

## 7. INFORMATION ON THE SKPRB GROUP

### 7.1 Incorporation and Business

SKPRB was incorporated in Malaysia under the Companies Act, 1965 on 23 August 2000 under the name of Vital Conglomerate Sdn Bhd. On 12 December 2000, it was converted to a public limited company with the name of Vital Conglomerate Berhad. Subsequently on 8 October 2002, it changed its name to SKP Resources Bhd.

SKPRB is an investment holding company whilst the principal activities of its subsidiaries are detailed in Section 7.5 below.

### 7.2 Restructuring and Listing Exercise

As an integral part of the Listing, the Company undertook a restructuring exercise, which had been approved by the SC on 5 August 2002, 1 October 2002 and 12 December 2002, the MFTI on 26 July 2001 and 22 October 2002 and the FIC on 15 May 2001 involving the following:

#### (i) SKP Acquisition

On 29 November 2002, SKPRB entered into a sale and purchase agreement with the shareholders of SKP for the acquisition of the entire issued and paid-up share capital of SKP for a total purchase consideration of RM29,110,877 which was satisfied by the RTA to 26,100,327 new SKPRB Shares which were subsequently issued as fully paid-up at an issue price of approximately RM1.12 per ordinary share as follows:

Shareholders	Shareholding in SKP %	No. of SKPRB Shares
Dato' Gan Kim Huat	3.0	783,010
Gan Poh San	51.0	13,311,167
MCM	46.0	12,006,150
	<u>100.0</u>	<u>26,100,327</u>

Dato' Gan Kim Huat and Gan Poh San nominated for their entitlements to SKPRB Shares to be allotted to RMSB, a company controlled by Dato' Gan Kim Huat. Further details on RMSB are set out in Section 7.10 of this Prospectus.

The purchase consideration of RM29,110,877 was arrived at on a willing-buyer willing-seller basis and represents a discount of approximately 31.80% to the consolidated audited NTA of SKP as at 31 July 2002 of RM42,684,250.

The SKP Acquisition was completed on 30 November 2002.

Subsequent to the Acquisitions, MCM disposed of its entire RTA to 12,006,150 SKPRB Shares to the following Bumiputera investors at RM1.50 per ordinary share:

	No. of SKPRB Shares	Purchase consideration RM
Ubiquity	9,706,150	14,559,225
JG	2,300,000	3,450,000
	<u>12,006,150</u>	<u>18,009,225</u>

Further details on Ubiquity are set out in Section 7.10 of this Prospectus.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

## (ii) GHI Acquisition

On 29 November 2002, SKPRB entered into a sale and purchase agreement with the shareholders of GHI for the acquisition of the entire issued and paid-up share capital of GHI for a total purchase consideration of RM6,674,970 which was satisfied by the issuance of 5,984,667 new SKPRB Shares at an issue price of approximately RM1.12 per ordinary share as follows:

Shareholders	Shareholding in GHI %	No. of SKPRB Shares
Dato' Gan Kim Huat	58.2	3,483,076
AE	40.0	2,393,867
Tee Gee Kheng	1.8	107,724
Teo Eng Huat	*	-
	<u>100.0</u>	<u>5,984,667</u>

Note:

\* Negligible

Dato' Gan Kim Huat nominated for his entitlement to the SKPRB Shares to be allotted to the following companies of which he is the controlling shareholder:

	No. of SKPRB Shares
RMSB	1,681,875
BISB	97,201
Graceful	763,200
Zenith	940,800
	<u>3,483,076</u>

The purchase consideration of RM6,674,970 was arrived at on willing-buyer willing-seller basis and represents a 45.70% discount to the audited NTA of GHI as at 31 July 2002 of RM12,293,243.

The GHI Acquisition was completed on 30 November 2002.

## (iii) GHL Acquisition

On 29 November 2002, SKPRB entered into a sale and purchase agreement with the shareholders of GHL for the acquisition of the entire issued and paid-up share capital of GHL for a total purchase consideration of RM9,720,239 which was satisfied by the issuance of 8,715,004 new SKPRB Shares at an issue price of approximately RM1.12 per ordinary share as follows:

Shareholders	Shareholding in GHL %	No. of SKPRB Shares
Dato' Gan Kim Huat	51.0	4,444,652
Datin Tan Lay Koon @ Tan Siok Keng	49.0	4,270,352
	<u>100.0</u>	<u>8,715,004</u>

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

Dato' Gan Kim Huat and Datin Tan Lay Koon @ Tan Siok Keng nominated for their entitlements to the SKPRB Shares to be allotted to BISB, a company controlled by Dato' Gan Kim Huat. Further details on BISB are set out in Section 7.10 of this Prospectus.

The purchase consideration of RM9,720,239 was arrived at on a willing-buyer willing-seller basis and represents a premium of approximately 80.41% to the audited NTA of GHL as at 31 July 2002 of RM5,387,769.

The GHL Acquisition was completed on 30 November 2002.

### (iv) Public Issue

In conjunction with the Listing, Company will undertake a public issue of 7,200,000 new SKPRB Shares at an issue price of RM1.50 per each Issue Share. The utilisation of proceeds from the Public Issue is as detailed in Section 5.7 of this Prospectus.

The Public Issue is the subject of this Prospectus.

### 7.3 Share Capital

The authorised share capital of SKPRB is RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each. The current issued and paid-up share capital of SKPRB is RM40,800,000 comprising 40,800,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of the Company since its incorporation to 3 December 2002 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
23.08.2000	2	Subscribers' shares	2
30.11.2002	28,793,848 <sup>(1)</sup>	Issued pursuant to the Acquisitions	28,793,850
02.12.2002	12,006,150 <sup>(2)</sup>	Issued pursuant to the SKP Acquisition	40,800,000

#### Notes:

<sup>(1)</sup> Only 14,094,177 SKPRB Shares were issued pursuant to the SKP Acquisition on 30 November 2002. The remaining 12,006,150 SKPRB Shares were in the form of RTA.

<sup>(2)</sup> Issuance of the remaining 12,006,150 SKPRB Shares under the SKP Acquisition pursuant to the call on the RTA by Ubiquity and JG.

### 7.4 Business Overview

The SKPRB Group is principally involved in the manufacturing of plastic parts and components, precision mould making, the sub-assembly of electronic and electrical equipment and other secondary processes. Although each of the subsidiaries in the SKPRB Group which is involved in the manufacturing sector specialises in the production of distinct products, there is a significant degree of similarities between the manufacturing processes and the products produced by the said subsidiaries. Further details on the history and business of each subsidiary are as follows:

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**7. INFORMATION ON THE SKPRB GROUP (Cont'd)**

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**7.4.1 History and Business****(i) SKP****History**

SKP was incorporated in Malaysia under the Companies Act, 1965 on 19 June 1974. Initially, SKP was involved in property holding. Subsequently in 1994, Dato' Gan Kim Huat, MCM and Delima Kristal Sdn Bhd used SKP as the joint-venture vehicle to establish the manufacturing of plastic injection products. Subsequently, Delima Kristal Sdn Bhd sold its 33% stake in SKP to MCM. In 1997, MCM reduced its shareholding in SKP from 66% to 46% by selling 20% of its shares in SKP to Gan Poh San.

SKP has since established itself as a manufacturer of plastic injection moulded parts and components for the electronic and electrical products industry in the local market, especially among the MNCs in Malaysia. Since 1994, SKP has manufactured products for several MNCs, including Pioneer, Sharp-Roxy and Fujitsu. In general, MNCs are very quality conscious and have stringent quality requirements. As a result of SKP's ability to meet the expectations and requirements of the said MNCs, SKP has received repeat orders from the MNCs over the years and has built a strong working relationship with the MNCs which the Directors of SKP expect to last in the future.

**Production Process**

The details of the production process of SKP are as follows:

**(a) Procurement of Raw Materials and Moulds**

The raw materials required for the injection moulding process comprising commodity resins and engineering plastic are procured in accordance with the customers' specifications from the raw materials suppliers.

**(b) Injection Moulding**

The raw materials and moulds procured are then used to produce plastic injection moulded parts and components through the plastics injection moulding process, where the raw materials such as resin are melted at high temperature and injected into a mould to produce moulded plastic parts.

The plastic injection moulded parts and components are then subject to final quality control testing, packaged and sent to the customers or are subject to secondary processes as detailed below.

**(c) Secondary Processes**

Secondary processes comprise of processes to enhance the appearance of the finished products. These processes are usually required to print the brand names of the manufacturers on the casings of the electronic and electrical products.

Secondary processes include processes such as hot stamping, silk screen printing, pad printing and spray painting. Hot stamping is a process where aluminium foils of various colours are stamped on selected portions of the moulded parts. Silk screen printing is a process of printing logos, brand names or other particulars on the moulded plastic parts using silk-screen printers. Pad printing is a process of printing directly onto the plastic parts or components. Spray painting is a process of painting the surface of moulded plastic parts by spraying.

7. INFORMATION ON THE SKPRB GROUP (Cont'd)

Upon the completion of any of the secondary processes mentioned above, the plastic part or component is subject to final quality control testing before being packaged and sent to the customers or is sub-assembled as detailed below.

