

8. INDUSTRY OVERVIEW (Cont'd)

8.5.2 Operators within the primary steel products industry

Presently, there are 2 producers of DRI and HBI and 6 producers of semi-finished long steel products operating in Malaysia.

There are currently two producers of DRI and HBI operating in Malaysia:

- (i) PSSB; and
- (ii) Antara Steel Mills Sdn Bhd.

There are currently six producers of semi-finished long steel products operating in Malaysia:

- (i) PSSB;
- (ii) Amsteel Mills Sdn Bhd;
- (iii) Ann Joo Steel Berhad (formerly known as Malayawata Steel);
- (iv) Antara Steel Mills Sdn Bhd;
- (v) Malaysia Steel Works (KL) Berhad; and
- (vi) Southern Steel Berhad.

Megasteel Sdn Bhd is currently completing a DRI plant in Banting, Selangor. The plant has planned capacity of 1.7 million tonnes per year. It is expected that all of Megasteel Sdn Bhd's DRI output will be used internally to produce semi-finished flat steel products in the form of slabs for further processing into hot-rolled coils.

8.5.3 Output of the primary steel products industry

In 2007, output from the primary steel products industry amounted to approximately 10.1 million tonnes. Estimated capacity utilisation of the primary steel products industry in 2007 is as follows:

Primary Steel Product	Production (Tonnes)	Installed Capacity (Tonnes)	Utilisation Rate
DRI and HBI	1,828,983	2,080,000	88%
Semi-finished long steel products	5,302,256	6,500,000	82%
Semi-finished flat steel products	3,000,000	3,500,000	86%
Overall primary steel products industry	10,131,239	11,630,000	87%

Based on the above observations, the primary steel product industry is operating at a relatively high level of capacity utilisation.

8.5.4 Competitive environment

Operators in the primary steel products industry engaged in the production of DRI and semi-finished long steel products in Malaysia face normal competitive conditions.

As with most free enterprise environment, the degree of competition among producers of DRI and semi-finished long steel products is based on a number of factors, including contractual arrangements with suppliers of iron ore, financial strength to compete and grow the business, contractual arrangements with customers, ability to exploit economies of scale, established track record and manufacturing capabilities and facilities.

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Our Group's competitive edge with regards to the aforesaid factors is as follows:

(i) Contractual arrangements with suppliers of iron ore

We have entered into long-term supply contracts for iron ore with some of our suppliers. Our long-term supply contracts provide us with assurance that we will be able to secure iron ore to help mitigate any disruption to our operations arising from insufficient supply of iron ore.

(ii) Financial strength to compete and grow the business

For the FYE 31 December 2007, our PAT amounted to RM162.6 million. Our Group's high profitability will help it in competing against other producers as it provides the Group with the financial strength to support its on-going operations, as well as make strategic investments or to grow the company to address business opportunities.

(iii) Contractual arrangements with customers

We have entered into contracts for the supply of DRI and semi-finished long steel products with some of our customers. Securing contracts with some of our customers will provide a measure of stability to our Group's sales. It also assist us in scheduling production and ensuring that our plant and equipment are optimally utilised.

(iv) Ability to exploit economies of scale

The manufacturing of DRI is capital-intensive requiring significant economies of scale to be profitable. In addition, the production process of DRI and semi-finished long steel products favour continuous 24-hour operation to reduce wastage in energy cost incurred during stoppages as plant and equipment have to be heated up again to resume production.

We currently enjoy these economies of scale due to our high capacity utilisation rates for the production of DRI and semi-finished long steel products. As we are able to consume all of the DRI produced either in the form of DRI or converted to semi-finished long steel products, we are able to operate the DRI reactors at a high rate of utilisation. Our average capacity utilisation rate for the production of DRI and semi-finished long steel products was approximately 90% and 69% during 2007.

The ability to exploit economies of scale will help us compete against other producers, as we optimally operate our plant and equipment and minimise production costs.

(v) Established track record

We have been in operation since 1985. This long and established track record provides our Group with a competitive advantage over new entrants and companies who have relatively shorter operating histories.

In general, the overall degree of competition among producers of DRI and semi-finished long steel products in Malaysia is **low**. This is substantiated by the following:

- (i) as at April 2008, there are only 2 manufacturers of DRI and HBI, and 6 manufacturers of semi-finished long steel products operating in Malaysia. The small number of manufacturers reduces the intensity of competition; and
- (ii) new entrants who intend to engage in the production of DRI, HBI and semi-finished long steel products face very high barriers to entry. These high barriers to entry serve to deter new entrants, and help to reduce competitive intensity.

8. INDUSTRY OVERVIEW (Cont'd)

8.5.5 Barriers to entry

The barriers to entry for a new entrant to the primary steel products industry are as follows:

(i) High capital and set-up costs

(a) Primary products

The high capital and set-up costs creates a **very high** barrier to entry for new entrants intending to produce DRI and HBI. It is estimated that Megasteel Sdn Bhd's new Midrex DRI plant in Banting, Selangor costs approximately RM2 billion to set-up. The major plant, machinery and facilities required includes a DRI reactor, a briquetting plant to produce HBI (if desired), port facilities to handle incoming iron ore and other feedstock, and outgoing DRI (including cost of dredging), iron ore handling facilities and DRI handling and storage facilities.

In addition, the working capital cost involved in setting-up a new DRI and HBI plant is significant. As the iron ore produced in Malaysia is not suitable for producing DRI and HBI, virtually all the iron ore used to produce DRI and HBI has to be imported. As such, operators are required to have large working capital to buy sufficient iron ore for storage to ensure that there is a continuous supply of feedstock for the continuous operation of the DRI and HBI plant.

(b) Semi-finished long steel products

High capital and set-up costs also create a **very high** barrier to entry for new entrants intending to produce semi-finished long steel products. The capital and set-up costs required to set-up a new plant to manufacture semi-finished long steel products is estimated at RM2 billion. The major plant and machinery required includes electric arc furnace, ladle furnace, continuous casting machine, and scrap iron, DRI and HBI handling facilities.

The working capital cost required to set-up a new semi-finished long steel products is also significant as the operator is required to purchase and stock sufficient quantities of DRI and HBI and scrap iron to ensure that there is a continuous supply of feedstock for the continuous operation of the semi-finished long steel products plant.

The high financial barriers to entry would imply that competition from new entrants in the production of DRI and semi-finished long steel products would be minimal in Malaysia. Apart from Megasteel Sdn Bhd, it is unlikely that there will be another new entrant for the production of DRI/HBI in Malaysia in the near or medium term.

(ii) Technical Skills

In general, the level of technical skills and expertise required to produce primary steel products create a moderate barrier to entry. The key personnel required includes the following:

- (i) technicians skilled in operating the production plant to ensure that the plant is operating at maximum efficiency;
- (ii) maintenance personnel to ensure that downtime is minimised;
- (iii) quality assurance technicians and personnel to carry out quality assurance tests on incoming raw materials and finished primary steel products to ensure that they conform to customer specifications; and
- (iv) a large pool of skilled and semi-skilled personnel to operate the primary steel products. These personnel are usually recruited from vocational schools.

8. INDUSTRY OVERVIEW (Cont'd)

Technical skills would pose some form of barrier to entry for new entrants.

8.5.6 Substitute products

In some situations, DRI, HBI, pig iron and scrap iron may generally be regarded as substitutes for one another for the manufacture of steel products. DRI and HBI are closer in similarity compared to pig iron and scrap iron. As such, there are more situations where DRI and HBI may substitute for one another. In some situations, manufacturers may use different proportions of DRI, HBI and certain types of scrap iron. Although in some situations DRI and HBI may substitute for pig iron, it is not common to do so as DRI and HBI are of higher quality and cost compared to pig iron.

Although DRI and HBI are close substitutes, they are not perfect substitutes. As such, DRI would have its own market segment, while HBI will have its own market segment, although there is some overlap.

8.5.7 Industry's reliance on and vulnerability to imports

The primary steel products industry in Malaysia relies on imports for the supply of iron ore and scrap iron. Although Malaysia is a producer of iron ore, the iron ore produced in Malaysia is mostly of a lower grade that is not suitable for use in producing DRI. Local supply of scrap iron is not sufficient to meet the requirements of the local primary steel products industry. As a result, scrap iron has to be imported into Malaysia.

However, the primary steel products industry in Malaysia is not vulnerable to imported raw materials, as both iron ore and scrap iron are commodities which are widely available. Further, we have entered into long-term contracts for the supply of iron ore, which gives us the right to purchase a specified quantity of iron ore up to 2011. This provides us with some assurance that we will have a continuous supply of iron ore to meet our production requirements. Also, we currently source most of our scrap iron from local suppliers, and as such, we are not very dependent on imported scrap iron.

8.5.8 Price volatility of principal raw materials

In general, there is some volatility in the price of iron ore. The benchmark global market price for most types of traded iron ore is largely determined by annual negotiations between the major users and producers of iron ore. Between 1997 and 2003, the price index for iron ore pellets fluctuated between the index values of 90 to 100. The price index subsequently increased from 2003 to 2008, increasing from 99.8 in 2003 to an estimated value of 395.5 in 2008.

The price of scrap iron also exhibits some volatility. The price of scrap iron usually varies from month to month. The price of scrap iron has generally followed an upward trend between June 2003 to December 2007, with the price index for scrap iron increased from a base value of 100.0 in June 2003 to a value of 228.0 in December 2007.

As iron ore and scrap iron are internationally traded commodities, all operators in the primary steel products industry that purchase iron ore and scrap iron will be subjected to the same volatility in their pricing.

8.6 DEMAND CONDITIONS

8.6.1 Demand dependencies

DRI and HBI are used as feedstock in a diverse number of industries, including the foundry and die-casting industries. DRI and HBI are also used in the production of semi-finished steel products, which in turn is used for all downstream steel products.

Demand for DRI and HBI is ultimately driven by its end-user industries, which can be segmented into the following major categories:

8. INDUSTRY OVERVIEW (Cont'd)

- (i) overall iron and steel industry;
- (ii) building, construction and infrastructure; and
- (iii) manufacture of consumer and industrial products.

DRI and HBI are used as feedstock for the production of various types of semi-finished steel products, which are further processed to produce finished steel products such as light and heavy sections, bars, rods, wire products, hot and cold rolled coils and plates.

Demand for semi-finished long steel products is ultimately driven by the building, construction and infrastructure industries.

DRI and HBI are also used as raw materials in the die-casting and foundry industries. Foundry and die-cast products are in turn used in many manufacturing industries, such as the electrical and electronics industry, machinery and equipment industry, and automotive industry. As such, the performance of foundry and die-cast products depend on the performance of the overall manufacturing industry.

The following sub-sections assess the performance of the end-user industries, which will impact on the demand for DRI and HBI, and semi-finished long steel products.

(i) Manufacture of basic iron and steel products

Between 2004 and 2007, the sales value of the manufacture of basic iron and steel products increased at an average annual rate of 19.1%. In 2007, the sales value of the manufacture of basic iron and steel products increased by 23.6% to RM23.0 billion.

(ii) Construction industry

Between 2005 and 2007, the GDP contribution of the construction industry increased at an average annual rate of 1.0%. In 2007, the GDP contribution of the construction industry increased by 4.6%. The construction industry remains an important component of the Malaysian economy. In 2007, the GDP contribution of the construction industry at current prices was RM15.2 billion.

(Source: Vital Factor Report)

The construction sector is poised to strengthen further with a growth of 6.3% in 2008 (2007: 5.2%) on the back of ongoing infrastructure projects and newly launched infrastructure projects under 9MP, in particular the development of growth corridors. Growth is also expected to emanate from the implementation of major transport-related projects, such as the Second Penang Bridge, Penang Monorail, Ipoh-Padang Besar Double Tracking Rail project and extension of Ampang and Kelana Jaya Light Rail Transit lines. Efforts to develop Southern Johor as one of the world's largest integrated petroleum logistics hub and the ongoing Northern Corridor Economic Region will further add impetus to the growth of this sector. In addition, the non-residential sub-sector is envisaged to pick up strongly supported by rising demand for office space in tandem with increasing business activity, especially in major urban and industrial areas. The residential sub-sector is also expected to strengthen on account of bullish consumer sentiment and increasing foreign demand due to various liberalisation measures and incentives introduced in the property market.

(Source: Economic Report 2007/2008)

(iii) Manufacturing industry

Between 2005 and 2007, the GDP contribution of the manufacturing industry grew at an average annual rate of 5.1%. In 2007, the GDP contribution of the manufacturing industry grew at 3.1%.

8. INDUSTRY OVERVIEW (*Cont'd*)

The growth of the manufacturing industry in Malaysia will continue to stimulate demand for DRI, HBI, semi-finished steel products and finished steel products.

(Source: Vital Factor Report)

Value added in the manufacturing sector is projected to grow by 3.8% in 2008 (2007: 3.1%) in line with expansion in global trade. Global demand for manufactured goods, particularly electrical and electronic products, is expected to rise sharply, underpinned by sustained world growth and strengthening US economy. This will benefit Malaysia's export oriented industries. Output of resource-based products is expected to expand due to strong demand for refined petroleum products, plastics and chemicals including biofuels, rubber gloves as well as wooden furniture and fixtures. Growth in non-metallic minerals and metal industries will be further supported by increased activity in the domestic economy, in particular construction.

(Source: Economic Report 2007/2008)

8.6.2 Demand

DRI and HBI

(i) Apparent consumption of DRI and HBI

In 2006, Malaysia's estimated apparent consumption of DRI and HBI increased by 3.8% to 1.30 million tonnes. Between 2002 and 2006, it is estimated that apparent local consumption of DRI and HBI increased at an average annual rate of 14.0%.

The high rate of growth in apparent consumption suggests that there is an increasing demand for DRI and HBI to meet the growing requirement of downstream and end-user industries.

(ii) Exports of DRI and HBI

Between 2003 and 2007, export quantity of DRI and HBI declined at an average annual rate of 14.3%. In 2007, preliminary data indicated that the export quantity of DRI and HBI increased by 60.8% to reach 321,309 tonnes.

Indonesia was the largest market for exports of DRI and HBI, accounting for 45.8% of exports by quantity in 2007. This is followed by Iran and Thailand, which accounted for 15.1% and 11.2% of exports by quantity respectively. Other export markets for DRI and HBI included China, Korea and Taiwan.

Between 2003 and 2007, export value of DRI and HBI increased at an average annual rate of 1.6%. In 2007, preliminary data indicated that the export value of DRI and HBI increased by 50.9% to reach RM314.4 million.

Semi-finished long steel products

(i) Apparent consumption of semi-finished long steel products

In 2006, Malaysia's estimated apparent consumption of semi-finished long steel products increased by 8.3% to an estimated 3.58 million tonnes. Between 2002 and 2006, it is estimated that apparent local consumption of semi-finished long steel products increased at an average annual rate of 1.8%.

The increase seen in the apparent local consumption of semi-finished long steel products indicates a continuing demand for semi-finished long steel products.

8. INDUSTRY OVERVIEW (Cont'd)

(ii) Exports of semi-finished long steel products

Between 2003 and 2007, export value of semi-finished long steel products increased at an average annual rate of 30.2%. In 2007, preliminary data indicated that export value increased by 282.0% to reach RM1.7 billion.

Vietnam was the largest market for exports of semi-finished long steel products, accounting for 53.6% of exports by value in 2007. This is followed by Indonesia and Thailand, which accounted for 17.0% and 7.5% of exports by value respectively. Other export markets for semi-finished long steel products were Thailand, Philippines, and Iran.

8.7 SUPPLY CONDITIONS**8.7.1 Supply dependencies**

Iron ore is the main raw material used in producing DRI and HBI.

DRI and scrap iron are the main raw materials used by our Group for the production of semi-finished long steel products. All of the DRI that are used by our Group for the production of semi-finished long steel products is produced in-house by our Group.

(i) Local production of iron ore

Between 2002 and 2006, local production quantity of iron ore increased at an average annual rate of 13.3%. In 2006, local production quantity of iron ore declined by 29.8% to 667,082 tonnes.

There were a total of 11 iron ore mines operating in Malaysia in 2006. The iron ore produced in Malaysia is mostly of a lower grade, which is mainly used by pipe-coating factories for the oil and gas industry, with a small amount used by local cement producers. The iron ore currently produced in Malaysia is not suitable for the production of DRI. Some of the locally produced iron ore is exported to China.

(ii) Imports of iron ore

Between 2003 and 2007, import value of iron ore and concentrates increased at an average annual growth rate of 30.7%. In 2007, preliminary data indicated that import value increased by 15.3% to RM1.1 billion.

Brazil is the largest source of imports for iron ore and concentrates, which accounted for 41.9% of imports by value in 2007. This is followed by Chile and Mexico, which accounted for 20.6% and 13.3% of imports by value respectively. Other sources of imports of iron ore included Bahrain, Greece and China.

(iii) Local supply of scrap iron

Between 2002 and 2006, local supply of scrap iron declined at an average annual rate of 0.5%. In 2006, local supply of scrap iron increased by 11.1% to 1.6 million tonnes.

(iv) Imports of scrap iron

Between 2003 and 2007, import value of scrap iron increased at an average annual growth rate of 32.0%. In 2007, preliminary data indicated that import value of scrap iron increased by 38.8% to RM4.2 billion.

8. INDUSTRY OVERVIEW (Cont'd)

United States was the largest source of imports for scrap iron, accounting for 38.5% of imports by value in 2007. This is followed by the United Kingdom and Australia, which accounted for 17.5% and 15.4% of imports by value respectively. Other sources of imports of scrap iron were South Africa, Singapore, the Philippines and Germany.

8.7.2 Supply

Our Group is primarily a producer of DRI and semi-finished long steel products. Malaysia is both a local producer and importer of DRI and HBI, and semi-finished long steel products.

(i) Local production of DRI and HBI

Between 2002 and 2006, the local production quantity of DRI and HBI increased at an average annual rate of 8.9%. In 2006, production quantity of DRI and HBI increased by 10.7% to reach approximately 1.5 million tonnes.

(ii) Imports of DRI and HBI

Between 2003 and 2007, import quantity of DRI and HBI decreased at an average annual rate of 74.5%. In 2007, the import quantity of DRI and HBI was only 76 tonnes.

The sharp decline in the quantity of DRI and HBI imported to Malaysia was primarily due to Malaysian producers of semi-finished steel products switching to locally produced DRI and HBI.

(iii) Local production of semi-finished long steel products

Between 2002 and 2006, production quantity of semi-finished long steel products increased at an average annual rate of 4.2%. In 2006, the production quantity of semi-finished long steel products increased marginally to 3.80 million tonnes.

(iv) Imports of semi-finished long steel products

Imports of semi-finished long steel products can be categorised as follows:

(a) Imports of semi-finished products of iron or non-alloy steel

Between 2003 and 2007, the import quantity of semi-finished products of iron or non-alloy steel increased at an average annual rate of 19.8%. In 2007, preliminary data indicated that import quantity increased by 46.5% to 617,586 tonnes.

Between 2003 and 2007, the import value of semi-finished products of iron or non-alloy steel increased at an average annual rate of 17.5%. In 2007, preliminary data indicates that import value increased by 24.4% to RM719.5 million.

In 2007, China was the largest source of imports of semi-finished products of iron or non-alloy steel, which accounted for 94.6% of imports by value. Other sources of imports were Brazil and Japan, which accounted for 3.3% and 1.0% of imports by value respectively.

8. INDUSTRY OVERVIEW (Cont'd)

(b) Imports of rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon

Between 2003 and 2007, the import quantity of rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon, declined at an average annual rate of 26.6%. In 2007, preliminary data indicated that import quantity declined by 46.0% to 19,397 tonnes.

Between 2003 and 2007, the import value of rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon, declined at an average annual rate of 22.4%. In 2007, preliminary data indicated that import value declined by 44.6% to RM30.8 million.

(c) Imports of other rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon

Between 2003 and 2007, the import quantity of other rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon, increased at an average annual rate of 41.9%. In 2007, preliminary data indicated that import quantity increased by 2.4% to reach 374,941 tonnes.

