

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

5.1 Major Shareholders And Promoters

The major shareholders and promoters of KNM are as follows:-

	Place of Incorporation	After the Public Issue/Placement			
		Direct		Indirect	
		No. of Ordinary Shares	%	No. of Ordinary Shares	%
TKSB	Malaysia	4,247,091	9.65	-	-
IMSB	Malaysia	28,672,909	65.17	*4,247,091	9.65

* Deemed interested by virtue of IMSB's 19.47% direct interest in TKSBB

There has been no significant change in the direct and indirect shareholdings of the major shareholders or promoters of KNM for the past (3) years from the date of this Prospectus.

The shareholders of TKSBB and IMSB (who are also the directors of KNM Group) have the relevant knowledge and experience in the Group's area of business as detailed in Section 5.2.1 below.

The further details of the promoters as well as major shareholders of KNM are as follows:-

5.1.1 Brief Information On IMSB

1. **Date Of Incorporation** : 17 June 1987
2. **Principal Activities** : Investment Holding
3. **Directors** : Dato' Abdul Rani bin Mohd Razalli
Ir. Lee Swee Eng
Sofiyani bin Yahya
4. **Major Shareholders** :

Shareholders	Nationality/ Place of Incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Ordinary Shares Held	%	No. of Ordinary Shares Held	%
PSSB	Malaysia	3,000,000	100.0	-	-
Dato' Abdul Rani bin Mohd Razalli	Malaysian	-	-	3,000,000 ¹	100.0
Ir. Lee Swee Eng	Malaysian	-	-	3,000,000 ²	100.0

Notes:

1. Deemed interested by virtue of his 74% direct shareholdings in PSSB
2. Deemed interested by virtue of his 15% direct shareholdings in PSSB

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.1.2 Brief Information On TKSB

1. **Date Of Incorporation** : 21 November 1991
2. **Principal Activities** : Investment Holding
3. **Directors** : Dato' Abdul Rani bin Mohd Razali
Chew Fook Sin
Sofiyah bin Yahya
Mohd Zaini bin Buang
Lee Hui Leong

4. Major Shareholders

Shareholders	Nationality/ Place of Incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Ordinary Shares Held	%	No. of Ordinary Shares Held	%
Dato' Abdul Rani bin Mohd Razalli	Malaysian	6,056	20.2	5,841 ¹	19.5
Ir. Lee Swee Eng	Malaysian	-	-	5,841 ¹	19.5
Sofiyah bin Yahya	Malaysian	11,250	37.5	-	-
Lee Hui Leong	Malaysian	5,527	18.4	-	-
IMSB	Malaysia	5,841	19.5	-	-

Note:

1. Deemed interested by virtue of their indirect interest in IMSB (via PSSB)

5.2 Directors, Senior Management And Employees

5.2.1 Board of Directors

Profile Of The Directors

Dato' Abdul Rani Bin Mohd Razalli, aged 73, is the co-founder and the Executive Chairman of KNMPS, with a controlling shareholding in the company. He has been a member of the Board of Directors of KNMPS since its inception in 1990. He was appointed to the Board of Directors of KNM as its Executive Chairman on 14 June 2003.

He began his career with the Royal Customs and Excise Department of Malaysia as an Assistant Superintendent of Customs in 1953 and later rose to the position of Deputy Director General of Customs Malaysia until his retirement in 1985. During his tenure, he represented Malaysian Customs at the Permanent Technical Committee of the Customs Cooperation Council in Brussels, Belgium. Up until 1995, he has continued to represent Malaysia in the Asean Working Group on customs matters. After his retirement in 1985, he went into the freight forwarding, shipping agency and manufacturing businesses before establishing an investment holding company, Inter Merger Sdn Bhd in 1987. Through this company, he subsequently co-founded and incorporated KNM Steel Sdn Bhd in 1990. Dato' Abdul Rani bin Mohd Razalli has successfully led KNMPS to achieve and gain acceptance by its clients and other regulatory authorities. Presently, he is also a Director of a number of companies within the KNM Group and several other private limited companies.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Ir. Lee Swee Eng, aged 47, is the co-founder and Managing Director of KNMPS. He is responsible for overseeing the strategic direction of the company and the management of the day-to-day operation of the company. He has been a member of the Board of Directors of KNMPS since its inception in 1990. He was appointed to the Board of Directors of KNM as its Managing Director on 14 June 2003.