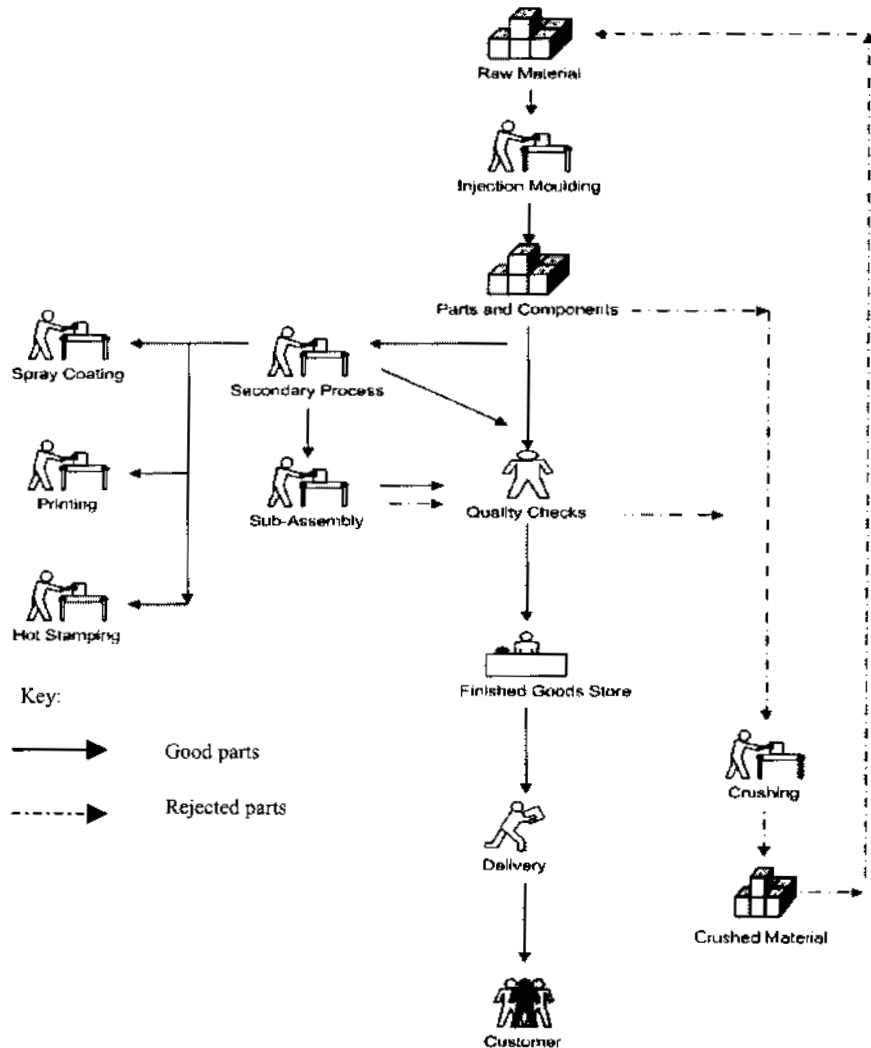
(d) Sub-assembly Processes

The plastic parts and components from the secondary processes are sub-assembled into other plastic parts and components in accordance with the specifications and stringent requirements of the customers. Upon the completion of this process, the sub-assembled plastic parts and components are subject to final quality control testing before being packaged and sent to the customers.

The rejected parts from each of the above processes (excluding the procurement of raw materials and moulds) are crushed and the crushed materials that could be reused are salvaged while the remainder crushed materials are disposed.

As detailed above, SKP and its subsidiary, GHT, form an integrated plastics injection moulding centre providing manufacturing facilities from initial mould fabrication to the sub-assembly of semi-finished/finished products.

The manufacturing process of plastics injection moulding is illustrated below:



## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### Products

SKP provides a wide range of services to its customers including prototyping, tooling and injection moulding with speciality in audio and visual products. SKP also provides a range of secondary processes as detailed earlier. Through the years, SKP has diversified into downstream services by providing assembly facilities as part of its "one-stop service centre" concept.

The major products manufactured by SKP are as follows:

Products description	Final products	Industries	Brand names
Stereo panel	Car stereo	Electronic and electrical products	Pioneer/Sharp
Stereo casing	Car stereo	Electronic and electrical products	Pioneer/Sharp
Video/DVD panel	Video/DVD player	Electronic and electrical products	Pioneer/Sharp
Video casing	Video player	Electronic and electrical products	Sharp
Television cabinet	Television	Electronic and electrical products	Sharp
Telephone handset	Fax machine	Electronic and electrical products	Brother
Microsoft mouse	Computer mouse	Information technology	Microsoft
Keyboard	Computer keyboard	Information technology	Fujitsu/ Hitachi
Amplifier/Digital sound processor/Hi-fi panel	Home theatre	Electronic and electrical products	Pioneer
Lighting conductor/ Display panel	Car stereo	Electronic and electrical products	Pioneer
Casing/Joystick of game accessories	Computer game accessories	Information technology / Electronic and electrical products	Microsoft/ Sony
Printer casing	Printer	Electronic and electrical products	Hewlett Packard
Scanner cover	Scanner	Electronic and electrical products	Hewlett Packard

The electronic and electrical products industry is the main industry to which SKP supplies its products. For the financial year ended 31 March 2002 and the four (4) months ended 31 July 2002, products sold to the electronic and electrical products industry by SKP contributed to 67% and 66% respectively of the total revenue of the Group.

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**7. INFORMATION ON THE SKPRB GROUP (Cont'd)**


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**Quality Control**

In order to ensure that the products conform to the customers' specifications, SKP has established a quality control department to monitor the entire manufacturing process.

Upon receiving an order from a customer, SKP will study the specifications given by the customer and produce a sample batch. All samples produced under the sample batch are subject to a "first article inspection" wherein each sample is examined individually to ensure that the customer's specifications are strictly adhered to before the actual mass production commences. Actual mass production will only commence when the sample batch meets the specifications of the said customer. Upon the commencement of mass production, random sampling is conducted during the production process to ensure that the products consistently comply with the specifications set by the customer. A final outgoing inspection is undertaken prior to the products being sent for packaging or transferred to the other sections for secondary processes.

The quality assurance department currently has 24 qualified and experienced personnel. In addition to having quality assurance personnel, the Group also provides extensive training to its employees to provide quality products and services to its customers.

SKP has continuously met the needs of its customers with premium products and services. SKP has since 1996 adopted the Underwriters' Laboratories Standards of US for its quality control process with respect to all products manufactured for the MNCs. In addition, all products are also inspected using the General Inspection Guidelines, Level 2 wherein the level of acceptable deviation for the sampling units must be less than 0.65%.

Details of the awards received by SKP are as follows:

<b>Year of receipt</b>	<b>Source of awards</b>	<b>Description of awards</b>
2001	Small and Medium Industrial Development Corporation and Accenture Sdn Bhd	Award of Enterprise 50
2000	Small and Medium Industrial Development Corporation and Accenture Sdn Bhd	Award of Enterprise 50
2000	Fujitsu Component (Malaysia) Sdn Bhd	Award in recognition of dedicated contribution towards the success of Fujitsu Component (Malaysia) Sdn Bhd
1999	Sharp-Roxy Electronics Corporation (M) Sdn Bhd	Award for best supplier for 1999
1997	Pioneer Electronics Asiacentre Pte Ltd	Quality award in recognition of excellent quality management system and parts quality performances
1995	Pioneer Electronics Asiacentre Pte Ltd	Award for best quality supplier for 1995

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

In addition to the above awards, SKP was awarded the MS ISO 9002 certification in 1997, (Quality Systems – Model for Quality Assurance in Production, Installation and Servicing by SIRIM) which certifies the following processes:

- Manufacturing of plastic components by injection moulding;
- Silk screening and hot stamping of plastic components; and
- Sub-assembly of plastic components.

The Award of Enterprise 50 also provided SKP with automatic qualification to the Prime Minister's Industry Excellence Award Scheme in 2000. The Award of Enterprise 50 is organised by the Small and Medium Industrial Development Corporation in collaboration with Accenture Sdn Bhd and gives due opportunity to companies to gain due recognition for their enterprising spirit in the pursuit of success.

### Principal Markets

The plastic parts and components manufactured by SKP are incorporated by its MNC customers into electronic and electrical products. The electronic and electrical products are sold mainly to the US, Europe and Japan. Its MNC customers are mainly MNCs having manufacturing facilities in Batu Pahat and Kluang, Johor Darul Takzim, Malaysia and Singapore and include household names such as Pioneer, Fujitsu and Sharp.

The major customers of SKP are as follows:

Customers	Products sold	Length of relationship (years)	Contribution to Group revenue for the	
			Financial year ended 31.03.02 (%)	Four (4) months ended 31.07.02 (%)
Pioneer Electronics Asiacentre Pte Ltd	Car stereo, high-end sound system and video	8	21	16
Sharp-Roxy Electronics Corporation (M) Sdn Bhd	Television and video player	8	28	30
Fujitsu Component (Malaysia) Sdn Bhd	Keyboard assembly and computer components	8	11	14
Mitsumi Electronics (BP) Sdn Bhd	Computer parts, keyboard, mouse, joystick and play station	8	11	9
Sharp Manufacturing Corporation (M) Sdn Bhd	Video camera and video player	6	4	2
			75	71



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**7. INFORMATION ON THE SKPRB GROUP (Cont'd)**

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There are no formal contracts entered into between SKP and its major customers. The usual course of dealings between the parties are such that the respective customer will issue a purchase order and SKP will deliver the goods within the time stipulated in the respective purchase order. Payment is within the agreed credit period.

