

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP

7.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

7.1.1 Promoters

The promoters of CNI and their respective shareholdings in CNI after the Offer for Sale and EES are as follows:

Promoter	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
(Dr) Koh Peng Chor	Malaysian	-	-	300,938,336 ¹	50.16
Tan Sia Swee	Malaysian	20,214,150	3.37	1,000,000 ²	0.17
Law Yang Ket	Malaysian	1,156,460	0.19	-	-

Notes:

- 1 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and/or indirect shareholdings in PCM and Marvellous Heights and his associate's shareholdings in CNI
- 2 Deemed interested by virtue of his spouse's (Wong Siew Fong) shareholdings in CNI assuming she takes up in full her entitlement under the pink form allocation and EES

The profiles of (Dr) Koh Peng Chor, Tan Sia Swee and Law Yang Ket are set out in Section 7.2.2 of this Prospectus.

7.1.2 Substantial shareholders

The substantial shareholders and their respective shareholdings in CNI after the Offer for Sale and EES are as follows:

Substantial shareholder	Place of incorporation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Marvellous Heights	Malaysia	300,915,336	50.15	-	-
Cabar Sanubari	Malaysia	41,956,731	6.99	300,915,336 ¹	50.15
Fitri Ceria	Malaysia	31,451,557	5.24	-	-
PCM	Malaysia	-	-	300,915,336 ¹	50.15
Syed Esa bin Syed Abdul Kadir	Malaysian	-	-	342,881,067 ²	57.14
Syed Abdullah bin Syed Abd Kadir	Malaysian	-	-	342,881,067 ²	57.14
Datin Normah binti Tan Sri Hashim	Malaysian	-	-	31,451,557 ³	5.24
Dato' Mohamed Azman bin Yahya	Malaysian	-	-	31,451,557 ³	5.24
(Dr) Koh Peng Chor	Malaysian	-	-	300,938,336 ⁴	50.16
Chuah Tek Lan	Malaysian	-	-	300,938,336 ⁴	50.16
Koh How Loon	Malaysian	23,000 [^]	*	300,915,336 ⁵	50.15

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

Notes:

- ^ Assuming he takes up in full his entitlement under the pink form allocation and EES
 * Negligible
 1 Deemed interested pursuant to Section 6A of the Act by virtue of its shareholdings in Marvellous Heights
 2 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and/or indirect shareholdings in Marvellous Heights and Cabar Sanubari
 3 Deemed interested pursuant to Section 6A of the Act by virtue of his/her shareholdings in Fitri Ceria
 4 Deemed interested pursuant to Section 6A of the Act by virtue of his/her direct and/or indirect shareholdings in PCM, Marvellous Heights and his/her associate's shareholdings in CNI
 5 Deemed interested pursuant to Section 6A of the Act by virtue of his indirect shareholdings in Marvellous Heights via his and his associates' shareholdings in PCM

Further information on the corporate shareholders of CNI is as follows:

I Marvellous Heights

Marvellous Heights was incorporated in Malaysia under the Act on 27 October 2004 and is principally an investment holding company.

Marvellous Heights has an authorised share capital of RM500,000 comprising 500,000 ordinary shares of RM1.00 each, of which 300,916 ordinary shares are currently issued and credited as fully paid-up.

The directors of Marvellous Heights and their respective shareholdings in Marvellous Heights are as follows:

	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
(Dr) Koh Peng Chor	Malaysian	6,013	2.00	137,989 ¹	45.86
Wong Siew Fong	Malaysian	-	-	35,364 ²	11.75
Gan Chooi Yang	Malaysian	20,523	6.82	-	-

Notes:

- 1 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and indirect shareholdings in PCM
 2 Deemed interested by virtue of her spouse's shareholdings in Marvellous Heights

The substantial shareholders of Marvellous Heights and their respective shareholdings in Marvellous Heights are as follows:

	Nationality /Place of Incorporation	<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
PCM	Malaysia	137,989	45.86	-	-
Tan Sia Swee	Malaysian	35,364	11.75	-	-
Cabar Sanubari	Malaysia	65,647	21.81	-	-
Gan Chooi Yang	Malaysian	20,523	6.82	-	-
(Dr) Koh Peng Chor	Malaysian	6,013	2.00	137,989 ¹	45.86
Chuah Tek Lan	Malaysian	-	-	137,989 ¹	45.86
Koh How Loon	Malaysian	-	-	137,989 ²	45.86

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

Notes:

- 1 Deemed interested pursuant to Section 6A of the Act by virtue of his/her direct and indirect shareholdings in PCM
- 2 Deemed interested pursuant to Section 6A of the Act by virtue of his and his associates' shareholdings in PCM

II PCM

PCM was incorporated in Malaysia under the Act on 10 December 1986 and is principally an investment and property holding company.

PCM has an authorised share capital of RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 1,100,000 ordinary shares are currently issued and credited as fully paid-up.

The directors and shareholders of PCM and their respective shareholdings in PCM are as follows:

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
(Dr) Koh Peng Chor	Malaysian	800,000	72.72	300,000 ¹	27.28
Chuah Tek Lan	Malaysian	200,000	18.18	900,000 ²	81.82
Koh How Loon	Malaysian	100,000	9.10	1,000,000 ³	90.90

Notes:

- 1 Deemed interested by virtue of his wife's and his son's shareholdings in PCM.
- 2 Deemed interested by virtue of her husband's and her son's shareholdings in PCM.
- 3 Deemed interested by virtue of his father's and his mother's shareholdings in PCM.

III Fitri Ceria

Fitri Ceria was incorporated in Malaysia under the Act on 18 June 2002 and is principally an investment holding company.

Fitri Ceria has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 100,000 ordinary shares are currently issued and credited as fully paid-up.

The directors and shareholders of Fitri Ceria and their respective shareholdings in Fitri Ceria are as follows:

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Datin Normah binti Tan Sri Hashim	Malaysian	50,000	50.00	50,000	50.00 ¹
Dato' Mohamed Azman bin Yahya	Malaysian	50,000	50.00	50,000	50.00 ²

Notes:

- 1 Deemed interested by virtue of her husband's shareholdings in Fitri Ceria.
- 2 Deemed interested by virtue of his wife's shareholdings in Fitri Ceria.

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IV Cabar Sanubari

Cabar Sanubari was incorporated in Malaysia under the Act on 14 March 2002 and is an investment holding company.

Cabar Sanubari has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 100,000 shares are currently issued and credited as fully paid-up.

