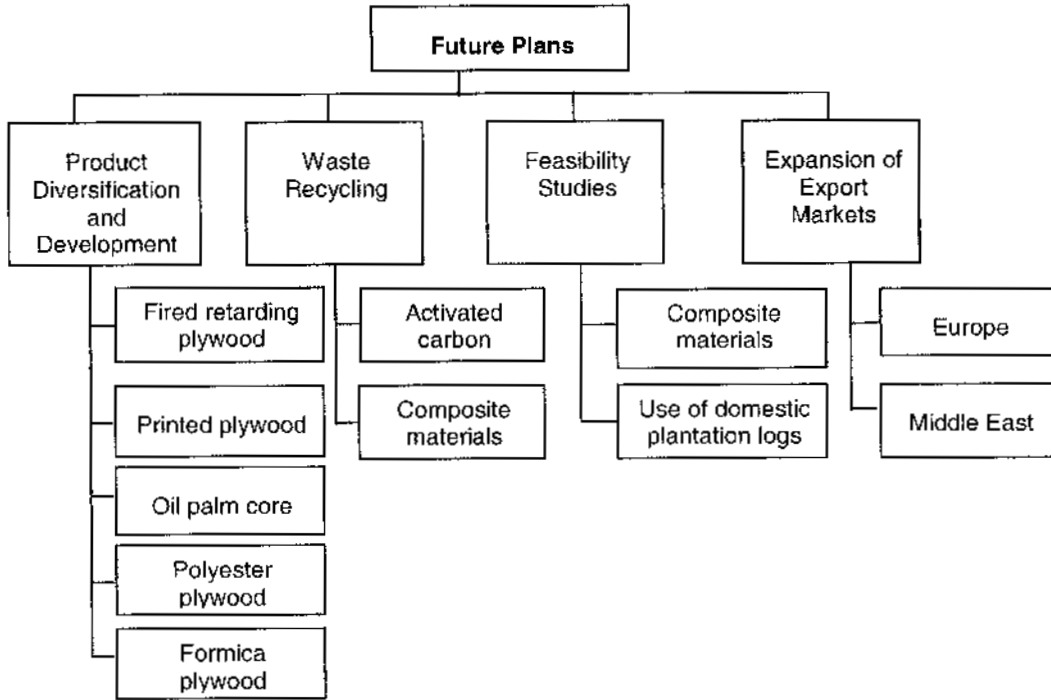


6. FUTURE PLANS AND STRATEGIES

6.1 Future Plans

Cymao's future plans will focus on the four (4) key areas depicted below:



Cymao aims to use its skills in R&D to create competitive advantages and to move away from being a commodity plywood manufacturer. The R&D will provide the basis for Cymao to value add on its current products to create new and innovative products.

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## 6. FUTURE PLANS AND STRATEGIES (Cont'd)

### 6.1.1 Product Diversification and Developments

The Company invests heavily in R&D because its future development rests on the concept of the evolution of plywood into performance panels. These performance panels include:

- (i) Chemically-altered performance panels, which have:
  - (a) Corrosion resistant surface coating;
  - (b) Fire retarding properties; and
  - (c) Plasticised wood fibre, i.e. wood fibre that has plastic-like properties.
- (ii) Mechanically-structured performance panels, meaning eventually Cymao will have the ability to physically change:
  - (a) the flexibility of wood/panels; and
  - (b) the compression resistance of panels.

Cymao also intends to make hybrid performance panels which are both chemically and mechanically altered.

Examples of the above performance panels include these new products to be launched:

| New Products   | Applications   | Benefits   | Status   |
|--|--|--|--|
| Fire-retarding plywood (Retardation of the spread of fire) | Doors,<br>Walls and partitions<br>Furniture in public areas<br>Mass transportation equipment and vehicle | <ul style="list-style-type: none"> <li>▪ New business segment</li> <li>▪ Premium pricing (estimated at five (5) times that of conventional plywood)</li> </ul>                       | Expected to launch product on the market by 2005.        |
| Printed plywood  | Outdoor advertising panels   | <ul style="list-style-type: none"> <li>▪ Direct printing using laser printers</li> <li>▪ Cost reduction</li> <li>▪ Elimination of process to save time</li> </ul>                    | Expected to launch product on the market by 2005.        |
| Oil palm core (use of oil palm trunk for the centre ply)   | Low grade plywood  | <ul style="list-style-type: none"> <li>▪ Cost reduction of raw materials</li> <li>▪ Competitive pricing of plywood</li> <li>▪ Plentiful and cheap supply of raw materials</li> </ul> | Working on logistics feasibility to be launched in 2006. |
| Polyester Plywood (Scratch resistant)                      | Furniture<br>Fixture<br>Interior   | <ul style="list-style-type: none"> <li>▪ New business segment</li> <li>▪ Premium pricing</li> </ul>  | Expected to launch product on the market by 2006.        |

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## 6. FUTURE PLANS AND STRATEGIES (Cont'd)

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|   |   |   |  |
|---|---|---|--|
| <p>Formica plywood (The manufacturing process is very similar to manufacturing of decorative plywood. The main difference is that a layer of formica is glued to the plywood instead of a layer of special wood veneer)</p> | <p>Main applications are in various types of furniture including, among others, kitchen cabinets and tops, vanity tables, wardrobe, tables and shelves.</p> | <ul style="list-style-type: none"> <li>▪ Durable in being water proof and highly scratch resistant.</li> <li>▪ Comes in many colours to suit consumer preferences.</li> </ul> | <p>Expected to launch product on the market by 2007.</p> |
|---|---|---|--|

### 6.1.2 Waste Recycling

As waste is a major cost factor, Cymao is constantly looking at ways to either minimise or recycle waste. Cymao's ability to minimise or recycle waste would provide it with a significant cost advantage as most other plywood manufacturers are currently only disposing of the waste either as land fill or burned as fuel.

Some examples of Cymao's waste recycling efforts are:

(i) Activated Carbon

The leftover core, which represents a large bulk of the waste can be converted to activated carbon. Activated carbon, very much like charcoal, is used in filtration system especially for water filtration. This is because of its high adhesive properties, which enables it to trap significant amount of unwanted particles to ensure that the liquid passing through it, is free from particulates or sediments. The main difference between activated carbon and charcoal is the degrees of oxygen deprivation during the combustion process. This product is expected to be launched in 2007.

(ii) Composite materials

Cymao reuses wood waste to turn its waste products into income-generating products. When wood waste is combined with resin, it becomes a composite material that is suitable for use as disposables in construction, temporary flooring and as packaging material. This product is expected to be launched in 2006.