**Manufacturing Facilities**

The manufacturing facilities of SKP are located at No. 421, 4<sup>th</sup> Mile, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim. The factory has a floor area of approximately 80,000 square feet. SKP also rents a warehouse with a total floor area of 47,187 square feet from GHL which was granted a "Warehouse Manufacturing Licence" by Royal Malaysian Customs in 1995.

The company has been upgrading its machinery and quality control to meet the increasing demands and stringent requirements of its MNC customers. SKP currently operates at three (3) eight (8)-hour shifts and two (2) 12-hour shifts daily on average for its injection moulding process and secondary process respectively. The production capacity of SKP consists of 44 injection moulding machines with a clamping force ranging from 55 tonnes to 1,300 tonnes. Currently, SKP is operating at a range of between 50% to 60% of its production capacity of 3,700 tonnes per annum. In the past 12 months up to 30 November 2002, there has not been any major interruption in the business which have had a significant effect to the operations of SKP.

The precision required in the production of injection moulded parts and components is very critical to ensure that the quality of SKP's products meet the requirements of its MNC customers. Hence, in 1998 SKP automated certain of its manufacturing processes by using robots which allowed SKP to operate 24 hours daily to meet customers' demands promptly without compromising on quality. Among the automation which are widely used by SKP are as follows:

**(a) Auto Loading Plastics Injection Robotic Arms**

The auto loading plastics injection robotic arms principally handle the output from the production line. This will ensure that all output per machine are consistent throughout the whole production process.

**(b) Auto Rotational Pad Printing Machines**

The auto rotational pad printing machines principally automate the pad printing process and ensure consistent and high quality output throughout the printing process. The machine was designed by the General Manager of SKP and the Director of SKPRB, Chia Choong Kim.

The automation process has successfully reduced the labour cost of the Group and ensured the consistency and the quality of the products.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### (ii) GHI

#### History

GHI was incorporated in Malaysia under the Companies Act, 1965 on 18 September 1996. GHI is primarily involved in the manufacturing of precision and engineering plastic parts and components, sub-assembly processes and other secondary processes.

GHI commenced its operations in 1999. As a result of its expansion, the entire operations were relocated to its new factory that was completed in early of 2001. GHI specialises in precision engineering plastics injection moulding and "big tonnage" injection moulding which enhance and complement the range of plastic injection moulded parts and components that could be produced by the SKPRB Group as a whole.

The manufacturing of precision engineering plastic products requires high levels of precision and accuracy, as the parts manufactured are mostly internal functioning components of electronic and electrical products. In addition, the shape, dimension and tolerance level of the parts and components produced must adhere to strict specifications of the customers. The raw materials used for precision engineering plastics injection moulding are generally engineering plastic such as glass-fibre filled, carbon-filled and mineral-filled material.

The "big tonnage" injection moulding operation services a niche market and requires a significant amount of investment in specific injection moulding machinery with a high clamping force ranging from 850 tonnes to 2,000 tonnes. "Big tonnage" injection moulding is used to produce large plastic injection moulded parts like the casing for 30-inch television. GHI is expected to invest up to approximately RM5 million in the next two (2) years on "big tonnage" injection moulding machinery in line with the business strategy of GHI to further diversify the product range of the Group.

#### Production Process and Quality Control

The production process and the procedures of quality control of GHI are similar to those of SKP.

#### Products

The products produced by GHI consist mainly of components for audio, video, office equipment and computer peripherals. The major products manufactured by GHI are as follows:

Products description	Final products	Industries	Brand names
Video casing	Video player	Electronic and electrical products	Sharp
Television cabinet	Television	Electronic and electrical products	Sharp
Casing /Joystick/ of game accessories	Computer game accessories	Information technology/ Electronic and electrical products	Microsoft/ Sony
Printer casing	Printer	Electronic and electrical products	Hewlett Packard
Scanner cover	Scanner	Electronic and electrical products	Hewlett Packard

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**7. INFORMATION ON THE SKPRB GROUP (Cont'd)**

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**Principal Markets**

Currently, approximately 80% of the business transactions of GHI are transacted through SKP as the MNC customers require its suppliers to have a "Warehouse Manufacturing Licence" in order to get the tax-exempt status for the products produced.

GHI has applied for a "Warehouse Manufacturing Licence" on 29 August 2001 and the application is still pending the approval from Royal Malaysian Customs. Once the "Warehouse Manufacturing Licence" is obtained, GHI will directly sell its plastic parts and components to the MNCs with manufacturing facilities in Malaysia.

**Manufacturing Facilities**

The manufacturing facilities of GHI are located at No. 6, 8 and 10, Jalan Wawasan 9, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor Darul Takzim. The factory has a total built-up area of 109,475 square feet and is close to its MNC customers. GHI also rents a warehouse with a total floor area of 52,682 square feet from GHL.

GHI currently operates at three (3) eight (8)-hour shifts and two (2) 12-hour shifts daily on average for its injection moulding process and secondary process respectively. The production capacity of GHI consists of 17 injection moulding machines with a clamping force ranging from 25 tonnes to 1,300 tonnes. Currently GHI is operating at a range of between 60% to 70% of its production capacity of 3,600 tonnes per annum. In the past 12 months up to 30 November 2002, there has not been any major interruption in the business which have had a significant effect to the operations of GHI.

GHI is also equipped with two (2) robotic spraying machines which are capable of producing high quality print for plastic parts and components.

**(iii) GHT****History**

GHT was incorporated in Malaysia under the Companies Act, 1965 on 3 August 1993. GHT is principally involved in the manufacturing of precision injection moulds. GHT became the subsidiary of SKP on 17 December 1999.

Since 1993, GHT has been involved in the precision tooling industry which involved the design and fabrication of high precision moulds used in the production of plastic parts and components in the electronic and electrical products industry. The involvement of GHT in mould fabrication will enhance the strategy of the Group of improving the quality of the moulds used in the plastics injection moulding process. Better moulds are expected to reduce the rejection level of the plastic injection moulded parts and components in the said process.

The manufacturing of precision plastic moulds services a niche market that requires capital investments in technology and knowledge and the training of skilled workforce. Hence, in order to distinguish itself from other market players, GHT has in the past few years invested in new machinery and equipment to improve its capabilities in this area.

7. INFORMATION ON THE SKPRB GROUP (Cont'd)

**Production Process**

The details of the production process of GHT are as follows:

**(a) Tooling Order and Technical Drawings Discussion**

Once the tooling order is obtained, the production team will carry out technical discussion prior to the fabrication process. During the technical discussion, the detailed engineering specifications and measurements of the customers and raw materials are checked. Then a simulation of the precision mould sample is conducted by using CAD/CAM software and Computer Numerical Controlled ("CNC") technique.

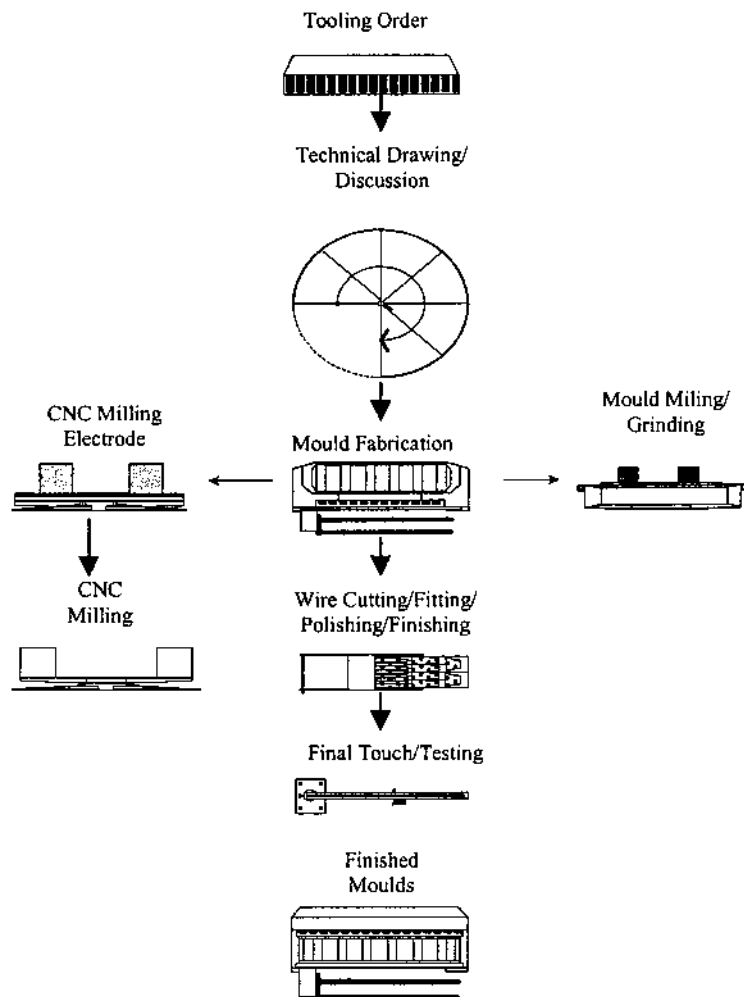
**(b) Mould Fabrication/CNC milling/Grinding**

During the mould fabrication process, the confirmed mould specification is programmed into the CAD/CAM software and the steel base of the mould block is shaped according to the programmed specification by the CNC machines, such as milling and grinding machines.

**(c) Wire Cutting/Fitting/Polishing/Finishing**

Further process like wire cutting, fitting and polishing are required to fix the fabricated parts into a complete precision mould.