He graduated in 1979 with a Bachelor of Science Degree with First Class Honours in Mechanical Engineering from the University of Strathclyde in Glasgow, Scotland. Upon his graduation, he worked for Petronas in several positions including Production Engineer, Project Development Engineer, Resident Engineer and Project Leader. In 1986, he joined John Brown E & C Inc. as Project Engineer. In 1987, he joined Technip Geoproduction (Malaysia) Sdn Bhd in the capacity of Technical Manager. In 1988, he was appointed Director and later to Managing Director in 1989.

Ir. Lee Swee Eng is a Registered Professional Engineer since 1984, and a Fellow of the Institute of Engineers since 1993. In 1996, he was appointed Council Member of the Federation of Malaysian Manufacturers (FMM). In May 2000, he was appointed as an Executive Committee Member of the Malaysian Iron and Steel Industry Federation (MISIF). He is the founding Chairman of the MISIF Boiler and Pressure Vessels Group and the Institution of Engineers, Malaysia Oil and Gas Division. In May 2000, he was appointed to represent Malaysia as a Member of the International Council of Pressure Vessels Technology. Presently he is also a Director of a number of companies within the KNM Group and several other private limited companies.

Soffyan Bin Yahya, aged 46, is the Director of Business Division of KNMPS. His main responsibility is Business Development including local and international sales and marketing of KNMPS, the overall strategic business development planning and implementation and ensuring business growth of the company. He has been with the KNMPS since 1993 and became an Executive Director of KNMPS in 1993. He was appointed to the Board of Directors of KNM as an Executive Director on 14 June 2003.

He graduated with a Bachelor of Science Degree with Honours in Mechanical Engineering from the City University, London in 1979. Upon his graduation, he joined Petronas as an Engineer. He next joined Pappos Sdn Bhd as a Mechanical Engineer in 1980 and had his first experience in fabrication of process equipment. In 1984, he joined Pipeline Construction Sdn Bhd as General Manager. Subsequently in 1985, he joined Solus Oceanering Sdn Bhd as Area Manager in East Malaysia. In 1986, he joined Oilfield Inspection Services Sdn Bhd as the Chairman/Director. Oilfield Inspection Services Sdn Bhd is a leading company in the South East Asian region for NDT and Inspection Services.

Throughout his past 24 year working career, he has accumulated vast technical, operations, marketing and management experience particularly within the Oil, Gas and Petrochemical Industries. He has also accumulated extensive experience in developing and establishing international business networks either through pursuing projects internationally or establishing relationships and ventures with international companies in Malaysia. He was a member of the technical committee formed by the Atomic Licensing Board to first review the Code of Practices for Radiation Protection in Industrial Radiography. Presently he is also a Director of a number of companies within the KNM Group and several other private limited companies.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Lee Hui Leong (Bryan), aged 48, is the Director of Operations Division of KNMPS. His main responsibility is in Operations covering Manufacturing and Engineering for KNMPS. He has been with the company since 1992 and became a Director of KNMPS in 1996. He was appointed to the Board of Directors of KNM as an Executive Director on 14 June 2003.

He holds a Mechanical Engineering Degree from the University of Strathclyde in Glasgow, Scotland. Upon his graduation in 1978, he joined Mechmar Corporation Berhad as an Engineer before progressing to the position of Director for one of its subsidiaries in 1989. In 1992, he left Mechmar Corporation Berhad to join KNMPS.

To date, he has accumulated 22 years of experience in the design, engineering and manufacturing of process plant equipment particularly for the Oil, Gas and Petrochemical Industries. He takes an active role in the development of the Process Equipment Industry where he is the Chairman of the sub-committee for redrafting of Pressure Vessel Rules and Regulations under the Department of Safety and Health, and sits on the committee for the drafting of standards for non-destructive testing of pressure vessels under SIRIM. He is also actively involved in CORAL, an organisation committed towards cost reduction within the Oil and Gas Industry. Presently he is also a Director of a number of companies within the KNM Group.