### 6.1.3 Feasibility Studies

As part of its R&D effort, Cymao has begun feasibility studies on the commercialising of the following:

- (i) composite materials; and
- (ii) plantation logs, such as oil palm trunks.

### 6.1.4 Expansion of Export Markets

As part of its expansion plans, Cymao will make efforts to enhance its presence in Europe and the Middle East. The plans are scheduled to commence in 2004.

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## 6. FUTURE PLANS AND STRATEGIES (Cont'd)

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### 6.2 Strategies

Some of the key competitive advantages of Cymao include:

- (i) High quality of products and services to ensure customer satisfaction. Due to its high quality control, Cymao is able to provide specialty plywood for the manufacture of musical instrument, namely, drum-sets and a small amount for guitar and violin back;
- (ii) High value adding especially through its many specialty plywood products that are able to meet customers' needs. For example, as components in musical instruments such as drum panels;
- (iii) In-house R&D as well as laboratory testing facilities to ensure products are designed and manufactured to customers' exact specifications. For example, testing the wear and tear, corrosion, coatings and pigmentation of the plywood for proper application. This capability helps Cymao to differentiate itself from mass manufacturing plywood as a commodity; and
- (iv) One-stop plywood manufacturing centre whereby customers can purchase most of their plywood requirements through Cymao. This mainly due to the comprehensive range of plywood products that Cymao manufactures including veneer, conventional plywood, decorative plywood and specialty plywood.

Cymao's strategy is to enhance on the above competitive advantage with a focus on:

- (i) Looking for upstream opportunities, such as logging concessions to ensure a steady supply of logs, its main raw material;
- (ii) Continuous quality improvement and value adding to its plywood products, through R&D; and
- (iii) Improving its product range and marketing reach to enhance its portfolio as a one-stop plywood manufacturing centre.

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## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

The Group is led by strong and committed Promoters, Substantial Shareholders, Directors and Key Management with extensive experience in the timber industry.

### 7.1 Information on Promoters and Substantial Shareholders

#### 7.1.1 Shareholdings of Promoters and Substantial Shareholders in Cymao

As at 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus), the promoters and the substantial shareholders of the Cymao Group and their shareholdings in Cymao before and after the Public Issue are as follows:

|                                  | <-----Before Public Issue----->        |       |  |       | <-----After Public Issue----->         |       |  |       |
|----------------------------------|--|-------|--|-------|--|-------|--|-------|
|                                  | <-----Direct----->                     |       | <-----Indirect----->                   |       | <-----Direct----->                     |       | <-----Indirect----->                   |       |
|                                  | No. of<br>Cymao<br>Shares held<br>'000 | %     | No. of<br>Cymao<br>Shares held<br>'000 | %     | No. of<br>Cymao<br>Shares held<br>'000 | %     | No. of<br>Cymao<br>Shares held<br>'000 | %     |
| <b>Promoters</b>                 |  |       |  |       |  |       |  |       |
| Lin Tsai-Rong                    | 16,830                                 | 33.00 | -                                      | -     | *16,880                                | 28.13 | -                                      | -     |
| Tsay Chung-Wen                   | 6,600                                  | 12.94 | -                                      | -     | 6,600                                  | 11.00 | -                                      | -     |
| Hsu How-Tong                     | 4,950                                  | 9.71  | -                                      | -     | 4,950                                  | 8.25  | -                                      | -     |
| Chang Huei-May                   | 2,640                                  | 5.18  | -                                      | -     | 2,640                                  | 4.40  | -                                      | -     |
| <b>Substantial shareholders</b>  |  |       |  |       |  |       |  |       |
| Mendu                            | 6,000                                  | 11.76 | -                                      | -     | 6,000                                  | 10.00 | -                                      | -     |
| Forum Timber                     | 6,000                                  | 11.76 | -                                      | -     | 6,000                                  | 10.00 | -                                      | -     |
| Norajelan bin Ma'amor            | -                                      | -     | ^6,000                                 | 11.76 | -                                      | -     | ^6,000                                 | 10.00 |
| Rohaida binti Ahmad              | -                                      | -     | ^6,000                                 | 11.76 | -                                      | -     | ^6,000                                 | 10.00 |
| Baharuddin bin Mohd Yunus        | -                                      | -     | ^6,000                                 | 11.76 | -                                      | -     | ^6,000                                 | 10.00 |
| Mohamad Azman bin Mohamad Arshad | -                                      | -     | ^6,000                                 | 11.76 | -                                      | -     | ^6,000                                 | 10.00 |

**Notes:**

- \* Inclusive of 50,000 Cymao Shares to be allotted under the Pink Form allocation.
- ^ Indirect interest through his/her shareholding in Mendu.
- > Indirect interest through his shareholding in Forum Timber.

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**7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**


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**7.1.2 Information on Mendu and Forum Timber**
**Mendu**

Mendu was incorporated in Malaysia on 18 March 1989 as a private limited company under the Act. The authorised share capital of Mendu is RM25,000 comprising 25,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and fully paid-up.

The principal activity of the company is investment holding.

The shareholdings of the directors and the substantial shareholders of Mendu are as follows:

| Directors/Shareholders | <-----Direct-----> |      | <-----Indirect-----> |   |
|------------------------|--------------------|------|----------------------|---|
|                        | No. of shares      | %    | No. of shares        | % |
| Norajelan bin Ma'amor  | 1                  | 50.0 | -                    | - |
| Rohaida binti Ahmad    | 1                  | 50.0 | -                    | - |

**Information on the Directors and Substantial Shareholders of Mendu**

**Norajelan bin Ma'amor**, a Malaysian, aged 50, is a Director and substantial shareholder of Mendu. He completed the Malaysian Certificate of Education in 1970. He has 26 years of working experience in banking, starting as a teller in 1973 with United Malayan Banking Corporation Berhad. He assumed managerial duties internal auditing, branch operations and administrations in 1987. He spent the last 12 years of his banking career managing particularly the bank's Kota Kinabalu and Tawau branches in Sabah. In 1999, he opted for early retirement under the voluntary separation scheme. He currently works as a financial planning advisor (ranking agency supervisor) for Public Mutual Berhad.

**Rohaida Binti Ahmad**, a Malaysian, aged 44, is a Director and substantial shareholder of Mendu. She completed her schooling with a Sijil Pelajaran Malaysia. She worked as a technician in Pemas-NEC Telecommunications Sdn Bhd from 1980 to 1987. She is now a full-time homemaker.

**Forum Timber**

Forum Timber was incorporated in Malaysia on 18 August 1997 as a private limited company under the Act. The authorised share capital of Forum Timber is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and fully paid-up.

The principal activity of the company is investment holding.

## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

The shareholdings of the directors and the substantial shareholders of Forum Timber are as follows:

| Directors/Shareholders           | <-----Direct-----> |      | <-----Indirect-----> |   |
|----------------------------------|--------------------|------|----------------------|---|
|                                  | No. of shares      | %    | No. of shares        | % |
| Baharudin bin Mohd Yunus         | 1                  | 50.0 | -                    | - |
| Mohamad Azman bin Mohamad Arshad | 1                  | 50.0 | -                    | - |

### Information on the Directors and Substantial Shareholders of Forum Timber

**Baharudin bin Mohd Yunus**, a Malaysian, aged 45, is a Director and substantial shareholder of Forum Timber. He completed the Malaysian Certificate of Education at Abu Bakar School, Temerloh, Pahang Darul Makmur. He served as a clerk in Syarikat Perakayuan Temerloh from 1978 to 1979. From 1979 to 1983, he served as a field conductor in Syarikat Ladang LKPP Sdn Bhd. He later served in Austral Enterprise Sdn Bhd as a senior field conductor from 1983 to 1989. He worked as a full time businessman from 1990 to 2001. He has comprehensive knowledge on corporate and business strategy and the indepth experience in logging and wood based business activities.

**Mohamad Azman bin Mohd Arshad**, a Malaysian, aged 41, is a Director and substantial shareholder of Forum Timber. He completed his secondary school education at Sekolah Menengah Teknik, Temerloh, Pahang Darul makmur. He worked as a Mechanical Apprentice from 1981 to 1987 in Syarikat Pemiagaan Permodalan Industri Kampong Sdn Bhd, a subsidiary company of Majlis Amanah Rakyat (MARA). He then served Kian Joo Cane Factory Berhad as a mill supervisor from 1988 to 1990. From 1991 to 2001, he worked in Syarikat Ramlah Construction as project manager with the responsibilities of overseeing the project management, contract pricing and procedures that are mostly involved in government projects. With his indepth knowledge on corporate and business management, he is well experienced in dealing with the proccdures and government contracts.

### 7.1.3 Experience in the Timber Industry

Certain promoters and substantial shareholders of Cymao, namely Lin Tsai-Rong, Hsu How-Tong and Tsay Chung-Wen each have between 30-40 years of experience in the timber industry. The said persons were originally from CPLC and Sunrise Plywood Corporation in Taiwan. The majority of Cymao's key management personnel are very experienced in the timber industry, avcraging seven (7) years each.

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**7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

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**7.1.4 Directorships and Substantial Shareholdings in Other Public Corporation for the Past Two (2) Years**

None of the promoters, substantial shareholders or directors of Cymao have any directorships and/or major shareholdings (holding five percent (5%) shareholding or more) in other public corporations for the two (2) years prior to 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus).

**7.1.5 Changes in substantial shareholders and Promoters and their Shareholdings for the Past Three (3) Years**

Cymao was incorporated to facilitate the listing of CPSB on the Main Board of MSEB. The changes in the shareholdings of the substantial shareholders and promoters of Cymao are as a result of the Acquisition and the Public Issue and these have been described in Section 5.3 above.

**7.1.6 Promoters' Profiles**

**Lin Tsai-Rong**, a Taiwanese, aged 67, is the Managing Director of Cymao, having been appointed to the Board on 13 November 2003. He is also Managing Director of CPSB. He obtained a Bachelor of Science majoring in Plant Pathology from National Chong Hsien University, Taiwan in 1958. He started his career in wood-based industries 40 years ago with CPLC. From 1962 to 1989, he worked his way up from being the Production Line Foreman, Supervisor, Section Chief, Production Manager, Factory Manager, Director of R&D to Vice President of CPLC. He has in-depth and comprehensive knowledge of running an efficient and innovative wood-based company. In 1991, he founded CPSB and built the company into what it is today. Being the Managing Director of CPSB, he commands very strong and loyal support from the production workforce necessary to ensure the success of the business.

**Tsay Chung-Wen**, a Taiwanese, aged 75, is an Executive Director of CPSB. He is a graduate of National Chia Yi Agriculture College, Taiwan. He joined Formosa Plastic Group in 1955 as an Administrative Manager for the said group. From 1962 to 1984, he served as Director and President of CPLC and Sunrise Plywood Corporation. From 1984 to 1990, he became the Chairman of CPLC and from 1984 to 1999, he became Chairman of Sunrise Plywood Corporation. He joined CPSB in 1991 as Director. He was also Chairman of Taiwan Plywood Manufacturing and Export Association from 1978 to 1985. He has extensive expertise in corporate management and strategy.

**Hsu How-Tong**, a Taiwanese, aged 64, is a Non-Independent Non-Executive Director of Cymao, having been appointed to the Board on 13 November 2003. He is also a Non-Independent Non-Executive Director of CPSB. He graduated from Chen Chuz University, Taiwan with an Accounting degree in 1964. He joined Sunrise Plywood Corporation in 1969 as an Accountant and was subsequently promoted to Accounting Manager in 1974. In 1979, he became an Administrative Officer and in 1985 he was promoted to head Sunrise Plywood Corporation's furniture division as well as the Factory Manager. From 1992 to 1999, he served as the Vice President of Sunrise Plywood Corporation and was subsequently promoted to President. He joined CPSB in 1991 as a Director. He has accumulated 32 years of experience in the wood-based industry. His extensive experience and knowledge have made him an expert in areas of accounting, finance, furniture manufacturing and sales.

**Chang Huei-May**, a Taiwanese, aged 31, graduated from San His High School of Commerce and Home Economics in Kaoshiung, Taiwan with a Diploma in International Trading. She was an accountant with Kung-Juan Enterprise Co. Ltd from 1998 to 2002.



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**7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

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**7.2 Information on Directors****7.2.1 Directors' Profiles**

The profile of Lin Tsai-Rong is provided in Section 7.1.6. The profiles of the other directors of Cymao are as follows:

**Datuk Mohd Zain bin Omar**, a Malaysian, aged 61, is the Chairman and Independent Non-Executive Director, having been appointed to the Board on 13 November 2003. He graduated from Maktab Latihan Harian, Pulau Pinang and began his career as a teacher from 1963 to 1982. Subsequently, he entered politics and became a Member of State Assembly for the Constituency of Bayan Lepas and State Executive Committee as well as Chairman of Cultural, Youth and Sports Committee from 1982 to 1986. From 1986 to 1990, he became a Member of State Assembly for the Constituency of Teluk Kumbar and State Executive Committee as well as Chairman of Infrastructure Committee. From 1990 to 1995, he served as a Member of State Assembly for the Constituency of Teluk Kumbar for the second term as well as Chairman of Audit Committee of the State of Pulau Pinang. At present, he is a Member of Parliament for the Constituency of Balik Pulau. He has been a member of the Board of Directors of Lembaga Tabung Haji Malaysia since 2002.