The production process of mould fabrication is as follows:



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**7. INFORMATION ON THE SKPRB GROUP (Cont'd)**

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**Products**

The products of GHT are mainly tools or moulds which are fabricated in accordance with the specifications of the customers. Tooling fabrication is a process whereby a steel block is cut to form a plastics injection mould.

**Quality Control**

GHT has always placed great emphasis in ensuring reliable and timely delivery of high quality products to its customers. Hence, GHT adopts stringent quality control procedures throughout its production process. Before the start of the production process, the designs and drawings of the products which specify the measurements and specifications of the customers are discussed. The product specifications are then entered into the 3D CAM/CAD system for modelling and tool fabrication. During the production processes, random samples will be tested and modified before the actual tooling transfer is done. The tools are tested and inspected again by quality control inspectors prior to shipping and delivery.

**Principal Markets**

The high precision moulds manufactured by GHT are mainly sold to the OEM in the electronic and electrical products industry. None of GHT's customers contribute to 5% or more of the Group's revenue for the financial year ended 31 March 2002 and the four (4) months financial period ended 31 July 2002.

There are no formal contracts entered into between GHT and its customers. The usual course of dealings between the parties are such that the respective customer will issue a purchase order and GHT will deliver the goods within the time stipulated in the respective purchase order. Payment is within the agreed credit period.

**Manufacturing Facilities**

The manufacturing facilities of GHT are located at No. 4 and 6, Jalan Damai Utama, Damaipus Industrial Park, 83000 Batu Pahat, Johor Darul Takzim. The factory which is rented from a third party has a total floor area of 9,600 square feet, separated into two (2) floors with 4,800 square feet each.

GHT operates one (1) shift per day. GHT currently owns machinery which are capable of producing moulds with tonnage ranging from 25 tonnes to 350 tonnes. GHT is currently operating at 70% of its production capacity of 48 moulds per annum. In the past 12 months up to 30 November 2002, there has not been any major interruption in the business which have had a significant effect to the operations of GHT.

The production facilities of GHT are capable of design and fabrication of moulds, die sets and parts. The manufacturing facilities of GHT are equipped with major equipment and machines such as CNC milling machines, CNC wire-cut electric discharge machines, CNC machines, vertical milling machines and 3D CAD/CAM system.

**(iv) GHL**

GHL was incorporated in Malaysia under the Companies Act, 1965 on 9 July 1994. GHL is principally involved in the letting of property and property holding. Its properties are rented out to companies within the SKPRB Group and third parties as manufacturing warehouse and factory. The details of its properties held can be found in Section 7.6 of this Prospectus.

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**7. INFORMATION ON THE SKPRB GROUP** *(Cont'd)*

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**7.4.2 Market Presence of the SKPRB Group**

SKP has been involved in the manufacturing of injection moulded parts and components since 1994. For the past eight (8) years, SKP has greatly expanded its customer base while at the same time retained the loyalty of most of its customers. Major customers such as Pioneer Electronics Asiacentre Pte Ltd, Mitsumi Electronics (BP) Sdn Bhd, Fujitsu Component (Malaysia) Sdn Bhd and Sharp-Roxy Electronics Corporation (M) Sdn Bhd have been with SKP since 1994 and have indicated future co-operation with SKP to improve their existing products and develop new ones. Such customer loyalty is a testimony of the quality of SKP's products and services.

The manufacturing of injection moulded parts and components and precision mould making for MNCs require relatively high capital investment in machinery and equipment and technological knowledge due to the stringent quality standards set by the MNCs. Hence, the barriers of entry into the industry are relatively high, as not many new entrant manufacturers have the required skill or experience or scale of operations like SKP to economically meet the stringent requirements set by the MNCs.

In addition, the senior management and marketing and sales team of the SKPRB Group place great emphasis on ensuring good business relationship as a major supplier to its customers. The SKPRB Group works closely with its customers to ensure that the requirements and product specifications of its customers are met. New customers are often procured from referrals and recommendations by existing customers and suppliers. The success of the SKPRB is mainly attributable to the strategies of the Group which emphasise on obtaining customer satisfaction through timely delivery and the provision of high quality products and services at competitive cost. The Group has a team of well trained and experienced sales personnel to handle and co-ordinate marketing efforts of the Group and co-ordinate after sales services offered to its customers.

The products of the SKPRB Group are delivered to its MNC customers in Johor, Darul Takzim and Singapore using vehicles such as van, lorry and truck.

Most of SKPRB's finished products are incorporated by the MNCs into their electronic and electrical products which are exported indirectly to the US, Europe and Japan. Some of SKPRB's finished products are sold to the electronic and electrical products manufacturers in Singapore.

The Directors are uncertain of its market share within the plastics industry as the Directors are not aware of the existence of a market report on the specific area of plastics injection moulding in which the SKPRB Group participates.

**7.4.3 Competitiveness of the SKPRB Group**

The injection moulding machines can be easily adjusted to produce different products. The range of products that can be produced by a manufacturer of injection moulded parts such as SKP and GHI, is dependent on the range of clamping force of its injection moulding machinery.

In this aspect, the SKPRB Group possesses different machinery with a wide range of clamping force ranging between 25 tonnes to 1,300 tonnes. As such, the SKPRB Group has the capability to produce a more diversified range of products to meet the diversified requirements of its clients.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

In addition, the involvement of GHT in precision mould making has added to the overall capabilities of the Group and diversified the Group's range of products. In addition, it has also brought the Group closer to realising its "one-stop service centre" vision. The technological knowledge, skill and experience acquired by GHT over the years have given the company a competitive edge in producing a wide range of moulds with different technological complexities.

The SKPRB Group is aiming to expand its business as a "one-stop service centre" for its customers by providing the services of mould making, plastics injection moulding and sub-assembly of parts and components. Since the Group is capable of designing its own moulds, it can control the quality of the moulds used for the injection moulding process, thereby enhancing the quality of the products manufactured by the Group.

In order to provide value-added services to its customers, SKPRB Group provides sub-assembly services for semi-finished or intermediate products which will be assembled into the final products of its customers. In addition, the Group also provides secondary services such as hot stamping, spray painting and silk screen printing. These value added services have been perceived by its customers as being an avenue for saving cost and convenience.

### 7.4.4 Sources of Raw Materials of the SKPRB Group

The major raw materials used in the plastics injection moulding process of the Group are commodity resins and engineering plastic while the raw materials required for the secondary processes include thinner, foil, ink and paint. Amongst the plastic resins used are polyethylene, polystyrene, polypropylene, acrylonitrile butadiene, styrene, polyacetal, acrylic and polycarbonate.

The major plastic resins suppliers of the SKPRB Group excluding raw materials supplied for subcontract works by the SKPRB Group are as follows:

Suppliers	Products sold	Length of relationship (years)	% of the total purchase of the Group		
			Financial year ended 31.03.02 (%)	Four (4) months ended 31.07.02 (%)	
Inabata Malaysia Sdn Bhd	Plastic resin	8	23	18	
Atofina South East Asia Pte Ltd	Plastic resin	2	3	11	
Asahi Goseijushi Co. Ltd	Plastic resin	8	7	6	
Inabata Singapore (Pte) Ltd	Plastic resin	8	9	5	
Hitachi High-Technologies IPC (M) Sdn Bhd (formerly known as Nissei Sangyo IPC (M) Sdn Bhd)	Plastic resin	1	1	3	
Sumur Cahaya Sdn Bhd	Plastic resin	8	5	3	
Tomen International (M) Sdn Bhd	Plastic resin	8	5	3	
Nagase Singapore (Pte) Ltd	Plastic resin	8	2	2	
			Total	55	51

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**7. INFORMATION ON THE SKPRB GROUP** *(Cont'd)*

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In order to ensure reliable quality and competitive pricing of its raw materials, the SKPRB Group works closely with its long term suppliers to ensure timely and reliable delivery of raw materials. To ensure that the raw materials sourced meet the requirements of its customers, the SKPRB Group often involves its customers in the raw material sourcing and price negotiation process. To date, the Group has not experienced any difficulties in sourcing for the raw materials required for its production process.

There are no formal contracts entered into between SKPRB Group and its suppliers. The usual course of dealings between the parties are such that the SKPRB Group will issue a purchase order to its suppliers and the respective supplier will deliver the goods within the time stipulated in the said purchase order. Payment is within the agreed credit period.

**7.4.5 R&D of the SKPRB Group**

The Group realises that to meet the challenges in a competitive industry and progress within the plastics industry, the Group would have to conduct R&D activities. As such, the Group has set up a R&D unit in each of SKP and GHT, which consist of three (3) engineers each.

As the products of the Group are produced in accordance to its customers' specifications, the R&D units do not research on developing new products. Rather, the said units study the entire manufacturing process of the Group and attempt to improve the efficiency of the said process, the quality of the products produced and the speed of producing the products.

**7.4.6 Future Prospects of the SKPRB Group**

In line with the future prospects of the plastics industry in general, the Group is committed to expand its existing operations and activities and diversify into new areas to strengthen the business of the SKPRB Group as a "one-stop service centre" to its customers.

The Group is presently shaping itself in accordance with the "one-stop service centre" concept whereby it intends to provide all the services required to the customers in relation to the production of a plastic injection moulded part such that the said part could be assembled directly in to the end product.