Gan Siew Liat, aged 42, is a Director of Human Resource and Administration Division of KNMPS. She has been awarded a Certificate in Personal Management from the Malaysian Institute of Personnel Management and completed the Dale Carnegie Course in Effective Speaking and Human Relations at the Dale Carnegie Institute of Houston in the United States of America. In 1990, she joined the Inter Merger group of companies in the capacity of Administration Manager and was a member of the Board of Directors of a number of subsidiary companies within the Inter Merger group of companies. She became an Executive Director of KNMPS on 13 June 2000 and is now also a Director of a number of companies within the KNM Group and several other private limited companies. She was appointed to the Board of Directors of KNM as an Executive Director on 14 June 2003.

Chew Fook Sin, aged 47, was appointed an Executive Director of KNM on 14 June 2003. He graduated with a Bachelor of Science in Electrical Engineering from the University of Arkansas in 1987. Upon his graduation, he worked for Broadcasting Dept of Malaysia and later joined the Inter Merger Group as a General Manager in 1990 and KNMPS in 1995 as its Procurement Manager. He was promoted to Vice President (Manufacturing) in 1999 and subsequently Director of Commercial Division in 2002 of KNMPS. Presently, he is also a Director of other companies within the KNM Group.

Mohamed Tajudin Bin Mohamed Alias, aged 64, was appointed an Independent Non-Executive Director of KNM on 14 June 2003. He graduated in 1975 with Bachelor of Science (Honours) in Production Engineering and Production Management from University of Nottingham, United Kingdom. After joining the government sector upon graduation, he ventured into the private sector from 1989, involved in the area of mechanical systems. He obtained Lead Assessor's Certificate in Quality and Safety Department and later became adviser of Quality and Safety. In 1992 he joined Technological Acquisition Profiles Sdn Bhd, a firm of quality systems consultants, efficiency engineers, safety and health advises works as well as environmental auditors. This organisation is a member of the Asian Centre for Organisational Development, Tokyo, an international network for efficiency engineering.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

He has served as Council of Institution of Engineers and its Executive Committee, Hon. Secretary of Technical Association of Malaysia, Executive Committee Member of the Confederation of Scientific and Technological Organisation of Malaysia and SIRIM Committee on Environmental Performance Evaluation.

On international front, he was Senior Consultant to Centre for Organisational Research, Brussels, Permanent Representative in South East Asia for the World Association of Small and Medium Enterprises, a Category II organisation within the United Nations Systems. Currently, he is a representative of the New York College of Advanced Studies for Malaysia, Singapore, Brunei and Indonesia.

Presently, he is also a Director of several other private limited companies.

Dato' Ab. Halim Bin Mohyiddin, aged 57, was appointed an Independent Non-Executive Director of KNM on 14 June 2003. He graduated with a Bachelor of Economic (Accounting) from the University of Malaya in 1971. Upon graduation, he joined University Kebangsaan Malaysia as a Faculty Member of the Faculty of Economics. In 1973 he obtained his Masters of Business Administration from University of Alberta Edmonton, Alberta, Canada and in 1975, he obtained Diploma in Accountancy (post-grad) from University of Malaya. In 1977, he joined KPMG/KPMG Desa Megat & Co and was made partner of the firm in 1985. He retired from the firm in 2001.

He is currently Vice President of the Malaysian Institute of Certified Public Accountants (MICPA) and the Chairman of the Education and Training Committee of the Association. He also sits on the International Federation of Accountants (IFAC), Education Committee. He is also a Council Member of Malaysia Institute of Accountants (MLA) and Chairman of its Qualifying Examination Committee.

He is a member of the panel Jawatankuasa Penilaian Program Kolej Professional Mara and has sat as a member of Board Studies for accounting and business programme of Kolej Teknologi Mara, Universiti Utara Malaysia, Universiti Islam Antarabangsa Malaysia and Universiti Tenaga Malaysia. He is also holds the position as Adjunct Professor of Accounting at Universiti Kebangsaan Malaysia.

Presently, he is a Board Member of the several public and KLSE listed companies as well as a Board Member in several private companies.