Between 2003 and 2007, the import value of other rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon, increased at an average annual rate of 50.2%. In 2007, preliminary data indicated that import value increased by 34.3% to reach RM678.0 million.

In 2007, China accounted for 99.7% of the imports by value of other rectangular semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon. Other sources of imports were Brazil, Singapore, Germany and Taiwan.

(d) Imports of other semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon

Between 2003 and 2007, the import quantity of other semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon declined at an average annual rate of 85.2%. In 2007, preliminary data indicated that import quantity increased by 184.3% to 9 tonnes.

Between 2003 and 2007, the import value of other semi-finished products of iron or non-alloy steel containing by weight less than 0.25% carbon declined at an average annual rate of 74.3%. In 2007, preliminary data indicated that import value increased by 101.3% to RM0.1 million.

(e) Imports of rectangular semi-finished products of iron or non-alloy steel containing by weight more than 0.25% carbon

The semi-finished long steel products produced and exported by our Group are classified under the category "Rectangular semi-finished products of iron or non-alloy steel containing by weight more than 0.25% carbon".

Between 2003 and 2007, the import value of rectangular semi-finished products of iron or non-alloy steel containing by weight more than 0.25% carbon, declined at an average annual rate of 47.7%. In 2007, preliminary data indicated that import value declined by 39.4% to RM10.7 million.

8. INDUSTRY OVERVIEW *(Cont'd)*

8.8 MARKET SIZE, SHARE AND RANKING

(i) Market size for DRI and HBI

In 2007, the market size for DRI and HBI in Malaysia based on production quantity was approximately 1.8 million tonnes.

(ii) Market size for semi-finished long steel products

In 2007, the market size for semi-finished long steel products in Malaysia based on production quantity was approximately 5.3 million tonnes.

(iii) Market share of DRI and HBI based on production quantity

In 2007, our Group's market share of DRI and HBI based on production quantity in Malaysia is 60%.

(iv) Market share of semi-finished long steel products based on production quantity

In 2007, our Group's market share of semi-finished long steel products based on production quantity in Malaysia is 17%.

(v) Market ranking of DRI and HBI based on production quantity

In 2007, our Group ranked **first** in Malaysia in terms of quantity of DRI and HBI produced.

(vi) Market ranking of semi-finished long steel products based on production quantity

In 2007, our Group ranked **third** in Malaysia in terms of quantity of semi-finished long steel products produced.

8.9 INDUSTRY OUTLOOK

8.9.1 Primary steel products industry outlook in Malaysia

The outlook for the primary steel products industry in Malaysia is **favourable**. This is substantiated by the following observations:

(i) Production of DRI and semi-finished long steel products

(a) Between 2002 and 2006, local production quantity of DRI and HBI increased at an average annual rate of 8.9%. In 2006, production quantity of DRI and HBI increased by 10.7% to 1.5 million tonnes.

(b) Between 2002 and 2006, production quantity of semi-finished long steel products increased at an average annual rate of 4.2%. However in 2006, the production quantity of semi-finished long steel products increased marginally to 3.8 million tonnes.

(ii) Local apparent consumption of DRI and semi-finished long steel products

(a) In 2006, Malaysia's estimated apparent consumption of DRI and HBI increased by 3.6% to 1.3 million tonnes. Between 2002 and 2006, it is estimated that apparent local consumption of DRI and HBI increased at an average annual rate of 14.0%. The high rate of growth in apparent consumption suggests that there is an increasing demand for DRI and HBI to meet the growing needs of downstream and end-user industries.

8. INDUSTRY OVERVIEW (Cont'd)

- (b) In 2006, Malaysia's estimated apparent consumption of semi-finished long steel products increased by 8.3% to an estimated 3.6 million tonnes. Between 2002 and 2006, it is estimated that apparent local consumption of semi-finished long steel products increased at an average annual rate of 1.8%. The increase in the apparent local consumption of semi-finished long steel products indicates a continuing demand for semi-finished long steel products.

(iii) Export potential of DRI and HBI

- (a) Between 2003 and 2007, export quantity of DRI and HBI declined at an average annual rate of 14.3%. The general decline in the export quantity of DRI and HBI is primarily due to the strong local demand including the substitution of imports with locally produced DRI and HBI. The import quantity of DRI and HBI declined from approximately 20,000 tonnes in 2004 to only 76 tonnes in 2007.
- (b) In 2007, preliminary data indicated that the export quantity of DRI and HBI increased by 60.8% to 321,309 tonnes.
- (c) Malaysia's exports of DRI and HBI is expected to increase in the near future for the following reasons:
- The completion of our Group's planned upgrades to its DRI reactors to increase annual production capacity to 1.8 million tonnes by 2009 will enable the Group to address export opportunities of DRI.
 - The completion of the DRI plant, which is currently being set-up by Megasteel Sdn Bhd in Banting, Selangor will provide the company with the capacity to produce 1.7 million tonnes of HBI per year.

(iv) Exports of semi-finished long steel products

- (a) Between 2003 and 2007, export value of semi-finished long steel products increased at an average annual rate of 30.2%. In 2007, preliminary data indicated that export value increased by 282.0% to reach RM1.7 billion.

(v) Performance of the overall iron and steel industry

- (a) Between 2004 and 2007, the sales value of the manufacture of basic iron and steel products increased at an average annual rate of 19.1%. In 2007, the sales value of the manufacture of basic iron and steel products increased by 23.6% to RM23.0 billion.

(vi) Performance of the overall manufacturing industry and construction industry

- (a) Between 2005 and 2007, the GDP contribution of the manufacturing industry grew at an average annual rate of 5.1%. In 2007, the GDP contribution of the manufacturing industry grew at 3.1%.
- (b) Between 2005 and 2007, the GDP contribution of the construction industry increased at an average annual rate of 1.0%. In 2007, the GDP contribution of the construction industry increased by 4.6%.
- (c) The growth of the manufacturing industry and construction industry in Malaysia will continue to stimulate demand for DRI, HBI, semi-finished steel products and finished steel products.

8. INDUSTRY OVERVIEW (Cont'd)

(vii) Large global demand for steel

- (a) Global demand for DRI and semi-finished long steel products is high. This is reflected by the large volume of DRI and semi-finished steel produced globally.

This is substantiated by the following observations:

- In 2006, the global production of DRI amounted to 59.9 million tonnes.
- In 2006, the global production of semi-finished steel reached 1.2 billion tonnes.

8.9.2 Global steel industry outlook

The outlook of the overall global steel industry is **favourable**. This is substantiated by the following observations:

- (i) In 2008, global apparent steel use is projected to increase by 6.7% to reach 1,282 million tonnes.
- (ii) Global apparent steel use is projected to increase by 6.3% to reach 1,363 million tonnes in 2009.
- (iii) Apparent steel use is expected to remain strong in the major steel producing nations of Brazil, Russia, India and China. Apparent steel use in these countries is expected to increase by 11.1% in 2008 to reach 578.5 million tonnes, and 10.3% in 2009 to reach 637.8 million tonnes.
- (iv) Apparent steel use in Asia (including Oceania) is also expected to remain robust, with apparent steel use expected to increase by 8.6% in 2008 to reach 728.3 million tonnes, and 8.0% to reach 786.5 million tonnes in 2009.

8.9.3 Drivers of growth

Some of the drivers of growth for the primary steel products industry are as follows:

(i) Growth of end-user industries

Growth of end-user industries such as the iron and steel industry, overall manufacturing industry and the building and construction industry. The diversity and growth within these user industries will provide significant impetus for growth and demand for primary steel products in Malaysia.

(ii) Export demand

Export demand will also help drive the growth of DRI and semi-finished long steel products in addition to satisfying local market demand. In addition, the strong global demand for steel products in general provides a ready market for producers of primary steel products.

(iii) Socio-economic growth

Socio-economic growth such as the growth of the economy and population is likely to create demand for the primary steel products industry by increasing demand for steel products, (such as vehicles, household goods and electrical and electronics products). Socio-economic growth will also create demand for infrastructure development as well as building and construction of residential, commercial and industrial.

8. INDUSTRY OVERVIEW *(Cont'd)*

(iv) Government plans and policies

Government Plans and Policies which are reflected in the implementation of infrastructure development projects in the Ninth Malaysia Plan is expected to help drive the growth of the primary steel products industry. Steel products, particularly long steel products, which are used as a building material, are also used in a range of machinery and equipment in the building and construction industry. In addition, a number of railway projects were announced under the Ninth Malaysia Plan, including the Sentul-Batu Caves Double-tracking project, as well as an allocation of RM2.6 billion for Rail Transport. These railway projects are expected to help drive the growth in the use of semi-finished long steel products as a raw material.

(v) Iskandar Development Region

Implementation of infrastructure development projects as part of the Iskandar Development Region is also expected to drive demand for primary steel products including DRI and semi-finished long steel products.

8.10 GOVERNMENT LEGISLATION, POLICIES AND INCENTIVES

(i) Manufacturing licence

Apart from the normal manufacturing licence, there are no material Government laws, regulations and policies that may impede on the performance and growth of operators within a free enterprise environment. The Industrial Coordination Act, 1975 requires companies engaging in any manufacturing activity with shareholders' funds of RM2.5 million and above or employing 75 or more full-time paid employees to obtain a manufacturing licence (*Source: Malaysian Industrial Development Authority*).

(Source: Vital Factor Report)

We currently operate under manufacturing licences issued by MITI for the manufacture of "sponge iron, hot briquetted iron and steel billets" and "blooms and beam blanks".

We have also obtained a manufacturing licence with respect to the manufacture of "Pig iron" from the Ministry of International Trade and Industry on 8 April 2008.

(ii) Atomic energy licence

According to the Atomic Energy Licensing Act 1984, any company dealing in and in possession of any radioactive material or irradiating apparatus must obtain a licence.

(Source: Vital Factor Report)

We have a licence issued under the Atomic Energy Licensing Act 1984, for the purpose of "purchasing, owning, possessing, using, operating, storing, transporting and importing/exporting radioactive materials and irradiating apparatus".

(iii) Wholesaler's poison licence

An organisation that is involved in importation, possession, manufacture, compounding, storage, transport, sale and use of poisons, is subjected to The Poisons Act, 1952.

(Source: Vital Factor Report)

We have a Wholesaler's Poison Licence for our operations.

8. INDUSTRY OVERVIEW *(Cont'd)*

(iv) Government incentives

The major government incentives for companies engaged in the manufacturing sector include pioneer status, investment tax allowance, reinvestment allowance and tax exemption on the value of increased exports (*Source: Malaysian Industrial Development Authority*).

(Source: Vital Factor Report)

PSSB is eligible for investment tax allowance benefits. However, our Group has not utilised investment tax allowance benefits as there were sufficient unabsorbed capital allowances carried forward to absorb the taxable profits.

(v) Government control of the price of billets

The prices of billets sold in the Malaysian market were previously under Government control, whereby the prices of billets were set by the MDTCA.

The price control on billets of the type sold by our Group in Malaysia was lifted on 12 May 2008.

(Source: Vital Factor Report)

(vi) Government control of the export of billets

Previously, an export permit issued by MITI was required for the export of billets of the type produced by our Group.

The requirement to obtain an export permit to export billets of the type exported by our Group was lifted on 12 May 2008.

(Source: Vital Factor Report)

(vii) Environmental regulations

According to the Environmental Quality (Scheduled Wastes) Regulations 2005, during the normal course of its production operations, we generate the following types of scheduled waste:

- (a) spent alkali classified as "SW401, spent alkalis containing heavy metals";
- (b) spent hydraulic oil classified as "SW305, spent hydraulic oil"; and
- (c) grease classified as "SW312, oily residue from automotive workshop, service station oil or grease interceptor".

(Source: Vital Factor Report)

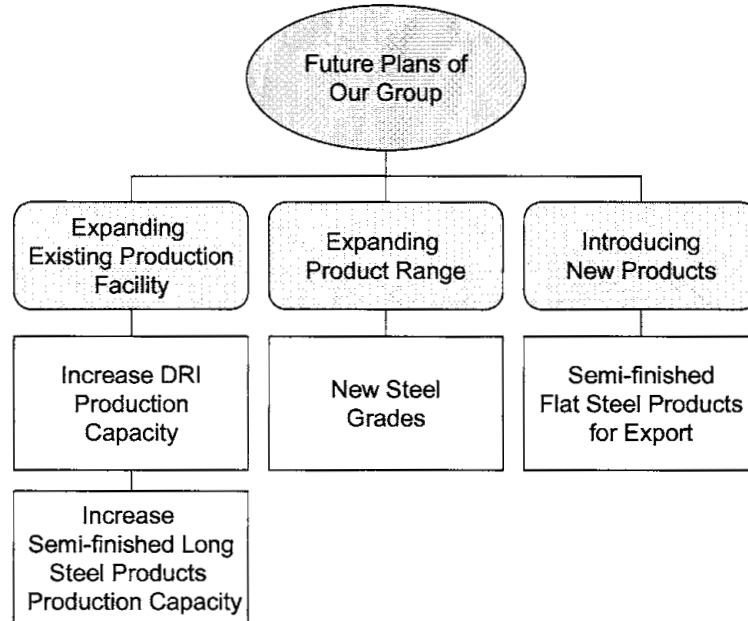
We have appointed Kualiti Alam Sdn Bhd, a company licensed by the Department of Environment, to collect and transport the spent alkali and grease generated during the manufacturing process to the premises of Kualiti Alam Sdn Bhd. We have also appointed Aldwich Berhad, a company licensed by the Department of Environment, to collect and transport the spent hydraulic generated during the manufacturing process to the premises of Aldwich Berhad.

8. INDUSTRY OVERVIEW (Cont'd)

8.11 FUTURE PLANS OF OUR GROUP AND PROSPECTS

8.11.1 Future Plans

Our future plans are focused on 4 key areas as depicted below:



(i) Expanding existing production facility

- **Increase DRI Production Capacity**

As part of our on-going efforts to enhance our operational capabilities, we are currently implementing a phased expansion programme to increase our DRI production capacity by improving the efficiency of our existing DRI reactors. In order to achieve this objective and to minimise production disruption, we intend to implement upgrades concurrently with the scheduled routine inspection of the DRI reactors carried out by the Department of Occupational Safety and Health.

We plan to upgrade our existing DRI reactors by upgrading ancillary equipment to increase the DRI reactors' production rate. The upgrading of ancillary equipment will also help to improve the quality of DRI produced.

The cost for the upgrading of the ancillary equipment is estimated to be RM3 million and will be financed by internal funds.

We plan to increase our DRI production capacity to 1.8 million tonnes per year in 2009.

- **Increase Semi-finished Long Steel Products Production Capacity**

We also plan to enhance our operational capabilities by re-commissioning our three existing electric arc furnaces so as to increase our production capacity for semi-finished long steel products.

8. INDUSTRY OVERVIEW (Cont'd)

Bringing the electric arc furnaces back into production is expected to increase our production capacity for semi-finished long steel products by 0.9 million tonnes per year. The cost of re-commissioning the three electric arc furnaces is estimated at between RM35 to RM50 million. We expect to re-commission the electric arc furnaces by 2009.

(ii) Expanding product range

We plan to expand our product range through the development of new steel grades. Expanding our product range will enable us to develop new business opportunities and acquire new customers as well as expand the range of applications for our products.

We are currently carrying out R&D to develop the capability to produce new grades of steel with different chemical characteristics. These new steel grades will be used to produce semi-finished long steel products. This will help create new business opportunities by widening the range of applications for our semi-finished long steel products. We target to develop steel grades that are suitable for use in the oil and gas and maritime industries. We plan to begin commercial production of some of the new steel grades by 2009. Please refer to Section 7.12 of this Prospectus for further details of the development of the new steel grades.

(iii) Introducing new products

We plan to produce semi-finished flat steel products exclusively for the export market. The types of semi-finished flat steel products targeted by our Group include slabs and plates. We plan to commence production of semi-finished flat steel products for the export market by 2010.

8.11.2 Prospects of our Group

Our Directors are of view that the prospects of our Group is favourable in light of our competitive advantages, our future plans, the favourable outlook of the primary steel products industry in Malaysia and the favourable outlook of the global steel industry.

Our competitive advantages will ensure business sustainability in light of normal market forces, as well as providing a sound platform for business growth. Please refer to Section 7.9 for details of our competitive strengths and advantages. Further, we have in place a strong business plan moving forward which are focused in the 4 main areas as discussed in the sections above. Our future plan leverages on our current strong position to provide business growth while minimising business risks.

The favourable outlook of the primary steel products industry in Malaysia would sustain our business and at the same time provide the platform for continuing business growth and success. Please see Section 8.9 for details on the outlook of the steel industry in Malaysia. Further, the outlook of the overall global steel industry is favourable and hence, would contribute positively to the prospects of our Group.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Promoters' and Substantial Shareholders' Shareholdings

The Promoters and our substantial shareholders and their respective shareholdings in our Company before and after the Public Issue and Offer for Sale are as follows:

	Place of incorporation/ Nationality	<-----Before Public Issue and Offer for Sale----->		<-----After Public Issue and Offer for Sale----->			
		<-----Direct-----> No. of Shares	% 	<-----Direct-----> No. of Shares	% 	<-----Indirect-----> No. of Shares	%
Promoters							
Kinsteel	Malaysia	255,000,000	51.0	-	-	-	-
Kin Kee	Malaysia	-	-	255,000,000	51.0 ⁴	209,100,000	37.34
PKK	Malaysia	-	-	255,000,000	51.0 ⁵	209,100,000	37.34 ⁵
ECSB	Malaysia	220,000,000	44.0	-	-	-	-
Maju	Malaysia	25,000,000	5.0	475,000,000	95.0 ¹	175,900,000	31.41
Tan Sri Abu Sahid bin Mohamed	Malaysian	-	-	500,000,000	100.0 ²	25,000,000	4.46
Tan Sri Dato' Pheng Yin Huah	Malaysian	-	-	255,000,000	51.0 ³	500,000	0.09
Dato' Hong Thian Hock	Malaysian	-	-	255,000,000	51.0 ³	150,000	0.03
Substantial shareholders							
Kinsteel	Malaysia	255,000,000	51.0	-	-	209,100,000	37.34
ECSB	Malaysia	220,000,000	44.0	-	-	175,900,000	31.41
Maju	Malaysia	25,000,000	5.0	475,000,000	95.0 ¹	25,000,000	4.46
Kin Kee	Malaysia	-	-	255,000,000	51.0 ⁴	-	-
PKK	Malaysia	-	-	255,000,000	51.0 ⁵	30,000	0.01
Tan Sri Abu Sahid bin Mohamed	Malaysian	-	-	500,000,000	100.0 ²	500,000	0.09
Tan Sri Dato' Pheng Yin Huah	Malaysian	-	-	255,000,000	51.0 ³	500,000	0.09
Dato' Hong Thian Hock	Malaysian	-	-	255,000,000	51.0 ³	150,000	0.03

Notes:

1. Deemed interest by virtue of its shareholdings in ECSB and Kinsteel pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in Maju, ECSB and Kinsteel pursuant to Section 6A of the Act
3. Deemed interest by virtue of his shareholdings in Kinsteel pursuant to Section 6A of the Act
4. Deemed interest by virtue of its shareholdings in Kin Kee pursuant to Section 6A of the Act
5. Deemed interest by virtue of its shareholdings in Kin Kee, Kin Kee, Kuantan Metal & Machinery Parts Sdn Bhd and Kin Kee Transport Sdn Bhd
6. Deemed interest by virtue of its shareholdings in Kinsteel, PKK, Kin Kee, Kuantan Metal & Machinery Parts Sdn Bhd and Kin Kee Transport Sdn Bhd

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.1.2 Background Information on Promoters and Substantial Shareholders

(i) Kinsteel

Kinsteel was incorporated in Malaysia under the Act on 3 January 1991 as a private limited company under the name Kin Kee Steel Sdn Bhd. On 25 April 1997, Kinsteel converted into a public limited company and assumed its present name. It was listed on the Main Board of Bursa Securities on 25 November 2002.