The Group believes that being a "one-stop service centre" will give more value to its customers as its customers will be able to get all the required services from one (1) supplier and will not have to co-ordinate the transfer of moulds or semi-finished plastic parts from one (1) supplier to the other for finishing works. Such an integrated manufacturing facility is advantageous to the customers as it reduces the need for repeated handling by different parties of product components and the wastage in the manufacturing process. This will also save transportation costs and production lead time for the said customers.

The Directors believe that in a manufacturing environment where competitive advantage is highly dependent upon the efficiency in utilisation of limited resources, the services that the Group can provide as a "one-stop service centre" will be highly valued by its customers. The Directors expect the concept of "one-stop service centre" to be fully implemented by 2005.



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**7. INFORMATION ON THE SKPRB GROUP (Cont'd)**

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Therefore, to achieve the above goal, the Group intends to carry out the following:

**(i) Expansion of Mould-making Facility**

The Group plans to expand its mould-making facility under GHT. Therefore as mentioned in Section 5.7 of this Prospectus, the Group intends to use part of the proceeds from the Public Issue to acquire new mould making machinery to enhance the production capacity and efficiency of GHT.

**(ii) Enhance Product Range**

A “one-stop service centre” should also be able to produce a wide range of products so that its customers can have all the required plastic parts manufactured and possibly sub-assembled for them. To achieve this, GHI will focus on precision and “big tonnage” plastics injection moulding. Since the range of products that a plastics injection moulding company could produce is dependent on the range of the clamping force of its injection moulding machinery, part of the proceeds from the Public Issue will be utilised to purchase more machinery with bigger tonnage clamping force to increase the range of products that GHI could produce.

**(iii) Resource Management**

The Group intends to lessen its dependency on unskilled labour by increasing the implementation of robotic systems and process automation. This would enable better control of the production process and enhance productivity as well as minimise human error.

As with other manufacturing industries, Material Resource Planning (“MRP”) is important in determining the competitiveness of a manufacturer. As such, the Group has started the implementation of a MRP system in SKP and GHI for effective management of materials used in the manufacturing process. In order to further enhance its competitive edge, the Group is envisaged to implement an Enterprise Resource Planning (“ERP”) project and a Customer Relation Management (“CRM”) project by upgrading the computer hardware and software system by utilising part of the Public Issue proceeds. The Group is presently looking to engage consultants to conduct feasibility studies on the implementation of the ERP and CRM projects.

The ERP is a system which allows manufacturers to optimise materials procurement and manufacturing processes, and provide financial and planning reports. The CRM is a system solution that provides a vital communication link across the enterprise to help focusing on customers’ needs and goals, creating a more customer-centric enterprise, which is hoped to improve customer loyalty and increase operational efficiency.

The Directors believe that with the opportunity and expected growth in the plastics industry, coupled with the plans of the Group to enhance its position as a “one-stop service centre”, the prospects of the Group are likely to remain favourable.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

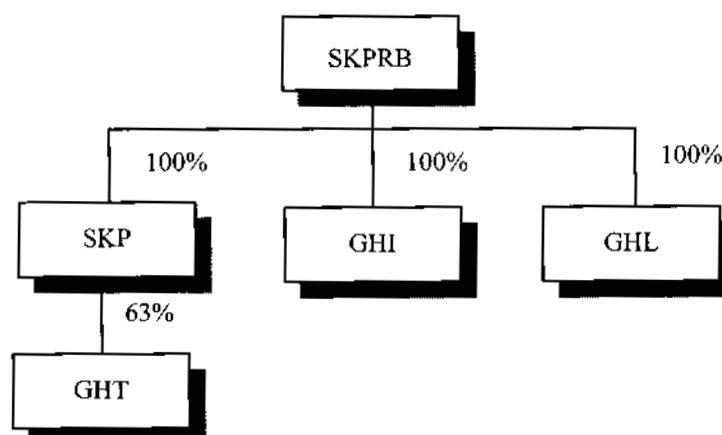
### 7.5 Subsidiaries and Associated Companies

The details of the subsidiaries of SKPRB, all of which are incorporated in Malaysia, are as follows:

Subsidiary	Date of incorporation	Issued and paid-up share capital RM	Effective shareholding %	Principal activities
SKP	19.06.1974	6,762,728	100.0	Manufacturing of plastic parts and components, sub-assembly and other secondary processes.
GHI	18.09.1996	10,000,000	100.0	Manufacturing of precision and engineering plastic parts and components, sub-assembly and other secondary processes.
GHL	09.07.1994	2,000,000	100.0	Letting of property and property holding.
GHT	03.08.1993	317,332	63.0	Precision mould making, design and modification of moulds.

As at 30 November 2002, SKPRB does not have any associated company.

The structure of the Group is as follows:



Further details of the subsidiaries of SKPRB are as follows:

#### (i) SKP

SKP was incorporated as a private limited company under the Companies Act, 1965 on 19 June 1974. SKP is a wholly-owned subsidiary of SKPRB. The principal activities of SKP are the manufacturing of plastic parts and components, sub-assembly and other secondary processes.

As at 30 November 2002, SKP has 447 employees.

#### Share Capital

The authorised share capital of SKP is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 6,762,728 have been issued and fully paid-up.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

The changes in the issued and paid-up share capital of SKP since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/ Type of issue	Total issued and paid-up share capital RM
19.06.1974	3	Subscribers' shares	3
22.12.1978	249,998	Cash	250,001
30.12.1978	49,999	Cash	300,000
06.06.1994	2,462,728	Cash	2,762,728
01.08.1994	4,000,000	Cash	6,762,728

### Subsidiary and Associated Company

The details of the subsidiary of SKP are as follows:

Name	Date and place of incorporation	Issued and paid-up share capital	Effective interest %	Principal activities
GHT	03.08.1993 Malaysia	317,332	63.0	Precision mould making, design and modification of moulds.

As at 30 November 2002, SKP does not have any associated company.

### (ii) GHI

GHI was incorporated as a private limited company under the Companies Act, 1965 on 18 September 1996 under the name Copious World Sdn Bhd. It assumed its present name on 22 October 1998. GHI is a wholly-owned subsidiary of SKPRB. The principal activities of GHI are the manufacturing of precision and engineering plastic parts and components, sub-assembly and other secondary processes.

As at 30 November 2002, GHI has 283 employees.

### Share Capital

The authorised share capital of GHI is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each, of which 10,000,000 have been issued and fully paid-up.

The changes in the issued and paid-up share capital of GHI since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/ Type of issue	Total issued and paid-up share capital RM
18.09.1996	2	Subscribers' shares	2
15.09.1999	299,998	Cash	300,000
30.10.2000	9,700,000	Cash	10,000,000

### Subsidiary and Associated Company

As at 30 November 2002, GHI does not have any subsidiary or associated company.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### (iii) GHL

GHL was incorporated as a private limited company under the Companies Act, 1965 on 9 July 1994. GHL is a wholly-owned subsidiary of SKPRB. The principal activities of GHL are the letting of property and property holding.

As at 30 November 2002, GHL does not have any employee.

#### Share Capital

The authorised share capital of GHL is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 2,000,000 have been issued and fully paid-up.

The changes in the issued and paid-up share capital of GHL since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/ Type of issue	Total issued and paid-up share capital RM
09.07.1994	2	Subscribers' shares	2
28.10.1994	1,249,998	Cash	1,250,000
28.10.1994	750,000	Acquisition of land	2,000,000

#### Subsidiary and Associated Company

As at 30 November 2002, GHL does not have any subsidiary or associated company.

### (iv) GHT

GHT was incorporated as a private limited company under the Companies Act, 1965 on 3 August 1993 under the name of First Mould Industries Sdn Bhd. On 29 October 1999, it assumed the name of GHT. GHT is a 63% subsidiary of SKP and the remaining equity interests in GHT are held by three (3) Directors of GHT. The details are as follows:

Major Shareholders of GHT	% held
SKP	63.03
Wong Chor Seng	14.79
Shew Ah Siong	11.83
We Yong Fong	10.35
Total	<u>100.00</u>

The principal activities of GHT are precision mould making, design and modification of moulds.

As at 30 November 2002, GHT has 19 employees.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### Share Capital

The authorised share capital of GHT is RM500,000 comprising 500,000 ordinary shares of RM1.00 each, of which 317,332 have been issued and fully paid-up.

The changes in the issued and paid-up share capital of GHT since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/ Type of issue	Total issued and paid-up share capital RM
03.08.1993	4	Subscribers' shares	4
09.10.1993	117,328	Cash	117,332
17.12.1999	200,000	Cash	317,332

### Subsidiary and Associated Company

As at 30 November 2002, GHT does not have any subsidiary or associated company.