Lim Yu Tey, aged 62, was appointed an Independent Non-Executive Director of KNM on 14 June 2003. He graduated in 1972 with Bachelor of Commerce from Nanyang University, Singapore. He started his career as a teacher in the government sector. Upon graduation, he ventured into the private sector. He joined Lam Soon (M) Bhd in 1974 and served in various senior positions until his retirement in 2003 as the Managing Director (Marketing and Manufacturing). He has 30 years experience in Manufacturing, Marketing and Sales.

He is a Chartered Member of the Royal Institute of Marketing, United Kingdom since 1989.

He is also a Council Member of The Associated Chinese Chambers of Commerce & Industry for Kuala Lumpur and Selangor since 1989 and a Council Member of the Federation of Malaysian Manufacturers since 1995.

Presently, he is a Board Member of several private limited companies.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Director's Shareholdings

Name	Designation	No. of Shares Held After Public Issue/Placement			
		< ----- Direct ----- >		<----- Indirect ---->	
		No. Of Shares	%	No. Of Shares	%
Dato' Abdul Rani bin Mohd Razalli	Executive Chairman	*30,000	0.07	32,920,000 ⁽¹⁾	74.82
Ir. Lee Swee Eng	Managing Director	*30,000	0.07	32,920,000 ⁽²⁾	74.82
Sofiyani bin Yahya	Executive Director	*30,000	0.07	32,920,000 ⁽¹⁾	74.82
Lee Hui Leong	Executive Director	*30,000	0.07	4,247,091 ⁽³⁾	9.65
Gan Siew Liat	Executive Director	*30,000	0.07	32,920,000 ⁽⁴⁾	74.82
Chew Fook Sin	Executive Director	*30,000	0.07	32,920,000 ⁽⁵⁾	74.82
Mohamed Tajudin bin Mohamed Alias	Independent Non-Executive Director	*30,000	0.07	-	-
Dato' Ab. Halim bin Mohyiddin	Independent Non-Executive Director	*30,000	0.07	-	-
Lim Yu Tey	Independent Non-Executive Director	*30,000	0.07	-	-

* Based on their respective entitlements pursuant to the allocation of shares to eligible directors and employees of KNM Group

Notes:

1. Deemed interested by virtue of their direct and indirect (via IMSB) interest in TKSB and their indirect interest in IMSB (via PSSB)
2. Deemed interested by virtue of his indirect interest in IMSB (via PSSB) and indirect interest in TKSB (via IMSB)
3. Deemed interested by virtue of his direct interest in TKSB
4. Deemed interested by virtue of her spouse, Ir. Lee Swee Eng's indirect interest in IMSB (via PSSB) and indirect interest in TKSB (via IMSB)
5. Deemed interested by virtue of his direct interest in TKSB, and by virtue of his sister-in-law, Gan Siew Liat's indirect interest in IMSB and TKSB

Directorships And Major Shareholdings In Other Public Companies For The Past Two (2) Years

Name	Companies	Date of Joining / Resignation	Principal Activities of Company	No. of Shares Held		% Equity Holding		Position
				Direct	Indirect	Direct	Indirect	
Dato' Abdul Rani bin Mohd Razalli	Hai-O Enterprise Bhd	4 January 1995 / 1 June 2003	Wholesale and retail of Chinese and western wines, herbs and medicines, multi-level direct sales marketing, manufacturing and trading of pharmaceutical products, advertising, insurance, hire purchase, leasing and money lending service	-	-	-	-	Director
Dato' Ab. Halim bin Mohyiddin	Kumpulan Perangsang Selangor Bhd	1987	Investment holding	-	-	-	-	Director
	HeiTech Padu Bhd	1 July 2001	Information technology	-	-	-	-	Director
	Arab-Malaysian Corporation Bhd	3 October 2001	Investment holding	-	-	-	-	Director
	MCM Technologies Bhd	7 September 2001	Information technology	200,000	-	*	-	Director

