shareholdings according to the Register of Directors and Directors' Shareholdings as at LPD are as follows:

Directors	No. of shares held	% of issued and paid-up share capital
<i>DPLSK</i>	<i>1</i>	<i>25</i>
<i>Datin Wong Mun Yee</i>	<i>1</i>	<i>25</i>

The Substantial Shareholders of Perharap and their respective shareholdings according to the Register of Members as at LPD are as follows:

Substantial Shareholders	No. of shares held	% of issued and paid-up share capital
<i>DPLSK</i>	<i>1</i>	<i>25</i>
<i>Datin Wong Mun Yee</i>	<i>1</i>	<i>25</i>
<i>Lim Ah Yee</i>	<i>1</i>	<i>25</i>
<i>Lim Ah Chai</i>	<i>1</i>	<i>25</i>

For the past two (2) years preceding LPD, Perharap has not held any substantial shareholding in any public corporation in Malaysia (other than ECB).

- (b) TP was incorporated in Malaysia under the CA on 9 October 2002 as a private limited company. It is principally an investment holding company. As at LPD, ECB is the only investment of TP.

The Directors of TP and their respective shareholdings according to the Register of Directors and Directors' Shareholdings as at LPD are as follows:

Directors	No. of shares held	% of issued and paid-up share capital
<i>DPLSK</i>	<i>1</i>	<i>25</i>
<i>Datin Wong Mun Yee</i>	<i>1</i>	<i>25</i>

The Substantial Shareholders of TP and their respective shareholdings according to the Register of Members as at LPD are as follows:

Substantial Shareholders	No. of shares held	% of issued and paid-up share capital
<i>DPLSK</i>	<i>1</i>	<i>25</i>
<i>Datin Wong Mun Yee</i>	<i>1</i>	<i>25</i>
<i>Lim Ah Yee</i>	<i>1</i>	<i>25</i>
<i>Lim Ah Chai</i>	<i>1</i>	<i>25</i>

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

For the past two (2) years preceding LPD, TP has not held any substantial shareholding in any public corporation in Malaysia (other than ECB).

- (c) IM was incorporated in Malaysia under the CA on 11 March 2003 as a private limited company. It is principally an investment holding company. As at LPD, ECB is the only investment of IM.

The Directors of IM and their respective shareholdings according to the Register of Directors and Directors' Shareholdings as at LPD are as follows:

Directors	No. of shares held	% of issued and paid-up share capital
<i>DPLSK</i>	1	25
<i>Datin Wong Mun Yee</i>	1	25

The Substantial Shareholders of IM and their respective shareholdings according to the Register of Members as at LPD are as follows:

Substantial Shareholders	No. of shares held	% of issued and paid-up share capital
<i>DPLSK</i>	1	25
<i>Datin Wong Mun Yee</i>	1	25
<i>Lim Ah Yee</i>	1	25
<i>Lim Ah Chai</i>	1	25

For the past two (2) years preceding LPD, IM has not held any substantial shareholding in any public corporation in Malaysia (other than ECB).

- (d) AR was incorporated in Malaysia under the CA on 8 January 2003 as a private limited company. It is principally an investment holding company. As at LPD, ECB is the only investment of AR.

The Directors of AR and their respective shareholdings according to the Register of Directors and Directors' Shareholdings as at LPD are as follows:

Directors	No. of shares held	% of issued and paid-up share capital
<i>Long Bin Ngah Mai Unah</i>	99	99
<i>Haireen Bt Abdul Rahim</i>	1	1

The Substantial Shareholders of AR and their respective shareholdings according to the Register of Members as at LPD are as follows:

Substantial Shareholders	No. of shares held	% of issued and paid-up share capital
<i>Long Bin Ngah Mat Unah</i>	99	99

For the past two (2) years preceding LPD, AR has not held any substantial shareholding in any public corporation in Malaysia (other than ECB).

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.2.2 Changes in Substantial Shareholders and their Shareholdings

ECB was incorporated on 4 April 2001. The changes in the shareholdings of the Substantial Shareholders of ECB since incorporation are as follows:

	As at 04.04.01				As at 31.12.01				As at 06.03.02				After the Share Swap, Internal Reorganisation, Equine Acquisition and Debt Restructuring				
	No. of ordinary shares held		%		No. of ordinary shares held		%		No. of ordinary shares held		%		No. of ordinary shares held		%		
	Direct	Indirect	000	%	Direct	Indirect	000	%	Direct	Indirect	000	%	Direct	Indirect	000	%	
Lee Ming Leong	*	50.00	-	-	*	50.00	-	-	-	-	-	-	-	-	-	-	
Har Mun Moi	*	50.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mah Li Chen	-	-	-	-	*	50.00	-	-	-	-	-	-	-	-	-	-	
Public Nominees (Tempatan) Sdn Bhd ⁽¹⁾	-	-	-	-	-	-	-	-	*	100.00	-	-	*	-	-	-	
Perharap	-	-	-	-	-	-	-	-	-	-	-	-	29,104	-	23.74	-	
TP	-	-	-	-	-	-	-	-	-	-	-	-	17,500	-	14.27	-	
IM	-	-	-	-	-	-	-	-	-	-	-	-	32,087	-	26.17	-	
AR	-	-	-	-	-	-	-	-	-	-	-	-	10,089	-	8.23	-	
Danaharta Managers Sdn Bhd ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	10,038	-	8.19	-	
Datin Wong Mun Yee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,691 ⁽³⁾	64.19
Lim Ah Yee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,691 ⁽³⁾	64.19
Lim Ah Chai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,691 ⁽³⁾	64.19
DPLSK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,691 ⁽³⁾	64.19
Long Bin Nigh Mat Uyah	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,089 ⁽²⁾	8.23
Danaharta ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-	3,242	-	2.64	10,390 ⁽⁴⁾	8.47

Notes:

* Negligible.

⁽¹⁾ Deemed interest by virtue of their interests in Perharap, TP, and IM pursuant to Section 6A of the CA.

⁽²⁾ Deemed interest by virtue of his interest in AR pursuant to Section 6A of the CA.

⁽³⁾ The beneficiary is the Former Unsecured Creditors.

⁽⁴⁾ Deemed interest by virtue of its interest in Danaharta Managers Sdn Bhd, Danaharta Urus Sdn Bhd and Danaharta Managers (L) Ltd pursuant to Section 6A of the CA.

⁽⁵⁾ The shares are currently held for and on behalf by Anuarul Azizan Chew Consulting Sdn Bhd, the agent for the Former Unsecured Creditors.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.3 Directors

8.3.1 Shareholdings

The shareholdings of the Directors of ECB after the Rights Issue and Offer for Sale are as follows:

Name	Nationality	After the Rights Issue and Offer for Sale							
		Scenario A				Scenario B			
		Direct		Indirect		Direct		Indirect	
		No. of ordinary shares 000	%	No. of ordinary shares 000	%	No. of ordinary shares 000	%	No. of ordinary shares 000	%
DPLSK	Malaysian	-	-	78,691 ⁽¹⁾	52.48	25,000	16.94	78,691 ⁽¹⁾	53.31
Yap Kim Swee	Malaysian	-	-	-	-	-	-	-	-
YAM Tengku	Malaysian	-	-	-	-	-	-	-	-
Datuk Ahmad Zabri bin Ibrahim	Malaysian	-	-	-	-	-	-	-	-
Lim Eu Keong	Malaysian	-	-	-	-	-	-	-	-
Christopher Martin Boyd	British/ Malaysian Permanent Resident	-	-	-	-	-	-	-	-

Note:

⁽¹⁾ Deemed interest by virtue of his interest in Perharap, TP, and IM pursuant to Section 6A of the CA.

8.3.2 Directorship and Substantial Shareholdings in other Public Companies

Other than the Directors of ECB set out below, none of the other Directors of ECB hold other directorships and/or have substantial shareholdings in other public corporations (other than ECB) for the past two (2) years preceding LPD:

Name	Company	Directorship		Substantial Shareholdings			
		Date appointed	Date resigned	Direct	No. of shares held %	Indirect	No. of shares held %
Yap Kim Swee	NV Multi Corporation Berhad	02.01.03	-	-	-	-	-
YAM Tengku	Tractors Malaysia Holdings Berhad	09.09.87	-	-	-	-	-
Datuk Ahmad Zabri bin Ibrahim	DMIB Berhad	26.07.99	⁽¹⁾	-	-	-	-
	Padiberas Nasional Berhad	21.12.97	-	-	-	-	-
	Sime Engineering Services Berhad	13.06.03	-	-	-	-	-
Christopher Martin Boyd	KLIH	17.06.00	⁽¹⁾	-	-	-	-
	MUI Properties Bhd	27.07.94	-	-	-	-	-
Lim Eu Keong	KLIH	17.06.00	⁽²⁾	-	-	-	-

Notes:

⁽¹⁾ Subsequent to LPD, Datuk Ahmad Zabri bin Ibrahim resigned from DMIB Berhad and KLIH on 28 August 2003 and 2 September 2003 respectively.

⁽²⁾ Subsequent to LPD, Lim Eu Keong resigned from KLIH on 2 September 2003.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
(CONT'D)

8.3.3 Directors' Profile

Details of the Directors of ECB are as follows:

DPLSK, a Malaysian and aged 38, was appointed as the Executive Chairman of ECB on 26 August 2003. He is currently the Executive Chairman of Equine. He obtained a Bachelor of Business majoring in Economics and Finance Management from Curtin University, Australia in 1987. DPLSK has been involved in the property development industry since 1988. He has been involved in the development of an integrated township on 550 acres comprising residential, commercial and leisure components in Taman Equine and Putra Permai, District of Petaling, Selangor Darul Ehsan and also rehabilitated an abandoned project in Taman Bukit Cahaya, Serdang, Selangor Darul Ehsan which involved the takeover and completion of 145 units of shophouses. DPLSK has been conferred various titles including the Ahli Mahkota Selangor in 1991, Justice of Peace, Selangor in 1996, Darjah Kebesaran Dato' Sultan Salahuddin Abdul Aziz Shah in 1997 and Darjah Kebesaran Panglima Setia DiRaja in 2000. He is also actively involved in social activities and was a Committee Member of Petaling from 1996 to 1998 and member of the District Development Board (Ahli Majlis Pembangunan Daerah Petaling) from 1998 to 2001. He is a member of the Council of Advisors, Akademi Ekuestrian DiRaja Selangor, a Vice President of the Council of Justice of Peace and a member of the Board of Directors of Universiti Putra Malaysia. He also sits on the Board of several private limited companies.