## 7.6 Properties

The landed properties of the Group are as follows:

Registered/ Beneficial owner	Location of property	Description of property	Tenure/Age of building  (years)	Total land area  (acres)	Total built-up area (square feet)	Audited net book value as at 31.07.02  (RM 000)
SKP	Lot PTD 2492 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Freehold/ 8- 22	2.94	80,000	5,696
	Lot 4021 GM172 Mukim Simpang Kanan (V) Daerah Batu Pahat Johor Darul Takzim	Private resident for staff accommodation	Freehold/ 17	0.22	7,982	175
GHL	Lot PTD 18133 Daerah Petaling Mukim Pekan Kinrara Selangor Darul Ehsan <sup>(1)</sup>	Industrial land and building	Freehold/ 5	0.17	3,480	595
	Lot PTD 23496 Mukim Simpang Kanan Daerah of Batu Pahat Johor Darul Takzim <sup>(1)</sup>	Industrial land and building	Freehold/ 8	4.31	99,869	3,212
	Lot PTD 18135 Daerah Petaling Mukim Pekan Kinrara Selangor Darul Ehsan	Industrial land and building	Freehold/ 5	0.17	3,480	591
	Lot PTD 1124 Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years - expiring in 2037/ 13	0.50	12,000	74
GHI	Lot PTD 1994 Mukim Linau Daerah of Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years - expiring in 2042/ 4	0.88	23,200	798
	Lot PTD 39894 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim <sup>(2)</sup>	Industrial land and building	Leasehold for 60 years - expiring in 2057/ 2	2.00	78,675	4,968

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

Registered/ Beneficial owner	Location of property	Description of property	Tenure/Age of building  (years)	Total land area  (acres)	Total built-up area  (square feet)	Audited net book value as at 31.07.02  (RM 000)
	PTD 33275 Daerah Batu Pahat Mukim Simpang Kanan Johor Darul Takzim	Industrial land and building	Freehold/ 4	0.10	6,048	779
	PTD 35117 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years – expiring in 2058/1	1.00	30,800	1,600
			Total	12.29	345,534	18,488

**Notes:**

(1) The relevant memoranda of transfer have been presented for registration at the land registry.

(2) Pending presentation of the relevant memorandum of transfer for registration at the land registry.

None of the assets above have been revalued for the restructuring in conjunction with the Listing.

## 7.7 Licences

Details of the licences material to the business and operations owned by the Group are as follows:

Owner	Issuer	Date of issuance/ expiry	Details	Main conditions imposed	Status of compliance
SKP	MITI	15.10.94 / NA	Manufacturing licence for plastic injection moulded parts and sub-assembly.	SKP is required to have at least 30% Bumiputera equity interest.	Complied.
SKP	Royal Malaysian Customs	01.02.02 / 31.01.03	Manufacturing warehouse licence for plastic components for electronic and electrical products.	80% of the finished goods (according to value) is for export and the remaining 20% of the finished goods is to be sold in the local market as approved.	Complied.
SKP	Royal Malaysian Customs	01.02.02 / 31.01.03	Warehouse licence for plastic components for electronic and electrical products and raw materials.	80% of the finished goods (according to value) is for export and the remaining 20% of the finished goods is to be sold in the local market as approved.	Complied.
SKP	Majlis Perbandaran Batu Pahat	05.02.02 / 31.12.02*	Business licence to store plastic products.	No conditions imposed.	N/A.
SKP	Majlis Perbandaran Batu Pahat	05.02.02 / 31.12.02*	Business licence to manufacture plastic products.	No conditions imposed.	N/A.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

Owner	Issuer	Date of issuance/ expiry	Details	Main conditions imposed	Status of compliance
SKP	SIRIM QAS Sdn Bhd	06.08.97 / 05.08.03	Certify that the company has implemented a quality system complying with MS ISO 9002:1994 Quality Systems for the manufacture of plastic components by injection moulding process, silk screening and hot stamping of plastic components and sub-assembly of plastic components.	No conditions imposed.	N/A.
GHI	Royal Customs and Excise Malaysia	27.05.99 / NA	Manufacturing licence for plastic parts for television, video player, telephone and calculator.	No conditions imposed.	N/A.
GHI	MITI	21.06.02 / NA	Manufacturing licence for plastic injection moulded parts and components.	(i) All the shares in the company must be bought and held by Malaysians with at least 30% set aside for Bumiputera.  (ii) The composition of the Board of Directors in the company must reflect the equity structure of the company.	Complied.  Complied through the composition of the Board.
GHI	Majlis Perbandaran Batu Pahat	06.09.02 / 31.12.02*	Business licence to operate its business at No. 6 and 8, Jalan Wawasan 9, Kawasan Industri Sri Gading, 83300 Batu Pahat, Johor Darul Takzim.	No conditions imposed.	N/A.
GHI	Majlis Perbandaran Batu Pahat	15.10.02 / 31.12.02*	Business licence to operate its plastic warehouse at No. 10, Jalan Wawasan 9, Kawasan Industri Sri Gading, 83300 Batu Pahat, Johor Darul Takzim.	No conditions imposed.	N/A.

**Notes:**

NA Not applicable.

\* Once the licences are expired, the relevant companies will renew with the relevant authorities.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### 7.8 Directors

#### 7.8.1 Profiles

Details of the Directors are as follows:

**Dato' Gan Kim Huat**, a Malaysian and aged 55, was appointed as the Managing Director and Executive Chariman of SKPRB on 4 December 2002. He is also the Executive Director and founder of SKP. He has over 28 years of experience in plastics injection moulding and under his stewardship, SKP has grown significantly since 1994. Dato' Gan is a well-known entrepreneur in the local plastics industry due to his wide knowledge of plastics manufacturing and network of contacts in the industry. Dato' Gan has also cultivated excellent relationships with the customers of the Group. He is responsible for the overall business operations and formulation of SKPRB's business plans and strategies. For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of this Prospectus), Dato' Gan has had substantial shareholding and/or held directorships in the following public corporations in Malaysia (other than SKPRB):

Company	Shareholding (as at 03.12.02)	Position
SPIB	-	Former Director (Resigned on 26 August 2002)
STS	9.1%	-

**Gan Poh San**, a Malaysian and aged 27, was appointed as Director on 3 December 2002. He is also the Director of SKP. He graduated from Staffordshire University with a Bachelor of Arts (Honours) majoring in Accounting and Finance and obtained his MSc. in Finance from Imperial College (Management School), United Kingdom in 1998. He joined SKP in 1998 as a management trainee and was subsequently sent to Kai Japanese School and Nissei Plastics School in Japan to study the Japanese language and plastics engineering respectively. His proficiency in spoken Japanese enables him to communicate easily with the Group's Japanese customers. His job responsibilities include overseeing SKP's purchasing operations as well as the marketing and planning operations. For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of this Prospectus), he has not held any substantial shareholding or directorship in any public corporation in Malaysia (other than SKPRB).

**Chia Choong Kim**, a Singaporean and aged 54, was appointed as Director on 3 December 2002. He has been the General Manager of SKP since 1995 and oversees the operations of SKP. He specialises in plastics injection moulding, mould manufacturing, secondary processes and the assembly of component parts. He graduated from Singapore Polytechnic with a Diploma in Rubber and Plastics Technology in 1969. He was a Chemist in Malaysia Rubber Product Singapore Pte Ltd from 1972 to 1975. Subsequently he joined Asahi Electronic Singapore Pte Ltd in 1975. He was then sent to Japan Nissei Plastics Injection Machine Plant in Sakaki-Machi, Nagano Prefecture for training in thermoplastic injection moulding for both commodity and engineering plastic parts.



## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

In 1984, he was selected under the Advance Overseas Technical Scholarship to attend a Production Management Training course at Chubu Kenshu Centre in Japan. In 1990, he was promoted to General Manager of Asahi Electronic Singapore Pte Ltd. His speciality in plastic injection moulded parts and proficiency in the Japanese language have strengthened SKPRB's relationship with the Japanese MNCs. For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of this Prospectus), he has not held any substantial shareholding or directorship in any public corporation in Malaysia (other than SKPRB).

**Richard George Azlan bin Abas**, a Malaysian and aged 39, was appointed as Director on 10 October 2000. He is also a Director of SKP. He graduated from the University of Western Australia with a Bachelor of Commerce in 1985. He attended the Asian Institute of Management, Management Development Program in 1995. He is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and a fellow of the Institute of Chartered Accountants in Australia. He worked for Arthur Andersen & Co. from 1984 to 1989 and subsequently joined Arab-Malaysian Corporation Berhad in 1989. In 1996, he left Arab-Malaysian Corporation Berhad and joined Yayasan Pelajaran Johor Holdings Sdn Bhd in 1997. Subsequently he left Yayasan Pelajaran Johor Holdings Sdn Bhd in 2002. For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of this Prospectus), he has not held any substantial shareholding in any public corporation in Malaysia (other than SKPRB), however he has held directorships in the following public corporations in Malaysia (other than SKPRB):

Company	Shareholding (as at 03.12.02)	Position
Rediffusion Berhad	10,000	Director
YPJ Golf Resort Berhad	Nil	Director
Malaysia Pacific Land Berhad	Nil	Director

**Musa Bin Wahab @ Y.T.M Dato' Musa bin Wahab**, a Malaysian and aged 65, was appointed as Director on 3 December 2002. He obtained his Bachelor of Arts in Education from the University of Malaya in 1970. He joined the public service as the principal of a secondary school in Negeri Sembilan Darul Khusus upon his graduation. He resigned from public service in 1980 upon his elevation to the Undangship of Luak Jelebu Negeri Sembilan Darul Khusus. In 1993, he was awarded the Darjah Tertinggi Negeri Sembilan Darul Khusus. The management and leadership skills that he has gained in public service will assist him to further strengthen the operational activities of SKPRB especially in the area of human resource management. For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of this Prospectus), he has not held any substantial shareholding or directorship in any public corporation in Malaysia (other than SKPRB).

**Lau Chin Park**, a Malaysian and aged 39, was appointed as Director on 3 December 2002. He graduated from the Victoria University of Wellington, New Zealand, with a Commerce and Administration degree, majoring in Accountancy in 1986. Mr. Lau is a Chartered Accountant (Malaysia), a Chartered Accountant (New Zealand) and a fellow of the Malaysian Institute of Taxation. Mr. Lau has 17 years of experience as an accountant in public practice, which includes working for one of the largest international accounting firms in New Zealand. Mr. Lau is currently the partner in a public accounting firm with international affiliation and offices in Johor Darul Takzim, Selangor Darul Ehsan and Pulau Pinang. For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of this Prospectus), he has not held any substantial shareholding or directorship in any public corporation in Malaysia (other than SKPRB).