Kinsteel is principally involved in investment holding, manufacturing and trading of steel bars and related products. Its subsidiaries are principally involved in the trading of steel bars and related steel products and property investment holding.

As at 30 May 2008, Kinsteel has an authorised share capital of RM300,000,000.00 comprising of 1,500,000,000 ordinary shares of RM0.20 each, of which 912,413,730 ordinary shares have been issued and fully paid-up.

As at the Latest Practicable Date, the Directors of Kinsteel and their respective shareholdings in Kinsteel are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Sri Abu Sahid Bin Mohamed	Malaysian	2,864,000	0.31	187,822,600	20.59 ⁴
Dato' Md Sharif bin Shamsuddin	Malaysian	3,625,000	0.40	-	-
Tan Sri Dato' Pheng Yin Huah	Malaysian	21,805,665	2.39	325,411,675	35.66 ¹
Henry Pheng Chin Guan	Malaysian	1,660,000	0.18	140,000	0.02 ⁶
Dato' Hong Thian Hock	Malaysian	1,838,400	0.20	325,548,675	35.68 ²
Dato' Lew Choon	Malaysian	2,920,000	0.32	35,000	0.004 ⁷
Datin Hong Cheng Guat	Malaysian	1,422,500	0.16	3,005,000	0.33 ³
Dato' Pheng Chin Kiat	Malaysian	150,000	0.02	-	-
Dato' Abu Talib Bin Mohamed	Malaysian	700,000	0.08	-	-
Dato' Mohamed Fuad bin Yon	Malaysian	-	-	-	-
Kamaruddin bin Koskani Abdul Hamid	Malaysian	20,000	0.002	-	-
Pheng Chin Huat	Malaysian	275,000	0.03	-	-
Dato' Rahadian Mahmud bin Tan Sri Dato' Seri Haji Mohammad Khalil	Malaysian	-	-	-	-
Shamsudin @ Samad bin Kassim	Malaysian	10,000	0.001	-	-
Chong Hoi Sheong @ Chong Hoi Cheong	Malaysian	-	-	18,000	0.002 ⁵
Pheng Chin Shiun	Malaysian	375,000	0.04	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Notes:

1. Deemed interest by virtue of his shareholdings in PKK, Kin Kee, Kin Kee Metal Sdn Bhd and Kin Kin Hardware Sdn Bhd pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in PKK and Kin Kee Metal Sdn Bhd pursuant to Section 6A of the Act and his children's shareholding in Kinsteel
3. Deemed interest by virtue of her shareholdings in Kin Kee Metal Sdn Bhd pursuant to Section 6A of the Act and her children's shareholding in Kinsteel
4. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act
5. Deemed interest by virtue of his spouse, Ong Lay Choon's shareholdings in Kinsteel
6. Deemed interest by virtue of his spouse, Goh Yoke Lan @ Goh Mei Leng's shareholding in Kinsteel
7. Deemed interest by virtue of his children's shareholding in Kinsteel

As at the Latest Practicable Date, the substantial shareholders of Kinsteel and their respective shareholdings in Kinsteel are as follows:

Name	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Kin Kee	Malaysia	311,791,675	34.17	-	-
PKK	Malaysia	-	-	311,791,675	34.17 ⁴
Tan Sri Dato' Pheng Yin Huah	Malaysian	21,805,665	2.39	325,411,675	35.66 ¹
Dato' Hong Thian Hock	Malaysian	1,838,400	0.20	325,476,675	35.67 ²
Maju	Malaysia	187,822,600	20.59	-	-
Tan Sri Abu Sahid Bin Mohamed	Malaysian	2,864,000	0.31	187,822,600	20.59 ³
GKG Investment Holdings Pte Ltd ("GKGI")	Singapore	-	-	47,318,200	5.19 ⁵
Goh Geok Khim	Singaporean	-	-	47,318,200	5.19 ⁶
Goh Yew Lin	Singaporean	-	-	47,318,200	5.19 ⁷

Notes:

1. Deemed interest by virtue of his shareholdings in PKK, Kin Kee, Kin Kee Metal Sdn Bhd and Kin Kin Hardware Sdn Bhd pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in PKK and Kin Kee Metal Sdn Bhd pursuant to Section 6A of the Act and his child's shareholding in Kinsteel
3. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act
4. Deemed interest by virtue of its shareholdings in Kin Kee pursuant to Section 6A of the Act
5. Deemed interest by virtue of Section 6A(4) of the Act held through its 100% owned subsidiaries Alpha Securities Pte Ltd ("Alpha") and Future Equity Investment Ltd ("Future") and also held through G.K.Goh Holdings Limited, the holding company of G.K.Goh Strategies Holdings Pte Ltd ("Strategic") and Canistel Pte Ltd ("Canistel")
6. Deemed interest by virtue of Section 6A(4) of the Act held through GKGI, the holding company of Alpha and Future and also held through G.K.Goh Holdings Limited, the holding company of Strategic and Canistel
7. Deemed interest by virtue of Section 6A(4) of the Act held through GKGI, the holding company of Alpha and Future and also held through G.K.Goh Holdings Limited, the holding company of Strategic and Canistel

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(ii) Kin Kee

Kin Kee was incorporated on 7 October 1995 in Malaysia under the Act as a private limited company. Kin Kee is principally engaged in investment holding.

Kin Kee has an authorised share capital of RM25,000,000 comprising of 25,000,000 ordinary shares of RM1.00 each, of which 11,300,009 ordinary shares have been issued and fully paid-up.

As at the Latest Practicable Date, the Directors of Kin Kee and their respective shareholdings in Kin Kee are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Sri Dato' Pheng Yin Huah	Malaysian	1,996,262	17.67	6,849,611 ¹	60.62
Dato' Hong Thian Hock	Malaysian	860,024	7.61	6,849,611 ²	60.62
Dato' Lew Choon	Malaysian	797,055	7.05	-	-

Notes:

1. Deemed interest by virtue of his shareholdings in PKK pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in PKK pursuant to Section 6A of the Act

As at the Latest Practicable Date, the substantial shareholders and their shareholdings in Kin Kee are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
PKK	Malaysian	6,849,611	60.62	-	-
Tan Sri Dato' Pheng Yin Huah	Malaysian	1,996,262	17.67	6,849,611 ¹	60.62
Dato' Hong Thian Hock	Malaysian	860,024	7.61	6,849,611 ²	60.62
Datin Hong Cheng Guat	Malaysian	797,057	7.05	-	-
Dato' Lew Choon	Malaysian	797,055	7.05	-	-

Notes:

1. Deemed interest by virtue of his shareholdings in PKK pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in PKK pursuant to Section 6A of the Act

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(iii) PKK

PKK was incorporated on 15 November 1986 in Malaysia under the Act as a private limited company. PKK is principally engaged in the wholesale of scrap iron.

PKK has an authorised share capital of RM5,000,000 comprising of 5,000,000 ordinary shares of RM1.00 each, of which 3,700,006 ordinary shares have been issued and fully paid-up.

As at the Latest Practicable Date, the Directors and substantial shareholders of PKK and their respective shareholdings in PKK are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Sri Dato' Pheng Yin Huah	Malaysian	2,130,003	57.57	-	-
Dato' Hong Thian Hock	Malaysian	1,170,003	31.62	-	-

(iv) Maju

Maju was incorporated in Malaysia under the Act on 6 July 1978 under the name of Pembangunan Swasta Sdn Bhd. On 17 April 1981, it assumed its present name. Maju is principally involved in investment holding, management consultancy and building construction.

Maju has an authorised share capital of RM100,000,000 comprising of 100,000,000 ordinary shares of RM1.00 each, of which 100,000,000 ordinary shares have been issued and fully paid-up.

As at the Latest Practicable Date, the Directors and substantial shareholders of Maju and their respective shareholdings in Maju are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Sri Abu Sahid bin Mohamed	Malaysian	91,000,000	91.00	-	-
Dato' Abu Talib Bin Mohamed	Malaysian	9,000,000	9.00	-	-

(v) ECSB

ECSB was incorporated in Malaysia under the Act on 23 November 1992 and is principally involved in investment holding. Apart from PSSB, ECSB's investments are mainly in construction, property development and property investment.

ECSB has an authorised share capital of RM5,000,000,000 comprising of 5,000,000,000 ordinary shares of RM1.00 each, of which 2,000,100,000 ordinary shares have been issued and fully paid-up. In addition thereto, ECSB has an authorised Class A share capital of RM1.00 comprising of one Class A share of RM1.00 each, of which one Class A share has been issued and fully paid-up.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

As at the Latest Practicable Date, the Directors of ECSB and their respective shareholdings in ECSB are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Sri Abu Sahid bin Mohamed	Malaysian	-	-	2,000,100,000	100.00 ¹
Dato' Abu Talib bin Mohamed	Malaysian	-	-	-	-
Mohd Yunus bin Alias	Malaysian	-	-	-	-
Dato' Mohamed Fuad bin Yon	Malaysian	-	-	-	-

Note:

1. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act

As at the Latest Practicable Date, the substantial shareholders of ECSB and their respective shareholdings in ECSB are as follows:

Name	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ordinary					
Maju	Malaysia	2,000,100,000	100.00	-	-
Tan Sri Abu Sahid bin Mohamed	Malaysian	-	-	2,000,100,000	100.00 ¹
Class A					
Maju	Malaysia	1	100.00	-	-
Tan Sri Abu Sahid bin Mohamed	Malaysian	-	-	1	100.00 ¹

Note:

1. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act

(vi) Tan Sri Abu Sahid bin Mohamed

Please see Section 9.2.2(i) below for the profile of Tan Sri Abu Sahid bin Mohamed.

(vii) Tan Sri Dato' Pheng Yin Huah

Please see Section 9.2.2(ii) below for the profile of Tan Sri Dato' Pheng Yin Huah.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

(viii) Dato' Hong Thian Hock

Dato' Hong Thian Hock, a Malaysian, aged 55, first ventured into the family business at the age of 19 and has accumulated more than 25 years of hands-on experience in the steel industry. He has been instrumental in spearheading the progress and development of the trading division of Kin Kee Marketing Sdn Bhd. He also heads the management committee for Kinsteel's production division where he is directly involved in the production expansion programmes, business development and research and development of new products for Kinsteel Group. He was appointed as an Executive Director of Kinsteel in 1991.

9.1.3 Promoters' and Substantial Shareholders' Directorships and Substantial Shareholdings in All Other Public Corporations for the Past 2 Years

Based on the declarations by our Promoters and our substantial shareholders, save as disclosed below, none of our Promoters or substantial shareholders have any directorships and/or substantial shareholdings (holding 5% or more equity interest in the shares) in any other public corporations for the past 2 years preceding the Latest Practicable Date:

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name of Promoter/ Substantial shareholder	Name of public corporations	Designation	Date of appointment/ (resignation)	<-----Direct----->		<----Indirect----->	
				No. of shares	%	No. of shares	%
<i>Promoter/ Substantial shareholder</i>							
Kin Kee	Kinsteel	-	-	311,791,675	34.17	-	-
PKK	Kinsteel	-	-	-	-	311,791,675	34.17 ³
Maju	Ipmuda Berhad	-	-	15,962,000	22.03	-	-
	Kinsteel	-	-	187,822,600	20.59	-	-
	Bright Focus Berhad	-	-	290,500,000	100.00	-	-
	MTH Power Berhad (formerly known as Perwaja Berhad)	-	-	2	100.00	-	-
Tan Sri Abu Sahid bin Mohamed	Ipmuda Berhad	Executive Chairman	22.04.1997	5,388,900	7.44	16,162,000	22.31 ¹
	Kinsteel	Non-Independent & Non-Executive Chairman	26.02.2007	2,864,000	0.31	187,822,600	20.59 ⁵
	Bright Focus Berhad	Group Executive Chairman	03.05.2005	-	-	290,500,000	100.00 ⁵
	MTH Power Berhad (formerly known as Perwaja Berhad)	Director	19.08.2004	-	-	2	100.00 ⁵
	Pulai Springs Berhad	Alternate Director to Puan Ruthlene binti Abu Sahid, a Non-Independent Non-Executive Director	12.01.2007	18,951,000	18.05	-	-
Tan Sri Dato' Pheng Yin Huah	Kinsteel	Managing Director	03.01.1991	21,805,665	2.39	325,411,675	35.66 ²
Dato' Hong Thian Hock	Kinsteel	Executive Director	03.01.1991	1,838,400	0.20	325,548,675	35.68 ⁴

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Notes:

1. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act and his child's shareholdings
2. Deemed interest by virtue of his shareholdings in PKK, Kin Kee, Kin Kee Metal Sdn Bhd and Kin Kin Hardware Sdn Bhd pursuant to Section 6A of the Act
3. Deemed interest by virtue of its shareholdings in Kin Kee pursuant to Section 6A of the Act
4. Deemed interest by virtue of his shareholdings in PKK and Kin Kee Metal Sdn Bhd pursuant to Section 6A of the Act and his children's shareholding in Kinsteel
5. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act

9.1.4 Changes in the Shareholdings of Promoters and Substantial Shareholders Since Incorporation

The changes in our Promoters' and substantial shareholders' shareholdings in PHB since the incorporation of our Company are as follows:

Promoter/ Substantial Shareholder	Date	<-----Direct----->		
		No. of Shares held before acquisition/ (disposal)	Total no. of Shares acquired/ allotted/ (disposed)	Cumulative no. of Shares held after acquisition/ disposal
Hasniza Binti Wazer	06.12.2007	-	1	1
	19.12.2007	1	(1)	-
Andalh a/p Chellamuthu	06.12.2007	-	1	1
	19.12.2007	1	(1)	-
Yap Wai Bing	19.12.2007	-	1	1
	24.06.2008	1	(1)	-
Oh Swee Chin	19.12.2007	-	1	1
	24.06.2008	1	(1)	-
Kinsteel	24.06.2008	-	254,999,999 ¹	254,999,999
	24.06.2008	254,999,999	1 ²	255,000,000
ECSB	24.06.2008	-	219,999,999 ¹	219,999,999
	24.06.2008	219,999,999	1 ²	220,000,000
Maju	24.06.2008	-	25,000,000 ¹	25,000,000

Notes:

1. Shares issued pursuant to the Acquisition of PSSB
2. 2 subscriber shares transferred from Yap Wai Bing and Oh Swee Chin to Kinsteel and ECSB upon completion of the Acquisition of PSSB

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.2 DIRECTORS

9.2.1 Directors' Shareholdings

Our Directors and their respective shareholdings in our Company before and after the Public Issue and Offer for Sale are as follows:

Directors	Designation	Nationality	<-Before Public Issue and Offer for Sale->		<-After Public Issue and Offer for Sale->					
			No. of Shares	%	No. of Shares	%				
Tan Sri Abu Sahid bin Mohamed	Chairman	Malaysian	-	-	500,000 ¹	100.0 ¹	500,000 ¹	0.09	410,000,000	73.21 ¹
Tan Sri Dato' Pheng Yin Huah	Managing Director	Malaysian	-	-	255,000,000	51.0 ²	500,000 ¹	0.09	209,175,000	37.35 ³
Henry Pheng Chin Guan	Chief Executive Officer	Malaysian	-	-	-	-	300,000 ¹	0.05	-	-
Dato' Abu Talib bin Mohamed	Non-Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Pheng Chin Huat	Non-Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Pheng Chin Shiun	Non-Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Dato' Mohamed Fuad bin Yon	Non-Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Datuk Lim Chaing Cheah	Non-Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Dato' Md Sharif Bin Shamsuddin	Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Dato' Siew Mun Chuang	Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Shamsudin @ Samad bin Kassim	Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-
Tan Sri Mohd Bakri bin Haji Omar	Independent Non-Executive Director	Malaysian	-	-	-	-	150,000 ¹	0.03	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

Notes:

- ^ Includes the pink form allocation and on the assumption that the respective individuals will subscribe for their entitlements of the pink form allocation
1. Deemed interest by virtue of his shareholdings in *Maju, ECSB and Kinsteel* pursuant to Section 6A of the Act
 2. Deemed interested by virtue of his shareholdings in *Kinsteel* pursuant to Section 6A of the Act
 3. Deemed interested by virtue of its shareholdings in *Kinsteel, PKK, Kin Kee, Kuantan Metal & Machinery Parts Sdn Bhd and Kin Kee Transport Sdn Bhd*

9.2.2 Profiles

The profiles our Board of Directors are as follows:

(i) Tan Sri Abu Sahid bin Mohamed

Tan Sri Abu Sahid bin Mohamed, a Malaysian, aged 57, is a substantial shareholder of our Company and was appointed as our Chairman on 25 June 2008.

In 1977, he started his first company, *Maju Alat Ganti Sdn Bhd* which was involved in the trading of motor spare parts. Subsequently, *Maju Alat Ganti Sdn Bhd* became the biggest Malay spare parts company, dealing with both the private sector and the Government. He was Vice President of the Selangor and Federal Territory Engineering and Motor Parts Traders Association, a position he held from 1985 to 1987. He is now the Honorary President of the Association.

Since then, his business interests have broadened to include construction and property development; manufacturing of steel products and furniture; trading and distribution of building materials; transport and haulage; resorts as well as engineering, fabrication and security services.

He is presently the Group Executive Chairman of *Maju* group of companies. He was appointed as the Chairman of *PSSB* on 7 September 2006. He is presently the Managing Director of *Maju Expressway Sdn Bhd* (formerly known as *Konsortium Lapangan Terjaya Sdn Bhd*), which has been given the Concession for the new highway directly linking *Kuala Lumpur* to *Putrajaya* and subsequently onwards to the *Kuala Lumpur International Airport*. He is the Non-Independent Non-Executive Chairman of *Kinsteel*, the Executive Chairman and major shareholder of *Ipmuda Berhad*, Group Executive Chairman of *Bright Focus Berhad*, and an alternate director and major shareholder in *Pulai Springs Berhad*. He is also a director of various other private limited companies. He is a representative of *Maju* on the Board of *PHB*.

(ii) Tan Sri Dato' Pheng Yin Huah

Tan Sri Dato' Pheng Yin Huah, a Malaysian, aged 60, is a substantial shareholder of our Company and was appointed as our Managing Director on 25 June 2008.

He began his apprenticeship in the steel business in 1964 under the tutelage of his late father, Mr Hong Kim Kee, the founder of the *Kin Kee* group of companies. Through his leadership and guidance, the *Kin Kee* group of companies has transformed from collection of scrap iron into a conglomerate of integrated steel based companies involved in the trading and manufacturing of a wide variety of steel products. His involvement in the steel industry for the past 30 years has earned him the recognition and respect as one of the leading businessmen in the steel industry.

He was appointed as the Managing Director of *PSSB* on 7 September 2006. He is primarily responsible for charting out our Group's long-term business strategy, leveraging off his extensive steel industry knowledge to build our Group into an industry leader. He provides the vision and experience to bring our Group forward. He is also responsible for overseeing the overall development of our Group.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

He is also the Managing Director of Kinsteel, Kin Kee Hardware Sdn Bhd, Kin Kee Metal Sdn Bhd, Kin Kee Properties Sdn Bhd and PKK, which are involved in trading of iron, metal and steel products and property development. He also sits on the board of several other private limited companies. He is a representative of Kinsteel on the Board of PHB.

In addition to the above, he is also actively involved in social work. He is currently the Executive Advisor of Malaysia Hardware, Machinery and Building Material Dealers' Association, Executive Advisor of Pahang Chinese Chamber of Commerce and Industries, Advisor of Persatuan Peniaga Logam Dan Jentera Pahang, Honorary Advisor of the Associated Chinese Chamber of Commerce and Industry of Malaysia, Vice-President of the Hokkien Association of Kuantan, Chairman of the Board of Governors of Sekolah Rendah Jenis Kebangsaan (C) Kuang Hwa, President of the Gabungan Persatuan-Persatuan Cina Pahang and President of the Yayasan Pendidikan Gabungan Persatuan Cina Pahang.

(iii) Henry Pheng Chin Guan

Henry Pheng Chin Guan, a Malaysian, aged 37, was appointed as our Chief Executive Officer on 25 June 2008.