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Companies	Date of Joining / Resignation	Principal Activities of Company	No. of Shares Held		% Equity Holding		Position
				Direct	Indirect	Direct	Indirect	
	Utusan Melayu (Malaysia) Bhd	3 October 2001	Media	-	-	-	-	Director
	Digi.com Bhd	23 November 2001	Mobile telecommunications	-	-	-	-	Director
	Idris Hydraulic (M) Bhd	29 June 2002	Insurance	-	-	-	-	Director
	Amway Malaysia Holdings Bhd	25 November 2002	Direct selling of consumer products	-	-	-	-	Director
Lim Yu Tey	Lam Soon (M) Bhd	13 July 1999	Manufacturing & distribution of palm oil based consumer and industrial products	10,000	-	*	-	Director

* Negligible

All the executive directors of KNM Group, although having interest in other corporations as a director or shareholder, but their function thereto are in the capacity of non-executive and as such their time is only limited to the board of directors meeting which are being held only four (4) times year (if any applicable). As such, their time and efforts are committed to KNM Group.

5.2.2 Key Management

Profile Of Key Management

Mok Tuang Chiew, aged 34, is the Deputy Director of Projects and Engineering responsible for the overall supervision of project management, engineering and procurement activities in the company. He graduated with a Mechanical Engineering Degree from the University of Malaya in 1993. Upon his graduation, he joined MMC Engineering as a Piping Engineer and later in 1995 Mechmar Keppel Engineering as Senior Design Engineer before leaving the company to join KNMPS in the capacity of Senior Engineer in 1998. He was subsequently promoted to Engineering Manager in 1999 and to Vice President in 2000 and in his current position in 2002. He was the Engineering Manager for a number of record breaking projects such as the Tallest Column and he was the project manager for the construction of the Biggest and Heaviest LPG Mounded Vessels.

Pong Chan Kong (Albert), aged 48, is the Works Manager for KNMPS's Fabrication Shop in Melaka, entrusted with the responsibility of ensuring the smooth running of the fabrication process and quality control of products. He obtained his Diploma in Mechanical Engineering from Universiti Teknologi Malaysia, Kuala Lumpur in 1976. Prior to joining KNMPS in 1998, he has 20 years experience in the management and running the Drainage and Irrigation Department's State Workshop in Batu Pahat, Johor and another 2 years experience in the fabrication and construction works, both at shop and field sites in the private sector. With KNMPS, he has served as Site Manager for the LRCC Bullet Project in Shell Refining Co. Port Dickson, Sphere Modification Project at Esso Refinery Port Dickson, Acting Works Manager for KNMPS's Fabrication Shop at Gebeng during the fabrication of the large and tall columns for the PDH Project before being confirmed as Works Manager at the Melaka Fabrication Shop where heavy bullets (Seraya Project), thick walled vessels, CR-MO reactors and other challenging and complicated equipment were being fabricated. In January 2001, Albert Pong successfully passed the CSWIP 3.2 Course conducted by TWI and is recognized as a Registered Senior Welding Inspector. He further completed the ISO 9001:2000 Series Auditor / Lead Auditor Training Course by QM Quest in January 2002 and is also an IRCA Auditor.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Ibrahim Bin Mohd Said, aged 49, is the Group Finance Manager at KNMPS. He graduated in 1987 with an Advance Diploma in Accountancy from the UITM, formerly known as Institute Technology, Mara. He is a Chartered Accountant with the Malaysian Institute of Accountants, Associate Member of The Institute of Cooperative Auditors, Malaysia and Associate of the British Society of Commerce. He started his career in 1974 as an Accounts Clerk with the Universiti Hospital Kuala Lumpur before joining Coopers and Lybrand in the capacity of trainee in 1984. Thereafter he worked with several manufacturing companies as Finance and Administration Manager between 1989 and 1998 before joining KNMPS as Senior Accountant in 1998.

Mohd Zaini Bin Buang, aged 41, is the Design Manager of KNMPS. He heads a team of designers and drafting staff and is basically responsible for all design and drafting activities. He graduated from MARA Technical Institute (IKM) in 1983. Prior to joining KNMPS, he was with Mechmar Heavy Industries Sdn Bhd in 1989 in the capacity of Senior Draftsman where he gained his experience in the design of process equipment, tanks, spheres and piping. In 1991, he joined KNMPS as Head of the Drafting Department before he was promoted to Design Manager in 2000. He was involved in the design of all the record breaking projects such as the Biggest and Heaviest LPG Mounded Vessel, the Tallest Column and the Tallest Roof Supporting Single Mast.