Yap Kim Swee, a Malaysian and aged 56, was appointed as an Independent and Non-Executive Director of ECB on 26 August 2003. He obtained his membership with the Association of Chartered Certified Accountants in 1977. He started his career in Hanafiah Raslan Mohd and Partner in 1969 as an audit clerk. In 1972, he joined Coopers & Lybrand (now known as PriceWaterhouseCoopers) as an Audit Senior and was thereafter appointed as a Director in 1987. He was admitted as a Partner in 1991 and was a member of the executive committee of Coopers & Lybrand from 1997 to 1998. He retired from the partnership in PriceWaterhouseCoopers on 31 December 2002. He is a Chartered Accountant of the Malaysian Institute of Accountants, a fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Certified Public Accountants. He also sits on the Board of Directors of NV Multi Corporation Berhad, a public listed company on the KLSE.

YAM Tengku, a Malaysian and aged 48, was appointed as an Independent and Non-Executive Director of ECB on 26 August 2003. He completed his Diploma in Business Administration from Universiti Teknologi MARA in 1974. He started his career in Charles Bradburne (1930) Sdn Bhd as a Broker from 1974 to 1981. He was a Director of TTDI Development Sdn Bhd from 1978 to 2000 and a Director of Sime UEP Berhad from 1983 to 1987. Presently, he is a Director and a member of the audit committee of Tractors Malaysia Holdings Berhad, a public listed company on the KLSE. He also sits on the Board of Directors of several private limited companies. He is also actively involved in various national sports and welfare organisations.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
(CONT'D)

Datuk Ahmad Zabri bin Ibrahim, a Malaysian and aged 61, was appointed as a Non-Executive Director of ECB on 26 August 2003. He obtained a Bachelor of Arts (Hons) in History from University of Malaya, Kuala Lumpur in 1966, a Diploma in Development Administration from University of Birmingham, United Kingdom in 1972 and a Masters in Public Administration from University of Southern California, US in 1979. He also obtained a Certificate in Advanced Management Programme from Harvard Business School, Harvard University, US in 1996. He started his career in the Malaysian Administrative and Diplomatic Service in 1966 and as an Assistant Secretary in the Ministry of Education in 1972. He served in the Public Service Department from 1972 to 1973 as the Principal Assistant Director (Establishment). In 1973, he joined the National Institute of Public Administration as the Head of Research Unit and became the Deputy Director (Management) in 1976. In 1983, he was seconded to Institute of Strategic and International Studies as Company Secretary/Deputy Director General. He served in the Chief Minister's Department, Sabah as a Director of Development from 1987 to 1990. He was a Secretary General in the Ministry of Youth and Sports Malaysia from 1990 to 1991, the State Secretary of Selangor from 1991 to 1993 and the Secretary General of Ministry of Agriculture, Malaysia from 1993 until his retirement in 1997. He was the Chairman of Bank Pembangunan Malaysia Berhad from 1997 to 1999 and the Chairman of Oriental Bank Berhad from 1999 to 2000. Presently, he sits on the Board of Directors of Sime Engineering Services Berhad and Padiberas Nasional Berhad, both are public listed companies on the KLSE and several other private limited companies.

Lim Eu Keong, a Malaysian and aged 40, was appointed as a Non-Executive Director of ECB on 26 August 2003. He obtained a Bachelor of Economics Degree in 1987 and a Bachelor of Law Degree in 1989, both from Monash University, Australia. He was called to the Malaysian Bar in 1989 and practised as a lawyer in Messrs. Gan Teik Chee & Ho between 1989 and 1990. In 1990, he joined Messrs. Lim Cheng Chuan & Co, Advocates and Solicitors as a Partner. He also sits on the Board of several private limited companies.

Christopher Martin Boyd, a British/Malaysian permanent resident and aged 56, was appointed as a Non-Executive Director of ECB on 26 August 2003. He obtained the qualification of Chartered Surveyor from the Royal Institution of Chartered Surveyors (General Practice Division) in 1969 and is presently a fellow of the Royal Institution of Chartered Surveyors, a fellow of the Institution of Surveyors Malaysia, a member of the Australian Property Institute and a member of the Singapore Institute of Surveyors & Valuers. He started his career in Jones Lang Wootton, Sydney, Australia as a Manager in 1970. He was a partner of Jones Lang Wootton, Malaysia from 1974 to 1981 and a Director in Jones Lang Wootton, Singapore from 1981 to 1985. In 1985, he established the Malaysian practice of Knight Frank Baillieu, registered valuers and property consultants firm, and retired from partnership of Knight Frank Baillieu in 1994. He joined MUI Properties Berhad as Managing Director from 1995 to 2001 and became a non-independent and non-executive Director of MUI Properties Berhad since 2001. In 2001, he joined Regroup Associates Sdn Bhd, a firm of registered valuers and property consultants, as Executive Chairman. Presently, he sits on the Board of Directors of MUI Properties Berhad, a public listed company on the KLSE and several other private limited companies.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.4 Key Management

8.4.1 Shareholdings

The key management team's shareholdings in ECB after the Rights Issue and Offer for Sale are as follows:

Name	Nationality	After the Rights Issue and Offer for Sale							
		Scenario A				Scenario B			
		Direct		Indirect		Direct		Indirect	
		No. of ordinary shares 000	%	No. of ordinary shares 000	%	No. of ordinary shares 000	%	No. of ordinary shares 000	%
DPLSK	Malaysian	-	-	78,691 ⁽²⁾	52.48	25,000	16.94	78,691 ⁽²⁾	53.31
Fung Yik Fai	Malaysian	(1)	(1)	-	-	(1)	(1)	-	-
Kok Wai Sing	Malaysian	(1)	(1)	-	-	(1)	(1)	-	-
Lim Hang Yang	Malaysian	(1)	(1)	-	-	(1)	(1)	-	-
Oh Kang Kuang	Malaysian	-	-	-	-	-	-	-	-
Wong Kim Cheong	Malaysian	(1)	(1)	-	-	(1)	(1)	-	-

Notes:

⁽¹⁾ Negligible.

⁽²⁾ Deemed interest by virtue of his interest in Perharap, TP and IM pursuant to Section 6A of the CA.

8.4.2 Key Management's Profile

The profiles of the key management are as follows:

DPLSK, please refer to Section 8.3.3 of this Prospectus.

Fung Yik Fai, aged 38, is the Senior Group General Manager of Equine. He obtained a Bachelor of Science (Computer Science) from the Flinders University of South Australia in 1988 and is an Associate of the Australian Computer Society. He started his career in Y.K.Fung Securities Sdn Bhd (now known as OSK Securities Bhd) as an Electronic Data Processing/Operations Manager in 1988 and subsequently became a Remisier in 1993. In 2001, he joined Equine and is presently in charge of the overall day-to-day operations of the Equine Group as well as heading the Information Technology, Human Resource and Administration Departments of Equine.

Kok Wai Sing, aged 39, is the Group General Manager (Finance) of Equine. He obtained a Diploma in Commerce from Tunku Abdul Rahman College, Kuala Lumpur in 1987 and is an Associate of the Chartered Institute of Management Accountants, United Kingdom and a Member of the Malaysian Institute of Accountants. He started his career in Coopers & Lybrand as an Audit Assistant in 1990 and was subsequently promoted to an Audit Senior in 1992. In 1994, he joined KLIH as an Accountant and was subsequently promoted to become the Treasury Manager in 1996. In 1997, he joined Equine and presently heads the Equine Group's Finance Department.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Lim Hang Yang, aged 41, is the Group General Manager (Projects) of Equine. He obtained a Bachelor of Science in Architectural Studies from the University of Wales Intitute of Science and Technology ("UWIST"), United Kingdom in 1984 and a post graduate degree of Bachelor of Architecture from UWIST in 1986. He started his career in Douglas Feast Partnership (London) as an Assistant Architect in 1986. He was an Assistant Architect with GMW Partnership (London) from 1987 to 1991 and obtained corporate membership of the Royal Institute of British Architects in 1990. He returned to Malaysia and joined Kumpulan Karim Lai Akitek/Klaf architect as a Project Architect from 1991 to 1998 and obtained corporate membership of Pertubuhan Akitek Malaysia in 1997. He joined Equine in 1998 and presently heads the Project Department as well as the Project Development Team.

Oh Kang Kuang, aged 40, is the Senior Project Manager of Equine. He obtained a Bachelor of Science (Civil Engineering) from South Dakota State University, US in 1985 and a Masters of Business Administration from Northeast Louisiana University, US in 1987. He started his career as an Assistant Lecturer in Northeast Louisiana University, US in 1986. He was a Project Manager in Chai Tai Investments, Inc., Seattle, US from 1987 to 1989, and a Project Manager in Subari Jaya Sdn Bhd from 1989 to 1992. In 1992, he joined Kembang Bersama Sdn Bhd as a Branch Manager and was subsequently promoted to become an Assistant General Manager in 1995. In 2000, he joined EKD Construction Sdn Bhd as a Design Manager. In 2002, he joined Equine and is presently in charge of project implementation and infrastructure design.