He graduated in 1993 with a Bachelor of Commerce degree from the University of Wollongong, Australia. He is a full member of the Certified Practising Accountants Australia and a chartered accountant with the Malaysian Institute of Accountants. He worked at a public accounting firm, Messrs. Coopers & Lybrand from 1994 to 1995. He was appointed as an Executive Director and Chief Executive Officer of Kinsteel in 1997. He was appointed as the Chief Executive Officer of PSSB on 7 September 2006. He is responsible for executing our Group's strategy and plays a pivotal role in developing our Group's business. He is also responsible for managing our Group's day-to-day operations. He is also a representative of Kinsteel on the Board of PHB.

(iv) Dato' Abu Talib bin Mohamed

Dato' Abu Talib, a Malaysian, aged 60, was appointed as our Non-Independent Non-Executive Director on 25 June 2008.

He is a Fellow Member of the Chartered Institute of Management Accountants of United Kingdom and also a Member of the Malaysian Institute of Accountants. He has extensive knowledge of the steel industry, as he was formerly the Director of Operations for PSSB in Kemaman, prior to joining Maju as Group Executive Director in 1992.

He has been the Group Managing Director of Maju since 1993. He was appointed as a Director of PSSB on 8 November 1996. He is a Non-Independent Non-Executive Director of Kinsteel. He is the Deputy Chairman of Ip Muda Berhad, and also a director of Mycron Steel Berhad and Bright Focus Berhad. He is also a director of various other private limited companies. He is a representative of Maju on the Board of PHB.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(v) Pheng Chin Huat

Pheng Chin Huat, a Malaysian, aged 35, was appointed as our Non-Independent Non-Executive Director on 25 June 2008.

He graduated with a Bachelor of Business Administration Degree from University of Central Oklahoma, United States in 1996. After graduating, he joined Mutiara Besi Logam Sdn Bhd and MBL Trading Sdn Bhd, both of which are steel trading companies, as Executive Director. He was appointed as a Director of PSSB on 7 September 2006. He is responsible for downstream product development, marketing our Group's products, and assisting in formulating our Group's strategy. He also sits on the board of various other private limited companies. He is a Non-Independent Non-Executive Director of Kinsteel. He is also a representative of Kinsteel on the Board of PHB.

(vi) Pheng Chin Shiun

Pheng Chin Shiun, a Malaysian, aged 34, was appointed as our Non-Independent Non-Executive Director on 25 June 2008.

He graduated with a Bachelor of Electrical Engineering (Honours) from University of Malaya, Malaysia in 1999. He is currently the Managing Director of PCS Vision Sdn Bhd, an electronic system provider. He was appointed as a Director of PSSB on 7 September 2006. He is responsible for formulating our Group's downstream product development strategy. He is an Alternate Director to Datin Hong Cheng Guat on the board of Kinsteel. He also sits on the board of various other private limited companies. He is a representative of Kinsteel on the Board of PHB.

(vii) Dato' Mohamed Fuad bin Yon

Dato' Mohamed Fuad bin Yon, a Malaysian, aged 59, was appointed as our Non-Independent Non-Executive Director on 25 June 2008.

He is a demographer by profession having qualified from University College Cardiff, United Kingdom. Prior to joining Maju, he had managed companies involved in manufacturing, management and financial consultancies, property development and construction. He was the Managing Director of Asian Management, Research & Consultancy Sdn Bhd from 1982 to 1985, Chief Executive Officer and Managing Director of Malaysian Carbonless Industries Sdn Bhd from 1985 to 1988, Group Chief Executive Officer of Melewar Computer group of companies from 1989 to 1993, Group Chief Executive Officer of Maju Holdings Property Group of Companies from 1993 to 1997, Group Chief Executive Officer of Indera Development & Construction Sdn Bhd group of companies from 1997 to 2000 and the Chairman of FP & Strats Incorporated Sdn Bhd from 2000 to 2003.

He was appointed as a Director of PSSB on 28 July 2005. He is currently a director of Maju. He is as a Non-Independent Non-Executive Director of Kinsteel. He is a Director of Ipmuda Berhad, and Bright Focus Berhad as well as a Director of various other private limited companies. He is also a board member of RISDA from 1 July 2005 and Benaris Property Sdn Bhd (formerly known as Waktu Cerah Sdn Bhd), a subsidiary of RISDA effective 20 February 2006. He is a representative of Maju on the Board of PHB.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(viii) Datuk Lim Chaing Cheah

Datuk Lim Chaing Cheah, a Malaysian, aged 58, was appointed as our Non-Independent Non-Executive Director on 25 June 2008.

His professional qualifications include a fellowship in the Institute of Chartered Accountants in England and Wales (ICAEW), full membership in the British Institute of Management, chartered accountancy from the Malaysian Institute of Accountants and membership of the Corporate Finance Faculty of the ICAEW. His career began at A.T Chenhalls and Company in the United Kingdom where he articulated for 4 years before joining B. Fish and Partners in the United Kingdom as an Audit Senior for 2 years. He then joined Standard Telephones and Cables PLC as a Financial Analyst and within 4 years quickly rose to the position of Financial Planning Manager. After garnering over 10 years of working experience in the United Kingdom, he returned to Malaysia where he worked in the automotive industry for 6 years under the employment of industry leaders such as Dunlop Malaysia Industries Berhad, Tan Chong Motor Holdings Berhad and Edaran Otomobil Nasional Berhad. In 1987, he returned to his profession as a Partner in Lew and Company before taking up various directorships in public and private companies. He joined PSSB as Director – Corporate from 1 June 1988 to 31 December 1994, joining Kanzen Berhad as Executive Director from 13 February 1995 to 31 July 1996. He subsequently joined Maju as Executive Director on 1 August 1996, and on 1 July 2002 he was appointed Chief Operating Officer of Maju. On 6 September 2006 he was appointed to the Board of PSSB as Director. He is a representative of Maju on the Board of PHB.

(ix) Dato' Md Sharif Bin Shamsuddin

Dato' Md Sharif bin Shamsuddin, a Malaysian, aged 58, was appointed as our Independent Non-Executive Director on 25 June 2008.

Dato' Md Sharif graduated from University of Malaya in 1973 with an honours degree in Anthropology and Sociology, a diploma in Public Administration in 1975 and a diploma in Marketing from the Chartered Institute of Marketing, United Kingdom in 1995. He has more than 20 years of experience in the public sector. He served as an Assistant Secretary at the Ministry of Housing and Local Government and the Ministry of Environment, Science and Technology from 1973 to 1975 and a Senior Project Officer and Lecturer at Institut Tadbiran Awam Negara ("INTAN"), Kuala Lumpur from 1975 to 1980, before joining the Kuantan Municipal Council in 1980 as Chief Administrator and in 1986 as Deputy President. In 1990, he was appointed the General Manager of Pahang State Foundation and held this position until 1995. He also sits on the board of several other private limited companies in Malaysia. He is the Deputy Chairman of Kinsteel Bhd.

(x) Dato' Siew Mun Chuang

Dato' Siew Mun Chuang, a Malaysian, aged 55, was appointed as our Independent Non-Executive Director on 25 June 2008.

From 1973 to 1979, he was with Price Waterhouse & Co and from 1980, he took over Tai Thong Restoran Sdn Bhd, and expanded it into a diversified food and beverage group and subsequently listed it on the Second Board of Bursa Securities on 18 August 1997 under TT Resources Bhd ("TTRB"). He was the Managing Director of TTRB until 31 August 2000 after which he assumed a Non-Executive Director's post until his retirement on 13 March 2002. Thereafter, he started his own business in the food and beverage industry and he is currently the Managing Director of the Oriental Group of Restaurants.

He is an Independent Non-Executive director of Ip Muda Berhad and Bright Focus Berhad.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(xi) Shamsudin @ Samad bin Kassim

Shamsudin @ Samad bin Kassim, a Malaysian aged 62, was appointed as the Independent Non-Executive Director on 25 June 2008.

He graduated in 1970 with a Bachelor of Economics degree from University of Malaya and completed his Masters degree in Public and International Affairs ("MPIA") from University of Pittsburgh, United States of America in 1979. He has worked in the Government service for 31 years since 1970 of which 12 years was in the Ministry of International Trade and Industry ("MITI"). He was appointed Chief Executive Officer of Small and Medium Industry Development Corporation ("SMIDEC") in early 2000 until his retirement in September 2001. He is the Chairman of Boon Koon Group Berhad and also sits on the board of Century Logistics Holdings Berhad, Ingress Corporation Berhad, Impressive Edge Group Berhad, Supermax Corporation Berhad, Kinsteel Bhd, H-Displays (MSC) Berhad, BHS Industries Berhad and WinSun Technologies Berhad and several other private limited companies in Malaysia.

(xii) Tan Sri Mohd Bakri bin Haji Omar

Tan Sri Mohd Bakri bin Haji Omar, a Malaysian aged 60, was appointed as the Independent Non-Executive Director on 25 June 2008.

He was previously the Inspector-General of Police, Royal Malaysian Police. He joined the Police Force on 1 January 1971 as a Cadet Assistant Superintendent of Police and thereafter served in several departments in the Police Force. He was the Officer In-Charge of several Police Districts including Mersing (Johor), Balik Pulau (Penang) and Petaling Jaya (Selangor). He has also served as the Chief Police Officer of Kedah and Kuala Lumpur and the Commissioner of Police Sabah.

In 1987, he held the post of Officer In-Charge in the Criminal Investigation Department in Kuala Lumpur. In 1992, Tan Sri Mohd Bakri bin Haji Omar was seconded to Malaysia Airport Berhad as its General Manager - Security, Safety and Human Resource Management and later in 1998 to the Ministry of Home Affairs as the Director-General of the National Narcotics Agency. Upon his return to the Royal Malaysian Police Headquarters in October 1999, he assumed the post of Director of Management. On 10 March 2003, he was appointed as the Deputy Inspector-General of Police of the Royal Malaysian Police and subsequently on 6 November 2003, he was appointed as Inspector-General of Police. He is also the Chairman of Percetakan Nasional Malaysia Berhad.

Tan Sri Mohd Bakri bin Haji Omar holds a Bachelor of Arts Degree from University of Malaya (1970) and Master of Arts in Political Science from the Ohio University, United States of America (1983). He has also attended the Royal College of Defence Studies in London, United Kingdom (1995).

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.2.3 Directors' Directorships and Substantial Shareholdings in All Other Public Corporations for the Past 2 Years

Please refer to Section 9.1.3 above for details of Tan Sri Abu Sahid bin Mohamed's and Tan Sri Dato' Pheng Yin Huah's directorship and/or substantial shareholdings (holding 5% or more equity interest in the shares) in any other public corporation. Save as disclosed below, none of our Directors have any directorships and/or substantial shareholdings (holding 5% or more equity interest in the shares) in any other public corporation for the past 2 years preceding the Latest Practicable Date:

Name of Director	Name of public corporations	Designation	Date of appointment/ (resignation)	<-----Direct----->		<----Indirect----->	
				No. of shares	%	No. of shares	%
Henry Pheng Chin Guan	Kinsteel	Chief Executive Officer	02.05.1997	1,660,000	0.18	18,000	0.002 ¹
Dato' Abu Talib bin Mohamed	Ipmuda Berhad	Deputy Chairman	22.04.1997	-	-	-	-
	Mycron Steel Berhad	Independent Non-Executive Director	30.03.2004	-	-	-	-
	Kinsteel	Non-Independent Non- Executive Director	26.02.2007	700,000	0.08	-	-
	Bright Focus Berhad	Non-Independent Non- Executive Director	23.08.2007	-	-	-	-
Pheng Chin Huat	Kinsteel	Non-Independent Non- Executive Director	12.08.2002	275,000	0.03	-	-
Pheng Chin Shiun	Kinsteel	Alternate Director to Datin Hong Cheng Guat	12.08.2002 (01.01.2008) [#] 21.03.2008*	375,000	0.04	-	-
Dato' Mohamed Fuad bin Yon	Ipmuda Berhad	Non-Independent Non- Executive Director	28.02.2004	-	-	-	-
	MTH Power Berhad (formerly known as Perwaja Berhad)	Director	19.08.2004 (06.03.2008)	-	-	-	-
	Pulai Springs Berhad	-	28.02.2006/ (12.01.2007)	-	-	-	-
	Kinsteel	Non-Independent Non- Executive Director	26.02.2007	-	-	-	-
	Bright Focus Berhad	Non-Independent Non- Executive Director	03.05.2005	-	-	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name of Director	Name of public corporations	Designation	Date of appointment/ (resignation)	<-----Direct----->		<----Indirect----->	
				No. of shares	%	No. of shares	%
Datuk Lim Chaing Cheah	MTH Power Berhad (formerly known as Perwaja Berhad)	Director	19.08.2004	-	-	-	-
Dato' Md Sharif Bin Shamsuddin	Kinsteel	Independent Non-Executive Deputy Chairman	16.06.1994	3,625,000	0.40	-	-
Dato' Siew Mun Chuang	Ipmuda Berhad	Independent Non-Executive Director	21.07.1997	-	-	-	-
	Bright Focus Berhad	Independent Non-Executive Director	23.08.2007	-	-	-	-
Shamsudin @ Samad bin Kassim	BHS Industries Berhad	Independent Non-Executive Director	07.08.2007	10,000	0.01	-	-
	Boon Koon Group Berhad	Chairman, Non-Independent Non-Executive Director	07.01.2004	1,212,500	0.88	-	-
	Century Logistics Holdings Berhad	Independent Non-Executive Director	01.11.2001	40,000	0.05	-	-
	H-Displays (MSC) Berhad	Independent Non-Executive Director	03.11.2006	40,000	0.02	-	-
	Impressive Edge Group Berhad	Chairman, Independent Non-Executive Director	10.09.2004	299,000	0.19	-	-
	Infortech Alliance Berhad	Independent Non-Executive Director	16.12.2002 (04.01.2006)	158,944	0.26	120,000	0.2
	Ingress Corporation Berhad	Independent Non-Executive Director	02.11.2001	-	-	-	-
	Kinsteel	Independent Non-Executive Director	12.08.2002	10,000	0.001	-	-
	Maxbiz Corporation Berhad	Chairman, Independent Non-Executive Director	21.02.2005 (26.06.2007)	-	-	-	-
	Seal Polymer Industries Berhad	Independent Non-Executive Director	13.05.2005 (28.08.2007)	280,000	0.2	-	-
Supermax Corporation Berhad	Independent Non-Executive Director	18.07.2002	265,511	0.1	-	-	

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name of Director	Name of public corporations	Designation	Date of appointment/ (resignation)	<-----Direct----->		<----Indirect---->	
				No. of shares	%	No. of shares	%
	WinSun Technologies Berhad	Independent Non-Executive Director	12.11.2007	61,000	0.02	-	-
Tan Sri Mohd Bakri bin Haji Omar	Percetakan Nasional Malaysia Berhad	Non-Executive Chairman	01.01.2007	-	-	-	-

Notes:

1. Deemed interest by virtue of his spouse, Goh Yoke Lan @ Goh Mei Leng's shareholding in Kinsteel
Vacated office as an Alternate Director to Datin Hong Cheng Guat
* Re-appointed as an Alternate Director to Datin Hong Cheng Guat

9.2.4 Directors' Remuneration and Material Benefits-In-Kind

The aggregate remuneration and material benefits proposed to be paid to our Directors for services to be rendered to our Group in all capacities is forecast at RM5.49 million for the FYE 31 December 2008.

The remuneration which includes our Directors' salaries, bonus, fees and allowances as well as other benefits of our Directors, must be considered and recommended by the Remuneration Committee and subsequently, be approved by our Board of Directors. Our Directors' fees must be further approved by our shareholders at a general meeting.

The remuneration and material benefits-in-kind paid/estimated to be paid to our Directors (which covers contingent or defined compensation accrued for the year) are as follows:

Remuneration band for the FYE	31 December 2006 (RM)	31 December 2007 (RM)	31 December 2008 (Forecast) (RM)
Tan Sri Abu Sahid bin Mohamed	0 – 50,000	2,000,000 – 2,050,000	2,000,000 – 2,050,000
Tan Sri Dato' Pheng Yin Huah	-	-	2,000,000 – 2,050,000
Henry Pheng Chin Guan	300,000 – 350,000	700,000 – 750,000	700,000 – 750,000
Dato' Abu Talib bin Mohamed	-	-	0 – 50,000
Pheng Chin Huat	50,001- 100,000	-	0 – 50,000
Pheng Chin Shiun	-	-	0 – 50,000
Dato' Mohamed Fuad bin Yon	-	-	0 – 50,000
Datuk Lim Chaing Cheah	0 – 50,000	450,000 – 500,000	450,000 – 500,000
Dato' Md Sharif Bin Shamsuddin	-	-	0 – 50,000
Dato' Siew Mun Chuang	-	-	0 – 50,000
Shamsudin @ Samad bin Kassim	-	-	0 – 50,000
Tan Sri Mohd Bakri bin Haji Omar	-	-	0 – 50,000

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

9.2.5 Details of Board Practices

(i) Directors' Term of Office

Our Board is entrusted with the responsibility for the overall direction, strategy, performance and management of our Group. Our Board comprises the following Directors and details of their respective term of office are set forth below:

Director	Designation	Date of Appointment	Expiry date of office term	No. of years in office
Tan Sri Abu Sahid bin Mohamed	Chairman	25 June 2008	*	<1
Tan Sri Dato' Pheng Yin Huah	Managing Director	25 June 2008	*	<1
Henry Pheng Chin Guan	Chief Executive Officer	25 June 2008	*	<1
Dato' Abu Talib bin Mohamed	Non-Independent Non-Executive Director	25 June 2008	*	<1
Pheng Chin Huat	Non-Independent Non-Executive Director	25 June 2008	*	<1
Pheng Chin Shiun	Non-Independent Non-Executive Director	25 June 2008	*	<1
Dato' Mohamed Fuad bin Yon	Non-Independent Non-Executive Director	25 June 2008	*	<1
Datuk Lim Chaing Cheah	Non-Independent Non-Executive Director	25 June 2008	*	<1
Dato' Md Sharif Bin Shamsuddin	Independent Non-Executive Director	25 June 2008	*	<1
Dato' Siew Mun Chuang	Independent Non-Executive Director	25 June 2008	*	<1
Shamsudin @ Samad bin Kassim	Independent Non-Executive Director	25 June 2008	*	<1
Tan Sri Mohd Bakri bin Haji Omar	Independent Non-Executive Director	25 June 2008	*	<1

Note:

* *According to the Articles of Association of our Company, all our Directors will retire at our forthcoming annual general meeting*

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

(ii) Audit Committee

Our Audit Committee was established on 25 June 2008 and the members of the Audit Committee in respect of the FYE 31 December 2008 comprises the following members:

Name of Director	Designation	Directorship
Shamsudin @ Samad bin Kassim	Chairman	Independent Non-Executive Director
Tan Sri Mohd Bakri bin Haji Omar	Member	Independent Non-Executive Director
Dato' Siew Mun Chuang	Member	Independent Non-Executive Director
Dato' Abu Talib bin Mohamed	Member	Non-Independent Non-Executive Director

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

(iii) Remuneration Committee

Our Remuneration Committee was established on 25 June 2008 and the members of the Remuneration Committee in respect of the FYE 31 December 2008 comprises the following members:

Name of Director	Designation	Directorship
Dato' Siew Mun Chuang	Chairman	Independent Non-Executive Director
Tan Sri Mohd Bakri bin Haji Omar	Member	Independent Non-Executive Director
Shamsudin @ Samad bin Kassim	Member	Independent Non-Executive Director
Dato' Abu Talib bin Mohamed	Member	Non-Independent Non-Executive Director

Our Remuneration Committee is primarily responsible for, amongst others, establishing performance criteria to evaluate the performance of each member of our Board of Directors and our Managing Director/Chief Executive, and reviewing their respective performances.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

(iv) Nomination Committee

Our Nomination Committee was established on 25 June 2008 and the members of the Nomination Committee in respect of the FYE 31 December 2008 comprises the following members:

Name of Director	Designation	Directorship
Tan Sri Mohd Bakri bin Haji Omar	Chairman	Independent Non-Executive Director
Dato' Siew Mun Chuang	Member	Independent Non-Executive Director
Shamsudin @ Samad bin Kassim	Member	Independent Non-Executive Director
Dato' Abu Talib bin Mohamed	Member	Non-Independent Non-Executive Director

Our Nomination Committee is primarily responsible for, amongst others, recommending candidates for appointments to our Board of Directors, board committees, consultative panels, regulatory committees and key management positions and to negotiate the compensation packages for these appointments.