Mohd Yusoff Bin Kotok, aged 39, is the Commercial Manager in KNMPS. He graduated with a Degree in Aerospace Engineering in 1989 from the University of Texas, Arlington. He is mainly responsible for preparing tenders and proposals with the aim of securing orders from Malaysian and international clients. Upon his graduation in 1989, he joined the Department of Veterinary Services, Ministry of Agriculture as Veterinary Assistant before leaving to join ME & O Fleet Support Sdn Bhd in the capacity of Project Engineer in 1992. Subsequently in 1995, he joined Protank Technologies Sdn Bhd as head of planning and Sime Engineering Sdn Bhd a year later as Contracts Executive in the Commercial Department. In 1997, he left Sime Engineering Sdn Bhd to take up the position as Contract Development Manager with the Chicago Bridge and Iron of the United States prior to joining KNMPS in 1998 as a Project Manager and later promoted to his present capacity in 1999.

Ramesh Arunasalam, aged 36, is the Quality Control and Non-Destructive Testing Manager of KNMPS. His main responsibility is to manage the daily Quality and Non-Destructive Testing inspection activities during manufacturing and ensure that all products meet the quality standards and specifications. He is a certified Lead Assessor and a Non-Destructive Testing Technician to The American Society for Non-Destructive Testing (ASNT) Level II and PCN in Radiographic Interpretation (3.4). He is also a qualified operator of TOFD using the Sonomatic Microplus ($\mu+$) System approved by the Automatic Energy Authority of the United Kingdom. He was involved in the development of TOFD as the new generation Non-Destruction Testing inspection techniques to be utilised within KNMPS. He has a total of 11 years experience in quality control and Non-Destructive Testing inspection. He joined KNMPS in 1996 as a Quality Control Inspector before he was promoted to Quality Control Supervisor and then to Head of Quality Control prior to his current position in 1999.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Ir. Yong Moon Kiew, aged 49, is the Estimation and Proposal Manager in KNMPS. His main areas of responsibility are in cost estimation and proposal development. He holds an Honours Degree in Mechanical Engineering from the University of Westminster in 1978. Upon his graduation in 1978, he joined Technicon Sdn Bhd as Design Production Engineer before leaving to join Sankyu (M) Sdn Bhd as Project Engineer in 1983. Subsequently he left the company in 1987 to join an American joint-venture company Luvytex Sdn Bhd in the capacity of Plant Engineer in 1988. In 1990, he was in the field of engineering consultant before joining KNMPS as Project Manager in 1994 and later assumed the role of Estimation and Proposal Manager in 1999 till today. Ir. Yong Moon Kiew is a Registered Professional Engineer since 1990 and corporate member of the Institute of Engineers Malaysia.

Lai Sou Kuien (Jennifer), aged 41, is the Communications and Marketing Manager of the KNM Group. She is mainly responsible for business and tender coordination, marketing, promotions and corporate affairs for the KNM Group. In 1981, she started her career at the Hyatt Hotel in Kuantan in the capacity of Secretary. In 1986, she left the company to join Technip Geoproduction (M) Sdn Bhd as Executive Secretary before joining KNM Group in the same capacity in 1991. In 1993, she was promoted to Office Manager before assuming her present position in 1998. Currently she is a member of KNM's Business Working Team and as member of Publication Committee of the Malaysian Iron and Steel Industry Federation.

Rashdan Bin Hj. Yaacob, aged 35, is the Human Resource and Administration Manager for KNMPS and is in charge of the overall human resource and administration functions. He is a graduate from the University of Windsor, Windsor, Ontario, Canada with a Bachelor of Commerce (Honours Business Administration) degree. Upon graduation in 1992 he started his career in human resource and administration by joining a multinational company, Matsushita Electronic Components Sdn Bhd. where he was exposed to recruitment, industrial relations, training and expatriate affairs. In 1995 he joined Time Telecommunication Sdn Bhd as Senior Human Resource Executive in charge of recruitment and organization development. He left Time Telecommunication in 1997 to joined Northern Waste Industries Sdn Bhd, as Assistant Human Resource and Administration Manager, responsible for the formulation of the compensation and benefits package, policies and procedures for the company. In 2001 he joined MRCB Multimedia Corporation, as Human Resource Consultant in the development of the Human Resources Management Information Systems (HRMIS) for the Government of Malaysia. He left MRCB Multimedia to joined KNMPS in 2002 as the Human Resource and Administration Manager bringing with him 11 years of experience and knowledge in human resource and administration.