Wong Kim Cheong, aged 49, is the Senior Government Liaison Manager of Equine. He obtained a Malaysian Certificate of Education from Tsun Jin High School in 1972. He started his career in Tengku Ahmad Shah, Lee & Leong Construction as a Site Supervisor in 1973. He was a Site Supervisor in Setia Contractor Sdn Bhd from 1976 to 1980. He joined Klaf Architects as a Project Architect Assistant in 1981 and was subsequently promoted to become a Senior Project Architect Assistant in 1991. In 1997, he joined Equine and his present duties include liaising with the various government authorities.

8.5 Remuneration

The aggregate remuneration and benefits of the Directors of ECB for services rendered in all capacities within the Group are within the specified range set out below:

Range of remuneration and benefits per annum	Year ended 31 March 2003 No. of Directors	Year ending 31 March 2004 No. of Directors
RM100,000 – RM250,000	1	1
Less than RM100,000	-	5

The aggregate remuneration and fees paid to the Directors of ECB for services rendered in all capacities in the proforma ECB Group for the financial year ended 31 March 2003 was RM240,000. For the financial year ending 31 March 2004, the forecast remuneration and fees payable to the existing Directors of ECB amount to RM540,000.

8.6 Family Relationships

Save as disclosed below, none of the Substantial Shareholders, Directors, key management and Promoter of the ECB Group is related to each other:

DPLSK is the husband of Datin Wong Mun Yee and nephew to Lim Ah Yee and Lim Ah Chai.

8. PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
(CONT'D)

8.7 Service Agreements

None of the Directors and key management of the ECB Group has any existing or proposed service contracts with the ECB Group.

8.8 Involvement in Other Businesses/Corporations

The Executive Director, DPLSK, and key management of the ECB Group are not involved in any other businesses/corporations in which they hold an executive position.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

9. PROPOSALS

9.1 Introduction

- 9.1.1 On 30 June 2000, it was announced that Mr. Mok Yuen Lok and Mr. Onn Kien Hoe of Messrs. Horwath (*formerly known as Messrs. Horwath Mok & Poon*) were appointed by Danaharta as the SA of KLIH pursuant to Section 23 of the Act to, inter-alia, manage the businesses and operations of KLIH. Subsequently, on 27 October 2000, KLIH announced that the SA had on the same date been appointed to four (4) subsidiaries of KLIH, namely EV, SI, BHH and KLIB pursuant to Section 24 of the Act.
- 9.1.2 On 18 January 2001, it was announced that KLIH had on the same date entered into a Memorandum of Understanding with DPLSK, as the representative of the shareholders of Equine, on the participation of Equine in the corporate and debt restructuring exercise of KLIH.
- 9.1.3 On 3 August 2001, the SA announced that KLIH had on the same date entered into an agreement with DPLSK as the representative of the Equine Vendors to regulate and record the basic understanding on the key areas of agreement pending finalisation of the corporate and debt restructuring exercise of KLIH which would involve, amongst others, the following:
- (i) the proposed formation of a new company to assume the listing status of KLIH;
 - (ii) the proposed disposal of certain identified assets of KLIH and its subsidiaries to a special purpose company to be established; and
 - (iii) the proposed acquisition of Equine by the new company to be identified.
- 9.1.4 On 6 December 2001, in compliance with Practice Note 4/2001 of the Listing Requirements, CIMB on behalf of the Board of Directors of KLIH, announced the details of the corporate and debt restructuring exercise of KLIH as approved by Danaharta on 30 November 2001, details of which are as follows:
- (i) the incorporation of two (2) new companies namely a new company to be identified ("Newco") and a special purpose vehicle ("SPV") to facilitate the proposals, ECB was subsequently identified as the Newco whilst KDM is the SPV;
 - (ii) the proposed capital reduction and consolidation of the existing issued and paid-up share capital of KLIH of RM303,759,072 comprising 303,759,072 KLIH Shares to RM3,037,591 comprising 3,037,591 KLIH Shares;
 - (iii) the proposed share swap of 3,037,591 new ordinary shares of RM1.00 each in Newco ("Newco Shares") with the existing shareholders of KLIH at the ratio of one (1) Newco Share for every one (1) KLIH Share held after the proposed capital reduction and consolidation;
 - (iv) the proposed internal reorganisation where Newco will acquire KLIB and STS from KLIH and BHH respectively;
 - (v) the proposed acquisition by Newco of 100% of the equity interest from the Equine Vendors comprising 12,002,150 ordinary shares of RM1.00 each in Equine for a total purchase consideration of RM211,000,000 to be satisfied by the issuance of 115,000,000 new Newco Shares at an issue price of RM1.00 per Newco Share and RM96,000,000 nominal value ICULS in Newco;

9. PROPOSALS (CONT'D)

- (vi) the proposed debt restructuring of KLIH which consists of the following:
 - (a) the proposed transfer of all of KLIH's assets and liabilities to SPV except for KLIH's investment in PL and PICM. Pursuant to the KLIB Proposal, PICM was disposed of at RM78.5 million;
 - (b) in consideration of the proposed transfer, the unsecured creditors of KLIH would receive the following on a pro-rata basis as follows:
 - (aa) cash of approximately RM7.54 million (from the proposed acquisition of STS by Newco);
 - (bb) 24,962,409 new Newco Shares;
 - (cc) RM30,000,000 redeemable convertible secured loan stocks A in Newco; and
 - (dd) approximately RM27.27 million to be realised from the sale of assets transferred to SPV; and
 - (c) the proposed liquidation of SPV by the unsecured creditors of KLIH to realise the estimated proceeds of approximately RM27.27 million which shall be distributed back to the unsecured creditors of KLIH;
- (vii) the proposed transfer of the listing status of KLIH to Newco;
- (viii) the proposed rights issue of 27,338,319 Newco Shares to the existing shareholders of KLIH on the basis of nine (9) new Newco Shares for every one (1) Newco Share held after the proposed share swap at an issue price of RM1.00 per Newco Share which is the par value of the Newco Shares;
- (ix) the proposed offer for sale of up to 24,962,409 Newco Shares at an offer price of RM1.00 per Newco Share by the unsecured creditors of KLIH; and
- (x) the proposed waiver from the obligation on the Equine Vendors and persons acting in concert with them to undertake a mandatory offer pursuant to Practice Note 2.9.3 of the Code.

The proposed corporate and debt restructuring proposals as set out above are collectively known as the "Original Proposals".

- 9.1.5 On 4 January 2002, CIMB announced on behalf of the Board of Directors of KLIH that the workout proposals of BHH and KLIB had been approved by the secured creditors of the respective companies pursuant to Section 46(4) of the Act on 20 December 2001. The SI Proposal was approved by the secured creditors on 28 December 2001.
- 9.1.6 On 5 February 2002, CIMB announced on behalf of the Board of Directors of KLIH that ECB and DPLSK, as the representative of the Equine Vendors, had on 1 February 2002 entered into a conditional share sale agreement on the proposed acquisition of Equine and to vary certain terms of the Original Proposals as follows:
 - (i) ECB shall acquire 100% of the equity interest in Equine from the Equine Vendors for a purchase consideration of RM199,000,000 to be satisfied by the issuance of 110,000,000 new ECB Shares at an issue price of RM1.00 per ECB Share and RM89,000,000 nominal value ECB ICULS; and

9. PROPOSALS (CONT'D)

- (ii) ECB shall also undertake an offer for sale up to 19,900,000 ECB Shares by the Equine Vendors together with the 24,962,409 ECB Shares issued to the unsecured creditors of KLIH at an offer price of RM1.00 per ECB Share. The offer for sale by the Equine Vendors was subsequently aborted.

The proposals after incorporating the above changes to the Original Proposals are referred to as "Revised Proposals".

- 9.1.7 On 6 May 2002, CIMB announced on behalf of the Board of Directors of KLIH that the FIC had on 24 April 2002 approved the Proposals subject to the condition that ECB increases its Bumiputera equity interest to at least 30% upon listing.
- 9.1.8 On 9 July 2002, CIMB announced on behalf of the Board of Directors of KLIH that BNM had on 10 May 2002 and 5 July 2002 approved the issuance of the ICULS to a foreign party pursuant to the Equine Acquisition. The approval of BNM is subject to ECB obtaining the approvals of and complying with the conditions imposed by other relevant authorities.
- 9.1.9 On 24 September 2002, CIMB announced on behalf of the Board of Directors of KLIH that the SC had on 20 September 2002 approved the Revised Proposals as proposed save that the purchase consideration for the proposed acquisition of Equine by ECB had been revised from RM199,000,000 to be satisfied by the issuance of 110,000,000 new ECB Shares at an issue price of RM1.00 per ECB Share and RM89,000,000 nominal value ECB ICULS to **RM172,000,000** to be satisfied by the issuance of 94,600,000 new ECB Shares at an issue price of RM1.00 per ECB Share and RM77,400,000 nominal value ECB ICULS.

The proposals after incorporating the above change to the Revised Proposals is referred to as "Revised SC Proposals".