9.2.6 Service Contracts with Directors

Save as disclosed below, none of our Directors or Directors of our subsidiary company has any existing or proposed service agreement with our Company or our subsidiary company as at the date of this Prospectus:

Letter of contract for service dated 10 May 2007 from PSSB to Datuk Lim Chaing Cheah whereby PSSB agreed to offer a contract for service as the Director/Adviser of PSSB to Datuk Lim Chaing Cheah for a term of 1 year beginning 15 May 2007 to 14 May 2008. Pursuant to the letter of renewal of contract for service dated 16 May 2008, the service of Datuk Lim Chaing Cheah has been further renewed for a term of 1 year effective from 16 May 2008 to 15 May 2009.

9.2.7 Involvement of Executive Directors in Other Businesses or Corporations

Based on the declaration by our Executive Directors and save as disclosed below, none of our Executive Directors is involved in the operations of other businesses or corporations, which are not dormant, as at the date of this Prospectus:

Tan Sri Abu Sahid bin Mohamed

Apart from the directorships as disclosed in Section 9.1.3 above, Tan Sri Abu Sahid bin Mohamed holds directorships in a number of private limited companies. Apart from the companies which are dormant or inactive, his directorships in private limited companies as at the Latest Practicable Date are as follows:

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name of Company	Principal Activities	Designation	Date of Appointment/ (Resignation)	% equity interest held	
				Direct	Indirect
Maju	Investment holding, management consultancy & construction	Group Executive Chairman	02.03.1981	91.00	-
ASM Development Sdn Bhd	Property development	Director	16.06.1988	-	100.00 ¹
ASM Development (Johor) Sdn Bhd	Property developer	-	-	99.0	-
ECSB	Investment holding	Chairman	05.01.1993	-	100.00 ¹
Perwaja Rolling Mill & Development Sdn Bhd	Construction activities	Director	08.11.1996	-	100.00 ³
Perwaja Structures International Sdn Bhd	Provision of civil, structures and mechanical engineering services	Director	28.02.1998	-	70.00 ¹
ASM Properties Sdn Bhd	Investment holding	Director	12.10.1990	99.99	-
Maju Palace Restaurant Sdn Bhd	Operation of restaurant	Director	31.07.2003	-	-
Vastcrest Sdn Bhd	Special purpose vehicle for funding of KL-Putrajaya Highway project	Director	31.10.2003	50.00	-
Glorious Future Sdn Bhd	Investment holding	Director	03.09.1997	-	100.00 ⁴
ASM Metal Sdn Bhd	Marketing and distribution of scrap iron	Director	15.01.1991	-	-
Maju Alat Ganti Sdn Bhd	Marketing and distribution of steel bars and building materials	Director	17.06.1977	-	-
Maju Egatt (M) Sdn Bhd	Provision of engineering services & supplies	Director	24.04.1992	-	-
Maju Steel Sdn Bhd	Manufacturing of reinforcement steel bars and general construction and building works	Director	26.09.1989	-	-
Perfect Channel Sdn Bhd	Manufacturing and trading of steel beams, sections, bars, wire rods, wire mesh, nails, stretched wire and other steel related products	Director	13.11.2006	-	49.00 ¹

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name of Company	Principal Activities	Designation	Date of Appointment/ (Resignation)	% equity interest held	
				Direct	Indirect
SPTJ Development Sdn Bhd	Property development and property investment holding company	Director	21.03.2007	99.99	-
Maju Expressway Sdn Bhd (formerly known Konsortium Lapangan Terjaya Sdn Bhd)	Highway concession company	Managing Director	08.04.1997	-	96.83 ²
Fruitwell Marketing Sdn Bhd	Wholesaler of fruit juices	Director	02.04.2003	51.0	-

Notes:

1. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act, which in turn owns Bright Focus Berhad which in turn owns Maju Expressway Sdn Bhd (formerly known Konsortium Lapangan Terjaya Sdn Bhd)
3. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act, which in turn owns ECSB which in turn owns Perwaja Rolling Mill & Development Sdn Bhd
4. Deemed interest by virtue of his shareholdings in Maju pursuant to Section 6A of the Act, which in turn holds direct interest in Ipmuda Berhad which in turn owns Glorious Future Sdn Bhd

The involvement of Tan Sri Abu Sahid bin Mohamed in the aforesaid companies does not affect his contribution to our Group and would not be expected to affect the operations of our Group. He has been and has ensured that he would be, able to fulfil and discharge his duties and responsibilities effectively as our Chairman.

Tan Sri Dato' Pheng Yin Huah

Apart from the directorships as disclosed in Section 9.1.3 above, Tan Sri Dato' Pheng Yin Huah holds directorships in a number of private limited companies. Apart from the companies which are dormant or inactive, his directorships in private limited companies as at the Latest Practicable Date are as follows:

Name of Company	Principal Activities	Designation	Date of Appointment/ (Resignation)	% equity interest held	
				Direct	Indirect
Rompin Beach Resort Sdn Bhd	Operating tourist resort	Director	28.11.1994	73.40	-
PKK	Wholesale in scrap iron	Director	15.11.1986	57.57	-
Kin Kee Properties Sdn Bhd	Property development	Director	14.06.1988	65.00	-
Kin Kee Marketing Sdn Bhd*	Trading in steel bars and related products	Director	26.09.1992	-	-
Kin Kee Metal Sdn Bhd	Trading in metal products	Director	09.07.1993	30.63	-
Kuantan Metal & Machinery Parts Sdn Bhd	Dealers in new and second hand vehicles parts and other related businesses	Director	17.10.1994	25.00	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name of Company	Principal Activities	Designation	Date of Appointment/ (Resignation)	% equity interest held	
				Direct	Indirect
Kin Kee Holdings Sdn Bhd	Investment holding	Director	07.10.1995	17.67	60.62 ²
Sistem Duta Sdn Bhd	Property development	Director	08.07.1996	75.49	-
Harvard Vision Sdn Bhd*	Property investment	Director	29.11.1996	-	-
Kin Kee Transport Sdn Bhd	Transportation of goods and related services	Director	13.08.1997	33.33	-
Prosperous Properties Sdn Bhd	Property investment	Director	29.04.1998	-	100.00 ¹
Kin Kee Hardware Sdn Bhd	Trading in hardware and other related businesses	Director	15.07.1980	17.47	60.00 ²
Great Wall Harvest Sdn Bhd	Trading in scrap iron and other related products	Director	20.02.2003	23.33	-
K.S. Metal (Miri) Sdn Bhd	Trading in scrap metal	Director	17.06.2003	-	-
Perfect Channel Sdn Bhd*	Manufacturing and trading of steel beams, sections, bars, wire rods, nails, stretched wire, wire mesh and other steel products	Director	25.01.2006	-	51.00 ³
Perfect Wiremakers Sdn Bhd*	Galvanising and drawing wires	Director	11.06.2007	-	75.00 ⁴
Gebeng Jaya Sdn Bhd	Property investment	Director	07.11.2000	-	100.00 ²
Len Hup Huat Hardware Trading Sdn Bhd	Letting/rental of property and dealing in hardware and iron scraps	Director	16.10.1986	15.00	-

Notes:

* Being subsidiaries of Kinsteel

1. Deemed interest by virtue of his shareholdings in Kin Kee Properties Sdn Bhd (which is the immediate holding company of Kin Kee Development Sdn Bhd and Prosperous Properties Sdn Bhd) pursuant to Section 6A of the Act
2. Deemed interest by virtue of his shareholdings in PKK pursuant to Section 6A of the Act, which in turn holds interest in Kin Kee, Gebeng Jaya Sdn Bhd and Kin Kee Hardware Sdn Bhd
3. Deemed interest by virtue of his shareholdings in Kinsteel, Kin Kee Hardware Sdn Bhd, Kin Kee and his shareholdings in PKK and Kin Kee pursuant to Section 6A of the Act
4. Deemed interest by virtue of his shareholdings in Kinsteel pursuant to Section 6A of the Act which in turn holds interest in Perfect Channel Sdn Bhd

The involvement of Tan Sri Dato' Pheng Yin Huah in the aforesaid companies does not affect his contribution to our Group and would not be expected to affect the operations of our Group. He has been and has ensured that he would be, able to fulfil and discharge his duties and responsibilities effectively as our Managing Director.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Henry Pheng Chin Guan

Apart from the directorships as disclosed in Section 9.2.3 above, Henry Pheng Chin Guan holds directorships in a number of private limited companies. Apart from the companies which are dormant or inactive, his directorships in private limited companies as at the Latest Practicable Date are as follows:

Name of Company	Principal Activities	Designation	Date of Appointment/ (Resignation)	% equity interest held	
				Direct	Indirect
Gebeng Jaya Sdn Bhd	Property investment	Director	09.05.2001	-	-
Great Wall Harvest Sdn Bhd	Trading in scrap iron and other related products	Director	30.03.2004	-	-
Harvard Vision Sdn Bhd*	Property investment	Director	29.11.1996	-	-
K.S. Metal (Sabah) Sdn Bhd	Trading in metal products	Director	06.07.2005	-	-
Kien San Shipping Sdn Bhd	Shipping services	Director	01.07.2005	25.00	-
Kin Kee Marketing Sdn Bhd*	Trading in iron, steel bars and related products	Director	01.07.1995	-	-
Perfect Channel Sdn Bhd*	Manufacturing and trading of steel beams, sections, bars, wire rods, nails, stretched wire, wire mesh and other steel products	Director	25.01.2006	-	-
Perfect Wiremakers Sdn Bhd*	Galvanising and drawing wires	Director	11.06.2007	-	-
Rompin Beach Resorts Sdn Bhd	Operating tourist resort	Director	06.03.2004	-	-

Note:

* Being subsidiaries of Kinsteel

The involvement of Henry Pheng Chin Guan in the aforesaid companies does not affect his contribution to our Group and would not be expected to affect the operations of our Group. He has been and has ensured that he would be, able to fulfil and discharge his duties and responsibilities effectively as our Chief Executive Officer.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Datuk Lim Chaing Cheah

Apart from the companies which are dormant or inactive, Datuk Lim Chaing Cheah's directorships in private limited companies as at the Latest Practicable Date are as follows:

Company	Principal activities	Position	Date of Appointment/ (Resignation)	% equity interest held	
				Direct	Indirect
Perfect Channel Sdn Bhd*	Manufacturing and trading of steel beams, sections, bars, wire rods, nails, stretched wire, wire mesh and other steel products	Director	13.11.2006	-	-
Perfect Wiremakers Sdn Bhd*	Galvanising and drawing wires	Director	11.06.2007	-	-
The Cotton Club Sdn Bhd	Restaurant, café & bistro	Director	06.04.2005	-	-
Fruitwell Marketing Sdn Bhd	Wholesaler of fruit juices	Director	02.04.2003	10.0	-

Note:

* *Being subsidiaries of Kinsteel*

The involvement of Datuk Lim Chaing Cheah in the aforesaid companies does not affect his contribution to our Group and would not be expected to affect the operations of our Group. He has been and has ensured that he would be, able to fulfil and discharge his duties and responsibilities effectively as our Director.

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.3 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

9.3.1 Key management's and key technical personnel's shareholdings

Our Company was incorporated as an investment holding company, for which the majority of our key management and key technical personnel are under the direct employment of our subsidiary company, namely PSSB. As at date of this Prospectus, none of the key management holds any Shares in our Company prior to the IPO. The final direct and indirect shareholdings of the key management in our Company after the completion of the IPO will be as follows:

Key management and key technical personnel	Designation	<--- Before Public Issue and Offer for Sale -->		<-----After Public Issue and Offer for Sale ---->	
		<-----Direct----->	%	<-----Direct----->	%
Dato' Lew Choon	Head (Marketing)	-	-	60,000	0.01
Tee Choon Pung	Chief Operating Officer	-	-	60,000	0.01
Ir. Dr. Look Tian Fook	Chief Operating Officer (Business Development)	-	-	60,000	0.01
Cheok Kia Yong	Chief Accountant	-	-	23,000	0.004
A. Thandayithabani	General Manager (Plant Operations Division)	-	-	50,000	0.009
Kok Mei Ann	Legal Manager	-	-	23,000	0.004
Che Amdilah Abdullah	General Manager (Business Development & Project)	-	-	50,000	0.009
Fakhrul Azman Nordin	General Manager (DRI plant)	-	-	50,000	0.009
Mohd Yunus Bin Alias	Head (Logistics)	-	-	60,000	0.01

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

9.3.2 Profiles

The management of our Group is headed by our Chief Executive Officer, Henry Pheng Chin Guan who is assisted by a team of key management and technical personnel. Save for the profile of Henry Pheng Chin Guan, being the Chief Executive Officer of PHB, which is as set out in Section 9.2.2, the profiles of our key management and key technical personnel are as follows:

- (i) **Dato' Lew Choon**, aged 51, is the Head of Marketing of PSSB. He is responsible for marketing, production planning and quality control functions of PSSB. He has been involved in the steel industry for more than 20 years and has accumulated much invaluable hands-on experience and exposure in all respect of the steel business. He was appointed as an Executive Director of Kinsteel in 1991. He also sits on the board of various other private limited companies.
- (ii) **Tee Choon Pung**, aged 51, is the Chief Operating Officer of PSSB. He obtained a Masters of Business Administration Degree from the University of South Alabama, United States in 1985. He was previously appointed the General Manager of Megasteel Sdn Bhd and Amsteel Sdn Bhd in 2000. He was directly involved in management activities in the companies which are producers of hot rolled coils, steel bars and wire rods. He joined Amalgamated Industrial Steel Berhad, a manufacturer of steel pipes, in 2004 as the Chief Operating Officer. In 2007, he joined PSSB as the Chief Operating Officer, where he is currently responsible for overall plant operations.
- (iii) **Ir. Dr. Look Tian Fook**, aged 56, is the Chief Operating Officer for Business Development & Projects of PSSB. He graduated from University of Strathclyde, United Kingdom in 1977 and is a registered professional engineer in Malaysia and chartered engineer in United Kingdom. From 1993 to 1998, he was appointed as the General Manager of Wing Tiek Steel Pipes Sdn Bhd and Wing Tiek Metal Industries Sdn Bhd, a manufacturer of steel pipes, plates, wire mesh, hard drawn wires and galvanized items. From 1999 to 2003, he was the General Manager/Director of Hock Lee Rubber Products Sdn Bhd, a manufacturer/exporter of moulded/extruded rubber products. Prior to joining PSSB in October 2005, he was the Executive Director of Woodland Ventures Sdn Bhd and Member of Certification Governing Board of Moody International Certification (M) Sdn Bhd. He is responsible in formulating and implementing PSSB's business policy and projects.
- (iv) **Cheok Kia Yong**, aged 38, was appointed as the Chief Accountant of PSSB. He graduated from University Utara Malaysia, Malaysia with a Bachelor of Accountancy (Honours) in 1994. He is also a member with Malaysian Institute of Accountants. Prior to his appointment he was a Senior Manager with Ernst & Young in the Assurance and Advisory Business Services practice. He has previously worked with Andersen from 1997 to 2002. He then joined Ernst & Young when the 2 firms merged in July 2002. He has served on various external and internal audits, risk management and corporate governance, and corporate finance engagements in public listed companies in Malaysia and overseas. His latest experience was assisting a multinational company in implementing the internal control requirements of Sarbanes Oxley 404 in Australia and Asia Pacific region. He joined PSSB in 2005. He is currently responsible for the financial management and reporting of PSSB.
- (v) **A. Thandayithabani**, aged 49, is the General Manager of the Plant Operations Division of PSSB. He has obtained a Diploma in Human Capital Management from Universiti Teknologi MARA, Malaysia in 2007. He has more than 29 years experience in the steel industry especially in the production of steel products. He began his career in 1979 with Malayawata Steel Bhd, an integrated steel manufacturer, before moving on to Lembaga Letrik Negara in 1980. He joined PSSB in 1984, and has since been promoted to various key positions before becoming the General Manager of the Plant Operations Division in 2006. He currently oversees the operations and the general administration of Kemaman plant.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

- (vi) **Kok Mei Ann**, aged 32, is the Legal Manager of PSSB. She obtained her Bachelor of Law (Honours) from Staffordshire University, United Kingdom in 1998. She obtained her Certificate in Legal Practice from the Legal Qualifying Board, Malaysia in 1999. She was a member of the Malaysian Bar from 2000 to 2006. She began her career as a Legal Assistant with William Leong, Advocates & Solicitors in 2000 and was responsible for litigation matters. She subsequently joined Jeff Leong Poon & Wong, Advocates & Solicitors, in 2002 and was responsible for corporate matters. She joined PSSB in 2006 in her current capacity as Legal Manager. She is currently responsible for all legal and corporate matters of the Group.
- (vii) **Che Amdilah Abdullah**, aged 47, is the General Manager of the Business Development & Project of PSSB. He graduated in 1986 with a Bachelor of Science, majoring in Civil Engineering from the Iowa State University, United States. He started his career as a technician and field supervisor for a few construction companies. In 1989, he joined PSSB as an Engineer and has since been promoted to various key positions including Section Head of Casting Operation, Manager of Production Planning and Process, Division Head of Product and Marketing and Assistant General Manager of Downstream Operation before becoming the General Manager of Business Development & Project in 2006. He is currently responsible for the coordination of the marketing and sales function as well as plant upgrading and engineering projects of PSSB.
- (viii) **Fakhrul Azman Nordin**, aged 40, is the General Manager of PSSB's DRI plant. He graduated with a Bachelor of Engineering (Honours) in Chemical Engineering from Swansea University, Wales in 1991. He started his career as an engineer with PSSB in 1991, and held various key positions in PSSB, including Operations Manager and Head of Production Department before becoming the General Manager of the DRI plant in 2005. His responsibilities currently include overseeing of the entire function and operations of the DRI plant.
- (ix) **Mohd Yunus Bin Alias**, aged 63, is the Head of Logistics at PSSB. He began his career with the Royal Malaysian Navy in 1963 as a Commission Officer at the supply and logistics section of the navy. In 1985, he left the Royal Malaysian Navy and joined Maju Alat Ganti Sdn Bhd as a Director. He subsequently joined PSSB in 1988 as Purchasing Manager, and was appointed Deputy General Manager – Corporate in 1989, where he was involved in purchasing, contracts and, sales and marketing. He was appointed as the General Manager at PSSB's Gurun plant in 1992, and was responsible for overseeing the construction of the new steel hot rolling mill in Gurun. In 1996, he was appointed to his current tenure as Head of Logistics at PSSB. He also holds directorships and shareholdings at several other private companies in Malaysia.

9.3.3 Service Contracts with Key Management and Key Technical Personnel

All of our key management as set out in Section 9.3.2 have employment contracts with us. These employment contracts contain the normal terms of employment.

Save as disclosed below, there is no existing or proposed service agreement between our Group and our key management:

- (i) Letter of employment dated 21 August 1996 from PSSB to Captain Mohd Yunus Bin Alias ("Captain Yunus") whereby PSSB agreed to offer employment to Captain Yunus as the Director (Logistics) of PSSB. Upon his retirement in 2000, PSSB has extended Captain Yunus's employment on a contract basis renewable yearly and pursuant to letter dated 4 December 2007 the service of Captain Yunus has been renewed for a term of 1 year from 1 January 2008 to 31 December 2008; and

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

- (ii) Letter of employment dated 28 November 2005 from PSSB to Ir. Dr Look Tian Fook ("Dr Look") whereby PSSB agreed to offer a contract for employment as the Chief Operating Officer (Business Development & Project) of PSSB to Dr Look. Upon the retirement of Dr Look on 12 June 2007, PSSB has extended Dr Look's employment on a contract basis renewable yearly and pursuant to letter dated 6 May 2008, the service of Dr Look has been renewed for a term of 1 year from 13 June 2008 to 12 June 2009.