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### 7.8.2 Remuneration

The range of aggregate remuneration and benefits of the existing Directors for services rendered in all capacities within the Group and the number of Directors within the specified range are as follows:

Range of remuneration per annum	Year ended 31 March 2002 No. of Directors	Year ending 31 March 2003 No. of Directors
RM200,000-RM750,000	2	2
Less than RM200,000	1	4

The aggregate remuneration and fees paid to the existing Directors for services rendered in all capacities to SKP, GHI, GHT and GHL for the financial year ended 31 March 2002 was RM1,055,734. For the financial year ending 31 March 2003, the forecast remuneration and fees payable to the existing Directors amounts to RM1,602,688.

### 7.8.3 Shareholdings

The Directors and their shareholdings according to the Register of Directors and Directors' Shareholdings, before and after the Public Issue, are as follows:

Directors	Designation	-----Before the Public Issue-----				-----After the Public Issue-----			
		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held	
		Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Gan Kim Huat	Managing Director	-	-	26,292,257 <sup>(1)</sup>	64.44	-	-	26,292,257 <sup>(1)</sup>	54.78
Gan Poh San	Executive Director	-	-	940,800 <sup>(2)</sup>	2.31	-	-	940,800 <sup>(2)</sup>	1.96
Chia Choong Kim	Executive Director	-	-	-	-	-	-	-	-
Richard George Azlan bin Abas	Non-Executive Director	-	-	9,706,152 <sup>(3)</sup>	23.79	-	-	9,706,152 <sup>(3)</sup>	20.22
Musa Bin Wahab @ Y.T.M Dato' Musa bin Wahab	Non-Executive Director	-	-	-	-	-	-	-	-
Lau Chin Park	Non-Executive Director	-	-	-	-	-	-	-	-

#### Notes:

<sup>(1)</sup> Deemed interest by virtue of his interest in RMSB, BISB, Graceful and Zenith pursuant to Section 6A of the Companies Act, 1965.

<sup>(2)</sup> Deemed interest by virtue of his interest in Zenith pursuant to Section 6A of the Companies Act, 1965.

<sup>(3)</sup> Deemed interest by virtue of his interest in Ubiquity pursuant to Section 6A of the Companies Act, 1965.

## 7. INFORMATION ON THE SKPRB GROUP *(Cont'd)*

### 7.9 Promoters

The promoters of the Company are Dato' Gan Kim Huat and Richard George Azlan bin Abas whose profiles are as set out in Section 7.8 above and RMSB, Ubiquity and YBSDH, whose profiles are as set out in Section 7.10 of this Prospectus.

### 7.10 Major Shareholders

#### 7.10.1 Profiles

The details of Dato' Gan Kim Huat and Richard George Azlan bin Abas are set out in Section 7.8 of this Prospectus.

Details of the other Major Shareholders of SKPRB after the Public Issue are as follows:

- (i) RMSB was incorporated in Malaysia under the Companies Act, 1965 on 12 January 2002. Its principal activity is investment holding. Its Board of Directors comprises the following members:

- (a) Dato' Gan Kim Huat; and  
(b) Datin Tan Lay Koon @ Tan Siok Keng.

As at 3 December 2002, the Major Shareholder of RMSB is Dato' Gan Kim Huat, who holds 99.0% of the shares in RMSB.

For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of the Prospectus), RMSB has not held any substantial shareholding in any public corporation in Malaysia (other than SKPRB).

- (ii) Ubiquity was incorporated in Malaysia under the Companies Act, 1965 on 19 May 1997. Its principal activity is investment holding. Its Board of Directors comprises of the following members:

- (a) Richard George Azlan bin Abas;  
(b) YBSDH; and  
(c) Nik Ariza Bt Ariffin.

The Major Shareholders of Ubiquity and their respective shareholdings in Ubiquity as at 3 December 2002 are as follows:

Name	----Direct----		----Indirect----	
	No. of shares	%	No. of shares	%
Richard George Azlan bin Abas	7	70.0	-	-
YBSDH	3	30.0	-	-

For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of the Prospectus), Ubiquity has not held any substantial shareholding in any public corporation in Malaysia (other than SKPRB).

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

(iii) BISB was incorporated in Malaysia under the Companies Act, 1965 on 15 November 2000. Its principal activity is investment holding. Its Board of Directors comprises the following members:

- (a) Dato' Gan Kim Huat; and
- (b) Datin Tan Lay Koon @ Tan Siok Keng.

As at 3 December 2002 the Major Shareholder of BISB is Dato' Gan Kim Huat, who holds 99.0% of the shares in BISB.

For the past two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of the Prospectus), BISB has not held any substantial shareholding in any public corporation in Malaysia (other than SKPRB).

(iv) YBSDH, a Malaysian and aged 58. She is currently the head of Umno Wanita in Kelantan, Ketua Wanita in Bahagian Kota Bharu, Kelantan and a member of the Executive Council of Wanita Umno Malaysia. In addition, she was appointed as a Senator of the Parliament of Malaysia in February 2002. YBSDH does not have any experience in the plastics industry however YBSDH has been involved in the construction and housing industry in Kelantan and has served on numerous social and non-governmental organisations.

For the part two (2) years preceding 3 December 2002 (being the last practicable date prior to the printing of the Prospectus), she has not held any substantial shareholding or directorship in any public corporation (other than SKPRB).

### 7.10.2 Shareholdings

As at 3 December 2002, the Major Shareholders of SKPRB and their respective shareholdings in SKPRB before and after the Public Issue are as follows:

Major Shareholders	-----Before the Public Issue-----				-----After the Public Issue-----			
	No. of ordinary shares held		%		No. of ordinary shares held		%	
	Direct	%	Indirect	%	Direct	%	Indirect	%
RMSB	15,776,052	38.67	-	-	15,776,052	32.87	-	-
Ubiquity	9,706,152	23.79	-	-	9,706,152	20.22	-	-
BISB	8,812,205	21.60	-	-	8,812,205	18.36	-	-
AE	2,393,867	5.87	-	-	2,393,867	4.99	-	-
JG	2,300,000	5.64	-	-	2,300,000	4.79	-	-
Dato' Gan Kim Huat	-	-	26,292,257 <sup>(1)</sup>	64.44	-	-	26,292,257 <sup>(1)</sup>	54.78
Richard George Azlan bin Abas	-	-	9,706,152 <sup>(2)</sup>	23.79	-	-	9,706,152 <sup>(2)</sup>	20.22
YBSDH	-	-	9,706,152 <sup>(2)</sup>	23.79	-	-	9,706,152 <sup>(2)</sup>	20.22
Abdul Halim bin Abdul Rahman	-	-	2,393,867 <sup>(3)</sup>	5.87	-	-	2,393,867 <sup>(3)</sup>	4.99

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

Major Shareholders	-----Before the Public Issue-----				-----After the Public Issue-----			
	No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Mohamed Ridza Bin Mohamed Abdulla	-	-	2,300,000 <sup>(4)</sup>	5.64	-	-	2,300,000 <sup>(4)</sup>	4.79
Rozen Bee Shariff Bt Abdul Kadir Shariff	-	-	2,300,000 <sup>(4)</sup>	5.64	-	-	2,300,000 <sup>(4)</sup>	4.79

**Notes:**

<sup>(1)</sup> Deemed interest by virtue of his interest in RMSB, BISB, Graceful and Zenith pursuant to Section 6A of the Companies Act, 1965.

<sup>(2)</sup> Deemed interest by virtue of his/her interest in Ubiquity pursuant to Section 6A of the Companies Act, 1965.

<sup>(3)</sup> Deemed interest by virtue of his interest in AE pursuant to the Section 6A of the Companies Act, 1965.

<sup>(4)</sup> Deemed interest by virtue of their interests in JG pursuant to the Section 6A of the Companies Act, 1965.

## 7.10.3 Changes in Major Shareholders and Their Shareholdings

	-----As at the date of incorporation (23.08.00)-----				-----As at 03.12.01-----				-----After the Acquisitions but before the Public Issue (03.12.02)-----			
	No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held		No. of ordinary shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
Lee Min Fei	1	50	-	-	-	-	-	-	-	-	-	-
Zainudin bin Koming	1	50	-	-	-	-	-	-	-	-	-	-
Ubiquity	-	-	-	-	1	50	-	-	9,706,152	23.79	-	-
Yeoh Chong Keat	-	-	-	-	1	50	-	-	-	-	-	-
RMSB	-	-	-	-	-	-	-	-	15,776,052	38.67	-	-
BISB	-	-	-	-	-	-	-	-	8,812,205	21.60	-	-
AE	-	-	-	-	-	-	-	-	2,393,867	5.87	-	-
JG	-	-	-	-	-	-	-	-	2,300,000	5.64	-	-
Dato' Gan Kim Huat	-	-	-	-	-	-	-	-	-	-	26,292,257 <sup>(1)</sup>	64.44
Richard George Azlan bin Abas	-	-	-	-	-	-	1	50 <sup>(2)</sup>	-	-	9,706,152 <sup>(2)</sup>	23.79
YBSDH	-	-	-	-	-	-	1	50 <sup>(2)</sup>	-	-	9,706,152 <sup>(2)</sup>	23.79
Abdul Halim bin Abdul Rahman	-	-	-	-	-	-	-	-	-	-	2,393,867 <sup>(3)</sup>	5.87
Mohamed Ridza Bin Mohamed Abdulla	-	-	-	-	-	-	-	-	-	-	2,300,000 <sup>(4)</sup>	5.64
Rozen Bee Shariff Bt Abdul Kadir Shariff	-	-	-	-	-	-	-	-	-	-	2,300,000 <sup>(4)</sup>	5.64

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

### Notes:

- (1) Deemed interest by virtue of his interest in RMSB, BISB, Graceful and Zenith pursuant to Section 6A of the Companies Act, 1965.
- (2) Deemed interest by virtue of his/her interest in Ubiquity pursuant to Section 6A of the Companies Act, 1965.
- (3) Deemed interest by virtue of his interest in AE pursuant to Section 6A of the Companies Act, 1965.
- (4) Deemed interest by virtue of their interests in JG pursuant to Section 6A of the Companies Act 1965.