The approval of the SC for the Revised SC Proposals is subject to, amongst others, the following conditions:

- (i) the approval of the SC is to be obtained for any revision to the terms and conditions of the ECB ICULS, ECB RCSLS A and ECB RCSLS B;
- (ii) a moratorium is to be imposed on the sale of the ECB Shares to be issued to the Equine Vendors pursuant to the acquisition of the entire equity interest in Equine by ECB. In this respect, the said vendors are not allowed to sell, transfer or assign their shareholdings representing 50% of the total ECB Shares or 47,300,000 ECB Shares to be issued as consideration for the said acquisition for at least one (1) year from the date of the listing of the said ECB Shares. Thereafter, on every subsequent year, the said vendors are only allowed to sell, transfer or assign not more than one-third (1/3) per annum of their respective shareholdings in ECB which are under moratorium;
- (iii) CIMB, KLIH and ECB are required to obtain the approvals of all other relevant regulatory authorities before the implementation of the Proposals and to comply with any conditions imposed by the authorities;
- (iv) the utilisation of proceeds from the Rights Issue is subject to the following conditions:
- (a) the approval of the SC is to be obtained for any change to the original utilisation of proceeds if the change in utilisation is for purposes other than for the core businesses of ECB;

9. PROPOSALS (CONT'D)

- (b) the approval of the shareholders of ECB must be obtained for any change of 25% or more to the original utilisation of proceeds. In the event the change to the original utilisation of proceeds is less than 25%, appropriate disclosures are to be made to the shareholders of ECB;
 - (c) any extension of time for the utilisation of proceeds from the Rights Issue is to be approved by a resolution of the Board and must be disclosed to the KLSE; and
 - (d) appropriate disclosures on the status of the utilisation of proceeds from the Rights Issue is to be made in the quarterly reports and annual reports of ECB until the proceeds are fully utilised.
- 9.1.10 On 30 December 2002, CIMB announced on behalf of the Board of Directors of KLIH that ECB and DPLSK, as the representative to the Equine Vendors, had terminated the SSA and entered into a new share sale agreement for the Equine Acquisition on the same date to reflect the revised purchase consideration for the Equine Acquisition as approved by the SC on 20 September 2002.
- 9.1.11 On 24 March 2003, CIMB announced on behalf of the Board of Directors of KLIH the following changes to the Revised SC Proposals:
- (a) the proposed minimum subscription amount of RM25,000,000 for the Rights Issue for which DPLSK has given an irrevocable written undertaking to subscribe for the Minimum Subscription in the event of any undersubscription of the Rights Issue; and
 - (b) a change in the denominations of ECB ICULS and ECB RCCLS A from RM1,000 to RM1.00.
- The proposals after incorporating the above changes to the Revised SC Proposals are referred to as "Proposals".
- 9.1.12 On 6 May 2003, CIMB announced on behalf of the Board of Directors of KLIH that the SC had on 5 May 2003 approved the Proposals. In addition, the FIC had on 30 April 2003 also granted ECB an extension of time to increase its Bumiputera equity interest to at least 30% within two (2) years from the date of listing of ECB.
- 9.1.13 The Proposals prepared by the SA have been reviewed by the independent advisers ("IAs"), PriceWaterhouseCoopers Consulting Sdn Bhd on 27 November 2001 and PriceWaterhouseCoopers Advisory Services Sdn Bhd on 4 April 2003 and 18 June 2003, in accordance with Section 44(3) of the Act. The IAs are of the opinion that the Proposals are reasonable as contained in their reports as per the abovementioned dates.

9. PROPOSALS (CONT'D)

9.2 Corporate and Debt Restructuring of KLIH

The Proposals implemented under the Act are as follows:

9.2.1 Incorporation

Establishment of two (2) new companies, namely ECB and KDM, to facilitate the implementation of the Proposals.

The share capital of ECB and its substantial shareholdings are detailed in Sections 7.2 and 8.2.1 respectively of this Prospectus. KDM has an issued and paid-up share capital of RM2.00 comprising two (2) ordinary shares of RM1.00 each. The shares in KDM are currently held by two (2) nominee shareholders on behalf of the Former Unsecured Creditors.

9.2.2 Capital Reduction and Consolidation

A capital reduction of KLIH in which the existing issued and paid-up share capital of KLIH of RM303,759,072 comprising 303,759,072 ordinary shares of RM1.00 each were reduced to RM3,037,591 comprising 303,759,072 ordinary shares of RM0.01 each ("Reduced Shares") by cancelling RM0.99 of the par value of each existing KLIH Share.

Every 100 Reduced Shares was consolidated into one (1) ordinary share of RM1.00 each pursuant to which the share capital of KLIH is RM3,037,591 comprising 3,037,591 ordinary shares of RM1.00 each ("Consolidated Shares").

The Capital Reduction and Consolidation was completed on 6 August 2003.

9.2.3 Share Swap

As an integral part of the Proposals, ECB issued 3,037,591 new ECB Shares to the Entitled Shareholders in exchange for the Consolidated Shares. The shareholding structure of ECB thus mirrored the shareholding structure of KLIH after the Capital Reduction and Consolidation. KLIH is currently a wholly-owned subsidiary of ECB.

The Share Swap was completed on 6 August 2003.

9.2.4 Internal Reorganisation

ECB undertook an internal reorganisation which involved the acquisition of KLIB and STS from KLIH and BHH respectively. KLIB was a wholly-owned subsidiary of KLIH while STS was a wholly-owned subsidiary of BHH, another wholly-owned subsidiary of KLIH. Details of the acquisition of KLIB and STS are as follows:

9.2.4.1 KLIB Acquisition

ECB acquired the entire issued and paid-up share capital of KLIB comprising 65,538,000 ordinary shares of RM1.00 each from KLIH for a nominal consideration of RM1.00. The purchase consideration for KLIB was arrived at on a willing-buyer willing-seller basis after taking into consideration the audited net liabilities of KLIB as at 31 March 2001 of RM1,979,821.

9. PROPOSALS (CONT'D)

As part of the KLIB Acquisition, ECB issued RM18,500,000 nominal value ECB RCSLS B to the secured creditor of KLIB as partial settlement of approximately RM28.36 million owing by KLIB to the secured creditor. The balance of the amount owing by KLIB to the secured creditor of approximately RM9.86 million is treated as unsecured amount and will be settled through the Repayment, as disclosed in Section 9.2.6.2 of this Prospectus.

The settlement amount of RM18,500,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the net book value of Wisma KLIH as at 31 March 2001 of RM18,343,000 which reflects the OMV of Wisma KLIH on 9 August 2000 as valued by an independent professional valuer.

The KLIB Acquisition was completed on 7 August 2003. The ECB RCSLS B was issued on 11 September 2003.

9.2.4.2 STS Acquisition

ECB acquired the entire issued and paid-up share capital of STS comprising 740,000 ordinary shares of RM1.00 each for a total cash consideration of RM3,027,000.

In addition, ECB will also settle the amount owing by STS to KLIH of RM8,972,000 by way of cash to KLIH from the proceeds of the Rights Issue. The total cash proceeds of RM8,972,000 and RM543,000 (pursuant to the BHH Proposal) received by KLIH will be utilised to repay the preferential and essential creditors of KLIH as at 6 August 2003, the Former Unsecured Creditors and for working capital of the KLIH Group as follows:

	RM 000
Settlement of preferential and essential creditors of KLIH Group as at 6 August 2003	1,477
Repayment to the Former Unsecured Creditors	6,038
Working capital of the KLIH Group	2,000
	<u>9,515</u>

The purchase consideration of RM3,027,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the audited NTA of STS as at 31 March 2001 of RM2,988,527, which reflects the OMV of the landed properties of STS on 14 August 2000 as valued by an independent professional valuer. The purchase consideration is expected to be satisfied from the proceeds of the Rights Issue.

The STS Acquisition was completed on 7 August 2003.

9.2.5 Equine Acquisition

As an integral part of the Proposals, ECB acquired the entire issued and paid-up share capital of Equine comprising 12,002,150 Equine Shares for a total purchase consideration of RM172,000,000 satisfied by the issuance of 94,600,000 new ECB Shares and RM77,400,000 nominal value ECB ICULS.

9. PROPOSALS (CONT'D)

The ECB Shares issued pursuant to the Equine Acquisition rank pari-passu in all respects with the existing ECB Shares save and except that they are not entitled to participate in the Rights Issue as detailed in Section 5.2.1 of this Prospectus.

The purchase consideration of RM172,000,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration the revised consideration of the SC on the revalued net assets value of Equine of approximately RM171.23 million. Based on the consolidated audited NTA of Equine as at 31 October 2001 and the OMV of the landed properties of Equine and its subsidiaries as valued by independent professional valuers, namely Azmi & Co. Sdn Bhd and Regroup Associates Sdn Bhd, the revalued net asset value of Equine is approximately RM197 million.

The Equine Acquisition was completed on 26 August 2003.

9.2.6 Debt Restructuring

Based on the position assessment of KLIH as at 30 September 2000 as prepared by the SA, after crystallisation of the corporate guarantees and contingent liabilities of KLIH, the total outstanding liabilities of KLIH aggregate to approximately RM925.20 million ("Outstanding Liabilities"). The Outstanding Liabilities comprise approximately RM1.48 million of preferential and essential creditors and RM923.72 million of unsecured creditors.

As an integral part of the Proposals, KLIH settled the Outstanding Liabilities as follows:

9.2.6.1 Transfer

Save for KLIH's 30% equity interest in PL, STS and KLIB, KLIH has transferred all its other assets (including subsidiaries and associated companies) and novated all its liabilities to KDM.

All liabilities of KLIH were extinguished subsequent to the Transfer.

The Transfer was completed on 7 August 2003.

9.2.6.2 Repayment

In consideration of the Transfer, the Former Unsecured Creditors shall receive the following on a pro-rata basis:

- (a) cash amounting to RM6,038,000 (from the STS Acquisition as detailed in Section 9.2.4.2 above);
- (b) 24,962,409 new ECB Shares, which have been issued on 26 August 2003;
- (c) RM30,000,000 nominal value of ECB RCSLS A, which have been issued on 11 September 2003; and
- (d) the proceeds to be realised from the sale of the assets transferred to KDM (as detailed in Section 9.2.6.3 below) which is estimated at RM27,268,000.

The ECB Shares issued pursuant to the Repayment rank pari-passu in all respects with the existing ECB Shares save and except they are not entitled to participate in the Rights Issue as detailed in Section 5.2.1 of this Prospectus.

9. PROPOSALS (CONT'D)

Items (a) and (d) are only expected to be completed after the Listing.