The directors and shareholders of Cabar Sanubari and their respective shareholdings in Cabar Sanubari are as follows:

	Nationality	←-----Direct-----→		←-----Indirect-----→	
		No. of shares	%	No. of shares	%
Syed Esa bin Syed Abdul Kadir	Malaysian	50,000	50.00	50,000	50.00 ¹
Syed Abdullah bin Syed Abd Kadir	Malaysian	50,000	50.00	50,000	50.00 ²

Notes:

1 Deemed interested by virtue of his elder brother's shareholdings in Cabar Sanubari.

2 Deemed interested by virtue of his younger brother's shareholdings in Cabar Sanubari

7.1.3 Promoters' and substantial shareholders' directorships and substantial shareholdings in all other public corporations for the past two years

Based on the declarations by the Promoters and substantial shareholders of CNI, save as disclosed below, none of the Promoters or substantial shareholders of CNI have any directorships and / or major shareholdings (holding 5% or more equity interest in the shares) in any other public corporation for the past two years preceding 14 June 2005:

Promoter / substantial shareholder	Name of company	Date of appointment/ (resignation) to the board	←-----Direct-----→		←-----Indirect-----→	
			No. of shares	%	No. of shares	%
Dato' Mohamed Azman bin Yahya	AE Multi Holdings Bhd	09.05.2002 (31.05.2004)	3,330,000	4.14	-	-
	Island & Peninsular Bhd	13.12.2001 (31.05.2004)	-	-	-	-
	Malaysian Airlines System Bhd	01.12.2001	-	-	-	-
	Pharmaniaga Bhd	15.11.2001	-	-	10,000 ¹	0.01
	PLUS Expressways Bhd	03.05.2002	40,000	*	-	-
	Symphony House Bhd	16.10.2002	-	-	168,243,750 ²	25.49
	Scomi Group Berhad	17.03.2003	400,000	0.04	12,000,000 ³	1.22
	Sime Darby Berhad	16.11.1998 (31.05.2004)	-	-	-	-

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

Promoter / substantial shareholder	Name of company	Date of appointment/ (resignation) to the board	←Direct→		←Indirect→	
			No. of shares	%	No. of shares	%
	Intelligent Edge Technologies Berhad	-	4,800,000	5.27	-	-
	Khazanah Nasional Berhad	01.06.2004	-	-	-	-
	Pengurusan Danaharta Nasional Bhd	20.06.1998 (31.07.2003)	-	-	-	-
Datin Normah binti Tan Sri Hashim	United Kotak Bhd	21.12.2001 (18.08.2004)	1,577,396	3.90	-	-
Syed Abdullah bin Syed Abd Kadir	YTL Corporation Bhd	20.10.1999	2,611	*	-	-
	YTL Power International Bhd	18.02.1997	392,038	*	-	-
	YTL e-Solutions Bhd	26.04.2000	300,000	*	-	-
	Iris Corporation Bhd	07.05.1998	5,333,333	4.27	-	-
	Versatile Creative Bhd	29.10.2003	-	-	-	-
	AE Multi Holdings Bhd	09.05.2002 (17.05.2005)	60,000	*	-	-

Notes:

- 1 Deemed interested by virtue of his wife's shareholdings in Pharmaniaga Bhd
- 2 Deemed interested pursuant to Section 6A of the Act by virtue of his and his wife's shareholdings in Prelude Profile Sdn Bhd and Arena Kembara Sdn Bhd. Prelude Profile Sdn Bhd holds interests in Symphony House Bhd. Arena Kembara Sdn Bhd holds the entire issued and paid-up share capital of Angsana Tiara Sdn Bhd, which has interests in Symphony House Bhd
- 3 Deemed interested pursuant to Section 6A of the Act by virtue of his and his wife's shareholdings in Gajahrimau Capital Sdn Bhd (formerly known as Symphony Advisory Services Sdn Bhd) which has a direct equity interest in Scomi Group Berhad
- * Negligible

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

7.1.4 Changes in the shareholdings of Promoters and substantial shareholders of CNI for the past three years

Save as disclosed below, there has been no change in the shareholdings of the Promoters and substantial shareholders of CNI for the past three years:

Promoter / Substantial Shareholder	Date of change	←-----Direct-----→		Cumulative no. of Shares held after acquisition/disposal
		No. of Shares held before acquisition/ (disposal)	Total no. of Shares acquired/ (disposed)	
Marvellous Heights	02.06.05	-	300,915,336 ¹	300,915,336
Cabar Sanubari	09.04.03	-	197,350	197,350
	09.04.03	197,350*	18,350	215,700
	09.04.03	215,700*	237,000	452,700
	09.04.03	452,700*	117,500	570,200
	01.06.05	570,200*	-	5,702,000 [^]
	02.06.05	5,702,000	55,502,960 ¹	61,204,960
Fitri Ceria	09.04.03	-	166,650	166,650
	01.06.05	166,650*	-	1,666,500 [^]
	02.06.05	1,666,500	35,408,027 ¹	37,074,527
PCM	09.04.03	1,100,000*	(197,350)	902,650
	09.04.03	902,650*	(166,650)	736,000
	09.04.03	736,000*	(70,500)	665,500
	01.06.05	665,500*	-	6,655,000 [^]
Tan Sia Swee	09.04.03	600,000*	(237,000)	363,000
	01.06.05	363,000*	-	3,630,000 [^]
	02.06.05	3,630,000	39,902,086 ¹	43,532,086
(Dr) Koh Peng Chor	28.05.02	-	48,000	48,000
	09.04.03	48,000*	(19,000)	29,000
	01.06.05	29,000*	-	290,000 [^]
Law Yang Ket	09.04.03	100,000*	(39,500)	60,500
	01.06.05	60,500*	-	605,000 [^]
	02.06.05	605,000	2,282,815 ¹	2,887,815

Notes:

* Representing ordinary share of RM1.00 each before Share Split

[^] Shares issued pursuant to Share Split

¹ Shares issued pursuant to Bonus Issue

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

7.2 DIRECTORS

7.2.1 Directors' shareholdings

The Directors of CNI and their respective shareholdings in CNI after the Offer for Sale and EES are as follows:

Directors	Designation	After Offer for Sale			
		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
(Dr) Koh Peng Chor	Group Executive Chairman and CEO	-	-	300,938,336 ¹	50.16
Tan Sia Swee	Executive Director	20,214,150	3.37	1,000,000 ²	0.17
Chew Boon Swee	Executive Director	890,512	0.15	-	-
Cheong Chin Tai	Executive Director	1,000,000 ³	0.17	-	-
Law Yang Ket	Executive Director	1,156,460	0.19	-	-
Thiang Kai Goh	Independent Non-Executive Director	-	-	-	-
Aggie Chew Poh Lian	Independent Non-Executive Director	-	-	-	-
Zulkifli Bin Mohamad Razali	Independent Non-Executive Director	-	-	-	-

Notes:

- 1 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and/or indirect shareholdings in PCM, Marvellous Heights and his associate's shareholdings in CNI
- 2 Deemed interested by virtue of his spouse's (Wong Siew Fong) shareholdings in CNI assuming she takes up in full her entitlement under the pink form allocation and EES
- 3 Assuming he takes up in full his entitlement under the pink form allocation and EES

7.2.2 Profiles

The profiles of the Board of Directors of CNI are as follows:

(Dr) Koh Peng Chor, aged 53, is the Group Executive Chairman and CEO of CNI. Prior to his appointment to the board of CNI on 11 December 1990, he was appointed to the board of CNIE in 1989. He received the Honorary Doctor of Philosophy in Multilevel Marketing by Summit University, USA in 1999 and is a Fellow Member of the Institute of Marketing, Malaysia for which he received in 1997. In 1989, he established CNIE, previously known as Forever Young Enterprise (M) Sdn Bhd. As the main founder, he has been instrumental in the development and growth of the company. His current responsibilities include overall management and development of the strategic direction of the Group.