9.3.4 Involvement of Key Management and Key Technical Personnel in Other Businesses or Corporations

Save as disclosed below, none of our key management and key technical personnel is involved in the operations of other business or corporations:

- (i) Dato' Lew Choon's interests, directorships and/or shareholdings in other companies/businesses, apart from PHB Group, which are not dormant or inactive, as at the Latest Practicable Date, are as follows:

Company	Principal activities	% equity interest held		Position
		Direct	Indirect	
Kinsteel	Manufacturing and trading in steel bars and related products	0.32	0.004 ¹	Director
Kin Kee Holdings Sdn Bhd	Investment holding	7.05	-	Director
Kin Kee Marketing Sdn Bhd*	Trading in iron, steel bars and related products	-	-	Director
Len Hup Huat Hardware Trading Sdn Bhd	Letting/rental of property and dealing in hardware and iron scraps	-	-	Director
Harvard Vision Sdn Bhd*	Property investment	-	-	Director
Mutiara Besi Logam Sdn Bhd	Trading in scrap metal, iron and second hand hardware	-	-	Director
MBL Trading Sdn Bhd	Trading in metal products	0.0003	-	Director
Great Wall Harvest Sdn Bhd	Trading in scrap iron and other related products	-	-	Director

Notes:

* Being subsidiaries of Kinsteel

1. Deemed interest by virtue of his children's shareholdings in Kinsteel

Dato' Lew Choon confirmed that his interests, directorships and/or shareholdings in the companies/businesses, as tabulated above, would not affect his contributions to PHB Group.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

- (ii) Mohd Yunus Bin Alias' interests, directorships and/or shareholdings in other companies/businesses, apart from PHB Group, which are not dormant or inactive, as at the Latest Practicable Date, are as follows:

Company	Principal activities	% equity interest held		Position
		Direct	Indirect	
ASM Furniture Sdn Bhd	Carpentering high quality wood furniture	-	-	Director
Cindai Tailor Sdn Bhd	Manufacturing garments	-	-	Director
Dimensi Tokoh (M) Sdn Bhd	Property development	10.00	-	Director
ECSB	Investment holding company	-	-	Director
MH Consultancy Services Sdn Bhd	Insurance agent	-	-	Director
MTH Properties Sdn Bhd	Property development	10.00	-	Director
Premier Tube Sdn Bhd	Property investment and letting of property	-	-	Director
ASM Development (Johor) Sdn Bhd	Property developer	-	-	Director
ASM Metal Sdn Bhd	Marketing and distribution of scrap iron	-	-	Director
Maju Alat Ganti Sdn Bhd	Marketing and distribution of steel bars and building materials	-	-	Director
Maju Steel Sdn Bhd	Manufacturing of reinforcement steel bars and general construction and building works	-	-	Director

Mohd Yunus Bin Alias confirmed that his interests, directorships and/or shareholdings in the companies/businesses, as tabulated above, would not affect his contributions to PHB Group.

9.4 DECLARATIONS FROM OUR PROMOTERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

None of our Promoters, Directors, key management and key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) Disqualification from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) Charge and/or conviction in a criminal proceeding or is a named subject of a pending criminal proceeding;

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

- (iv) Any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) The subject of any order, judgement or ruling of any court of competent jurisdiction, government or regulatory body permanently or temporarily enjoining him from engaging in any type of business practice or activity.

9.5 FAMILY RELATIONSHIPS OR ASSOCIATIONS

Based on the declaration by our Promoters, substantial shareholders, Directors, key management and key technical personnel and save as disclosed below, there are no family relationships or associations between or amongst our Promoters, substantial shareholders, Directors, key management and key technical personnel:

- (i) Tan Sri Dato' Pheng Yin Huah, Dato' Hong Thian Hock and Datin Hong Cheng Guat are siblings;
- (ii) Tan Sri Dato' Pheng Yin Huah is the father of Henry Pheng Chin Guan, Dato' Pheng Chin Kiat, Pheng Chin Huat and Pheng Chin Shiun;
- (iii) Datin Hong Cheng Guat is the spouse of Dato' Lew Choon; and
- (iv) Tan Sri Abu Sahid bin Mohamed and Dato' Abu Talib bin Mohamed are siblings.

9.6 INFORMATION ON OUR EMPLOYEES

As at 31 May 2008, we have a total workforce of 1,605 employees, comprising 1,337 full-time employees and 268 contract employees. The breakdown of our Group's employees is as follows:

Employee classification	Years of employment			Local	Foreign	No. of staff
	Less than 1 year	1 to 5 years	More than 5 years			
Management and Professionals	31	64	89	183	1	184
Technical Professionals						
Engineers	10	24	25	54	5	59
<i>Technical Assistant</i>	13	42	61	116	-	116
<i>Quality Assurance Personnel</i>	4	10	14	28	-	28
<i>Research and Development Personnel</i>	2	2	4	8	-	8
Sales and Marketing	6	14	8	28	-	28
Clerical and Administrative	9	37	95	141	-	141
Factory Floor Workers ¹						
<i>Skilled workers</i>	141	107	162	410	-	410
<i>Semi-skilled workers</i>	184	255	144	583	-	583
<i>Unskilled Workers</i>	22	22	4	48	-	48
Total	422	577	606	1,599	6	1,605

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Note:

1. 260 contract employees of PHB comprise 119 skilled workers and 141 unskilled workers

None of our employees are members of any labour union and enjoy a cordial relationship with the management. There have been no labour or industrial disputes between our employees and our management which could have a material adverse financial impact on our Group.

9.7 TRAINING AND DEVELOPMENT

We recognise the need to ensure continuity in management in order to maintain our competitive edge over our competitors. Our Board of Directors believes that the continued success of our Company depends, amongst others, on the support and dedication of its management personnel. We have in place human resource strategies which include, amongst others, suitable compensation packages and structured succession planning. Our Company's initiatives on succession planning include:

- Identifying key competencies and requirements for managers and higher positions. Job and candidate profiles are developed for management position in line with the business goals, strategies and culture of our Group; and
- Taking a proactive approach towards addressing talent management to ensure the organisation has talent readily available to undertake leadership positions throughout the organisation.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

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10. APPROVALS AND CONDITIONS

10.1 APPROVALS AND CONDITIONS FOR THE FLOTATION SCHEME

The Flotation Scheme is conditional upon the approvals of the following:

- (i) SC, *vide* its letters dated 31 March 2008 and 25 June 2008 under Section 212(5) of the CMSA;
- (ii) Equity Compliance Unit of the SC under the FIC's Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests, of which approval was obtained on 31 March 2008;
- (iii) Private Debt Securities Unit of the SC under the Guidelines on the Offering of Private Debt Securities for the ICULS Placement of which approval was obtained on 31 March 2008;
- (iv) MITI, *vide* its letters dated 11 April 2008 and 27 May 2008;
- (v) Bursa Securities, for the admission to the Official List and listing of and quotation for the entire enlarged issued and paid-up share capital of PHB upon completion of the Flotation Scheme and the new PHB Shares to be issued pursuant to the conversion of the ICULS, on the Main Board of Bursa Securities;
- (vi) shareholders of Kinsteel at an extraordinary general meeting held on 11 June 2008; and
- (vii) shareholders of PSSB, namely ECSB and Maju at their respective extraordinary general meetings held on 10 June 2008.

The conditions imposed by the relevant authorities and their respective status of compliance are set out below:

Authority	Conditions imposed	Status of compliance
SC	<ul style="list-style-type: none"> • PHB should ensure that the debt settlement agreement with the Government of Malaysia is to be executed by both parties prior to the issuance of its listing prospectus; • RHB Investment Bank/ PHB should address the issue of PHB's accumulated losses prior to the issuance of its listing prospectus; 	<p>Complied. The debt settlement agreement with the Government of Malaysia was signed on 12 March 2008.</p> <p>The SC had <i>vide</i> its letter dated 25 June 2008 allowed PHB to modify this condition, so as to allow RHB Investment Bank/ PHB to address its accumulated losses before the end of financial year end ending 31 December 2008</p>

10. APPROVALS AND CONDITIONS (Cont'd)

Authority	Conditions imposed	Status of compliance																									
	<ul style="list-style-type: none"> <li data-bbox="379 353 1193 450"> <p>• Moratorium on the sale of PHB Shares for 1 year from the listing date of PHB on the Main Board of Bursa Securities is imposed on the following shareholders:</p> <table border="1" data-bbox="440 443 1161 752"> <thead> <tr> <th data-bbox="440 443 587 497"></th> <th colspan="2" data-bbox="587 443 751 497">Shareholding after the proposed flotation</th> <th colspan="2" data-bbox="751 443 1161 497">Shareholding under moratorium</th> </tr> <tr> <th data-bbox="440 497 587 613">Name</th> <th data-bbox="587 497 751 613">No. of PHB shares held</th> <th data-bbox="751 497 874 613">% of enlarged share capital</th> <th data-bbox="874 497 1023 613">No. of PHB shares under moratorium</th> <th data-bbox="1023 497 1161 613">% of enlarged share capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 613 587 667">Kinsteel</td> <td data-bbox="587 613 751 667">209,100,000</td> <td data-bbox="751 613 874 667">37.34</td> <td data-bbox="874 613 1023 667">128,520,000</td> <td data-bbox="1023 613 1161 667">22.95</td> </tr> <tr> <td data-bbox="440 667 587 721">ECSB</td> <td data-bbox="587 667 751 721">175,900,000</td> <td data-bbox="751 667 874 721">31.41</td> <td data-bbox="874 667 1023 721">123,480,000</td> <td data-bbox="1023 667 1161 721">22.05</td> </tr> <tr> <td data-bbox="440 721 587 752">Total</td> <td data-bbox="587 721 751 752">385,000,000</td> <td data-bbox="751 721 874 752">68.75</td> <td data-bbox="874 721 1023 752">252,000,000</td> <td data-bbox="1023 721 1161 752">45.00</td> </tr> </tbody> </table> <li data-bbox="379 786 1193 936"> <p>• All future transactions between the PHB Group and other companies related to the substantial shareholders and directors should be on commercial terms and should not be unfavorable to the PHB Group. The Audit Committee of PHB should monitor and the directors should report such transactions in the annual report of PHB;</p> <li data-bbox="379 969 1193 1055"> <p>• All amounts owing to the PHB Group by its substantial shareholders and directors, or parties related to them, should be settled prior to the issuance of the listing prospectus of PHB;</p> <li data-bbox="379 1115 1193 1637"> <p>• With regard to the trade debtors, PHB should:</p> <ol style="list-style-type: none"> <li data-bbox="427 1182 1193 1301">(a) Fully disclose in the listing prospectus the debtors position, ageing analysis and comments by its directors on the recoverability of amount owing by trade debtors which have exceeded the credit period; <li data-bbox="427 1335 1193 1485">(b) Make full provision for all overdue trade debtors which are in dispute or under legal action, or for amounts which have been outstanding for more than 6 months. The directors of PHB should confirm to the SC that this condition has been complied with prior to the issuance of the prospectus; and <li data-bbox="427 1518 1193 1637">(c) Submit a declaration by the directors of PHB to the SC that trade debtors exceeding the credit period which have not been provided for as doubtful debts, excluding those under Paragraph (b) above, are recoverable; <li data-bbox="379 1671 1193 1789"> <p>• PHB should comply with the enhanced disclosure with regard to the Management Discussion & Analysis Section under the new Chapter 13 of the Prospectus Guidelines which became effective on 1 February 2008;</p> <li data-bbox="379 1823 1193 1886"> <p>• PHB should put the proceeds from the offer for sale in a trust account until the listing of PHB Shares on Bursa Securities;</p> <li data-bbox="379 1919 1193 2004"> <p>• PHB and RHB Investment Bank should comply with the relevant requirements relating to the implementation of the flotation proposal as stipulated in the SC Guidelines</p> 		Shareholding after the proposed flotation		Shareholding under moratorium		Name	No. of PHB shares held	% of enlarged share capital	No. of PHB shares under moratorium	% of enlarged share capital	Kinsteel	209,100,000	37.34	128,520,000	22.95	ECSB	175,900,000	31.41	123,480,000	22.05	Total	385,000,000	68.75	252,000,000	45.00	<p data-bbox="1270 353 1437 385">To be complied</p> <p data-bbox="1270 786 1437 817">To be complied</p> <p data-bbox="1225 969 1485 1088">Complied, in relation to the non-trade debts owing to the PHB Group</p> <p data-bbox="1225 1182 1485 1267">Complied. Please refer to Section 14.2.6 of this Prospectus.</p> <p data-bbox="1225 1335 1485 1453">Complied. The confirmation was submitted to the SC on 27 June 2008</p> <p data-bbox="1225 1518 1485 1637">Complied. The declaration was submitted to the SC on 27 June 2008</p> <p data-bbox="1225 1671 1485 1756">Complied. Please refer to Section 14 of this Prospectus.</p> <p data-bbox="1270 1823 1437 1854">To be complied</p> <p data-bbox="1315 1919 1390 1951">Noted.</p>
	Shareholding after the proposed flotation		Shareholding under moratorium																								
Name	No. of PHB shares held	% of enlarged share capital	No. of PHB shares under moratorium	% of enlarged share capital																							
Kinsteel	209,100,000	37.34	128,520,000	22.95																							
ECSB	175,900,000	31.41	123,480,000	22.05																							
Total	385,000,000	68.75	252,000,000	45.00																							

10. APPROVALS AND CONDITIONS (Cont'd)

Authority	Conditions imposed	Status of compliance
	<ul style="list-style-type: none"> • PHB should comply with the National Development Policy (“NDP”) requirement whereby at least 30% of the enlarged share capital of PHB upon listing is held by Bumiputera shareholders. The existing Bumiputera shareholders of PHB should be recognised by MITI, and the allocation and nomination of new Bumiputera investors should be approved by MITI; • PHB and Group should comply with any equity condition imposed by MITI on its manufacturing licences; • RHB Investment Bank / PHB should inform the SC of the status of compliance with the NDP requirement upon completion of the listing exercise; • RHB Investment Bank and PHB should obtain the SC’s approval should there be any changes to the terms and conditions of the ICULS; • RHB Investment Bank should submit the following information or documents to the SC prior to the issue date of the ICULS; <ul style="list-style-type: none"> (a) Issue date, tenure of issue and issue size for the ICULS; (b) A certified true copy of the executed trust deed for the ICULS; (c) Soft copy (in PDF format) of the following information or documents to be e-mailed to DS@seccom.com.my: <ul style="list-style-type: none"> • The issue date, tenure of issue and issue size for the ICULS; • The Information Memorandum in respect of the ICULS deposited or to be deposited pursuant to Section 229 and/or 230 of the CMSA, if any; • The trust deed for the ICULS; and • The principal terms and conditions for the ICULS in the following format: <ul style="list-style-type: none"> a. Font: Arial b. Font Size: 11 c. Margin (Top, Down, Right, Left): 1.25” d. Spacing : Single; • In relation to any supplements to the Information Memorandum, to e-mail a copy of the same (in PDF format) to DS@seccom.com.my; • RHB Investment Bank should fully disclose to Kinsteel and relevant parties the following conflict and potential conflict of interest together with relevant mitigating measures: <ul style="list-style-type: none"> (a) arising from RHB Investment Bank being the principal adviser and lead arranger for the issue of MMTN in 2006; 	<p>Complied. The existing Bumiputera shareholders were recognised by MITI <i>vide</i> its letter dated 11 April 2008.</p> <p>Complied. Please refer to Section 7.16 of this Prospectus</p> <p>To be complied after Listing</p> <p>To be complied, if applicable</p> <p>To be complied.</p> <p>To be complied.</p> <p>To be complied.</p> <p>Not applicable.</p> <p>To be complied.</p> <p>To be complied.</p> <p>Not applicable.</p> <p>Complied. Please refer to Section 11.7 of this Prospectus.</p>

10. APPROVALS AND CONDITIONS (Cont'd)

Authority	Conditions imposed	Status of compliance																
MITI	<p>(b) arising from RHB Investment Bank being the principal adviser and lead arranger for Kinsteel's 7-year Murabahah Commercial Papers/Medium Term Notes Programme of up to RM100 million in nominal value and 10-year Murabahah Medium Term Notes Programme of up to RM100 million in nominal value in 2006; and</p> <p>(c) all other conflict and potential conflict of interest arising from the proposed ICULS issue.</p> <p>RHB Investment Bank should also inform all prospective investors and relevant parties that the Board of Directors of PHB is fully informed of and aware of the conflict of interest situations and is agreeable to proceed with the present arrangement;</p> <ul style="list-style-type: none"> • RHB Investment Bank should ensure that the selling restriction imposed on the ICULS are fully disclosed to all prospective investors and relevant parties, including making such information available on the Fully Automated System For Issuing/Tendering ("FAST"); • PHB should obtain all necessary approvals from all relevant parties in relation to the Proposed ICULS Placement and RHB Investment Bank should submit a written confirmation on the same to the SC prior to the issue/drawdown date of the ICULS; and • RHB Investment Bank is required to remind all relevant parties including PHB of the need to observe and fully comply with all statutory requirements, in particular, those set out in Division 4 of Part VI of the CMSA. • The approval of the SC and compliance with the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests issued by the Foreign Investment Committee for the Proposed Flotation; and • MITI recognised the shareholdings of Bumiputera investors in PHB after the completion of the Flotation Scheme as follows: <table border="1" data-bbox="450 1693 1152 1854"> <thead> <tr> <th>No.</th> <th>Shareholder</th> <th>No. of Shares</th> <th>% of issued and paid-up capital</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Maju</td> <td>25,000,000</td> <td>4.46</td> </tr> <tr> <td>2</td> <td>ECSB</td> <td>175,900,000</td> <td>31.41</td> </tr> <tr> <td></td> <td>Total</td> <td>200,900,000</td> <td>35.87</td> </tr> </tbody> </table> <p>subject to the condition that MITI's approval is obtained for the sale/transfer of the recognised shares. However, the sale/transfer of 30% of the total shares are allowed without MITI's approval.</p>	No.	Shareholder	No. of Shares	% of issued and paid-up capital	1	Maju	25,000,000	4.46	2	ECSB	175,900,000	31.41		Total	200,900,000	35.87	<p>Complied as the selling restriction is disclosed in Section 6.4.2 of this Prospectus. To be complied in respect of making such information available on FAST.</p> <p>To be complied</p> <p>Complied</p> <p>Complied. Approvals from the SC for the Flotation Scheme were obtained on 31 March 2008</p> <p>Noted</p>
No.	Shareholder	No. of Shares	% of issued and paid-up capital															
1	Maju	25,000,000	4.46															
2	ECSB	175,900,000	31.41															
	Total	200,900,000	35.87															

10. APPROVALS AND CONDITIONS (Cont'd)

The SC had also noted that the proposed equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in our Company would change arising from the implementation of the Flotation Scheme is as follows:

Equity Structure	Before Flotation Scheme (%)	After Flotation Scheme (%)
Bumiputera	-	37.87 ^{1,2}
Non-Bumiputera	100.00	62.13 ¹
Foreign	-	-
	100.00	100.00

Notes:

1. As at incorporation, for illustration purposes, it is assumed that the entire 101.476 million PHB Shares allocated for the Entitled Shareholders under the Restricted Offer are subscribed by non-Bumiputera investors and out of 11.20 million PHB Shares reserved for the Malaysian public under the Retail Offer, 30% are subscribed by Bumiputera investors.

It is also assumed that out of 26.124 million PHB Shares reserved for placees to be identified by the placement agent under the Special Offer, 30% are subscribed by Bumiputera investors.