9.2.6.3 Liquidation

Subsequent to the Transfer, KDM will be liquidated. A programmed disposal of the assets transferred from KLIH would be undertaken as part of the Liquidation with the estimated proceeds of approximately RM27,268,000 being distributed back to the Former Unsecured Creditors transferred to KDM on a pro-rata basis.

The Liquidation is expected to commence after the Listing. The Liquidation is likely to take place within three (3) years from the date of Listing.

9.2.7 Listing Transfer

KLIH will cease to be quoted on the Official List of the Main Board of the KLSE. Concurrently, ECB will be admitted to the Official List of the Main Board of the KLSE. The approval-in-principle from the KLSE has been obtained on 15 July 2003 for the Listing Transfer.

9.2.8 Rights Issue

In order to allow the Entitled Shareholders greater equity participation in ECB, ECB undertook a rights issue on the basis of nine (9) new ECB Shares for every one (1) ECB Share held by the Entitled Shareholders at RM1.00 per ordinary share.

Based on the 3,037,591 ECB Shares issued to the Entitled Shareholders pursuant to the Share Swap, a total of 27,338,319 new ECB Shares would be issued pursuant to the Rights Issue.

The Rights Issue will be subject to a minimum subscription amount of RM25,000,000 or 25,000,000 ECB Shares. In this respect, DPLSK has provided an irrevocable written undertaking to ECB to subscribe for the unsubscribed portion of the Rights Issue up to the Minimum Subscription amount.

The proceeds of between RM25,000,000 and RM27,338,319 to be raised from the Rights Issue are to be utilised as follows:

	Scenario A RM 000	Scenario B RM 000
Purchase consideration for the STS Acquisition	3,027	3,027
Settlement of amount owing by STS to KLIH pursuant to the STS Acquisition	8,972	8,972
Working capital for the ECB Group	11,339	9,001
Estimated expenses	4,000	4,000
	<u>27,338</u>	<u>25,000</u>

The Rights Shares shall, upon allotment and issue, rank pari-passu in all respects with the existing ECB Shares save and except that they shall not be entitled to participate in any rights, dividends and/or any other distributions the entitlement date of which precedes the date of allotment of the Rights Shares.

9. PROPOSALS (CONT'D)

9.2.9 Offer for Sale

On behalf of the Offeror, ECB shall undertake an offer for sale of up to 24,962,409 ECB Shares, issued to the Former Unsecured Creditors pursuant to the Repayment, to public investors on a best effort basis. The offer price is set at RM1.00 per ECB Share which is the same price as the new ECB Shares issued to the Former Unsecured Creditors.

Any Offer Shares not taken up will be returned to the Former Unsecured Creditors on a pro-rata basis based on their respective shareholdings in ECB prior to the Offer for Sale. The Offer for Sale will not be underwritten.

9.2.10 Waiver

Upon completion of the Equine Acquisition, the Waiver Applicants hold approximately 85.86% of the issued and paid-up share capital of ECB. The shareholdings of the Waiver Applicants in ECB will however decrease to 55.91% upon completion of the Rights Issue (assuming full subscription of the Rights Shares under the Rights Issue).

Accordingly, pursuant to Part II of the Code, the Waiver Applicants are required to undertake a mandatory offer for the remaining ECB Shares not held by them ("Mandatory Offer") upon completion of the Equine Acquisition.

The Waiver Applicants had sought a waiver from the SC from the obligation to undertake the Mandatory Offer under Practice Note 2.9.3 of the Code (exemption from an offer pursuant to a rescue operation). The SC had on 20 September 2002 and 23 May 2003 approved the said waiver application.

9.2.11 Conditionality

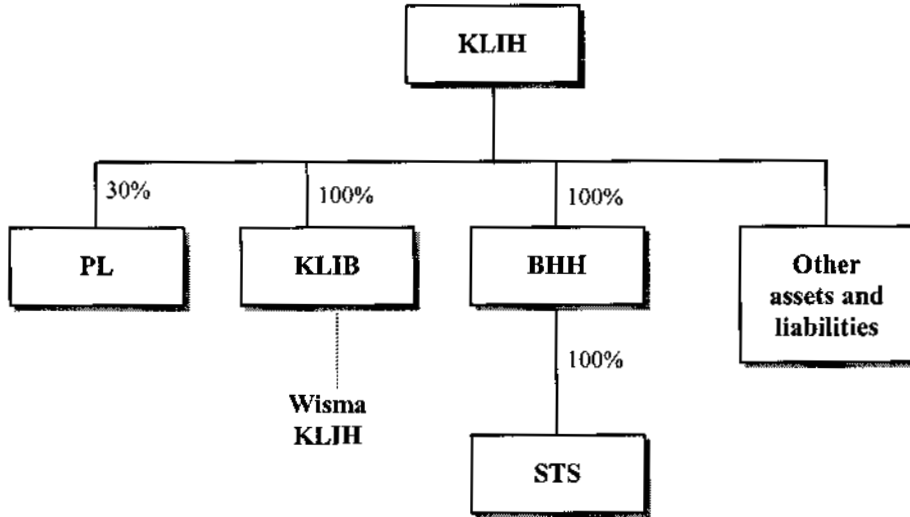
The Incorporation, Capital Reduction and Consolidation, Share Swap, Internal Reorganisation, Equine Acquisition, Debt Restructuring, Listing Transfer, Rights Issue and Offer for Sale are inter-conditional. The Proposals and Waiver are also inter-conditional.

The Proposals are also conditional on the separate workout proposals undertaken by KLIB, SI and BHH, which were approved by the respective secured creditors of KLIB and BHH on 20 December 2001 and SI on 28 December 2001.

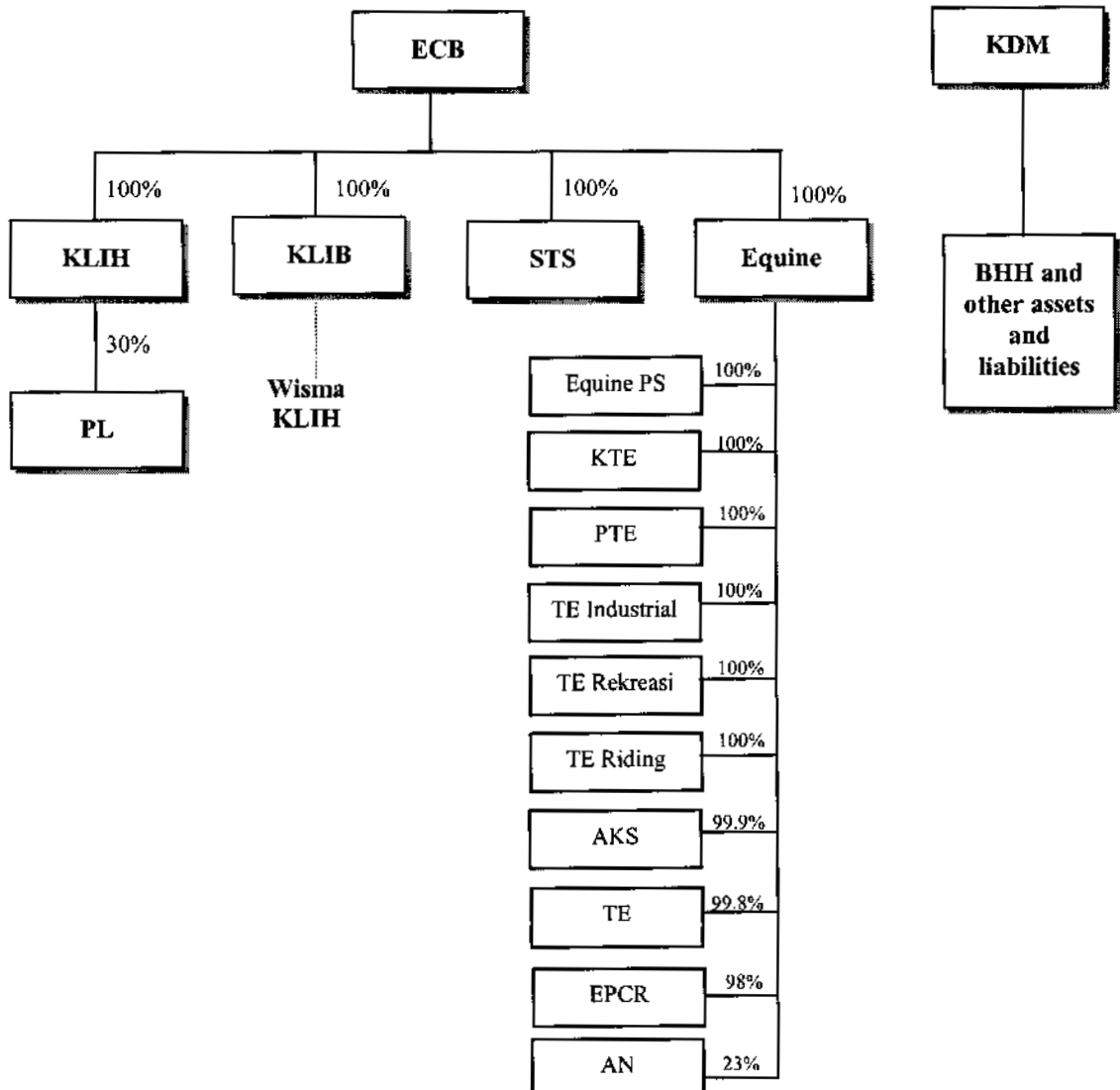
9. PROPOSALS (CONT'D)

9.2.12 The structures of the KLIH Group before and after the Proposals are as follows:

Before the implementation of the Proposals



After the implementation of the Proposals



9. PROPOSALS (CONT'D)

9.3 Principal Terms and Conditions of ECB RCSLS A, ECB RCSLS B and ECB ICULS
9.3.1 ECB RCSLS A

The principal terms of the ECB RCSLS A are as follows:

- | | | |
|-----------------------|---|---|
| Form and Denomination | : | The ECB RCSLS A was issued in registered form and denominated in multiples of RM1.00. |
| Conversion | : | Convertible into new ECB Shares at anytime after six (6) months from 11 September 2003 at the option of the holder. |
| Conversion Price | : | The ECB RCSLS A is convertible into new ECB Shares by tendering RM1.00 nominal value ECB RCSLS A for each ECB Share. |
| Coupon Rate | : | 7% gross per annum payable annually in arrears. |
| Tenure | : | The ECB RCSLS A has a tenure of five (5) years from and including 11 September 2003. |
| Redemption | : | Unless previously converted, all outstanding ECB RCSLS A as at the third (3 rd) anniversary of the issuance of the ECB RCSLS A on 11 September 2003 is redeemable for cash in three (3) annual instalments in arrears as follows: <ul style="list-style-type: none"> (i) 30% of the outstanding ECB RCSLS A is payable at the end of the third (3rd) anniversary of the issuance of the ECB RCSLS A on 11 September 2003; (ii) 30% of the outstanding ECB RCSLS A is payable at the end of the fourth (4th) anniversary of the issuance of the ECB RCSLS A on 11 September 2003; and (iii) the balance of the outstanding ECB RCSLS A is payable upon maturity of the ECB RCSLS A. |
| Trust Deed | : | The ECB RCSLS A is constituted under a Trust Deed executed by ECB and Mayban Trustees Berhad. |
| Transferability | : | The ECB RCSLS A is non-transferable and non-tradable. |
| Listing Status | : | The ECB RCSLS A will not be listed on the KLSE. Approval-in-principle has been obtained from the KLSE on 15 July 2003 for the listing of and quotation for the new ECB Shares to be issued on the Main Board of the KLSE upon conversion of the ECB RCSLS A. |

9. PROPOSALS (CONT'D)

Security : The ECB RCSLS A is secured by way of a first ranking charge over the ordinary shares of KLIH.

KLIH has deposited the share certificates of PL with and provided a negative pledge to the creditors' agent for and on behalf of the holders of the ECB RCSLS A. KLIH has pledged that it will not charge or encumber in any way its shares in PL without first obtaining the consent of 75% of the holders of the ECB RCSLS A. The shares charged and assets under the negative pledge will be released in proportion to the nominal value of ECB RCSLS A converted or redeemed.

Sinking Fund : A sinking fund was created by KLIH in favour of the creditors' agent for and on behalf of the holders of the ECB RCSLS A and all dividends, bonuses and/or distributions of any kind on the PL shares shall be placed in the sinking fund. No sum in the sinking fund shall be withdrawn by KLIH and/or ECB save and except for the sole purpose of coupon payment in respect of ECB RCSLS A, payment of taxes on the dividends, if applicable, or upon redemption of the ECB RCSLS A.

9.3.2 ECB RCSLS B

The principal terms of the ECB RCSLS B are as follows:

Form and Denomination : The ECB RCSLS B was issued in registered form and denominated in multiples of RM1,000.

Conversion : Convertible into new ECB Shares at anytime after six (6) months from 11 September 2003 at the option of the holder.

Conversion Price : The ECB RCSLS B is convertible into new ECB Shares by tendering RM1.00 nominal value ECB RCSLS B for each ECB Share.

Coupon Rate : 7% gross per annum payable annually in arrears.

Tenure : The ECB RCSLS B has a tenure of five (5) years from and including 11 September 2003.

Redemption : Unless previously converted, all outstanding ECB RCSLS B as at the end of the third (3rd) anniversary of the issuance date of the ECB RCSLS B on 11 September 2003 is redeemable for cash in three (3) annual instalments in arrears as follows:

- (i) 30% of the outstanding ECB RCSLS B is payable at the end of the third (3rd) anniversary of the issuance date of the ECB RCSLS B on 11 September 2003;
- (ii) 30% of the outstanding ECB RCSLS B is payable at the end of the fourth (4th) anniversary of the issuance date of the ECB RCSLS B on 11 September 2003; and
- (iii) the balance of the outstanding ECB RCSLS B is payable upon maturity of the ECB RCSLS B.

9. PROPOSALS (CONT'D)

- Trust Deed : The ECB RCSLS B is constituted under a Trust Deed executed between ECB and Mayban Trustees Berhad.
- Transferability : The ECB RCSLS B is non-transferable and non-tradable.
- Listing Status : The ECB RCSLS B will not be listed on the KLSE. The approval-in-principle has been obtained from the KLSE on 15 July 2003 for the listing of and quotation for the new ECB Shares to be issued on the Main Board of the KLSE upon conversion of the ECB RCSLS B.
- Security : The charge over Wisma KLIH remains with the secured creditor until full redemption or conversion of the ECB RCSLS B, as the case may be.
- Sinking Fund : A sinking fund was created by KLIB in favour of the creditors' agent for and on behalf of the holders of the ECB RCSLS B and all rentals, service charges and/or any other charges in relation thereto is to be placed into the sinking fund. No sum in the sinking fund shall be withdrawn by KLIB and/or ECB save and except for the sole purpose of payment of maintenance charges (including quit rent and assessment), refund of sundry deposits, if any, coupon payment in respect of ECB RCSLS B, and taxes on the net rental income, if applicable, or upon redemption of the ECB RCSLS B.

9.3.3 ECB ICULS

The principal terms of the ECB ICULS are as follows:

- Form and Denomination : The ECB ICULS was issued in registered form and denominated in multiples of RM1.00.
- Conversion : Convertible into new ECB Shares at any time during the tenure of the ECB ICULS.
- Conversion Price : The ECB ICULS is convertible into new ECB Shares by tendering RM1.00 nominal value ECB ICULS for each ECB Share.
- Coupon Rate : 3% gross per annum payable annually in arrears.
- Tenure : The ECB ICULS has a tenure of five (5) years from and including 26 August 2003.
- Redemption : The ECB ICULS will not be redeemable for cash. All outstanding ECB ICULS shall be converted into new ECB Shares on the maturity date.
- Trust Deed : The ECB ICULS is constituted under a Trust Deed executed between ECB and Mayban Trustees Berhad.
- Listing Status : The approval-in-principle has been obtained from the KLSE on 15 July 2003 for the listing of and quotation on the Main Board of the KLSE for the ECB ICULS and new ECB Shares to be issued pursuant to the conversion of the ECB ICULS.

10. APPROVALS AND CONDITIONS

The approvals and conditions of the FIC, BNM, SC and KLSE respectively in conjunction with the Proposals, including the Rights Issue and Offer for Sale are as follows:

Authority	Date of approval	Conditions	Status of compliance
FIC	24 April 2002	ECB is to increase its Bumiputera equity to at least 30% upon the listing of ECB Shares.	This condition has been superseded by the subsequent letter dated 30 April 2003.
	30 April 2003	ECB is to increase its Bumiputera equity to at least 30% within two (2) years from the date of its Listing.	ECB will comply with this requirement in due course.
BNM	10 May 2002 and 5 July 2002	In relation to the issuance of the ICULS to non-resident shareholders, ECB is to obtain the approval and comply with the conditions imposed by other relevant authorities in Malaysia i.e. SC and FIC.	Complied.
SC	20 September 2002	The approval of the SC for the Proposals is subject to the following conditions:	
		(i) The approval of the SC is to be obtained for any revision to the terms and conditions for the ECB ICULS, ECB RCSLS A and ECB RCSLS B;	Complied.
		(ii) Prior to the issuance of ECB ICULS, ECB RCSLS A and ECB RCSLS B, the following are required to be furnished:	Complied.
		(a) A copy of the Facility Maintenance File to the SC and BNM; and	
		(b) A copy each of the executed trust deed to the SC.	
(iii) CIMB is required to confirm in writing that it will act as the facility agent for the ECB RCSLS A and ECB RCSLS B under the "Fully Automation Systems Tender" of BNM;	Complied.		
(iv) A moratorium is to be imposed on the sale of the ECB Shares to be issued to the vendors of Equine pursuant to the Equine Acquisition. In this respect, the said vendors are not allowed to sell, transfer or assign their shareholdings representing 50% of the total ECB Shares issued as consideration for the said acquisition for at least one (1) year from the date of the listing of the said ECB Shares. Thereafter, on every subsequent year, the said vendors are only allowed to sell, transfer or assign not more than one-third (1/3) per annum of their respective shareholdings in ECB which are under moratorium;	Complied as detailed in Section 13 of this Prospectus		
(v) CIMB, KLIH and ECB are required to obtain the approvals of all other relevant regulatory authorities before the implementation of the Proposals and to comply with any conditions imposed by the authorities;	Complied.		

10. APPROVALS AND CONDITIONS (CONT'D)

Authority	Date of approval	Conditions	Status of compliance
		(vi) ECB is required to disclose in the circular to shareholders and in its Prospectus the size of its land bank and its proposed steps to increase its existing land bank;	Complied. Please refer to Sections 4.7, 7.7 and 12.2 of this Prospectus.
		(vii) ECB is required to disclose in the circular to shareholders and in its Prospectus the operational risk of the company and risks pertaining to KLIH's corporate and debt restructuring scheme;	Complied. Please refer to Section 4 of this Prospectus.
		(viii) The utilisation of proceeds from the Rights Issue is subject to the following conditions:	
		(a) The approval of the SC is to be obtained for any change to the original utilisation of proceeds if the change in utilisation is for purposes other than for the core businesses of ECB;	ECB will comply with this requirement if it is applicable.
		(b) The approval of the shareholders of ECB must be obtained for any change of 25% or more to the original utilisation of proceeds. In the event the change to the original utilisation of proceeds is less than 25%, appropriate disclosures are to be made to the shareholders of ECB;	ECB will comply with this requirement if it is applicable.
		(c) Any extension of time for the utilisation of proceeds from the Rights Issue is to be approved by a resolution of the Board and must be disclosed to the KLSE; and	ECB will comply with this requirement if it is applicable.
		(d) Appropriate disclosures on the status of the utilisation of proceeds from the Rights Issue are to be made in the quarterly reports and annual reports of ECB until the proceeds are fully utilised.	ECB will comply with this requirement.
		(ix) CIMB and KLIH/ECB are required to provide a written confirmation to the SC that all the conditions imposed have been complied with after the implementation of the Proposals.	CIMB, KLIH/ECB will comply with this requirement upon completion of the Rights Issue and Offer for Sale.
	5 May 2003	(i) ECB is required to comply with the 25% public shareholding spread requirement within six (6) months from the date of listing of ECB;	ECB will comply with this requirement in due course.
		(ii) CIMB, KLIH and ECB are to obtain all the necessary approvals for the Proposals; and	Complied.