Tan Sia Swee, aged 45, is the Executive Director of CNI. He graduated from Southern College of Johor Bahru with a Diploma in Malay Studies in 1982. His career started in 1983 as an Executive Secretary at The Federation of Selangor Guilds & Association in Kuala Lumpur. He was responsible for secretarial matters of the association. He left the association in 1985 and in 1986, he joined Win Win (M) Sdn Bhd as a distributor. In 1989, he left to join CNIE as Executive Director. In 1991 and 1993, he was appointed as director of EM and Q-Pack respectively. In December 2004, he resigned as Executive Director of CNIE to assume his current position in CNI. His current responsibilities include overseeing corporate communication of the CNI Group.

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

Chew Boon Swee, aged 45, is the Executive Director of CNI. He graduated in 1983 with a Bachelor of Science from the National Taiwan Chung Hsing University. He is a professional member of the Malaysia Institute of Food Technologist as well as an international member of the Institute of Food Technologist. Upon his graduation, he joined Chua Chemicals Sdn Bhd, a food ingredients supplier, as a food technologist who was responsible for research and development on various food products. In 1984, he left the company to join Empire Food Industries Sdn Bhd as a Production Executive responsible for overseeing the manufacturing activities. Subsequently, he left to take up the position as Production and Research and Development Executive with Fortune Lab (M) Sdn Bhd. In 1991, he left Fortune Lab (M) Sdn Bhd to assume the position as Managing Director of EM. Subsequently, he became the Managing Director of Q-Pack in 1994. During his tenure with the CNI Group, he has contributed significantly to the research and development of new products, which resulted in the creation of 150 products for the Group. He is also credited for setting up the ISO, HACCP and GMP accreditations for the manufacturing operations for EM and Q-Pack. In January 2005, he assumed his current position of Executive Director, Product Development of CNIE and CEO of EM and Q-Pack. His current responsibilities include overall management for both manufacturing operations.

Cheong Chin Tai, aged 43, is the Executive Director of CNI and the CEO of CNIE. He is also a board member of the Direct Selling Association of Malaysia. He graduated in 1987 with a Bachelor of Science Degree from the University of Manitoba in Winnipeg, Canada. Subsequently in 2001, he obtained his Masters of Business Administration from the University of Illinois, Carbondale, USA. He has also been a member of the Malaysian Institute of Management since 2001. His career started in 1988 where he was the Marketing Executive at Direct Circle Corporation, a local Multilevel Marketing company. He then left in 1990 to join Aetna Insurance Bhd, as a Branch Officer in the Corporate Division responsible for sales development and branch management. In 1992, he left to join Luxome Marketing Sdn Bhd, a trading and direct sales company, as Executive Director. Subsequently, in 1993, he took the position of Executive Director of CNI Hong Kong Ltd where he was responsible for the company's operations, growth and performance. He returned from Hong Kong to assume the position of Operations Director of CNIE in 2001. In 2005, he assumed his current position as CEO of CNIE.

Law Yang Ket, aged 45, is the Executive Director of CNI. He graduated with a Bachelor of Education Degree from the National Taiwan Normal University in Taipei in 1983. Upon his graduation, he joined Si-Hu Secondary School, Taiwan as a teacher. In 1985, upon his return to Malaysia, he joined Malaysia Chinese Association, MCA Youth Johor Branch as Executive Secretary. He was responsible for secretarial matters of the association. He left in the same year to become a distributor for Sun-Chorella Sdn Bhd, a direct sales company. Subsequently in 1987, he took up the position of Consultant at Dynamic Leadership Development Consultancy, Kuala Lumpur for a period of one year before he joined Win Win (M) Sdn Bhd as a Marketing Executive. He was mainly involved in sales, sponsoring new distributors as well as event management and training. In 1989, he left the company to join CNIE and was appointed as director of CNIE on 2 November 1992. On 18 September 2003, he was appointed as director of CNI. Subsequently in January 2005, he was appointed as Executive Director, Sales and Marketing of CNIE. His current responsibilities include developing marketing strategies and cultivating new business development for CNIE.

Thiang Kai Goh, aged 56, is the Independent Non-Executive Director of CNI and was appointed to the Board of Directors of CNI on 3 May 2005. He is a Fellow Member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Taxation. He is a Member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He started his public practice under the firm of Thiang & Co. in 1975, which specialises in audit and accountancy work and taxation and management consultancy. He is also the co-founder and joint owner of Sekolah Sri Lethia, Klang, a private primary and secondary school which was established in 1984. He is also the founder of an Australia incorporated company, Iatia Ltd., which specialises and commercialises on its proprietary scientific imaging technologies. Iatia Ltd. is listed on the Australian Stock Exchange since 2002. He is currently the Senior Partner of Thiang & Co., the Chairman of Sri Lethia Sdn. Bhd. and the Deputy Chairman of Iatia Ltd.

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Aggie Chew Poh Lian, aged 39, is the Independent Non-Executive Director of the Company. She was appointed to the Board of Directors of CNI on 3 May 2005. She graduated with a Bachelor of Laws from the Australian National University in Canberra, Australia in 1988. She began her legal attachment with Messrs Cheang & Ariff, Kuala Lumpur in 1989 and was admitted to the Malaysian bar in November 1989. She was retained as a legal assistant in Messrs Cheang & Ariff until March 1994.

From April 1994 to December 1995, she was attached to the SC as a Senior Executive Officer in the Take-overs and Mergers Department, a department within the Issues and Investment Division. She returned to Messrs Cheang & Ariff as a legal assistant in 1996, specialising in corporate, commercial and financial matters. Subsequently, she entered the partnership of Messrs Kamarudin & Partners from May 1997 to December 1997 to head the corporate and commercial division of the firm.

In 1998, she held the position of Senior Vice President within the Listing Department of the Malaysian Exchange of Securities Dealings & Automated Quotations Berhad ("MESDAQ"). She was responsible for the supervision and guidance of the activities of the Listing Department including processing applications for admission to MESDAQ, monitoring and ensuring compliance of the listing regulations and providing guidance to companies intending to seek listing on MESDAQ. She left MESDAQ in November 2000 and has since ceased working full-time.

Zulkifli Bin Mohamad Razali, aged 45, is the Independent Non-Executive Director of CNI and was appointed to the Board of Directors of CNI on 3 May 2005. He graduated in 1983 with a Bachelor of Arts in Accountancy Studies from Huddersfield University, United Kingdom. Upon his graduation, he joined Bank Pembangunan Malaysia Berhad (now known as Bank Pembangunan & Infrastruktur Malaysia Berhad) as a Project Officer who was responsible for evaluating and monitoring of project loans to small and medium industries involved in plastics, rubber-based and professional services industries. Subsequently, he obtained his post-graduate Diploma in Management Studies from Warwick University and Master of Science in International Economics & Banking from University of Wales, both in the United Kingdom in 1985 and 1988 respectively. In 1988, he joined Commerce International Merchant Bankers Berhad ("CIMB"), Corporate Advisory Department, which is responsible for handling corporate exercises for listed and non-listed local and multinational companies such as mergers and acquisitions and public listings. He was also a Director of JeLebu Holdings Sdn Bhd, a public transport company operating in Negeri Sembilan, from 1990 to 1992. Subsequently upon leaving CIMB in 1993, he was appointed as Managing Director of Marzin Transport Sdn Bhd, an express bus company operating from Seremban. In 1997, he left Marzin Transport Sdn Bhd to assume the position as Managing Director of Marzin Sdn Bhd, a family owned investment holding company. In 1998, he was appointed as an Executive Director of PNL Travel Sdn Bhd (formerly known as P&L Travel & Tours Sdn Bhd) and was responsible for corporate planning and development for the company. He left PNL Travel Sdn Bhd in April 2005.