**Lin Kai-Min**, a Taiwanese, aged 33, is the Executive Director, having been appointed to the Board on 13 November 2003. He is also an Executive Director of CPSB. He graduated from Fu-Jen University, Taiwan with a Bachelor of Science majoring in Accounting in 1993. He joined CPSB in 1994 as a Production Line Foreman and was given extensive production training. He became the Log Purchasing Manager from 1997 to 1998 in CPSB and subsequently headed its Finance Department. Armed with extensive training and experience from all aspects of production, raw materials and accounting, he is now heading the Marketing Department of CPSB.

**Lin Hsu, Li-Chu**, a Taiwanese, aged 60, is a Non-Independent Non-Executive Director, having been appointed to the Board on 13 November 2003. She was a teacher at National His-Chih Primary School from 1960 to 1981 after earning her Diploma in Education from National Taipei Teachers' College in 1961.

**Lin Kai-Hsuan**, a Taiwanese, aged 35, is an Executive Director, having been appointed to the Board on 13 November 2003. He graduated from University of California Los Angeles, USA with a Bachelor of Science in Applied Mathematics and a minor in Economics in 1991. He subsequently obtained a Master of Science in Forest Science with emphasis in Expert System from A & M University, Texas, USA 1993. He joined CPSB in 1994 as the Quality Controller, then took on the job of R&D Coordinator in 1997 and was involved in setting up the Technical Support Department, Material Handling Vehicle Management System, Operator Selection and Training System and Process Improvement Committee in 1999. He was promoted to Factory Manager of CPSB in 2000 and to Vice President in 2001.

**Hiew Seng**, a Malaysian, aged 52, is an Independent Non-Executive Director, having been appointed to the Board on 25 February 2004. He is a Chartered Accountant by training. He is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. Presently he is the Principal in Charge of the Kajang Branch Office of Messrs. S K Hiew & Associates, Chartered Accountants. He began his accountancy training as an articled clerk in 1974 with a firm of Chartered Accountants in London, United Kingdom. Upon his qualification as a Chartered Accountant, he joined an international accounting firm in Kuala Lumpur as a qualified assistant, from 1980 to 1982.

## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

He then joined The New Straits Times Press (Malaysia) Berhad as Internal Auditor heading the Internal Audit Department for 5 ½ years. He was promoted to Manager, Organisation & Method, a department created to conduct efficiency and productivity study during the economic crisis in 1986. He held the position for 3 years after which he joined an advertisement production house as a finance consultant for four (4) years. He joined Messrs. S K Hiew & Associates in 1996, where he became the Principal in charge of the Kajang Branch of the firm. He also sits on the Boards of several private companies."

### 7.2.2 Directors' Shareholding in Cymao

The direct and indirect equity interests of the Directors in the Company before and after the Public Issue based on the Register of Director's Shareholdings as at 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus) are set out below:

| Director                 | <-----Before Public Issue----->   |       |                                   |   | <-----After Public Issue----->    |       |                                   |   |
|--------------------------|-----------------------------------|-------|-----------------------------------|---|-----------------------------------|-------|-----------------------------------|---|
|                          | <-----Direct----->                |       | <-----Indirect----->              |   | <-----Direct----->                |       | <-----Indirect----->              |   |
|                          | No. of<br>Cymao<br>Shares<br>'000 | %     | No. of<br>Cymao<br>Shares<br>'000 | % | No. of<br>Cymao<br>Shares<br>'000 | %     | No. of<br>Cymao<br>Shares<br>'000 | % |
| Datuk Mohd Zain bin Omar | 1,050                             | 2.06  | -                                 | - | *1,100                            | 1.83  | -                                 | - |
| Lin Tsai-Rong            | 16,830                            | 33.00 | -                                 | - | *16,880                           | 28.13 | -                                 | - |
| Lin Hsu, Li-Chu          | -                                 | -     | -                                 | - | ^50                               | 0.08  | -                                 | - |
| Lin Kai-Min              | -                                 | -     | -                                 | - | ^50                               | 0.08  | -                                 | - |
| Lin Kai-Hsuan            | -                                 | -     | -                                 | - | ^50                               | 0.08  | -                                 | - |
| Hiew Seng                | -                                 | -     | -                                 | - | ^50                               | 0.08  | -                                 | - |

Notes:

\* Inclusive of 50,000 Cymao Shares to be allotted under the Pink Form allocation.

^ Represents the 50,000 Cymao Shares to be allotted under the Pink Form allocation.

### 7.3 Directors' Remuneration and Benefits

For the estimate financial year ended 31 December 2003, the remuneration paid to the Directors of Cymao for services in all capacities to the Cymao Group was RM171,000. For the forecast financial year ending 31 December 2004, the amount payable to the Directors of the Cymao Group is approximately RM1,512,000. The details of the aggregate remuneration are as follows:

| RM                | <----- No. of Directors -----> |                              |
|-------------------|--------------------------------|------------------------------|
|                   | Year ended 31 December 2003    | Year ending 31 December 2004 |
| 0 - 100,000       | 8                              | 3                            |
| 100,000 - 200,000 | 1                              | 0                            |
| Above 200,000     | 0                              | 3                            |

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**7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**


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Lin Tsai Rong, the Managing Director of Cymao, will be paid RM576,000 per annum comprising fixed salary, allowance and directors fee pursuant to a service contract between him and Cymao dated 14 November 2003. The salient terms of Lin Tsai Rong's service contract is set out in Section 7.9 herein.

**7.4 Audit Committee**

The composition of the Audit Committee is as follows:

| <b>Name</b>              | <b>Designation</b> | <b>Directorship</b>                |
|--------------------------|--------------------|------------------------------------|
| Hiew Seng                | Chairman           | Independent Non-Executive Director |
| Datuk Mohd Zain bin Omar | Chairman           | Independent Non-Executive Director |
| Lin Kai-Min              | Member             | Executive Director                 |

**7.5 Key Management**
**7.5.1 Key Management's Profile**

The Board of Directors of the Cymao Group is assisted by an experienced and qualified key management team, whose profiles are as follows:

**Sarilda Chin Set Len**, a Malaysian, aged 41, is the Office Manager of CPSB. She graduated in 1987 from University of Saskatchewan, Canada and holds a Bachelor of Arts majoring in Economics. She joined Ernst & Young, Sandakan, Sabah, a public accounting firm, in 1988 and was made Senior Audit Assistant before she left and joined CPSB in June 1991. She assisted in production operations and resigned in 1996. Subsequently, she joined Teck Guan Trading Sdn Bhd as Administrative Executive in 1999. In 2000, she rejoined CPSB as Office Manager and head of the Purchasing Department.