2. Subject to MITI's approval.

The SC had approved the exemption sought under the Prospectus Guidelines via its letter dated 18 June 2008. The details of the exemption sought for, the approval and accompanying conditions imposed by the SC together with the status of compliance are as follows:

Relevant Section of Prospectus Guidelines	Relief from Prospectus Guidelines	Decision and Status of Compliance
(i) <u>Paragraph 9.11, Chapter 9</u> If there are any existing or proposed service agreements between the corporation, group and its directors and key management or key technical personnel, salient details of these shall be set out.	Waiver from disclosure of certain salient terms (such as remuneration and/or benefits in kind, if any) of the service contracts with the director and key management and key technical personnel as set out in Sections 9.2.6 and 9.3.3, respectively.	Approved, subject to RHB Investment Bank submitting to the SC for their records, 2 copies of the said agreements during registration of the Prospectus as follows: (a) 1 certified copy of the complete contract; and (b) 1 certified copy of the contract with the relevant terms blackened out.
(ii) <u>Paragraph 20.01(c), Chapter 20</u> To make available for public inspection each contract disclosed in the prospectus and in the case of contracts not reduced in writing, a memorandum which gives full particulars of the contracts.	Waiver from making available for public inspection the information pertaining to the remuneration and/or other benefits in kind (if any) as contained in the service agreements.	The condition was complied on 27 June 2008.

10. APPROVALS AND CONDITIONS (Cont'd)**10.2 MORATORIUM ON SHARES**

Pursuant to Section 6.24 of the SC Guidelines and as a condition of the SC's approval for the Flotation Scheme, the shareholders set out below will not be allowed to sell, transfer or assign, 252,000,000 Shares, representing 45% of the enlarged issued and paid-up share capital of PHB after IPO for one year from the date of admission of PHB to the Official List of the Main Board of Bursa Securities.

Details of the shareholders of PHB who will be subject to moratorium, as approved by the SC, are as follows:

Shareholder	Shareholding after the Flotation Scheme		Shareholding under moratorium	
	No. of PHB Shares	% of enlarged issued and paid-up share capital	No. of PHB Shares	% of enlarged issued and paid-up share capital
Kinsteel	209,100,000	37.34	128,520,000	22.95
ECSB	175,900,000	31.41	123,480,000	22.05
Total	385,000,000	68.75	252,000,000	45.00

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

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

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

Pursuant to the SC Guidelines, where the affected shareholder is an unlisted company, every shareholder of the unlisted company (if an individual) or ultimate individual shareholder (if the shareholder of the unlisted company is another unlisted company) must give an undertaking that he/she will not sell, transfer or assign his/her shareholding in the related unlisted company for the Moratorium Period as stipulated above.

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11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS

11.1 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

Save as disclosed below, there are no existing or proposed related-party transactions between our Group and our substantial shareholders, Directors, key management and/or key technical personnel and persons connected with our substantial shareholders and our Directors as defined in the Listing Requirements for the past 3 FYE 31 December 2007 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

Our Group, in the ordinary course of business, enters into transactions that are of a revenue or trading nature with related parties ("Recurrent Transactions"), which are necessary for our day-to-day operations. The related party transactions disclosed above, due to their nature, may create a conflict of interest situation between our Group and our related parties with whom we have entered/will enter into such transactions. However, it is the policy of the companies within our Group not to enter into transactions with related parties unless these transactions are carried out on a negotiated basis which shall be commercially viable for the parties concerned. The Recurrent Transactions are conducted on arm's length basis and are intended to meet our business and marketing needs in the ordinary course of business. Such Recurrent Transactions are carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public.

However, we will, after our Listing, procure a mandate from our shareholders, if necessary, for all our Recurrent Transactions of revenue or trading in nature or those necessary for our day to day operations. Further, the interested person shall be required to abstain from voting on the resolution(s) pertaining to the respective Recurrent Transactions.

Furthermore, we will make disclosures in our annual report of the aggregate value of transactions conducted based on the nature of Recurrent Transactions made, names of the related parties involved and their relationship with our Company during the financial year and in the annual reports for the subsequent financial years.

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11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 31 December		4 months period ending 30 April 2008	Forecast for the FYE 31 December 2008 ²	
				2005	2006			2007
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
PSSB and Maju	Maju Tan Sri Abu Sahid bin Mohamed	Maju is a major shareholder of PHB and PSSB Tan Sri Abu Sahid bin Mohamed is a director and major shareholder of PHB, PSSB and Maju	Provision of security services to PSSB	-	769	806	288	900
PSSB and PFC Engineering Sdn Bhd ("PFCE")	Maju ¹ Tan Sri Abu Sahid bin Mohamed ¹ Dato' Abu Talib bin Mohamed	Maju is a major shareholder of PHB, PSSB and PFCE Tan Sri Abu Sahid bin Mohamed is a director and major shareholder of PHB, PSSB and of PFCE Dato' Abu Talib bin Mohamed is a director of PHB, PSSB and major shareholder of PFCE	Manpower supply for routine maintenance of steel making and direct reduced plant by PFCE Sales of billets to PFCE	106,631	11,917	682	10	30
PSSB and Saito Steel Mill Engineering Sdn Bhd ("Saito")	Maju Tan Sri Abu Sahid bin Mohamed Dato' Abu Talib bin Mohamed	Maju is a major shareholder of PHB, PSSB and Saito Tan Sri Abu Sahid bin Mohamed is a director and major shareholder of PHB and PSSB and a major shareholder of Saito Dato' Abu Talib bin Mohamed is a director of PHB, PSSB and Saito	Purchase of cold briquette iron from Saito Provision of maintenance on the dedusting system by Saito Sales of cold briquette iron to Saito	2,221	6,064	-	-	-
				303	269	13,010	2,948	9,000
				14,451	1,760	-	-	-

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				Forecast for the financial year ending 2008
				FYE 31 December		4 months period ending 30 April 2008	RM'000	
				2005	2006			
				RM'000	RM'000	RM'000	RM'000	RM'000
PSSB and Maju Logistics Services Sdn Bhd ("MLS")	Maju Tan Sri Abu Sahid bin Mohamed	Maju is a major shareholder of PHB, PSSB and MLS Tan Sri Abu Sahid bin Mohamed is a director and major shareholder of PHB and PSSB and a major shareholder of MLS	Provision of transportation and truck rental services by MLS Sales of billets to MLS	15,015	18,632	3,488	-	-
PSSB and Desa Utara Sdn Bhd ("DUSB")	Tan Sri Abu Sahid bin Mohamed	Tan Sri Abu Sahid bin Mohamed is a director and major shareholder of PHB and PSSB and a major shareholder of DUSB	Provision of cafeteria services at Kemaman plant by DUSB	2,189	-	1,529	748	2,500
PSSB and Edaran Maju-Muda Sdn Bhd ("EMM")	Maju Tan Sri Abu Sahid bin Mohamed	Maju is a major shareholder of PHB, PSSB and EMM Tan Sri Abu Sahid bin Mohamed is a director and major shareholder of PHB and PSSB and a major shareholder of EMM	Purchase of scrap and graphite coke from EMM Sales of billets and long steel products to EMM	-	14,274	28,670	-	-
				4,956	26,515 [^]	-	-	-

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				Forecast for the financial year ending 2008 ²
				FYE 31 December		4 months period ending 30 April 2008	RM'000	
				2005	2006			
PSSB and PKK	PKK Tan Sri Dato' Pheng Yin Huah Dato' Hong Thian Hock	PKK is a major shareholder of PHB and PSSB Tan Sri Dato' Pheng Yin Huah is a major shareholder and director of PHB, PSSB and PKK Dato' Hong Thian Hock is a major shareholder of PHB, PSSB and PKK and a director of PKK	Purchase of scrap from PKK	80,702	124,466	279,674	111,788	450,000
PSSB and Kin Kee Metal Sdn Bhd ("KKMetal")	Tan Sri Dato' Pheng Yin Huah Dato' Hong Thian Hock	Tan Sri Dato' Pheng Yin Huah is a major shareholder and director of PHB, PSSB and KKMetal Dato' Hong Thian Hock is a major shareholder of PHB, PSSB and KKMetal and a director of KKMetal	Purchase of spare parts from KKMetal Sales of billets to KKMetal	4,667	9,198	11,062	3,426	11,000
PSSB and Kuantan Metal & Machinery Parts Sdn Bhd ("KMM")	Tan Sri Dato' Pheng Yin Huah Dato' Hong Thian Hock	Tan Sri Dato' Pheng Yin Huah is a director and major shareholder of PHB, PSSB and KMM Dato' Hong Thian Hock is a major shareholder of PHB, PSSB and KMM and a director of KMM	Purchase of spare parts from KMM	-	-	8,495	2,296	8,000

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				Forecast for the financial year ending 2008
				FYE 31 December		4 months period ending 30 April 2008	RM'000	
				2005	2006			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
PSSB and Kinsteel	Kinsteel Maju Tan Sri Abu Sahid bin Mohamed Tan Sri Dato' Pheng Yin Huah	Kinsteel is a major shareholder of PHB and PSSB Maju is a major shareholder of Kinsteel, PHB and PSSB Tan Sri Abu Sahid bin Mohamed and Tan Sri Dato' Pheng Yin Huah are major shareholders and directors of PHB, PSSB and Kinsteel	Purchase of billets from PSSB	251,737	432,701	838,680	422,573	1,700,000
PSSB and Perfect Channel Sdn Bhd ("PCSB")	Kinsteel Maju Tan Sri Abu Sahid bin Mohamed Tan Sri Dato' Pheng Yin Huah	Kinsteel and Maju are major shareholders of PHB, PSSB and PCSB Tan Sri Abu Sahid bin Mohamed and Tan Sri Dato' Pheng Yin Huah are major shareholders and directors of PHB, PSSB, PCSB and Kinsteel	Purchase of billets and beam blanks from PSSB Sales of scrap by PCSB	-	94,431	350,214	126,995	500,000
PSSB and Perwaja Rolling Mill & Development Sdn Bhd ("PRMD")	ECSB Tan Sri Abu Sahid bin Mohamed	ECSB is the major shareholder of PHB, PSSB and PRMD Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB, PSSB and PRMD	Purchase of billets from PSSB	76,137	-	-	-	-

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				Forecast for the financial year ending 2008 ²
				FYE 31 December		2007	4 months period ending 30 April 2008	
				2005	2006			
				RM'000	RM'000	RM'000	RM'000	
PSSB and PFCE Dagang Sdn Bhd ("PFCE")	Dato' Abu Talib bin Mohamed	Dato' Abu Talib bin Mohamed is a major shareholder of PFCE and a director and shareholder of PHB	Purchase of semi-finished steel products by PFCE	1,321	-	-	-	-
PSSB and Ipmuda Berhad ("Ipmuda")	Maju Tan Sri Abu Sahid bin Mohamed	Maju is a major shareholder of PHB, PSSB and Ipmuda Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB, PSSB and Ipmuda	Purchase of semi-finished steel products by Ipmuda Purchase of consumables and spares from Ipmuda	26,642	-	10,273	12,732	50,000
PSSB and Maju Alat Ganti Sdn Bhd ("MAG")	Maju Tan Sri Abu Sahid bin Mohamed Dato' Abu Talib bin Mohamed	Maju is a major shareholder of PHB and PSSB Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB and PSSB and director of MAG Dato' Abu Talib bin Mohamed is a director of PHB, PSSB and MAG	Sales of billets to MAG Purchase of alloys, spare parts from MAG	18,748 32,912	2,694	-	-	- 20,000

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				Forecast for the financial year ending 2008
				FYE 31 December		2007	4 months period ending 30 April 2008	
				2005	2006			
PSSB and Maju Steel Sdn Bhd ("Maju Steel")	Maju Tan Sri Abu Sahid bin Mohamed Dato' Abu Talib bin Mohamed	Maju is a major shareholder of PHB and PSSB Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB and PSSB and a director of Maju Steel Dato' Abu Talib bin Mohamed is a director of PHB, PSSB and Maju Steel	Sales of billets to Maju Steel Purchase of scrap from Maju Steel	RM'000 60,212 23,789	RM'000 7,293 -	RM'000 -	RM'000 -	RM'000 -
PSSB and MH Consultancy Services Sdn Bhd ("MHC")	Maju Tan Sri Abu Sahid bin Mohamed	Maju is a major shareholder of PHB and PSSB and a major shareholder of MHC Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB and PSSB and a major shareholder of MHC	Provision of insurance by MHC	2,332	-	432	160	500
PSSB and MACES Sdn Bhd ("MACES")	Dato' Abu Talib bin Mohamed	Dato' Abu Talib bin Mohamed is a director of PHB and PSSB and major shareholder and director of MACES	Purchase of chemicals and spares from MACES	1,730	-	4,532	1,930	6,000

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Transacting parties	Name of related parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 31 December		2007	4 months period ending 30 April 2008	Forecast for the financial year ending 2008 ²
				2005	2006			
				RM'000	RM'000	RM'000	RM'000	RM'000
PSSB and ASM Properties Sdn Bhd ("ASMP")	Tan Sri Abu Sahid bin Mohamed Dato' Abu Talib bin Mohamed	Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB, PSSB and ASMP Dato' Abu Talib bin Mohamed is a director of PHB, PSSB and ASMP	Building rentals	-	-	323	108	324
PSSB and PFCE-CG Sdn Bhd ("PFCE CG")	Dato' Abu Talib bin Mohamed	Dato' Abu Talib bin Mohamed is a director of PHB and PSSB and major shareholder of PFCE CG	Servicing and maintenance of equipment by PFCE CG	1,067	-	3,549	37	120
PSSB and Module Tech Sdn Bhd ("Module Tech")	Dato' Abu Bakar bin Mohamed	Persons connected to Dato' Abu Bakar bin Mohamed are the shareholders of Module Tech and Dato' Abu Bakar bin Mohamed is the brother of Tan Sri Abu Sahid Mohamed	Services and maintenance	11,520	4,735	2,470	1,974	6,300
PSSB and MBS Shipping Pte Ltd ("MBS")	Maju Tan Sri Abu Sahid bin Mohamed	Maju is a major shareholder of PHB, PSSB and MBS Tan Sri Abu Sahid bin Mohamed is a major shareholder and director of PHB, PSSB, Maju and MBS	Provision of freight services by MBS	1,969	29,462	82,232	51,115	220,000
Total				743,879	798,894	1,654,954	746,456	2,989,374

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

Notes:

[^] This is in relation to sales of long steel products produced by the Gurun Assets to EMM. PSSB was managing the Gurun Assets pending the completion of the Strategic Alliance. As such, the operation costs and revenue of the Gurun Assets were recognised in PSSB's financial accounts for the 2 FYE 31 December 2006. Please refer to Section 14.3.1 (ii) of this Prospectus for further details of the Gurun Assets

1. Maju and Tan Sri Abu Sahid bin Mohamed have ceased to be the substantial shareholders of PFCE on 2 July 2007

2. Estimated transaction value for the financial year ending 31 December 2008

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11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

11.2 REVIEW PROCEDURES FOR RELATED PARTY TRANSACTIONS

Our Group has established various procedures to ensure that the Recurrent Transactions are undertaken on an arm's length basis and on normal commercial terms that are consistent with our Group's usual business practices and policies, which are not on terms that are more favourable to the related parties than those extended to the public and, are not to the detriment of the minority shareholders.

The review procedures established by our Group for the Recurrent Transactions are as follows:

- (i) all companies within our Group have been informed of the definition of "related party" and the review procedures applicable to all recurrent related party transactions;
- (ii) all companies within our Group shall only enter into recurrent related party transactions after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any recurrent related party transaction entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (iii) the transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (iv) all recurrent related party transactions, which are not disclosed above and have a value equivalent to or more than RM1,000,000 or 1% of any percentage ratio (as defined under paragraph 10.02 (h) of the Listing Requirements), whichever is higher, shall be reviewed by the Audit Committee before the transactions are entered into;
- (v) for other recurrent related party transactions, which are not covered by the above paragraph (iv), the transactions shall be reviewed by the Audit Committee on a periodic basis;
- (vi) any member of the Audit Committee may as he or she deems fit, request for additional information pertaining to the transactions including from independent sources or advisers;
- (vii) if a member of the Audit Committee has an interest, direct or indirect, in any particular transaction, he or she will have to abstain from any deliberation and also voting on the matter at the Audit Committee meeting in respect of such transaction;
- (viii) proper records shall be maintained to capture all recurrent related party transactions entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure will be made in our Company's annual report of the breakdown of the aggregate value of the recurrent related party transactions during the financial year, amongst others, based on the following information:
 - (a) the type of recurrent related party transactions made; and
 - (b) the names of the related parties involved in each type of the recurrent related party transaction made and their relationship with the Company.
- (ix) the annual internal audit plan shall incorporate a review of all recurrent related party transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (x) the Audit Committee shall review the internal audit reports to ascertain that the guidelines and the procedures established to monitor recurrent related party transactions are complied with; and

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

- (xi) the Audit Committee shall have the overall responsibility of determining whether the review procedures are appropriate, with the authority to delegate such function to individuals or committee within the Company as it shall deem fit.

11.3 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

As at the Latest Practicable Date, we have not entered into transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or any of our parents or subsidiary was a party during the past 3 FYE 31 December 2007 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

11.4 PROMOTION OF MATERIAL ASSETS

Save for the Acquisition of PSSB and as disclosed below, none of our Directors or our substantial shareholders has any interest, direct or indirect, in the promotion of, or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed or leased or proposed to be leased to our Group within the 3 FYE 31 December 2007 and the subsequent financial period thereof, immediately preceding the date of this Prospectus:

- (i) purchase order No. KUL-0000065077 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the upgrading P-line conveyor for a consideration of RM657,573.51;
- (ii) purchase order No. KUL-0000065081 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the installation of tube well for PSSB's plant for a consideration of RM1,008,305.22;
- (iii) purchase order No. KUL-0000065087 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the changing of return water piping from the continuous casting machine to sludge-pit for a consideration of RM148,187.60;
- (iv) purchase order No. KUL-0000065088 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the management and installation of KT Injection System and project for the direct current furnace for a consideration of RM5,512,441.63;
- (v) purchase order No. KUL-0000065090 dated 18 October 2005 by PSSB to PFC Engineering Sdn Bhd for the refurbishment and upgrading of Sumitomo Heavy Industry CCM4 for a consideration of RM551,847.43;
- (vi) purchase order No. KUL-0000065322 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the changing of wooden plank for NKK Plant's cooling tower for a consideration of RM74,208.20;
- (vii) purchase order No. KUL-0000065325 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the refurbishment of rubber mounted crane inclusive of scaffolding, changing damaged parts, sand blasting and painting for a consideration of RM292,024.25;
- (viii) purchase order No. KUL-0000065326 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the refurbishment of unloader crane inclusive of scaffolding, changing damaged parts, sand blasting and painting for a consideration of RM465,205.32;
- (ix) purchase order No. KUL-0000065082 dated 18 October 2005 by PSSB to PFC Engineering Sdn Bhd for the road upgrading for DRI storage are for a consideration of RM522,838.03;
- (x) purchase order No. KUL-0000065327 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the refurbishment of wharf crane inclusive of scaffolding, changing damaged parts, sand blasting and painting for a consideration of RM302,764.63;

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

- (xi) purchase order No. KUL-0000065083 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the conveyor revamping and upgrading project from Kemaman Port to the DR plant for a consideration of RM689,761.59;
- (xii) purchase order No. KUL-0000065084 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the installation of partial combustion system for a consideration of RM298,713.04;
- (xiii) purchase order No. KUL-0000065324 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the management and performance of repairing of shed wall at DRI plant for a consideration of RM83,029.10;
- (xiv) purchase order No. KUL-0000065320 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the installation of fire fighting system for the certificate of fitness approval for a consideration of RM1,094,776.39; and
- (xv) purchase order No. KUL-0000065321 dated 30 September 2005 by PSSB to PFC Engineering Sdn Bhd for the management, upgrading and servicing on street and building lightings for the plant for a consideration of RM875,963.17.