7.2.3 Directors' remuneration and benefits

For the FYE 31 December 2004, the amount payable to the Directors of CNI for their services rendered in all capacities to the CNI Group amounted to RM11,427,482.

For the FYE 31 December 2005, the amount payable to the Directors of CNI for their services rendered in all capacities to the CNI Group is forecast to be RM11,855,975. Details are as follows:

Remuneration and benefits band	Number of Directors For the FYE 2004	Number of Directors For the FYE 2005
Up to RM200,000	2	3
Within RM200,001 – 1,000,000	1	-
Within RM1,000,001 – 2,000,000	1	2
Within RM2,000,001 – RM4,000,000	3	3

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7.2.4 Directors' directorships and substantial shareholdings in all other public corporations for the past two years

Based on the declarations by the Directors of CNI, save as disclosed below, none of the Directors have any directorships and/or substantial shareholdings (holding 5% or more of the issued and paid-up share capital) in any other public corporation for the past two years.

Director	Name of company	Date of appointment/ (resignation) to the board	<---Direct--->		<---Indirect--->	
			No. of shares	%	No. of shares	%
Thiang Kai Goh	Iatia Ltd., Australia	16.02.2000	220,000	0.1	65,571,430*	42.5

Note:

* Deemed interested by virtue of his shareholdings in Thiang Holdings Pty. Ltd.

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7.3 KEY MANAGEMENT OF CNI GROUP

7.3.1 Key management's shareholdings

CNI was incorporated as an investment holding company with its key management team being under the direct employment of its subsidiary companies. The key management team and their respective shareholdings in CNI after the Offer for Sale and EES are as follows (assuming that they take up in full their entitlement to the Offer Shares in respect of the pink form allocations pursuant to the Offer for Sale and the EES Shares pursuant to the EES):

Key management	Designation	-----After Offer for Sale-----			
		-----Direct-----		-----Indirect-----	
		No. of Shares	%	No. of Shares	%
Chan Kok Liang	CEO of CNIS	700,000	0.12	-	-
Cheong Chee Kee	Executive Director of Q-Pack	2,362,155	0.39	-	-
Chok Yoon Kwong	Plant Manager of EM	128,000	0.02	-	-
Chong Nyok Hon	Senior Manager, Finance and Accounts of CNIE	410,000	0.07	-	-
Idril Bin Idris	Senior Manager, Sales Development of CNIE	124,000	0.02	-	-
Koh Teng Kiat	Executive Director of CNIS	500,000	0.08	-	-
Koh Tiah Siew	Executive Director of EM and Q-Pack	1,087,322	0.18	-	-
Mazlah Bt Ibrahim	Senior Manager, Product Marketing of CNIE	311,000	0.05	-	-
Ong Chun Eng	Senior Manager, Human Resource, Information and Communications Technology and System Division of CNIE	71,000	0.01	-	-
Seet Soo Tyng	Senior Manager, Information and Communications Technology of CNIE	346,000	0.06	-	-
Teo Geok Lan	Senior Manager, Distribution of CNIE	500,000	0.08	-	-
Wong Siew Fong	Executive Director, Operations of CNIE	1,000,000	0.17	20,214,150 ¹	3.37
Wong Sim Fatt	Senior Manager, Regional Branch Development of CNIE	280,000	0.05	-	-

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Note:

1 Deemed interested by virtue of her spouse's (Tan Sia Swee) shareholdings in CNI

7.3.2 Profiles

The management of the CNI Group is headed by (Dr) Koh Peng Chor, who are assisted by a team of management personnel comprising:

Chan Kok Liang, aged 38, is the CEO of CNIS. He graduated in 1989 with a Diploma from Southern College (previously known as Foon Yew Advance Studies), Johor Bahru. Upon his graduation, he joined CNIE as a Sales Coordinator. He was then responsible for developing new markets for the company. In 1991, he was promoted to Marketing Executive where he was in charge of new business development and sales and in 1992, he was further promoted to Business Development Manager. Subsequently in 1996, he was promoted to Senior Marketing Manager whereby he was responsible for supervising and management of the marketing team as well as product training. In 2000, he was further promoted to Distribution Network Division Senior Manager and was mainly responsible for management of distribution activities and branch operations. Subsequently in 2001, he assumed his current position and is currently responsible for strategic planning and development, development of marketing plan and business strategies, recruitment of key executives, distributor training and network development, and product training.

Cheong Chee Kee, aged 52, is an Executive Director of Q-Pack (M) Sdn Bhd. He started his career in 1973 when he joined Premier Milk Sdn Bhd as a mechanical fitter. In 1976, he left to join Food Speciality Sdn Bhd in the same position before leaving in 1977 to join Warner Lambert Sdn Bhd as a Special Grade Mechanical Fitter. Subsequently he left in 1983 to join Topco Manufacturing Sdn Bhd to take up the position of Production Supervisor responsible for production machinery and plant maintenance. In 1985, he left for the position of Production Manager and shareholder of Manufacturing Chemist Sdn Bhd, a contract manufacturer of cosmetic and toiletries. In 1989, he joined Fornapac Sdn Bhd, another contract manufacturer of similar products as the Production Manager and shareholder before leaving in 1994 to join Q-Pack (M) Sdn Bhd as a Director. He assumed his current post as Executive Director in 2003. His current responsibilities include managing the operations of Q-Pack. He is also a Director and shareholder in Dwell Engineering Sdn Bhd, a tool and die maker.

Chok Yoon Kwong, aged 36, is the Plant Manager of EM. He graduated with a Bachelor of Science Degree in Molecular Biology and Cell (Genetics) from Universiti Kebangsaan Malaysia in 1995. Subsequently he obtained his Masters of Business Administration from Universiti Putra Malaysia in 2000. His career started when he joined Jean (M) Sdn Bhd as Incoming Quality Control Engineer in 1995 before leaving to take up the position of Production Planning and Control Executive with Philips & JVC Video Malaysia Sdn Bhd in the same year. Subsequently, he left to join Oculus Contact Lens Manufacturing Sdn Bhd as Production Manager in 1997. In 2001, he left to take up the position of Plant Manager with EM. His main responsibilities include management of plant activities, maintenance, production planning, logistics, and inventory control management.

Chong Nyok Hon, aged 39, is the Senior Manager, Finance and Accounts at CNIE. He is an Associate Member of the Institute of Chartered Secretaries and Administrators, United Kingdom since 1996, a member of the Association of Chartered Certified Accountants, United Kingdom since 2001 and a Chartered Accountant with the Malaysia Institute Accountant since 2003. His career started in 1992 as Accounts Executive when he joined Heveafil Sdn Bhd, a local company that manufactures extruded latex threads. In 1994, he joined the Lyman Group, a property development, manufacturing and timber and plantation company in Jakarta, Indonesia as Accountant of the Property Division. Upon his return to Malaysia in 1997, he joined CNIE as Manager, Finance and Account and was subsequently promoted to Senior Manager in 2004. His main responsibilities include management of the financial and accounting aspects of the company and its subsidiaries.