**Chow Chung Kong**, a Malaysian, aged 56, is the Personnel Manager of CPSB. He completed a diploma in accounting in 1967 from Hong Kong Institute of Commerce. He began his career with Kwong Fui Loong Sdn Bhd as an Assistant Accountant. After twelve (12) years of service as an Assistant Accountant, he started his own logging contracting company in 1978. In 1992, he joined CPSB as a Human Resource and Security Manager, and currently is in charge of human resource management, plant safety and security and public relations for the company.

**Liu Feng Fa**, a Taiwanese, aged 51, is the Engineering Department Manager of CPSB. He graduated in 1973 with Bachelor of Science major in Electrical Engineering from Ming Chi Institute of Technology, Taiwan. He joined CPLC's sister company, Sunrise Plywood Corporation, Taiwan in 1978 as an Electrical Engineer. In 1990, he went to Tai Yuen Electric, Taiwan and headed the R&D Division. He was later transferred to head the Electrical Division. In 1994, he joined CPSB's Engineering Department as Chief Engineer and Manager.

**Leonardo Lopez Jr**, a Malaysian, aged 38, is the Production Coordinator of CPSB. He joined CPSB in 1992. He has work experience in several industries such as construction, shoe manufacturing and insurance before joining CPSB. He is responsible for coordinating the main divisions in CPSB, namely the marketing, production scheduling, shipping and raw materials division and ensuring communication and teamwork between these divisions.

## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

**Ameet Wong Lirn Yueh**, a Malaysian, aged 28, is the Quality Assurance Manager of CPSB. He obtained a Bachelor of Science Honours majoring in Electronic and Electrical Engineering from University of Greenwich, United Kingdom. He joined CPSB in 1997 as the Quality Controller, and was subsequently promoted as Head of Department of Quality Assurance. He was also trained as an assistant to R&D Coordinator and also heads the Technical Support Department, Material Handling Vehicle Management System and sits on the Process Improvement Committee.

**Lee Chia Hui**, a Taiwanese, aged 50, is the Decorative Plywood Production Manager. He graduated from Dong Se High School in Taiwan. After graduation, he went to Technical Training Centre in Tai San, Taiwan for training as a Lathe Machine Operator. He joined CPLC in 1977 in pre-finishing department then went through training in log handling, cross cutting, supply, artificial log, flooring uv coating, technical support and logistics, warehousing and material storage. In 1992, he joined CPSB as Technical Support, Logistic and Warehousing Supervisor. Currently, he serves as Decorative Plywood Production Manager.

**Wu Chung Shun**, a Taiwanese, aged 56, is the Accounting Manager. He graduated from Taipei Institute of Commerce with a degree in Accounting in 1970. In 1973, he joined Formosa Plastic Group's accounting department as head of department and in 1979 was transferred to Cyma Plywood & Lumber Co. Ltd, a subsidiary of CPLC to head the accounting department. In 1993, he was promoted to Vice President of Cyma Furniture System Co. Ltd, another subsidiary of Formosa Plastic Group. He joined CPSB in 2003 as Accounting Manager.

### 7.5.2 Key Management's Shareholding in Cymao

Save for the share allocation to employees pursuant to the Public Issue, none of the key management holds any shares in Cymao after the Public Issue except for the following:

| Key management's name | <-----No. of Cymao Shares held after Public Issue-----> |      |                    |   |
|-----------------------|---|------|--------------------|---|
|                       | Direct  |      | Indirect           |   |
|                       | No of Cymao Shares                                      | %    | No of Cymao Shares | % |
| Sarilda Chin Set Len  | 10,000  | 0.01 | -                  | - |
| Chow Chung Kong       | 10,000  | 0.01 | -                  | - |
| Liu Feng Fa           | 10,000  | 0.01 | -                  | - |
| Leonardo Lopez Jr     | 10,000  | 0.01 | -                  | - |
| Ameet Wong Lirn Yueh  | 10,000  | 0.01 | -                  | - |
| Lee Chia Hui          | 10,000  | 0.01 | -                  | - |
| Wu Chung Shun         | 10,000  | 0.01 | -                  | - |

### 7.6 Family Relationships and Associations

Save as disclosed below, there are no family relationships among the substantial shareholders, Promoters, directors and key management of Cymao:

Lin Tsai-Rong is the father of Lin Kai-Hsuan and Lin Kai-Min. Hsu How-Tong is the brother-in-law of Lin Tsai-Rong. Lin Hsu, Li-Chu is the wife of Lin Tsai-Rong.

Norajelan bin Ma'amor and Rohaida binti Ahmad are husband and wife.

## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 7.7 Involvement in Other Businesses

Save as disclosed below, none of the directors or key management has any involvement in other businesses/corporations:

| Director /               | Other Occupation/<br>Business Interest | Principal activities                            | Designation and level of<br>involvement |
|--------------------------|--|---|---|
| Datuk Mohd Zain bin Omar | TechWare Sdn Bhd                       | Construction                                    | Chairman,<br>Minimal participation      |
|                          | Seal Incorporated Bhd                  | Property and<br>construction                    | Chairman,<br>Minimal participation      |
|                          | Lembaga Tabung Haji                    | Pilgrim management<br>and investment<br>holding | Director<br>Minimal participation       |
|                          | TH Plantation Sdn Bhd                  | Plantation                                      | Chairman,<br>Minimal participation      |
| Hiew Seng                | SK Hiew Tax Services<br>Sdn Bhd        | Tax Consultancy                                 | Executive Director,<br>Full time        |
|                          | Farmasi Maxim<br>Sdn bhd               | Dormant   | Director                                |
|                          | SK Hiew Consultants<br>Sdn Bhd         | Management and<br>Consultancy<br>Services       | Director,<br>Minimal participation      |
|                          | KTC Profesional<br>Sdn Bhd             | Dormant   | Director                                |

### 7.8 Directors' and Key Management's Declarations

None of the Directors or key management of Cymao has been involved in the following events (whether in or outside Malaysia):

- (i) petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she was a partner or any corporation of which he/she was a Director or key personnel;
- (ii) he/she was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) he/she was the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

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**7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

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**7.9 Service Contracts**

On 10 November 2003, two (2) of the directors of Cymao, namely, Lin Kai-Min and Lin Kai-Hsuan, entered into service contracts with Cymao. Subsequently, on 14 November 2003, three (3) other directors of Cymao, namely, Datuk Mohd Zain Bin Omar, Lin Tsai-Rong and Lin Hsu, Li-Chu, entered into service contracts with Cymao. In addition, on 25 February 2004, Hiew Seng, a director of Cymao, entered into a service contract with Cymao.