Shareholdings Of The Management Team

Name	Designation	No. of Shares Held After Public Issue/Placement			
		< ----- Direct ---- >		< ----- Indirect ----- >	
		No. of Shares	%	No. of Shares	%
Mok Tuang Chiew	Deputy Director (Projects & Engineering)	*23,000	0.05	-	-
Pong Chan Kong	Works Manager	*15,000	0.03	-	-
Ibrahim bin Mohd Said	Group Finance Manager	*15,000	0.03	-	-
Mohd Zaini bin Buang	Design Manager	*15,000	0.03	#	-
Mohd Yusoff bin Kotok	Commercial Manager	*15,000	0.03	-	-
Ramesh Arunasalam	Quality Control & Non-Destructive Testing Manager	*15,000	0.03	-	-
Ir. Yong Moon Kiew	Estimation and Proposal Manager	*15,000	0.03	-	-
Lai Sou Kuien	Communications and Marketing Manager	*15,000	0.03	-	-
Rashdan bin Hj. Yaacob	Human Resource and Administration Manager	*15,000	0.03	-	-

* Based on their respective entitlements under the Public Issue

Holds direct equity interest of 0.74% in TKSB and effective equity interest of 0.07% in KNM

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3 Proposed Aggregate Remuneration And Benefits Of Directors

The aggregate remuneration and benefits paid to the Directors of KNMPS and its subsidiaries for services rendered in all capacities, were approximately RM796,000 for the financial year ended 31 December 2002.

The aggregate remuneration and proposed to be paid to the Directors of KNM for services rendered in all capacities are approximately RM1,078,000 for the financial year ending 31 December 2003.

Details of the aggregate remuneration and benefits are as follows:-

Remuneration band RM	Financial year ended 31 December 2002 No. of directors	Financial year ending 31 December 2003 No. of directors
50,000 and below	3	3
50,001 to 100,000	2	1
100,001 to 150,000	-	2
150,001 to 200,000	1	1
200,001 to 250,000	2	2

5.4 Audit Committee

The Audit Committee of KNM comprises the following individuals:-

Name	Responsibility	Directorship
Dato' Ab. Halim bin Mohyiddin	Chairman of the Committee	Independent Non-Executive Director
Lim Yu Tey	Member	Independent Non-Executive Director
Ir. Lee Swee Eng	Member	Managing Director

5.5 Declaration By Directors And Senior Management

As at the date of this Prospectus, none of the directors or key management personnel is or has been involved in any of the following events (whether in or outside Malaysia):-

- (a) 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;
- (b) Such person was convicted in a criminal proceedings or is a named subject of a pending criminal proceeding; or
- (c) Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.6 Employees

As at 3 June 2003, the KNM Group has a total workforce of 476 employees (including Executive Directors). None of the employees of the Group is a member of any labor union, and the relationship between the management and the employees is good.

The Group currently has the following number of employees:

Company	Permanent Staff	Contract Staff	Casual Staff	Total No. of Staff
KNMPS	111	35	5	151
KNMI	4	-	-	4
KNM DP	22	14	2	38
KNMO	18	55	65	138
DE	93	52	-	145
Total	248	156	72	476

5.7 Family Relationship

Except for Gan Siew Liat, who is the wife of Ir. Lee Swee Eng, and Chew Fook Sin, who is the brother-in-law of Gan Siew Liat, none of the directors and senior management are related to each other.