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

Idril Bin Idris, aged 41, is the Senior Manager, Sales Development at CNIE. His career started in 1989 as a Sales Executive with Direct Circle Corporation Sdn Bhd, a local direct selling company. He left the company in 1997 to join Shaklee Products (M) Sdn Bhd, an American based direct selling company as National Sales Manager. His responsibilities at both the above companies include managing the sales development team and distributors. Subsequently in 2001, he left Shaklee Products (M) Sdn Bhd to join CNIE. He is currently responsible for managing the sales development team and distributors to meet sales targets.

Koh Teng Kiat, aged 49, is an Executive Director of CNIS since 1992. He is a Chartered Management Accountant. He was admitted to the Institute of Certified Public Accountants in Singapore in 1989. He became a Fellow Member of The Chartered Institute of Management Accountants, United Kingdom since 1995. He started his career as Finance and Administration Manager at Inter-Tech Resources Pte Ltd, a company involved in electrical and electronics sub-assembly in Singapore in 1981. He left in 1989 to join Kvaerner Singapore Pte Ltd, a mechanical marine engineering as a Finance and Administration Manager and in 1997, he was transferred to Kvaerner Pte Ltd, the operational headquarters, as Regional Finance and Treasury Manager. Subsequently in August 1999, he joined Sonoco Asia LLC, a manufacturer of consumer and industrial packaging, as Regional Financial Controller. He left in 2001 to join L&M Group Investment Ltd, a public listed company in Singapore as General Manager, Group Finance. As a director of CNIS, his current responsibilities include management of the company's financial, legal, public relations and operational issues.

Koh Tiah Siew, aged 39, is an Executive Director of EM and Q-Pack. She obtained a Diploma in Commerce in Management Accounting from Tunku Abdul Rahman College in 1990. Her career started as an Administrative Executive with CNIE in 1990 before she assumed the position of Accounts Executive in 1991. Subsequently she was transferred to EM and Q-Pack to take up the position as Accounts Executive. In 1998, she was promoted to Finance Manager whereby she is responsible for overseeing the Accounts and Finance matters of both companies. She was appointed as the Director of EM and Q-Pack in 2003. Since 2005, her additional responsibilities include overseeing the procurement, human resource and customer service division of EM.

Mazlah Bt Ibrahim, aged 40, is the Senior Manager, Product Marketing at CNIE. She graduated in 1987 from the California State University Fresno, United States with a Bachelor of Science in Business Administration and a Bachelor of Science in Health Science - Nutrition. Her career started in 1987 as a Management Trainee with Fresno Small Business Institute in California. Upon her return to Malaysia in 1988, she joined P&C Computer Centre Sdn Bhd in Pontian, Johor as Personnel Officer responsible for human resources. In 1988, she joined Fortune Corporation Sdn Bhd, a Multilevel Marketing company as Trainee Product Executive and was later promoted to Product Executive in 1990 and Senior Product Executive in 1992. In 1993, she was promoted to Senior Distributor Consultant with the same company. Subsequently she left in 1995 to join High Desert (M) Sdn Bhd as Marketing Manager before leaving in 1996 to take up the position as Event Manager with Maher Events (M) Sdn Bhd. Subsequently she left to join CNIE in 1997 as Product Development Manager and assume the position of Manager, Product Marketing in 2002 and subsequently promoted to Senior Manager in 2004. Her main areas of responsibilities include overseeing product strategy and positioning, supervising distributor education programs, product support materials, product services campaign and promotion and monitoring customer relationship management (CRM) database.

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

Ong Chun Eng, aged 30, is the Senior Manager, Human Resource, Information and Communication Technology ("ICT") and Systems Division at CNIE. He graduated in 1998 with a Bachelor of Science Degree from the University of Manchester, United Kingdom. He is also a member of the IEEE Computer Science, United Kingdom since 2002. His career started in 1998 as a Consultant and Analyst at ICC Consultant Centre, a consultancy company based in Kuala Lumpur. He was promoted to Principal Consultant in 2001 whereby he was responsible for client and project management. In the same year, he was also promoted to Head of Business Unit (IT) and was primarily responsible for market development and leading research and development initiatives. In 2002, he was appointed General Manager with the same company before he left in 2003 to join CNIE, where he assumed the position of Senior Manager, Training and Development. In 2005, he was promoted to his present position and his main areas of responsibilities include managing the human resource department and overseeing the ICT and systems division of CNIE.

Seet Soo Tyng, aged 41, is the Senior Manager, ICT at CNIE. She graduated in 1988 with a Diploma in Science from Kolej Tunku Abdul Rahman and in the same year, obtained a Bachelor of Science Degree from Campbell University, Blue Creek, North Carolina, USA. Her career started in 1988 as a Quality Control Engineer at Dataware Software Services Sdn Bhd, a software house in Kuala Lumpur. She left the company in 1992 to join CNIE as EDP Manager whereby she was responsible for systems development and implementation, bonus value calculations and handling of complaints. She was promoted to Management Information System Manager in 1993 to take on further responsibilities, which include providing training and support service to staff, distributor centres and staff from CNIS and CNI Hong Kong Ltd. Subsequently, in 2002, she was promoted to the position of Senior Manager, Management Information System. In 2005, she assumed her current position and is responsible for the development, implementation, integration and support of ICT infrastructure and distributorship related processing and operations.

Teo Geok Lan, aged 41, is the Senior Manager, Logistics and Distribution at CNIE. She graduated in 1987 with a Bachelor of Science Degree, majoring in Business Administration, from the University of Kansas, USA. Her career started in 1988 as an Administration Assistant at Kim Thye Trading Pte Ltd in Singapore. She left the company in 1990 to join CNIE as a Management Trainee. She was then responsible for the administration of the distribution centres. In 1991, she was appointed Distribution Executive and was later promoted to Distribution Manager in 1993. Her job functions include heading the distribution department in distribution centres for various development and operational issues as well as retail outlet operations. In 2002, she was promoted to the position of Senior Manager, Distribution. In 2005, she assumed her current position and is responsible for warehousing, logistics and the operation of distribution centres, sales points operations and headquarters retail outlet.

Wong Siew Fong, aged 41, is the Executive Director, Operations at CNIE. She obtained her Intermediate Stage Certificate for Book-Keeping in 1983 and Higher Stage Certificate for Business Statistic and Accounting in 1984 from the London Chamber of Commerce and Industry, United Kingdom. Her career started in 1985 as Accounts Officer for Win Win (M) Sdn Bhd, a direct sales company. Subsequently in 1989, she joined CNIE as an Accounts Executive and was later promoted to Accounts Manager in 1991. In January 1993, she was promoted to Senior Manager, Accounts and Administration whereby she was responsible for the overall functions of accounts and administration department. In 2002, she was promoted to Division Head, Finance, Administration, Purchasing and Property and subsequently in 2005, she was further promoted to her current position and is responsible for finance and account, administration, purchasing and property management and logistics and distribution aspects of CNIE.