## 7.11 Management and Employees

### 7.11.1 Profiles of Senior Management

Other than Dato' Gan Kim Huat, Gan Poh San and Chia Choong Kim, the senior management of the SKPRB Group comprises the following persons:

**Leong Hiap Chong**, a Malaysian and aged 34, is currently the Group Financial Controller of SKPRB. He graduated from University of Swinburne, Australia with a Bachelor of Business majoring in Accounting and Computing in 1992. He is a Chartered Accountant of the MIA and a Certified Practising Accountant of Australia. He was attached with KPMG, a firm of Public Accountants from 1993 to 2000 and has gained vast experience in financial related matters, ranging from accounting, management consultancy and taxation. In 2000, he left KPMG and became an independent business adviser in the area of management consultancy services.

**Loh Teck Lian**, a Malaysian and aged 28, is currently the Group Finance Manager of SKPRB. She is a member of the Association of Chartered Certified Accountants and a Chartered Accountant of the MIA. She started her career with a local accounting firm in 1998 as an audit assistant and subsequently joined GHI in 1999. She is responsible for overseeing the accounting, finance and production costing of GHI.

**Lui Kei Hon**, a Malaysian and aged 39, joined SKP in 1994 and is currently the Production Manager of SKP and oversees the injection moulding department. He graduated from University Pertanian Malaysia in 1988 with a Bachelor of Science majoring in Forestry. Prior to joining SKP, he was involved in production control at EAC Export Sdn Bhd from 1989 to 1990. He then joined Showpla Sdn Bhd as a Production Supervisor for injection moulding from 1990 to 1992 and subsequently joined Maleed Plastic Sdn Bhd from 1992 to 1994 as a Production Control and Planning Executive.

**Low Hwee Ling**, a Malaysian and aged 34, joined SKP in 1994 and is currently the Accountant of SKP. She is an Associate of the Chartered Institute Management Accountants and a Chartered Accountant of the MIA. She began her career as a Management Trainee in Berjaya Textile Berhad from 1991 to 1992. Subsequently she joined Sharp-Roxy Electronics Corporation (M) Sdn Bhd as an Assistant Accounts Officer from 1992 to 1994.

**Lou Swee Chen**, a Malaysian and aged 40, joined SKP in 1998 and was subsequently transferred to GHI in 2001. He is currently the Project Manager of GHI. He graduated from National Cheng Kung University of Taiwan with a Bachelor of Industrial Management in 1986. He was with S.P.I Plastic Industries (M) Sdn Bhd, a subsidiary of SPIB, from 1990 to 1996 and his last designation was as Production Manager. He was with Sanko Kasei (M) Sdn Bhd as the Factory Manager from 1996 to 1998.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

**Lim Tam Seng**, a Malaysian and aged 48, joined SKP in 1999 and is currently the Finishing Department Manager. He graduated from National Taiwan University with a Bachelor of Science in Mechanical Engineering in 1978. Prior to joining SKP, he was attached to Itami Plastic Corporation (M) Sdn Bhd from 1981 and was made Production Manager in 1992.

**Wong Chor Seng**, a Malaysian and aged 37, joined GHT in 1993 and is currently a Director of GHT. He specialises in mould design and manufacturing. Prior to joining GHT, he was appointed as an Injection Moulding Supervisor in Lian Jun Industry Pte Ltd and Kuang Dah Sdn Bhd from 1983 to 1989 and 1989 to 1993 respectively.

**We Yong Fong**, a Malaysian and aged 32, joined GHT in 1993 and is currently the Operations Director of GHT. He has over 13 years of experience in the mould making industry and currently oversees the operations of the mould design department. He worked in Lian Jun Industry Pte Ltd and Kuang Dah Sdn Bhd as a mould maker from 1986 to 1990 and 1990 to 1993 respectively.

### 7.11.2 Shareholdings

Save for Dato' Gan Kim Huat and Gan Poh San, none of the senior management has any direct or indirect interest in SKPRB apart from the SKPRB Shares offered to them pursuant to the Public Issue as set out below:

Name	Designation	-----After the Public Issue-----			
		----- Direct -----		----- Indirect -----	
		No. of shares	%	No. of shares	%
Leong Hiap Chong	Group Financial Controller of SKPRB	87,000 <sup>(1)</sup>	(2)	-	-
Loh Teck Lian	Group Finance Manager of SKPRB	80,000 <sup>(1)</sup>	(2)	-	-
Lui Kei Hon	Production Manager of SKP	80,000 <sup>(1)</sup>	(2)	-	-
Low Hwee Ling	Accountant of SKP	80,000 <sup>(1)</sup>	(2)	-	-
Lou Swee Chen	Project Manager of GHI	80,000 <sup>(1)</sup>	(2)	-	-
Lim Tam Seng	Finishing Department Manager of SKP	80,000 <sup>(1)</sup>	(2)	-	-
Wong Chor Seng	Director of GHT	-	-	-	-
We Yong Fong	Operations Director of GHT	-	-	-	-

**Notes:**

<sup>(1)</sup> Assuming full subscription of the SKPRB Shares offered to the senior management of the Group under the Public Issue.

<sup>(2)</sup> Negligible.

### 7.11.3 Service Agreement

Save for the service agreement dated 22 October 2002 between SKP and Mr. Chia Choong Kim, the Group has not entered or propose to enter into any service agreements with any of its senior management which are not terminable by notice without payment or compensation (other than statutory notice) within one (1) year.

## 7. INFORMATION ON THE SKPRB GROUP (Cont'd)

The salient terms of the service agreement are, amongst others, as follows:

- (i) The service agreement with Mr. Chia is for a period of three (3) years from 22 October 2002 to 21 October 2005;
- (ii) Mr. Chia shall diligently serve SKP for the said duration of three (3) years, failing which he shall pay such compensations/damages to SKP as determined and demanded by SKP;
- (iii) Neither party shall be liable for failure to perform its parts of the service agreement when such failure is due to fire, flood, strikes, labour troubles or other industrial disturbances, inevitable accidents, war (declared or undeclared), embargoes, blockades, legal restrictions, riots, insurrections, or any cause beyond the control of the parties; and
- (iv) Any controversy or claim arising out of or relating to the service agreement or the breach thereto which cannot be settled by mutual agreement shall be settled by arbitration in Malaysia upon the request by either party, in accordance with the Malaysian Arbitration Act 1952 (Rev. 1972). The decision of the arbitration shall be final and binding upon the parties hereto.

### 7.11.4 Other Information

As at 30 November 2002, the SKPRB Group employs a total work force of 749 employees and the Group enjoys a cordial working relationship with them and there has been no industrial dispute arising between the employees and the SKPRB Group since the Group commenced operations. None of the employees of the SKPRB Group is a member of any union.

The breakdown of employees by categories is as follows:

Category of employee	No. of staff	Average no. of years in service
Management/Professional	9	6
Technical/Supervisory	73	4
Clerical/General	202	3
Factory Workers	465	1
	749	

The SKPRB Group believes that its success is, to a major extent, dependent upon the skills of its staff. As such, it places great emphasis on the continued training and education of its staff in the most efficient and productive methods of producing plastic injection moulded part, the relevant secondary processes of the Group, and the latest developments in the industry. Therefore, the Group frequently carries out on-the-job-training programmes and external training programmes for its staff.

The inhouse programmes cover the following topics:

- Quality assurance checking procedures and controls for the operations and production control department;
- ISO Awareness for the production control department;
- Defect understanding/concepts and the impact on the overall operational efficiency; and
- Basic Japanese language.



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**7. INFORMATION ON THE SKPRB GROUP** *(Cont'd)*

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The external programmes cover the following topics:

- Updating knowledge on ISO procedures;
- Advance industrial electronics knowledge and application for technicians;
- Moulds, tools and dies theory and practical knowledge on heat treatment and application;
- Human resource funds application and its implication on the training programme of the company; and
- Automation knowledge in relation to the industrial process for the injection moulding industry.

**7.12 Family Relationships**

Save as disclosed below, none of the Directors, senior management, Major Shareholders and promoters of the SKPRB Group are related to each other:

- (a) Dato' Gan Kim Huat is the husband of Datin Tan Lay Koon @ Tan Siok Keng and the father of Gan Poh San and Gan Poh Ling. Gan Poh Ling is a Director of SKP; and
- (b) Richard George Azlan bin Abas is the son-in-law of YBSDH.