10. APPROVALS AND CONDITIONS (CONT'D)

Authority	Date of approval	Conditions	Status of compliance
		<p>(iii) KLIH/ECB are required to appoint an independent audit firm (with relevant experience in investigative audits and which shall not be the current auditors of the KLIH Group/ECB Group) within two (2) months from the date of the SC's approval to conduct an investigative audit on the previous losses of the former KLIH Group. KLIH/ECB are required to undertake all necessary steps to recover the losses incurred. Based on the results of the investigative audit, KLIH/ECB are to report to the relevant authorities any violation of laws, regulations, guidelines and the Memorandum and Articles of KLIH by the Board of Directors of KLIH and/or any other parties which resulted in the said losses.</p> <p>The investigative audit is to be completed within six (6) months from the date of the appointment of the independent audit firm and appropriate announcements are required to be made on the findings of the investigative audit. Two (2) copies of the investigative audit report have to be forwarded to the SC upon completion.</p>	<p>Complied. Messrs. KPMG has been appointed on 3 July 2003 as the independent audit firm to conduct an investigative audit.</p>
KLSE	15 July 2003 ⁽¹⁾	None.	Not applicable.

Note:

¹ On 24 June 2003, ECB submitted an application to the KLSE for an extension of time of six (6) months to comply with the 25% public spread requirement from the date of admission of ECB to the Official List of the KLSE in the event ECB does not have the required 25% public spread upon completion of the Rights Issue and Offer for Sale. The KLSE had on 15 July 2003 advised that the said application will only be considered upon determination by ECB of the actual level of public shareholding spread in ECB after the completion of the Rights Issue and Offer for Sale.

11. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST

11.1 Related-Party Transactions

Save as disclosed below, there are no existing and potential related-party transactions entered into by the ECB Group which involve the interest, direct or indirect, of the Directors or Substantial Shareholders of ECB and/or person connected to them as defined under Section 122A of the CA.

The wife of Yap Kim Swee, a Director of ECB, had on 25 September 2001 bought a 2-storey terrace house in Pusat Bandar Putra Permai for RM293,600, which is expected to be delivered in September 2003. The said transaction was entered into in the ordinary course of business of the ECB Group on commercial terms.

11.2 Conflicts of Interest

Save as disclosed below, none of the Directors and Substantial Shareholders of ECB has direct and indirect interests in other businesses and corporations carrying on a similar trade as the ECB Group.

Christopher Martin Boyd, a Director of ECB is also a Director of MUI Properties Berhad, a public listed company which is involved in property development.

The property development activities of ECB and MUI Properties Berhad are in a different geographical location. ECB's property development activities are in Seri Kembangan, Selangor Darul Ehsan while MUI Properties Berhad's property development activities are situated between Seremban and Port Dickson, Negeri Sembilan. In view that the property development activities of ECB and MUI Properties Berhad are in different geographical location, the Directors of ECB are of the view that there is no material conflicts of interest notwithstanding that Christopher Martin Boyd holds directorships in both ECB and MUI Properties Berhad.

In addition, Christopher Martin Boyd is a non-Executive Director and has no shareholdings in both ECB and MUI Properties Berhad.

11.3 Declaration by the Advisers

CIMB hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser for the Rights Issue and Offer for Sale.

Messrs. BDO Binder has confirmed that there are no conflicts of interest in their capacity as the Reporting Accountants in relation to the Rights Issue and Offer for Sale.

Messrs. Albar & Partners has confirmed that there are no legal conflicts of interest in their capacity as the due diligence solicitors in relation to the Rights Issue and Offer for Sale.

Messrs. Azmi & Co Sdn Bhd has confirmed that there are no conflicts of interest in their capacities as the Valuers in relation to the Rights Issue and Offer for Sale.

Messrs. Regroup Associates Sdn Bhd has confirmed that save for Christopher Martin Boyd who is a Non-Executive Director of ECB and also the Executive Chairman of Messrs. Regroup Associates Sdn Bhd, there are no conflicts of interest in their capacities as the Valuers in relation to the Rights Issue and Offer for Sale.

12. OTHER INFORMATION CONCERNING THE ECB GROUP

12.1 Major Approvals, Licences and Permits

The major approvals, licences and permits granted to the ECB Group which are still applicable as at LPD are as follows:

(i) Developer's Licences

(a) Taman Equine

Project	Lot no.	License no.	Licensing period
Parkhouse	Pajakan Negeri 8604, Lot 58745 (formerly PT 39625)	6839/2-2004/137	14/02/01 - 13/02/04

(b) Pusat Bandar Putra Permai

Project	Lot no.	License no.	Licensing period
Phase 1	Pajakan Negeri 10326 and 10327, Lot 64493 and 64494 (formerly HS(D) 138923 and 138924, Lot PT 49059 and PT 49060)	8218/8-2004/887	06/08/01 - 05/08/04
Phase 2	Pajakan Negeri 10324, Lot 64497 (formerly HS(D) 138921, Lot PT 49057)	8218-3/03-2005/316	14/03/02 - 13/03/05
Phase 3	Pajakan Negeri 10322 and 10323, Lot 64495 and 64496 (formerly HS(D) 138919 and 138920, Lot PT 49055 and PT 49056)	8218-4/11-2005/1390	11/11/02 - 10/11/05
Low-cost apartments	Pajakan Negeri 10327, Lot 64493 (formerly HS(D) 138924, Lot PT 49060)	8218/8-2006/941	20/08/01 - 19/08/06
Phase 4	Pajakan Negeri 10325, Lot 64498 (formerly HS(D) 138922, Lot PT 49058)	8218-5/04-2006/343	25/04/03 - 24/04/06

(ii) Sales and Advertising Permits

Name/Location of project	Project	Permit no.	Period
Pusat Bandar Putra Permai, Seri Kembangan	Phase 1	8218-1/2138/2003(9)	23/09/02 - 22/09/03
	Phase 2	8218-3/1275/2004(6)	24/06/03 - 23/06/04
	Phase 3	8218-4/2521/203(11)	14/11/02 - 13/11/03
	Low-cost apartments	8218-2/257/2004(2)	19/02/03 - 18/02/04
	Phase 4	8218-5/983/2004(5)	23/05/03 - 22/05/04

12. OTHER INFORMATION CONCERNING THE ECB GROUP (CONT'D)

12.2 Landed Properties

A summary of the salient features of the ECB Group's landed properties as at LPD is as follows:

Registered owner/ Beneficial owner	Lot no./Location	Approximate age of building (years)	Built-up area (000 sq. m)	Land area (acres)	Description of Property	Tenure (years)/ Expiry Date	Audited NBV as at 31 March 2003 RM	OMV as at 31 October 2001 RM	OMV approved by SC RM	Land area as at 31 October 2001 (acres)
Equine	Pajak Negeri 7397, Lot 53383 (formerly HS(D) 91559, Lot PT 27419), Pajak Negeri 7399, Lot 53386 (formerly HS(D) 91562, Lot PT 27422) and HS(D) 183322 to HS(D) 183325, Lot PT 56724 to 56727 (formerly Pajak Negeri 7404, Lot 53391), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	97.4	Commercial and mixed housing development	Leasehold for 99 years expiring in 2093	12,036,455	44,200,000	42,700,000	97.4
Equine PS	Pajak Negeri 8604, Lot 58745 (formerly HS(D) 108883, Lot PT 39625), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	6.1	Townhouse development	Leasehold for 99 years expiring in 2093	4,083,013	(300,000)	(300,000)	6.1
KTE	Pajak Negeri 7405, Lot 53392 (formerly IIS(D) 91568, Lot PT 27428), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	2.0	Commercial and mixed housing development	Leasehold for 99 years expiring in 2093	2,613,724	626,922 ⁽¹⁾	626,922 ⁽²⁾	2.0
PTE	Pajak Negeri 7402 and 7403, Lot 53389 and 53390 (formerly HS(D) 91565 and 91566, Lot PT 27425 and 27426), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	93.6	Commercial and mixed housing development	Leasehold for 99 years expiring in 2093	11,453,660	38,166,133 ⁽¹⁾	29,965,698 ⁽²⁾	136.7
TE Industrial	Pajak Negeri 7396, Lot 53382 (formerly HS(D) 91558, Lot PT 27418), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	48.5	Commercial and mixed housing development	Leasehold for 99 years expiring in 2093	10,050,656	43,400,000	43,400,000	48.5
TE Riding	Pajak Negeri 11292, Lot 64487 (formerly HS(D) 139265, Lot PT 49665), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	44.9	Bungalow plots	Leasehold for 99 years expiring in 2093	1,906,266	29,500,000	24,400,000	44.9