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP *(Cont'd)*

Wong Sim Fatt, aged 45, is the Senior Manager, Regional Branch Development at CNIE. He received a Diploma in Commerce from Tunku Abdul Rahman College, Kuala Lumpur in 1985. His career started as the Accounts cum Company Secretarial Assistant in 1985 with Shaw Brothers (M) Sdn Bhd. He then left in 1989 to join Tamadam Bonded Warehousing Sdn Bhd in Kota Kinabalu as Assistant Manager and was responsible for managing the branch operations. In 1992, he returned to Kuala Lumpur and joined Sunsky (M) Sdn Bhd, a Multilevel Marketing company where he was the Warehouse Manager. He left the company the following year and was appointed Assistant General Manager at Lead Circle (M) Sdn Bhd, a Multilevel Marketing company. Subsequently he left to join CNIE in 1994 as Warehouse Executive and was later promoted to Warehouse Manager in the same year. He assumed his present position as Senior Manager, Regional Branch Development in 2002. His current responsibilities include overseeing the operational aspects of the warehouse and branches.

7.4 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS

All Executive Directors of CNI are involved in other businesses or corporations in their capacity as Non-Executive directors. As such, their involvements in these other businesses or corporations are not significant as to negatively impact their ability to act as Executive Directors of CNI.

Save for Wong Siew Fong and Koh Teng Kiat, none of the key management of the Group is involved in other businesses or corporations. Wong Siew Fong and Koh Teng Kiat are directors and shareholders of inactive private companies. As such, their involvements are not significant as to negatively impact their respective duties in the Group.

7.5 DECLARATIONS FROM THE DIRECTORS AND KEY MANAGEMENT

None of the Directors and key management of the CNI Group is or was involved in any of the following events (whether in or outside Malaysia):

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
- (b) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

7.6 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Thiang Kai Goh	Chairman of Audit Committee	Independent Non-Executive Director
(Dr) Koh Peng Chor	Member of Audit Committee	Group Executive Chairman and CEO
Zulkifli Bin Mohamad Razali	Member of Audit Committee	Independent Non-Executive Director

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

The Audit Committee is responsible for the recommendation to the Board of Directors regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviews and evaluates the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

7.7 FAMILY RELATIONSHIPS

Save as disclosed below, there are no other relationships or associations between the substantial shareholders, Promoters, Directors and key management of the CNI Group:

- (a) (Dr) Koh Peng Chor, Koh Teng Kiat and Koh Tiah Siew are siblings;
- (b) Chuah Tek Lan is the spouse of (Dr) Koh Peng Chor;
- (c) Koh How Loon is the son of (Dr) Koh Peng Chor;
- (d) Wong Siew Fong is the spouse of Tan Sia Swee;
- (e) Datin Normah binti Tan Sri Hashim is the spouse of Dato' Mohamed Azman bin Yahya; and
- (f) Syed Esa bin Syed Abdul Kadir and Syed Abdullah bin Syed Abd Kadir are siblings.

7.8 SERVICE AGREEMENTS

Save as disclosed below, none of the Directors and/or key management of the CNI Group has any existing or proposed service contracts with the Company or its subsidiary companies, which is not terminable by notice or without payment of compensation:

- (a) (Dr) Koh Peng Chor was appointed as Group Executive Chairman and CEO of CNI *vide* a service agreement with CNI (as revised *via* a letter of revised terms of employment). In the event of his retirement or his service is terminated by CNI for whatever reasons under the terms of his service agreements before the expiry of the tenure of his appointment in CNI and/or any of its subsidiaries, he shall be compensated by an amount equal to 2 months salary for every 1 year of service, subject to him having been employed by the Group for a minimum of 10 years;
- (b) Chew Boon Swee was appointed as Executive Director of CNI and CEO of Q-Pack and EM *vide* a service agreement with CNI (as revised *via* a letter of revised terms of employment). In the event of his retirement or his service is terminated by CNI for whatever reasons under the terms of his service agreements before the expiry of the tenure of his appointment in CNI and/or any of its subsidiaries, he shall be compensated by a amount equal to 2 months salary for every 1 year of service, subject to him having been employed by the Group for a minimum of 10 years;
- (c) Cheong Chin Tai was appointed as Executive Director, Corporate Strategic Planning & Development of CNI and CEO of CNIE *vide* a service agreement with CNI (as revised *via* a letter of revised terms of employment). In the event of his retirement or his service is terminated by CNI for whatever reasons under the terms of his service agreements before the expiry of the tenure of his appointment in CNI and/or any of its subsidiaries, he shall be compensated by a amount equal to 2 months salary for every 1 year of service, subject to him having been employed by the Group for a minimum of 10 years;

7. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT OF THE CNI GROUP (Cont'd)

- (d) Tan Sia Swee was appointed as Executive Director, Corporate Communications of CNI *vide* a service agreement with CNI (as revised *via* a letter of revised terms of employment). In the event of his retirement or his service is terminated by CNI for whatever reasons under the terms of his service agreements before the expiry of the tenure of his appointment in CNI and/or any of its subsidiaries, he shall be compensated by a amount equal to 2 months salary for every 1 year of service, subject to him having been employed by the Group for a minimum of 10 years; and
- (e) Law Yang Ket was appointed as Executive Director of CNI and Executive Director, Sales & Marketing of CNIE *vide* a service agreement with CNI (as revised *via* a letter of revised terms of employment). In the event of his retirement or his service is terminated by CNI for whatever reasons under the terms of his service agreements before the expiry of the tenure of his appointment in CNI and/or any of its subsidiaries, he shall be compensated by a amount equal to 2 months salary for every 1 year of service, subject to him having been employed by the Group for a minimum of 10 years.

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8. APPROVALS AND CONDITIONS FOR THE FLOTATION SCHEME

The Flotation Scheme has been approved by MITI on 28 July 2004 and 10 May 2005 and the SC (and under the guidelines on the Acquisition of Assets, Mergers and Take-overs by Local and Foreign Interests) on 8 November 2004 and 26 May 2005.

The conditions imposed by MITI and the SC and their respective status of compliance is set out below.

Authority / details of conditions imposed	Status of compliance																					
<u>Conditions imposed by MITI vide its letter dated 28 July 2004</u>																						
1. To obtain the SC's approval for the listing scheme and to comply with the requirements of the Guidelines on the Acquisition of Interests, Mergers and Take Over;	Complied. The SC's approval was obtained on 8 November 2004 and 26 May 2005.																					
2. The recognition of the following Bumiputera shareholders:																						
<table border="1"> <thead> <tr> <th>Shareholder</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Cabar Sanubari</td> <td>107,612,830</td> <td>17.94</td> </tr> <tr> <td>Fitri Ceria</td> <td>31,451,558</td> <td>5.24</td> </tr> <tr> <td>Astaka Cergas</td> <td>22,458,658</td> <td>3.74</td> </tr> <tr> <td>Suriakhas</td> <td>21,354,598</td> <td>3.56</td> </tr> <tr> <td>Total</td> <td>182,877,644</td> <td>30.48</td> </tr> </tbody> </table>	Shareholder	No. of Shares	%	Cabar Sanubari	107,612,830	17.94	Fitri Ceria	31,451,558	5.24	Astaka Cergas	22,458,658	3.74	Suriakhas	21,354,598	3.56	Total	182,877,644	30.48				
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as the approved existing Bumiputera shareholders with shareholdings amounted to 30.48% subject to the condition that 30% of the total recognised shareholdings are allowed to be disposed of within 3 months after the Company is listed and the remaining 70% are allowed to be disposed of in stages subject to MITI's prior approval.	Noted. To be complied.																					
<u>Conditions imposed by MITI vide its letter dated 10 May 2005 *</u>																						
1. The re-recognition of the following Bumiputera shareholders:																						
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2. Other conditions imposed by MITI vide its letter dated 28 July 2004 remained unchanged.	Please refer to conditions imposed by MITI as set out above.																					