11.5 OUTSTANDING LOANS MADE TO OR FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, there are no outstanding loans (including guarantees of any kind), made by us, or any of our parents or subsidiary to or for the benefit of related parties during the past 3 FYE 31 December 2007 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

	FYE 31 December 2005 (RM'000)	FYE 31 December 2006 (RM'000)	FYE 31 December 2007 (RM'000)	4 month period ended 30 April 2008 (RM'000)
Amount owing to our Group by:				
Short Term				
- Associate	94	18	18	-
- Related companies	-	-	11	11
- Related parties	7,668	8,921	1,961	1,480
Total	7,762	8,939	1,990	1,491

As at Latest Practicable Date, the amounts owing to our Group by the related companies and related parties, which are interest free and of non-trade nature, is approximately RM11,000 and RM1.48 million respectively.

11.6 INTERESTS IN SIMILAR BUSINESS

As at the Latest Practicable Date, none of our Directors or substantial shareholders has any interest, direct or indirect, in any business and corporation carrying on a similar trade as our Group.

Our Group manufactures DRI and semi-finished long steel products which are upstream steel products whereas Kinsteel Group, a mid-stream steel producer, manufactures "long segment" steel products such as I-beams, H-beams, channels, angles, round and deformed bars and wire rods.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS (Cont'd)

11.7 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.7.1 Declaration by RHB Investment Bank

(i) *PHB Group*

On 15 August 2006, RHB Bank Berhad ("RHB Bank") (being the subsidiary of RHB Capital Berhad, which is also the holding company of RHB Investment Bank) had extended credit facilities of up to RM150.0 million to PHB Group. As at 30 May 2008, the amount outstanding to RHB Bank is approximately RM131.06 million.

Furthermore, in 2006, RHB Investment Bank was the principal adviser and lead arranger for PSSB's 10-year Murabahah Medium Term Notes Programme ("PSSB MTN") of up to RM400.0 million in nominal value. As at 30 May 2008, RHB Investment Bank holds RM110.0 million of the RM310.0 million PSSB MTN that have been issued.

Pursuant to the proposed utilisation of proceeds by PHB (as detailed in Section 4.8 of the Prospectus), a portion of the proceeds from the Public Issue amounting to RM50.0 million may be used to part repay the bank borrowings with RHB Bank. Based on the foregoing, the maximum potential repayment represents 0.09% of RHB Bank's total audited loans, advances and financing of approximately RM53,703.11 million as at 31 December 2007.

(ii) *Kinsteel (being the substantial shareholder/promoter of PHB)*

Kinsteel was granted various credit facilities by RHB Bank for an amount of up to RM152.0 million. As at 30 May 2008, Kinsteel had drawn down approximately RM150.72 million from the aforesaid credit facilities.

Furthermore, RHB Investment Bank was the principal adviser and lead arranger for Kinsteel's 7-year Murabahah Commercial Papers/Medium Term Notes Programme of up to RM100.0 million in nominal value ("Kinsteel Murabahah Notes") and 10-year Murabahah Medium Term Notes Programme of up to RM100.0 million in nominal value ("Kinsteel MTN") in 2006. As at 30 May 2008, RHB Investment Bank holds RM5.0 million of the RM100 million Kinsteel Murabahah Notes that have been issued and RM20.0 million of the RM100 million Kinsteel MTN that have been issued.

Kinsteel may also utilise a portion of the proceeds from the Offer for Sale accruing to it of approximately RM98.69 million to part repay the banking facilities with RHB Bank. Based on the foregoing, the maximum potential repayment by Kinsteel to RHB Bank of RM98.69 million represents approximately 0.18% of RHB Bank's total audited loans, advances and financing of approximately RM53,703.11 million as at 31 December 2007.

The above banking facilities are provided by RHB Bank and RHB Investment Bank in the ordinary course of business and as such, RHB Investment Bank does not consider itself to have an existing or potential conflict of interest in its capacity to act as the Adviser, Managing Underwriter, Underwriter, Placement Agent and Facility Agent for the Flotation Scheme.

Our Directors are fully informed of and aware of the conflict of interest situations and is agreeable to proceed with the present arrangement.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTERESTS *(Cont'd)*

11.7.2 Declaration by ZJ Advisory Sdn Bhd

ZJ Advisory Sdn Bhd was the financial adviser for the following corporate exercises in the 2005 and 2006:

- (i) the Strategic Alliance;
- (ii) Kinsteel's 7-year Murabahah Commercial Papers/MTN Programme of up to RM100.0 million in nominal value;
- (iii) Kinsteel's 10-year Murabahah MTN Programme of up to RM100.0 million in nominal value; and
- (iv) PSSB's MMTN of up to RM400.0 million in nominal value.

However, ZJ Advisory Sdn Bhd does not consider itself to have an existing or potential conflict of interest in its capacity to act as the Financial Adviser for the Flotation Scheme.

11.7.3 Declaration by Messrs. Jeff Leong, Poon & Wong

Messrs. Jeff Leong, Poon & Wong confirms that there is no conflict of interests in its capacity as the Legal Adviser in relation to the IPO.

11.7.4 Declaration by Messrs. Horwath

Messrs. Horwath confirms that there is no conflict of interests in its capacity as the Auditors and Reporting Accountants in relation to the IPO.

11.7.5 Declaration by Vital Factor

Vital Factor Consulting Sdn Bhd had undertaken the following for PSSB:

- Independent Assessment of the Prospects of Operating a DRI Plant in Malaysia undertaken in 2006;
- Independent Assessment of the Prospects of Operating a Medium and Heavy Section Mill in Malaysia undertaken in 2006; and
- Independent Research on Protection against Imports of Sections from China in 2006.

However, Vital Factor Consulting Sdn Bhd does not consider itself to have an existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants for the IPO.

12. PROPERTIES**12.1 PROPERTIES OF OUR GROUP**

We set out below the details of our properties as at the date of the Prospectus. We have not acquired any property during the 2 years preceding the date of this Prospectus.

Registered owner	Postal address/ Location	Description/ Existing use	Age of building (years)	Tenure/ Date of Expiry of Lease	Restrictions in interest	Encumbrances on land	Date of Issuance of Certificate of Fitness	Land/ Built-up area (square metres)	Audited NBV as at 30.04.08 (RM'000)
PSSB	Pajakan Negeri 2586 Lot No. 1407 Mukim of Teluk Kalung District of Kemaman Terengganu Darul Iman	Industrial land with buildings as part of the steel melting plant	Please see Note 2 below	Lease for 60 years/ 28 March 2043	The land must not be transferred, charged or leased to persons other than those approved by the Majlis Mesyuarat Kerajaan Negeri	1. Charged to Equity Trust (Malaysia) Berhad 2. Charged to RHB Bank Berhad 3. Charged to OCBC Bank (Malaysia) Berhad 4. Charged to Kuwait Finance House (Malaysia) Berhad 5. Charged to Standard Chartered Bank Malaysia Berhad	Please see Note 2 below	687,704/ 138,621	Please see Note 1 below
PSSB	Pajakan Negeri 2587 Lot No. 1412 Mukim of Teluk Kalung District of Kemaman Terengganu Darul Iman	Industrial land / Vacant land	-	Lease for 60 years/ 16 September 2046	The land must not be transferred, charged or leased to persons other than those approved by the Majlis Mesyuarat Kerajaan Negeri	1. Charged to Equity Trust (Malaysia) Berhad 2. Charged to RHB Bank Berhad 3. Charged to OCBC Bank (Malaysia) Berhad 4. Charged to Kuwait Finance House (Malaysia) Berhad 5. Charged to Standard Chartered Bank Malaysia Berhad	Not applicable	3,724	Please see Note 1 below

12. PROPERTIES (Cont'd)

Registered owner	Postal address/ Location	Description/ Existing use	Age of building (years)	Tenure/ Date of Expiry of Lease	Restrictions in interest	Encumbrances on land	Date of Issuance of Certificate of Fitness	Land/ Built-up area (square metres)	Audited NBV as at 30.04.08 (RM'000)
PSSB	Pajakan Negeri 2588 Lot No. 1411 Mukim of Teluk Kalung District of Kemaman Terengganu Darul Iman	Industrial land / Vacant land	-	Lease for 60 years/ 16 September 2046	The land must not be transferred, charged or leased to persons other than those approved by the Majlis Mesyuarat Kerajaan Negeri	1. Charged to Equity Trust (Malaysia) Berhad 2. Charged to RHB Bank Berhad 3. Charged to OCBC Bank (Malaysia) Berhad 4. Charged to Kuwait Finance House (Malaysia) Berhad 5. Charged to Standard Chartered Bank Malaysia Berhad	Not applicable	6,867	Please see Note 1 below
PSSB	H.S.(D) 1474/P.T. 2504 Mukim of Teluk Kalung District of Kemaman Terengganu Darul Iman	Industrial land / Vacant land	-	Lease for 60 years/ 27 September 2051	1. The land must not be transferred, charged or leased without the prior approval of the Pihak Berkuasa Negeri 2. The land shall not be sub-divided. 3. Restriction (1) above is not subject to the Tubuh Menteri Besar, Terengganu	1. Charged to Equity Trust (Malaysia) Berhad 2. Charged to RHB Bank Berhad 3. Charged to OCBC Bank (Malaysia) Berhad 4. Charged to Kuwait Finance House (Malaysia) Berhad 5. Charged to Standard Chartered Bank Malaysia Berhad	Not applicable	810,000	17,425

12. PROPERTIES (Cont'd)*Notes:*

1. *The audited NBV of the 3 pieces of land measuring approximately 698,295 square metres as at 30 April 2008 is approximately RM10,523,358 whilst the NBV of the buildings erected on Lot No. 1407, Mukim of Teluk Kalung, District of Kemaman, Terengganu Darul Iman as at 30 April 2008 is approximately RM26,912,792.*
2. *The buildings located at Pajakan Negeri 2586, Lot No. 1407, Mukim of Teluk Kalung, District of Kemaman Terengganu Darul Iman bearing address Lot 1511, Kawasan Perindustrian Teluk Kalong, 24007 Kemaman, Terengganu comprises the following:*

Item	Building	Date of certificate	Age
1	Roll Down Mill	29 December 2004	16
2	Substation for Roll Down Mill	29 December 2004	16
3	Training Office	29 December 2004	16
4	Training Office Extension	29 December 2004	16
5	General Equipment Warehouse	29 December 2004	16
6	DRI Parts Warehouse	29 December 2004	16
7	Extension to Electrical Warehouse no.1	29 December 2004	16
8	Warehouse no. 6	29 December 2004	16
9	Extension to Vehical Workshop no.5	29 December 2004	16
10	New Vehical Workshop no.1	29 December 2004	16
11	New Direct Reduction Office & Testing Laboratory	29 December 2004	16
12	New Workshop Office	29 December 2004	16
13	New Vehical Workshop no.2	29 December 2004	16
14	Extension to Existing Refractory & Fabrication Workshop	29 December 2004	16
15	Institut Teknologi Perwaja / PfcE-CG Office	29 December 2004	16
16	Scrap payment office	29 December 2004	16
17	Bekalan Indah Noor Office	29 December 2004	16
18	Bekalan Indah Noor Store	29 December 2004	16
19	Extension to Existing Electrical Warehouse no.2	29 December 2004	16
20	Receiving Warehouse no.2	29 December 2004	16
21	Canteen for DR Plant	29 December 2004	16
22	Pellets Storage Yard	29 December 2004	16
23	Pellets Storage Yard (2)	29 December 2004	16
24	Process Control Engineering Store	29 December 2004	16
25	Steel Making Shop Maintenance Office	29 December 2004	16
26	PFC Engineering Sdn Bhd Central Office, PS Instrumentation, Calibration Laboratory	29 December 2004	24
27	Canteen	29 December 2004	24
28	First Aid Station	29 December 2004	24
29	Prayer Rooms	29 December 2004	24
30	Guard Houses no. 1,2 & 3	29 December 2004	24
31	Direct Reduction Control Room	29 December 2004	24
32	Electric Furnace / Continuous Casting Main Building (Steel Making Shop)	29 December 2004	24
33	Bath Analysis House	29 December 2004	24
34	Air Compressor House	29 December 2004	24
35	Electric Arc Furnace Control Room / Electrical House (3 nos)	29 December 2004	24
36	Calcining Plant Building	29 December 2004	24
37	Main Intake Station	29 December 2004	24
38	Water Control Room	29 December 2004	24
39	Sludge Dehydration House	29 December 2004	24
40	Oxygen /Nitrogen Plant Building	29 December 2004	24
41	Machine Maintenance Workshop	29 December 2004	24
42	Refractory Warehouse	29 December 2004	24

12. PROPERTIES (Cont'd)

Item	Building	Date of certificate	Age
43	Consumable Warehouse	29 December 2004	24
44	Oil & Grease Storage	29 December 2004	24
45	Spare Parts Warehouse	29 December 2004	24
46	Steelmaking Shop Building	2 October 1996	13
47	Electric ArcFurnace No.4 Electric Room	2 October 1996	13
48	Electric ArcFurnace No.5 Electric Room	2 October 1996	13
49	Electric ArcFurnace Control Room	2 October 1996	13
50	Local Substation	2 October 1996	13
51	Ladle Metallurgical Furnace No.3 Control Room	2 October 1996	13
52	Continuous Casting Machine Control Room	2 October 1996	13
53	Ladle Handling Rest Room	2 October 1996	13
54	Rest Room & Prayer Room	2 October 1996	13
55	Steam Generator Room	2 October 1996	13
56	Lavatory	2 October 1996	13
57	DRI / Calcium Oxide Dumping Station	2 October 1996	13
58	Fumes Extraction System Control Room (Main Fan)	2 October 1996	13
59	Fumes Extraction System Control (Booster Fan)	2 October 1996	13
60	Fumes Extraction System Motor Room	2 October 1996	13
61	Water Treatment Plant Electric Room	2 October 1996	13
62	Water Treatment Plant Dehydration Room	2 October 1996	13
63	Water Treatment Plant Elevated Water Tank	2 October 1996	13
64	Substation	2 October 1996	13
65	Fumes Extraction System Bag House	2 October 1996	13
66	Continuous Casting Machine Cutter Control Room	2 October 1996	13
67	Electric Arc Furnace No.4 Tapping Side Control Room	2 October 1996	13
68	Electric Arc Furnace No.5 Tapping Side Control Room	2 October 1996	13
69	Ladle Metallurgical Furnace No.4 Control Room	2 October 1996	13
70	New Calcining Plant (200 tonnes per day)	29 December 2004	8
71	Refractory & Fabrication Workshop	29 December 2004	8
72	Extension Refractory Workshop	29 December 2004	8
73	Calcining Office	29 December 2004	8
74	Scrap Weighbridge Office	29 December 2004	8
75	Scrap bay	29 December 2004	8
76	Direct Reduction Store	29 December 2004	8
77	Steel Making Shop Store	29 December 2004	8
78	Institut Teknologi Perwaja	29 December 2004	8
79	Institut Teknologi Perwaja	29 December 2004	8
80	General Repair Store	29 December 2004	8
81	Receiving Center No.1	29 December 2004	8
82	Locker House	29 December 2004	8
83	Auditorium	29 December 2004	8
84	Wisma Waja	29 December 2004	8
85	Cabin	29 December 2004	8
86	Steel Making Shop Warehouse	29 December 2004	8
87	New Direct Reduction Store & Workshop	29 December 2004	8
88	Clinic	29 December 2004	8
89	Crane maintenance office	29 December 2004	8
90	Bomba Office	29 December 2004	8

12. PROPERTIES (Cont'd)

<i>Item</i>	<i>Building</i>	<i>Date of certificate</i>	<i>Age</i>
91	Scrap bay office	29 December 2004	8
92	Electrical room	29 December 2004	8

12.2 PLANT AND EQUIPMENT OF OUR GROUP

The details of the material plant and equipment of our Group as at the date of this Prospectus are set out below:

Description	Units	Annual capacity	Audited NBV as at 30.04.2008 (RM'000)
DRI reactor	2	1,200,000 tonnes per year	488,018
Alternating current electric arc furnace	3	1,300,000 tonnes per year	853,721
Ladle metallurgical furnace	3		
6-strand continuous casting machine	2		
Direct current electric arc furnace	2		
Ladle metallurgical furnace machine	1		
4-strand continuous casting machine	1		
Calcining plant	1	66,000 tonnes per year	9,726
Cold briquette plant	1	46,200 tonnes per year	1,637

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13. HISTORICAL FINANCIAL INFORMATION

The following sections set out the proforma consolidated financial information of our Company based on the audited financial statements of PHB for the period beginning 6 December 2007 (being the date of incorporation) to 30 April 2008 and PSSB for the past 3 FYE 31 December 2007 and the 4 month period ended 30 April 2008 as our Company was only incorporated on 6 December 2007. The proforma consolidated financial statements for the 4 month period ended 30 April 2007 are not audited and are provided for comparison only. The proforma consolidated financial information as contained in these proforma consolidated financial statements are presented for illustrative purposes only and on the assumption that our Group's current structure had been in existence throughout the financial years and period under review.

The proforma consolidated financial information has been properly compiled on the basis consistent with the accounting policies adopted by our Group which are set out in the Accountants' Report in Section 16 of this Prospectus. The financial statements used in the preparation of the proforma consolidated financial statements were prepared in accordance with approved accounting standards in Malaysia. The adjustments, which were dealt with when preparing the proforma consolidated financial statements, have been highlighted and disclosed in the Accountants' Report in Section 16 of this Prospectus.

The audited financial statements of PHB for the period beginning 6 December 2007 (being the date of incorporation) to 30 April 2008 and PSSB for the past 3 FYE 31 December 2007 and 4 month period ended 30 April 2008 have not been subjected to any auditors' qualification.

13.1 PROFORMA CONSOLIDATED INCOME STATEMENTS

We set out below our proforma consolidated income statements for the past 3 FYE 31 December 2007, the 4 month period ended 30 April 2007 and 2008. We advise you to read the information presented below together with the Management Discussion and Analysis of Past Operating Results and the Accountant's Report set out in Sections 14 and 16 of this Prospectus, respectively.

	-----Proforma Group-----				
	<----- FYE ----->			<-4- month period ended->	
	31.12.2005 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	30.04.2007 RM'000	30.04.2008 RM'000
Revenue	1,062,572	1,182,092	1,693,007	505,485	661,436
Cost of goods sold	(1,047,781)	(1,013,990)	(1,441,496)	(433,958)	(527,759)
Gross profit	14,791	168,102	251,511	71,527	133,677
Other income	26,550	27,543	37,159	562	6,952
	41,341	195,645	288,670	72,089	140,629
Selling and distribution expenses	(13,578)	(24,240)	(19,339)	(7,092)	(4,854)
Administrative expenses	(76,236)	(40,118)	(40,742)	(8,519)	(18,421)
(Loss)/Profit from operations	(48,473)	131,287	228,589	56,478	117,354
Finance costs	(54,653)	(34,826)	(66,003)	(14,900)	(22,685)
(LBT)/PBT	(A) (103,126)	96,461	162,586	41,578	94,669
Income tax expense	-	110,000	-	-	-
(LAT)/PAT	(B) (103,126)	206,461	162,586	41,578	94,669
Gross profit margin (%)	1.4	14.2	14.9	14.2	20.2
(LBT)/PBT margin (%)	(9.7)	8.2	9.6	8.2	14.3
(LAT)/PAT margin (%)	(9.7)	17.5	9.6	8.2	14.3
Effective tax rate (%)	N/A	N/A	N/A	N/A	N/A
EBITDA (RM'000)	19,209	199,734	296,254	79,267	140,202
Interest coverage (times)	(0.9)	3.8	3.5	3.8	5.2
Trade receivables turnover ratio (days)	1.8	11.0	2.5	1.7	7.2
Trade payables turnover ratio (days)	187.6	117.3	30.5	115.1	24.2
Inventories turnover ratio (days)	60.2	88.2	98.1	69.3	100.6
Gearing ratio (times)	0.5	0.7	0.8	0.6	0.7
Assumed number of Shares in issue ('000) ⁽ⁱ⁾	(C) 500,000	500,000	500,000	500,000	500,000
Gross (LPS)/EPS (sen)	(A/C) (20.6)	19.3	32.5	24.9*	56.8*
Basic (LPS)/EPS (sen)	(B/C) (20.6)	41.3	32.5	24.9*	56.8*