12. OTHER INFORMATION CONCERNING THE ECB GROUP (CONT'D)

Registered owner/ Beneficial owner	Lot no./Location	Approximate age of building (years)	Built-up area (000 sq. m)	Land area (acres)	Description of Property	Tenure (years)/ Expiry Date	Audited NBY as at 31 March 2003 RM	OMV as at 31 October 2001 RM	OMV approved by SC RM	Land area as at 31 October 2001 (acres)
TE	Pajakan Negeri 10321 to 10330, Lot 64488 to 64491 and 64493 to 64498 (formerly HS(D) 138918 to 138927, Lot PT 49054 to 49063), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	239.4	Commercial and mixed housing development	Leasehold for 99 years expiring in 2098	29,675,362	108,500,000	91,000,000	239.4
Equine PS	HS(D) 180264 and 180265, Lot PT 49449 and 49450; HS(D) 180277, Lot PT 49462; HS(D) 180281 and 180282, Lot PT 49466 and 49467; HS(D) 180286 to 180290, Lot PT 49471 to 49475; HS(D) 180293 and 180294, Lot PT 49478 and 49479; HS(D) 180296, Lot PT 49481; HS(D) 180298 and 180299, Lot PT 49483 and 49484; HS(D) 180313 to 180315, Lot PT 49498 to 49500; HS(D) 180318, Lot PT 49503; HS(D) 180321 and 180322, Lot PT 49506 and 49507; HS(D) 180325 to 180328, Lot PT 49510 to 49513; HS(D) 180330, Lot PT 49515; HS(D) 180332, Lot PT 49517; HS(D) 180334 to 180338, Lot PT 49519 to 49523; HS(D) 180340, Lot PT 49525; HS(D) 180345 to 180349, Lot PT 49530 to 49534; HS(D) 180351 and 180352, Lot PT 49536 and 49537, HS(D) 180355 to 180358, Lot PT 49540 to 49543; HS(D) 180360, Lot PT 49545; HS(D) 180362 to 180364, Lot PT 49547 to 49549; HS(D) 180381, Lot PT 49566; HS(D) 180396, Lot PT 49581; HS(D) 180408, Lot PT 49593; HS(D) 180417, Lot PT 49602; HS(D) 180419, Lot PT 49604; HS(D) 180428 and 180429, Lot PT 49613 and 49614; and HS(D) 180446, Lot PT 49631 (formerly Pajakan Negeri 7401, Lot 53388), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	16.5	56 bungalow plots	Leasehold for 99 years expiring in 2093	9,310,377	3,776,100 ⁽¹⁾	3,776,100 ⁽²⁾	67.5
TE Riding	Pajakan Negeri 11291, Lot 64486 (formerly HS(D) 139264, Lot PT 49664), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	-	-	26.1	89 bungalow plots	Leasehold for 99 years expiring in 2093	17,752,748	13,102,867 ⁽¹⁾	11,888,702 ⁽²⁾	53.4
Equine	37-16-1, Sri Penaga Condominium, Bukit Bandaraya, Kuala Lumpur	7	230	-	One (1) condominium unit	Freehold	705,269	N/A	N/A	N/A

12. OTHER INFORMATION CONCERNING THE ECB GROUP (CONT'D)

Registered owner/ Beneficial owner	Lot no./Location	Approximate age of building (years)	Built-up area (000 sq. m)	Land area (acres)	Description of Property	Tenure (years)/ Expiry Date	Audited NBV as at 31 March 2003 RM	OMV as at 31 October 2001 RM	OMV approved by SC RM	Land area as at 31 October 2001 (acres)
KTE	Pajakan Negeri 7405, Lot 53392 (formerly HS(D) 91568, Lot PT 27428), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	1	2,000	0.5	23 apartment units and two (2) 3-storey shop offices units	Leasehold for 99 years expiring in 2093	3,527,500	156,731 ⁽¹⁾	156,731 ⁽²⁾	48.7
PTE	Pajakan Negeri 7403, Lot 53390 (formerly HS(D) 91566, Lot PT 27426), Mukim Petaling, District of Petaling, Selangor Darul Ehsan	1	400	0.1	One (1) 2½-storey terrace house unit and two (2) 2-storey terrace house units	Leasehold for 99 years expiring in 2093	360,203	11,426 ⁽¹⁾	11,426 ⁽²⁾	69.1
KLJB	Lot 398 to 401, Section 57, Town of Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan - Geran 29364 to 29367	28	5,128	0.1	A 13-storey office building	Freehold	18,009,000	18,510,000 ⁽³⁾	(5)	0.1
STS	HS(M) 12686 to 12726, Lot PT 4043 to 4083; HS(M) 33204 to 33230, Lot PT 4084 to 4110 (formerly IIS(M) 12727 to 12753); and HS(M) 12754 to 12813, Lot PT 4111 to 4170, Mukim Ampang, District of Ulu Langat, Selangor Darul Ehsan	-	-	4.2	Mixed development land	Leasehold for 99 years expiring in 2083	8,610,383	8,600,000 ⁽⁴⁾	(5)	4.2
	HS(M) 8124, Lot PT 16771; HS(M) 8125 to 8135, Lot PT 16773 to 16783; HS(M) 8147 to 8193, Lot PT 16795 to 16841; HS(M) 8203 to 8212, Lot PT 16852 to 16861; HS(M) 8214, Lot PT 16863; HS(M) 8215, Lot PT 16867; HS(M) 8349, Lot PT 17002; HS(M) 8362, Lot PT 17015; and HS(M) 29350, Lot PT 29673, Mukim Ampang, District of Ulu Langat, Selangor Darul Ehsan ("STS Land")	-	-	7.4	Mixed development land	Leasehold for 99 years expiring in 2091	5,015,960	5,000,000 ⁽⁴⁾	(5)	7.4
				<u>586.8</u>			<u>135,110,576</u>	<u>313,250,179</u>	<u>247,625,579</u>	

12. OTHER INFORMATION CONCERNING THE ECB GROUP (CONT'D)**Notes:**

N/A Not applicable.

(1) Calculated based on the proportion of the remaining unsold land against the OMV of the land as at 31 October 2001.

(2) Calculated based on the proportion of the remaining unsold land against the OMV approved by the SC.

(3) OMV as at 9 August 2000.

(4) OMV as at 14 August 2000.

(5) In view that these properties are from the former KLH Group and acquired by ECB on the basis of net book value, hence no valuation was carried out by SC.

Save for the following, the abovementioned landed properties are charged to certain financial institutions:

- (i) Pajakan Negeri 7397, Lot 53383 (formerly HS(D) 91559, Lot PT 27419), Mukim Petaling, District of Petaling, Selangor Darul Ehsan of Equine;
- (ii) Pajakan Negeri 11291, Lot 64486 (formerly HS(D) 139264, Lot PT 496664), Mukim Petaling, District of Petaling, Selangor Darul Ehsan of TE Riding; and
- (iii) HS(M) 12686 to 12726, Lot PT 4043 to PT 4083; HS(M) 33204 to 33230, Lot PT 4084 to PT 4110 (formerly HS(M) 12727 to 12753), Mukim Ampang, District of Ulu Langat, Selangor Darul Ehsan and STS Land of STS.

All buildings have been issued with certificates of fitness. Save and except for the restriction in interest on the land title involved which require the prior consent of the relevant state authorities for the transfer, charge or lease of the said properties, the Directors of ECB are unaware of any restriction in interest for the abovementioned properties.

None of the abovementioned landed properties has been acquired during the two (2) years preceding 31 October 2001, the date of valuation of the abovementioned landed properties.

13. MORATORIUM ON THE SALE OF ECB SHARES

The Rights Issue and Offer for Sale made under the terms of this Prospectus had been approved by the SC on 20 September 2002 and 5 May 2003. In conjunction with the admission of ECB to the Official List of the Main Board of the KLSE, the following shareholders of ECB have agreed to a moratorium on the disposal of their shares imposed by the SC.

Thus, the following shareholders of ECB will not be allowed to sell, transfer or assign their shares in ECB as tabulated in column III below within one (1) year from the date of admission of ECB to the Official List of the Main Board of the KLSE. Thereafter, they are permitted to sell, transfer or assign only up to a maximum of one-third (1/3) per annum (on a straight line basis) of their respective shareholdings in ECB which are subject to moratorium. Such permission to sell will be cumulative so that the restriction on sale shall cease to apply after the fourth (4th) anniversary from the date of listing of ECB on the Main Board of the KLSE.

Name of shareholder	I	II	III	IV
	No. of ECB Shares after the Rights Issue and Offer for Sale	% of the enlarged issued and paid-up share capital ⁽¹⁾	No. of ECB Shares under moratorium	% of the enlarged issued and paid up share capital ⁽¹⁾
IM	32,087,260	21.40	32,087,260	21.40
AR	10,088,860	6.73	10,088,860	6.73
Nikmat Tiasa Sdn Bhd	5,044,430	3.37	5,044,430	3.37
Dato' Lai Lok Kun	64,316	0.04	32,158	0.02
Mei Shouting	94,584	0.06	47,292	0.03
	47,379,450	31.60	47,300,000	31.55

Note:

⁽¹⁾ Assuming full subscription of the Rights Issue

The restriction, which is fully accepted by the aforesaid shareholders, is specifically endorsed on the share certificates representing the shareholding of the aforesaid shareholders which are under moratorium to ensure that the Company's Registrar does not register any transfer not in compliance with the restriction imposed by the SC.

The remarks to be endorsed on these share certificates are as follows:

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the SC ("Moratorium Period"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate unless the same shall be endorsed with this restriction."

In the case where the affected shareholder is a private holding company, every shareholder of the private holding company (if an individual) or ultimate individual shareholders (if the shareholder of the private holding company is another holding company) is required to, pursuant to Section 12.09 of the SC Guidelines, give an undertaking that he will not sell, transfer or assign his shareholding in the related private holding company for the Moratorium Period imposed by the SC on the sale of shares in ECB. Accordingly, the aforesaid shareholders whose shares are under moratorium had, on via their respective undertaking letters, given their respective undertaking to the SC that they will not sell, transfer or assign their respective shareholdings during the Moratorium Period.