Further, on 10 November 2003, three (3) foreign employees of the Cymao Group, namely Liu Feng Fa, Lee Chia Hui and Wu Chung Sun entered into service contracts with Cymao.

The salient terms of the service contracts are set out below.

***Datuk Mohd Zain bin Omar***

- His appointment will commence on 14 November 2003 and will continue for a period of four (4) years, subject to earlier termination if he is not re-elected when required to retire by rotation under the Articles of Association of the Cymao. At the end of the period, his directorship may be renewed for a further period if both he and the Board of Directors agree.
- During his appointment as a non-executive director of the Company he shall not accept any appointment (whether as a partner, director, employee, secondee, consultant or agent) of any person, company or firm engaged in a business competing with or similar to that of the Company or the group of companies of which it is the holding company.

***Lin Tsai-Rong***

- His appointment as an Managing Director commences on 1 January 2004 and shall cease on the date of termination of the agreement.
- His appointment shall not be terminated nor shall he be removed from his appointment at any time by the Company, unless the Company gives him prior written notice of not less than twelve (12) months or if he is not re-elected when required to retire by rotation under the Company's Articles of Association. He shall be entitled to resign as executive director or terminate the agreement by giving three (3) months prior written notice to the Company. His appointment can also be terminated by the Company by giving three (3) months if he commits breaches as stipulated in the agreement.

***Lin Kai-Min***

- His appointment as an Executive Director commences on 1 January 2004 and shall cease on the date of termination of the agreement.
- His appointment shall not be terminated nor shall he be removed from his appointment at any time by the Company, unless the Company gives him prior written notice of not less than twelve (12) months or if he is not re-elected when required to retire by rotation under the Company's Articles of Association. He shall be entitled to resign as executive director or terminate the agreement by giving three (3) months prior written notice to the Company. His appointment can also be terminated by the Company by giving three (3) months if he commits breaches as stipulated in the agreement.

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**7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

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*Lin Hsu, Li-Chu*

- Her appointment will commence on 14 November 2003 and will continue for a period of four (4) years, subject to earlier termination if she is not re-elected when required to retire by rotation under the Articles of Association of the Cymao. At the end of the period, her directorship may be renewed for a further period if both she and the Board of Directors agree.
- During her appointment as a non-executive director of the Company she shall not accept any appointment (whether as a partner, director, employee, secondee, consultant or agent) of any person, company or firm engaged in a business competing with or similar to that of the Company or its subsidiary companies. Her appointment can also be terminated by the Company by giving three (3) months if she commits breaches as stipulated in the agreement.

*Lin Kai-Hsuan*

- His appointment as an Executive Director commences on 1 January 2004 and shall cease on the date of termination of the agreement.
- His appointment shall not be terminated nor shall he be removed from his appointment at any time by the Company, unless the Company gives him prior written notice of not less than twelve (12) months or if he is not re-elected when required to retire by rotation under the Company's Articles of Association. He shall be entitled to resign as executive director or terminate the agreement by giving three (3) months prior written notice to the Company. His appointment can also be terminated by the Company by giving three (3) months if he commits breaches as stipulated in the agreement.

*Hiew Seng*

- His appointment will commence on 25 February 2004 and will continue for a period of four (4) years, subject to earlier termination if he is not re-elected when required to retire by rotation under the Articles of Association of the Cymao. At the end of the period, his directorship may be renewed for a further period if both he and the Board of Directors agree.
- During his appointment as a non-executive director of the Company he shall not accept any appointment (whether as a partner, director, employee, secondee, consultant or agent) of any person, company or firm engaged in a business competing with or similar to that of the Company or its subsidiary companies. His appointment can also be terminated by the Company by giving three (3) months if he commits breaches as stipulated in the agreement.

*Liu Feng Fa*

- His employment will commence on 1 January 2004.
- His duties and responsibilities shall, among others, include production management, organisation management, raw material management, production schedule control and shipping control. However, the Company may, from time to time assign him other duties or tasks not specified in the agreement and he shall undertake to perform those additional duties and tasks.
- He shall not during the course of his employment with the Company be employed or engaged in any capacity in any other business whatsoever without the prior written consent of the management. He shall at all times conduct himself in a manner so as not cause a conflict of interest with the Company's business or bring disrepute to the Company.

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## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (*Cont'd*)

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- Either party to the contract may terminate the contract by giving to the other notice of termination or paying salary in lieu of notice. The Company however may terminate the contract of employment without notice if he should commit an act of misconduct or breach any terms of his contract of service.

### *Lee Chia Hui*

- His employment will commence on 1 January 2004.
- His duties and responsibilities shall, among others, include selection and purchasing of new machine and equipment; modification of facility, repair and maintenance of machinery and organisation management.
- He shall not during the course of his employment with the Company be employed or engaged in any capacity in any other business whatsoever without the prior written consent of the management. He shall at all times conduct himself in a manner so as not cause a conflict of interest with the Company's business or bring disrepute to the Company.
- Either party to the contract may terminate the contract by giving to the other notice of termination or paying salary in lieu of notice. The Company however may terminate the contract of employment without notice if he should commit an act of misconduct or breach any terms of his contract of service.

### *Wu Chung Sun*

- His employment will commence on 1 January 2004.
- His duties and responsibilities shall, among others, include assisting the finance manager in preparing financial and management reports, budgeting and costing, credit control and cash management, co-ordinating with internal and external auditors at year end audit and assisting and co-ordinating in the implementation of computerisation for accounting/costing and payroll system.
- He shall not during the course of his employment with the Company be employed or engaged in any capacity in any other business whatsoever without the prior written consent of the management. He shall at all times conduct himself in a manner so as not cause a conflict of interest with the Company's business or bring disrepute to the Company.
- Either party to the contract may terminate the contract by giving to the other notice of termination or paying salary in lieu of notice. The Company however may terminate the contract of employment without notice if he should commit an act of misconduct or breach any terms of his contract of service.

## 7.10 Employees

As at 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus), the Cymao Group employed a total of 1,821 employees. Its employees are not part of any union. There have not been any industrial disputes in the past and accordingly, the management believes it enjoys a good working relationship with its employees.



## 7.0 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 7.11 Continuity in Management and Management Succession Plan

As in any other business, the Board of Directors believes that the continued success of Cymao will depend on the ability and dedication of the Directors and management. The loss of any key members of the Company could adversely affect the Company's continued ability to compete. However, the Company has made efforts to train its staff and enjoy the support of long-term management staff. The Company's future success will also depend upon its ability to attract and retain skilled personnel.