Note:

* Subsequent to the receipt of MITI's approval letter dated 28 July 2004, CNI has sought MITI's approval pursuant to a change in shareholding structure of the Company

8. APPROVALS AND CONDITIONS FOR THE FLOTATION SCHEME (Cont'd)

Authority / details of conditions imposed	Status of compliance
<u>Conditions imposed by the SC vide its letter 8 November 2004 and 26 May 2005</u>	
1. The Directors of CNI to ensure that proceeds from the Offer for Sale are put into a trust account until the listing of the Shares on Bursa Securities;	Noted. To be complied.
2. CNI must terminate the liquor import licence held by CNIE upon CNIE obtaining the decision from the Treasury Department, Ministry of Finance and the Royal Customs and Excise of Malaysia in respect of the appeal for the refund of customs duties paid for the "Tang Long Imperial Wine" and "Tang Long Jian Mei Jiu" (collectively known as Tang Long Wine);	Complied. The Royal Customs and Excise of Malaysia has vide a letter dated 28 May 2005, terminated CNIE's liquor import licence.
3. Before the issuance of CNI's listing prospectus:	
(a) the CNI Group to cease all activities relating to the importation of the Tang Long Wine ("Activities"); and	Complied. CNI Group had on 4 May 2005 ceased all Activities.
(b) CNI must inform and/or obtain approval of the Ministry of Domestic Trade and Consumer Affairs ("MDTCA") for its proposed flotation;	Complied. CNI had on 29 November 2004 informed MDTCA accordingly.
4. CNI's executive directors, promoters and key management should not hold any executive directorship in other companies within the first 2 years after the listing of CNI;	Complied via undertaking letters of CNI's executive directors, promoters and key management dated 3, 7 and 15 June 2005 furnished to the SC.
5. CNI to ensure that all related party transactions are undertaken on an arms' length basis, are on normal commercial terms and not on terms more favourable to the related party than those generally available to the public, and are not prejudicial to the minority shareholders;	Complied via Directors' Resolution dated 23 May 2005 furnished to the SC.
6. CNI to clearly specify a set of criteria on staff eligibility and allocation of the EES and inform all employees of the criteria. Such criteria should also be disclosed in CNI's listing prospectus;	Complied. Please refer to Section 3.5.2.
7. RHB Sakura/CNI to provide the SC with the status of compliance with the National Development Policy requirement upon completion of the flotation exercise; and	To be complied.
8. CNI to fully comply with all the relevant requirements pertaining to the implementation of the flotation proposal as specified in the SC Guidelines	To be complied.

8. APPROVALS AND CONDITIONS FOR THE FLOTATION SCHEME (Cont'd)

The SC also noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in CNI would change arising from the implementation of the flotation proposal, as follows:

	Before proposals	After proposals
	(%)	(%)
Bumiputera	35.93	30.48
Non-Bumiputera	60.08	69.01
Foreigner	3.99	0.51
	<u>100.00</u>	<u>100.00</u>

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9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

9.1 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

- (a) Save as disclosed below, none of the Directors or substantial shareholders nor any persons connected with the Directors or substantial shareholders of the Company, have any interest, whether direct or indirect, in any business carrying on a similar trade as the CNI Group:

(i) (Dr) Koh Peng Chor

Company	Country of Incorporation	Principal Activities	% equity held		Position in company
			Direct	Indirect	
CNI Enterprise (India) Pvt Ltd	India	Multilevel Marketing	-	99.99 ¹	-
CNI Hong Kong Ltd	Hong Kong	Multilevel Marketing	-	99.99 ¹	-

Note:

1 Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in CNI Corp, which holds 99.99% of the company.

The Multilevel Marketing activities of the above companies are centred in India and Hong Kong. As such, the Directors of CNI are of the view that the principal activities of these companies do not compete directly with the Multilevel Marketing activities of the CNI Group which are centred in Malaysia, Singapore and Brunei.

(ii) Tan Sia Swee

Company	Country of Incorporation	Principal activities	% equity held		Position in company
			Direct	Indirect	
CNI Hong Kong Ltd	Hong Kong	Multilevel Marketing	-	-	Non-executive Director

The Multilevel Marketing activity of the above company is centred in Hong Kong. As such, the Directors of CNI are of the view that the principal activity of the above company does not compete directly with the Multilevel Marketing activities of the CNI Group which are centred in Malaysia, Singapore and Brunei.

(iii) Cheong Chin Tai

Company	Country of Incorporation	Principal activities	% equity held		Position in company
			Direct	Indirect	
CNI Enterprise (India) Pvt Ltd	India	Multilevel Marketing	-	-	Non-executive Director

9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

The Multilevel Marketing activity of the above company is centred in India. As such, the Directors of CNI are of the view that the principal activity of the above company does not compete directly with the Multilevel Marketing activities of the CNI Group which are centred in Malaysia, Singapore and Brunei.

- (b) Save as disclosed in Section 6.3, 6.5.10, 16.3(i) and 16.8 of this Prospectus, none of the Directors or substantial shareholders nor any persons connected with the Directors or substantial shareholders of the Company, have any interest, whether direct or indirect, in the promotion of or in any assets which have, within two years preceding the date of this Prospectus, been acquired by or disposed of or leased to the Company or its subsidiaries, or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company.
- (c) The CNI Group, in its ordinary course of business, enters into recurrent related party transactions with certain parties related to the substantial shareholders and/or Directors of CNI, as described below:

Name of Company	Principal activities	Nature of Transaction	Interested Related Party	Nature of Interest	% shareholding in the company	
					Direct	Indirect
CNI Corp	Management services & investment holding company	Provision of management services to CNIE	(Dr) Koh Peng Chor	Non-Executive Director	15.00	-
			Tan Sia Swee	Non-Executive Director	11.00	-
		Rental of premises from CNIE comprising part of 4th floor of building bearing postal address No. 2, Jalan UI/17, Hicom – Glenmarie Industrial Park 40000 Shah Alam, Selangor	Chew Boon Swee	Non-Executive Director	7.50	-
			Cheong Chin Tai	Non-Executive Director	7.50	-
			Law Yang Ket	Non-Executive Director	5.00	-

9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Name of Company	Principal activities	Nature of Transaction	Interested Related Party	Nature of Interest	% shareholding in the company	
					Direct	Indirect
CNI Venture	Product and manufacturing process research and development activities	Provision of research, development and testing services to the Group.	(Dr) Koh Peng Chor	-	-	100.00 ¹
			Tan Sia Swee	Non-Executive Director	-	-
			Chew Boon Swee	Non-Executive Director	-	-
		Rental of premises from CNIE comprising part of 1 st floor of building bearing postal address No. 2, Jalan U1/17, Hicom – Glenmarie Industrial Park 40000 Shah Alam, Selangor				
Citra Nusa	To grant licence to use the formulae and recipes of its products	Licence to the Group the rights to use and manufacture products in Malaysia based on the Formulation Property and to sell such manufactured products outside Malaysia	(Dr) Koh Peng Chor	-	42.56	-
			Tan Sia Swee	-	22.24	-
			Law Yang Ket	-	3.70	-
			Chew Boon Swee	-	9.70	-
CNI Health Products (Shandong) Ltd ("CNISD")	Trading & manufacturing of honey and royal jelly	CNISD is CNI Group's supplier of royal jelly powder and honey.	(Dr) Koh Peng Chor	-	-	99.99 ²
			Tan Sia Swee	Non-Executive Director	-	99.99 ³
Cameron Heights Sdn Bhd ("CH")	Development of resort and recreational centre	CNIE is renting out office space to CH in Wisma CNI	(Dr) Koh Peng Chor	Non-Executive Director	22.05	15.22 ⁴
			Tan Sia Swee	-	5.80	15.22 ⁵
			Law Yang Ket	-	1.16	-