The management succession plan of the Group is through:

- (i) Sound recruitment and selection;
- (ii) Competitive remuneration and employee benefits;
- (iii) Structured career planning and development; and
- (iv) Continuous training and education.

It is evident that for the past two (2) years, the Group has employed seventeen (17) professional personnel consisting two (2) managers, two (2) executives, five (5) officers and eight (8) management trainees because the Group is of the view that the continued success and future growth of the Group is dependant on the ability and dedication of these key professional and technical personnel. In addition, the Group will continue to provide appropriate training (as detailed in Section 5.4.5 of this Prospectus) to its existing key personnel who have been with the Group for many years in order to enhance their management and technical skills for the purpose of their career advancement within the Group.

In order to ensure the key professional and technical personnel will continue to be motivated and dedicated to the Group, the Group is desirous of rewarding these employees by offering them new Cymao Shares under the employees' share allocation scheme which form part of the Public Issue.

In the absence of key personnel, duties and responsibilities are clearly allocated as follows:

| <b>Key management's name</b> | <b>Present Designation</b>            | <b>Deputised person in his/ her absence</b> | <b>Present Designation</b>                   |
|------------------------------|---------------------------------------|---|--|
| Sariida Chin Set Len         | Office manager                        | Nicole Yee Oi Mee                           | Office executive                             |
| Chow Chung Kong              | Human resource manager                | Ahmad bin Babi                              | Deputy human resource manager                |
| Liu Feng Fa                  | Engineering manager                   | Chan San Mau                                | Engineering deputy manager                   |
| Leonardo Lopez Jr            | Production coordinator                | Mohd Ridzwan bin Awang                      | Deputy production coordinator                |
| Ameet Wong Lirn Yueh         | Quality assurance manager             | Alexesius bin Gati                          | Deputy quality assurance manager             |
| Lee Chia Hui                 | Decorative plywood production manager | Chen Chung Min                              | Deputy decorative plywood production manager |
| Wu Chung Shun                | Accounting manager                    | Lim Kah Yam                                 | Deputy accounting manager                    |

## 8. APPROVALS AND CONDITIONS

The SC on 10 September 2003 and 11 December 2003, the MITI on 10 August 2001 and the FIC on 19 July 2001 and 7 December 2001 had approved the listing of Cymao. The approvals from the aforesaid authorities were subject to, inter-alia, the following conditions:

| Authority | Details of Condition Imposed  | Status of Compliance   |
|-----------|---|--|
| SC        | (i) Alliance/Cymao is to make a detailed disclosure in the listing prospectus on the following matters:-  |  |
|           | (a) The log supply agreements together with the terms and conditions thereof, including price, total supplied, tenure of the agreements and how the suppliers can be released from their obligations under the agreements. In addition, disclosure is also to be made on the log supply agreements which have been entered into by the suppliers with other companies (if any), the tenure of licence whereby SHE has the right to get the logs in line with the powers of attorney, whether the tenure has expired and/or renewed and whether SHE, in the past, had successfully renewed the abovementioned licence; | Complied. Please refer to Section 5.8.1, 5.8.2 and 5.8.3 of this Prospectus. |
|           | (b) Risk in relation to the log supply and how Cymao intends to manage the aforesaid risk and the steps which will be taken to mitigate this risk. Disclosure is also to be made on whether there is adequate log supply in the state of Sabah and in the areas around Cymao's operations and whether Cymao is able to obtain adequate log supply for its production in the future;   | Complied. Please refer to Sections 4.6 and 14.0 of this Prospectus.          |
|           | (c) Comments from the Directors of Cymao that Cymao has adequate log supply for its operations for at least 10 years;   | Complied. Please refer to Section 5.8.4 of this Prospectus.                  |
|           | (d) The basis to determine the prices of products produced by the Cymao Group, especially plywood and logs together with the effect of the changes in these prices, including negative effect, on the profit margin of Cymao;   | Complied. Please refer to Sections 4.9 and 11.7.1 of this Prospectus.        |

## 8. APPROVALS AND CONDITIONS (cont'd)

| Authority | Details of Condition Imposed   | Status of Compliance   |
|-----------|--|--|
|           | (e) An Independent Research Report on the log supply in Sabah;   | Complied. Please refer to Section 14.0 of this Prospectus.                       |
|           | (f) The risk in relation to the inadequacy of the long term contracts and steps taken to mitigate this risk;   | Complied. Please refer to Section 4.4 of this Prospectus.                        |
|           | (g) The risk in relation to the dependency on the USA market and steps taken to mitigate this risk;  | Complied. Please refer to Section 4.12 of this Prospectus.                       |
|           | (h) The shift from plywood as the main contributor to the Cymao Group to other higher value added products in the future;  | Complied. Please refer to Sections 6.1 and 6.2 of this Prospectus.               |
|           | (i) The risk management plan of Cymao to address the risks in relation to the business operation of the Cymao Group, including the risks in relation to fire, energy crisis and other risks which could threaten the smooth operations of the Cymao Group; | Complied. Please refer to Sections 4.14, 4.15, 4.17 and 4.20 of this Prospectus. |
|           | (j) The management succession plan of the Cymao Group. In this connection, Cymao is required to lay out the management succession plan before the listing prospectus is to be issued; and  | Complied. Please refer to Section 7.11 of this Prospectus.                       |
|           | (k) All the interests, involvements and transactions between the Cymao Group and other companies connected to the substantial shareholders/promoters and directors and steps taken to address the aforesaid conflict (if any);                             | Complied. Please refer to Sections 9.1, 9.2 and 9.3 of this Prospectus.          |
| (ii)      | The Directors of the Cymao Group are to submit a written declaration to us that Cymao has adequate log supplies for its operations for at least 10 years;  | Complied. The written declarations were submitted to the SC on 26 February 2004. |

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**8. APPROVALS AND CONDITIONS (cont'd)**


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| <b>Authority</b> | <b>Details of Condition Imposed</b>  | <b>Status of Compliance</b>   |
|------------------|--|---|
|                  | (iii) Cymao is to comply to the conditions as listed below in relation to its trade debtors:   |   |
|                  | <ul style="list-style-type: none"> <li>• Full disclosure is to be made in the Prospectus in respect of the outstanding amount of trade debtors, ageing analysis, total number of trade debtors and comment/statement by the Directors of Cymao on the recoverability of the trade debtors which had exceeded their credit period:</li> </ul>   | Complied. Please refer to Section 11.10 of this Prospectus.                       |
|                  | <ul style="list-style-type: none"> <li>• Full provision on the trade debtors which had exceeded the credit period, where there are queries/disputes in relation to the amount, legal actions have been started/taken or had exceeded six (6) months. The Directors of Cymao are to submit a written confirmation to the SC that all the stated conditions have been complied before the issuance of the listing prospectus; and</li> </ul>   | Complied. The written confirmations were submitted to the SC on 26 February 2004. |
|                  | <ul style="list-style-type: none"> <li>• The Directors of Cymao are to submit a written confirmation to the SC that the trade debtors which were not provided for can be recovered completely and, if not, full provision is to be made on recoverability of all the trade debtors in the financial accounts/ forecast/ projections. The written confirmation is to be submitted before the listing prospectus is to be issued:</li> </ul>   | Complied. The written confirmations were submitted to the SC on 26 February 2004. |
|                  | (iv) All transactions between the Cymao Group and companies connected with the promoters, directors and substantial shareholders of Cymao are to be made on arm's length basis and do not involve favourable terms which exceeds the normal commercial terms which is not advantageous to the Cymao Group. In connection therewith, the Audit Committee of Cymao is required to monitor and the Directors of Cymao are required to report such transactions in the annual report of Cymao; | Complied with as at the date of this Prospectus.                                  |

8. APPROVALS AND CONDITIONS *(cont'd)*

| Authority | Details of Condition Imposed  | Status of Compliance   |
|-----------|---|--|
|           | (v) The promoters, directors and substantial shareholders of Cymao are not allowed to involve in businesses which competes either directly or otherwise, and give rise to the conflicting interest with the existing business of the Cymao Group, in the future;  | Will be complied.  |
|           | (vi) The promoters, directors and substantial shareholders which are involved full time in Cymao Group are not allowed to be involved full time in their private business;  | Will be complied.  |
|           | (vii) Cymao is not allowed to be involved in businesses which are not related to its core business for a period of three (3) years after the date of the Listing;   | Will be complied.  |
|           | (viii) Cymao is required to sign service contracts with all its directors and foreign management for at least three (3) years from the date of the Listing;   | Complied. Please refer to Sections 7.9 of this Prospectus.     |
|           | (ix) Alliance/Cymao is to fully comply with other relevant requirements in relation to the listing of the Company as provided for in the SC's Guidelines; and   | Will be complied.  |
|           | (x) Alliance, Cymao together with all the relevant parties are required to provide written confirmation on the compliance of all the terms and conditions that have been imposed in connection with the proposed listing until the completion of the proposal and all conditions as stated in the SC's approval letter have been complied with. | Will be complied.  |
| MITI      | (i) The approval of the FIC is obtained.  | Complied. The FIC's approval was obtained on 19 July 2001.     |
|           | (ii) The approval of the SC is obtained.  | Complied. The SC's approval was obtained on 10 September 2001. |

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**8. APPROVALS AND CONDITIONS** (*cont'd*)

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| <b>Authority</b> | <b>Details of Condition Imposed</b>                            | <b>Status of Compliance</b>  |
|------------------|--|--|
| FIC              | (i) Cymao's foreign equity does not exceed 51% upon flotation. | Compliance waived. Alliance on behalf of Cymao had, on 21 September 2001, sought a waiver from the FIC on this condition. The FIC vide its letter dated 7 December 2001 concurred that it has no objections that Cymao has foreign equity of 55% upon flotation. |
|                  | (ii) The approval of the MITI is obtained.                     | Complied. The MITI's approval was obtained on 10 August 2001.  |
|                  | (iii) The approval of the SC is obtained.                      | Complied. The SC's approval was obtained on 10 September 2003.   |

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## 9.0 RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

- 9.1 Save as disclosed below, none of the Directors or substantial shareholders or key management of the Company has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or assets disposed of or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiary company within the two (2) years immediately preceding the 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus).

The following Directors and substantial shareholders of Cymao are interested in the Acquisition as set out in Section 5.2 of this Prospectus:

### (a) Directors of Cymao

| Name                     | Nature of interest in CPSB<br>(before Acquisition) |                         |                           |
|--------------------------|--|-------------------------|---------------------------|
|                          | Directorship<br>in CPSB                            | Direct<br>Interest<br>% | Indirect<br>Interest<br>% |
| Datuk Mohd Zain bin Omar | Yes  | 2.06                    | -                         |
| Lin Tsai-Rong            | Yes  | 33.00                   | -                         |
| Lin Kai-Min              | Yes  | -                       | -                         |
| Lin Hsu, Li-Chu          | No   | -                       | -                         |
| Lin Kai-Hsuan            | No   | -                       | -                         |
| Hiew Seng                | No   | -                       | -                         |

### (b) Substantial Shareholders of Cymao

| Name                             | Nature of interest in CPSB<br>(before Acquisition) |                        |
|----------------------------------|--|------------------------|
|                                  | Direct Interest<br>%                               | Indirect Interest<br>% |
| Lin Tsai-Rong                    | 33.00  | -                      |
| Tsay Chung-Wen                   | 12.94  | -                      |
| Hsu How-Tong                     | 9.71   | -                      |
| Mendu                            | 11.76  | -                      |
| Forum Timber                     | 11.76  | -                      |
| Norajelan bin Ma'amor            | -  | *11.76                 |
| Rohaida binti Ahmad              | -  | *11.76                 |
| Baharuddin bin Mohd Yunus        | -  | ^11.76                 |
| Mohamad Azman bin Mohamad Arshad | -  | ^11.76                 |

#### Notes:

\* Indirect interest through his/her shareholding in Mendu.

^ Indirect interest through his shareholding in Forum Timber.

- 9.2 None of the Directors or substantial shareholders of the Company has any interests, direct or indirect, in other businesses and corporations carrying on a similar trade as the Company or its subsidiary company as at 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus).
- 9.3 Save as disclosed in Section 9.1, there are no related party transactions between the Group and the Directors, substantial shareholders and/or key management of the Company as at 12 February 2004 (being the latest practicable date prior to the printing of this Prospectus).

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**9.0 RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)**

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- 9.4 Alliance confirms that there are no existing or potential interests or conflicts of interest in its capacity as the Adviser, Managing Underwriter, Underwriter and Placement Agent for the Public Issue.
- 9.5 E&Y has given its confirmation that there are no existing or potential interests or conflicts of interest in their capacity as the Auditors/Reporting Accountants.
- 9.6 ZRP has given its confirmation that there are no existing or potential interests or conflicts of interest in its capacity as the Solicitors for the Public Issue.
- 9.7 Susie See, Norbaya & Cheah have given its confirmation that there are no existing or potential interests or conflicts of interest in its capacity as the Solicitors for the Acquisition and Underwriting Agreements.
- 9.8 Vital Factor has given its confirmation that there are no existing or potential interests or conflicts of interest in its capacity as Independent Business and Market Research Consultants for the Public Issue.

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