9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Name of Company	Principal activities	Nature of Transaction	Interested Related Party	Nature of Interest	% shareholding in the company	
					Direct	Indirect
Persatuan Agama Buddha Tantrayana Chen Foh Chong ("PABTCFC")	Charitable non-profit organisation	CNI is renting out its property known as A15/4/4 and A15/5/5 Jalan Ampang Utama 2/2 to PABTCFC	(Dr) Koh Peng Chor	Member of PABTCFC	N/a	n/a
Master Land Investment Ltd	Trading and property holding company	Supply and procurement of the Group's raw material requirements.	(Dr) Koh Peng Chor	-	-	99.99 ⁶
		Contract manufacturing customer	Tan Sia Swee	Non-Executive Director	-	99.99 ⁷
PCM	Investment and property holding company	Q-Pack is renting a property known as No. 11A & 11B Jalan 25/64, 40400 Shah Alam from PCM.	(Dr) Koh Peng Chor	Non-Executive Director	72.70	27.3 ⁸
		EM is renting a property known as No. 11C, 13A, 13B and 13C Jalan 25/64, 40400 Shah Alam from PCM				
CNI Enterprise (India) Pvt Ltd	Multilevel Marketing	Contract manufacturing customer	(Dr) Koh Peng Chor	-	-	99.99 ⁹
			Cheong Chin Tai	Non-Executive Director	-	-
Leader Regent Ltd	Trading	Contract manufacturing customer	(Dr) Koh Peng Chor	-	-	99.99 ⁹
Lian Seng Enterprise (Sole proprietorship)	Transportation services	Provision of transportation services to the Group	Chew Boon Swee	The firm is owned by his brother – Chew Boon Yeng	Not applicable	

9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Name of Company	Principal activities	Nature of Transaction	Interested Related Party	Nature of Interest	% shareholding in the company	
					Direct	Indirect
Global Business Network Sdn Bhd ("GBN")	Trading of healthcare products	Provision of importation and distribution services	(Dr.) Koh Peng Chor	-	-	100.0 ¹
			Tan Sia Swee	Non-Executive Director	-	100.0 ¹
CNI IPHC	To grant licence to use the trademarks and CNI logo	Licence to the Group the rights to use the trademarks and CNI logo in Malaysia, Brunei and Singapore	(Dr.) Koh Peng Chor	-	21.46	-
			Tan Sia Swee	-	11.75	-
			Law Yang Ket	-	3.54	-
			Chcong Chin Tai	-	3.75	-
			Chew Boon Swee	-	3.75	-

Notes:

- 1 Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in CNI Corp, which holds 100% of the company
- 2 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and indirect shareholdings in Tunas Emas Sdn Bhd, which indirectly holds 99.99% of the company
- 3 Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in Tunas Emas Sdn Bhd, which indirectly holds 99.99% of the company
- 4 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and indirect shareholdings in Tunas Emas Sdn Bhd, which holds 15.22% of the company
- 5 Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in Tunas Emas Sdn Bhd, which holds 15.22% of the company
- 6 Deemed interested pursuant to Section 6A of the Act by virtue of his direct and indirect shareholdings in Tunas Emas Sdn Bhd, which holds 99.99% of the company
- 7 Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in Tunas Emas Sdn Bhd, which holds 99.99% of the company
- 8 Deemed interested by virtue his wife's, Chuah Tck Lan, and his son's, Koh How Loon, shareholdings in PCM
- 9 Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in CNI Corp, which holds 99.99% of the company.

9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Review procedures for the recurrent related party transactions

The Group has implemented the following methods and procedures by which the transaction prices are determined to ensure that the recurrent related party transactions are undertaken on an arm's length basis, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and are not prejudicial to the minority shareholders:

- (i) a list of companies connected to the related parties will be circulated within the Group and all contracting parties will be notified that all recurrent related party transactions are required to be undertaken on arm's length basis and on normal commercial terms;
- (ii) the transaction prices and terms are determined based on the prevailing market rates which are determined by market forces, demand and supply, quality of the product and other relevant factors, and where appropriate, at least 2 quotations will be obtained from unrelated third parties to ascertain the appropriate transaction prices;
- (iii) the Audit Committee will delegate the day-to-day endorsement of recurrent related party transactions to CNI's Group Executive Chairman and CEO, who will ensure that the recurrent related party transactions are entered into on arms length basis, based on commercial terms and are not more favourable to the related party than those generally available to the public and are not prejudicial to the minority shareholders;
- (iv) the Audit Committee will review and ratify at each Audit Committee meeting, the transactions that the management has identified as recurrent related party transactions and ensure that the recurrent related party transactions are entered into on arms length basis, based on commercial terms and are not more favourable to the related party than those generally available to the public and are not prejudicial to the minority shareholders;
- (v) the Audit Committee will review conflict of interest situations that may arise within the CNI Group as a result of the recurrent related party transactions to ensure that the appropriate procedures have been followed and it would not be prejudicial to the minority shareholders;
- (vi) the Audit Committee has the overall responsibility to determine the review procedures and shall continue to review the adequacy and appropriateness of the procedures as and when required;
- (vii) where any Director has an interest (direct or indirect) in any recurrent related party transactions, such Director shall abstain from deliberation and voting on the recurrent related party transactions. Where any member of the Audit Committee is interested in any transaction, that member will abstain from deliberation and voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such recurrent related party transactions; and
- (viii) the Audit Committee will ensure that disclosure shall be made in the annual report of CNI of the aggregate value of transactions conducted during the relevant financial year based on the types of recurrent related party transactions and the names of the related parties involved in each type of recurrent related party transactions and their relationship with the CNI Group.

9. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- (d) There are no outstanding loans and/or guarantees of any kind made by CNI or any of its subsidiaries to or for the benefit of the related parties.
- (e) Save as disclosed in Section 16.8 of this Prospectus on material contracts, the Group has not entered into any transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which CNI or any of its subsidiary companies was a party during the FYE 31 December 2004 and the period immediately preceding the date of this Prospectus.

9.2 DECLARATIONS BY THE ADVISERS

RHB Sakura has given its confirmation that there is no conflict of interest in its capacity as the Adviser, Underwriter and Placement Agent for the Flotation Scheme.

Messrs Lee, Perara & Tan has given its confirmation that there is no conflict of interest in its capacity as the Solicitors for the Flotation Scheme.

Messrs Moore Stephens has given its confirmation that there is no conflict of interest in its capacity as the Auditors for the Group and Reporting Accountants for the Flotation Scheme.

Vital Factor has given its confirmation that there is no conflict of interest in its capacity as the Independent Business and Market Research Consultants for the Flotation Scheme.

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