5.8 Existing Or Proposed Service Agreements

Apart from Sofiyan bin Yahya, none of the existing Directors as well as the senior management of the Group have any existing or proposed service agreement with KNM or any of its subsidiary companies. Some salient terms of the service agreement are as follows:

- (a) During the period of appointment, Sofiyan bin Yahya shall be in receipt of proprietary and confidential information belonging to KNMPS. Sofiyan bin Yahya hereby undertakes not to use such information for any purposes except for the benefit of KNMPS. No such information shall be divulged to any party without the written permission of the Managing Director or Executive Chairman; and Sofiyan bin Yahya will make known to KNMPS any interest or holding that he may have in any other business and ensure that they do not conflict with the interest of KNMPS;
- (b) He undertakes not to enter into any business or employment in competition with activities of KNMPS within three years after termination of this appointment; and
- (c) Sofiyan bin Yahya shall not be entitled by his action to commit KNMPS beyond the approved limit of authority without the prior written agreement from the President/Managing Director.

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6. APPROVALS AND CONDITIONS

6.1 Approvals Of Relevant Authorities

The following approvals from the relevant authorities were obtained by KNM in conjunction with the Public Issue and Placement.

(i) Conditions Imposed By SC Vide Their Letter Dated 3 December 2002:

No.	Conditions	Status on Compliance
1.	The variations to the scheme of the Proposed Listing as stated in the submission to the SC dated 17 May 2002, will be communicated to the FIC and MITI	Complied
2.	<p>The proposed utilisation of proceeds from the rights issue, placement and public issue are subject to the following conditions:</p> <p>(i) SC approval is required for any variation to the original utilisation of proceeds should the variation involve utilisation for non-core businesses of KNM;</p> <p>(ii) The approval of KNM's shareholders' is to be obtained for any variation of more than 25% or more to the utilisation of proceeds. Should the proposed variation be less than 25%, adequate disclosure is to be made to the shareholders of KNM;</p> <p>(iii) The timeframe for the utilisation of proceeds is to be disclosed in the listing prospectus of KNM. Any extension of time for the utilisation of proceeds will require a resolution of KNM's board of directors and is to be fully disclosed to the KLSE; and</p> <p>(iv) Adequate disclosure as to the status of utilisation of proceeds is to be made in the quarterly reports and annual reports of KNM until the proceeds are fully utilised.</p>	<p>Noted and to be complied with if applicable</p> <p>Noted and to be complied with if applicable</p> <p>Timeframe disclosed in Section 2.6 of this Prospectus. Requirements pertaining to extensions of time to be complied with if applicable</p> <p>To be complied</p>
3.	<p>The SC's approval of the Proposed Listing is subject to the following conditions:</p> <p>(i) The directors and substantial shareholders who are involved on a full-time basis in the KNM Group cannot be involved in a full-time capacity in any private businesses;</p>	<p>The directors and substantial shareholders of KNM have vide their letters dated 17 June 2003 provided undertakings to the SC that this condition will be complied with</p>

6. APPROVALS AND CONDITIONS (Cont'd)

No.	Conditions	Status on Compliance												
	(ii) The promoters, directors and substantial shareholders of KNM cannot conduct/operate any business that may give rise to a conflict of interest, either directly or indirectly in the business of the KNM Group in the future. In connection with this, the promoters, directors and substantial shareholders of KNM are to provide a written undertaking to the SC, that they will not involve themselves in any new business which is similar or competes with the existing business of the KNM Group;	The promoters, directors and substantial shareholders of KNM have vide their letters dated 17 June 2003 provided undertakings to the SC that this condition will be complied with												
	(iii) Any future transactions between the KNM Group and the substantial shareholders of KNM and the directors of KNM as well as the companies related to the directors/substantial shareholders of KNM, are to be made on an arms-length basis and not based on terms detrimental to KNM. In connection with this, the audit committee of KNM is to monitor and the directors of KNM are to report any such transaction, in the annual report of KNM, if any;	Noted and to be complied with if applicable												
	(iv) A moratorium is imposed on 19,800,000 ordinary shares of RM1.00 each in KNM representing 45% of the enlarged paid-up share capital of KNM, which is held by the promoters and substantial shareholder of KNM, i.e. TKS B and IMSB, as stipulated under Paragraph 10.12 of the SC's Policies and Guidelines on Issue/Offer of Securities ("the Guidelines"). In connection with this, TKS B and IMSB are not allowed to sell, transfer or assign their shareholdings in KNM for one (1) year from the date of KNM's listing on the KLSE. After which, TKS B and IMSB are only allowed to sell, transfer or assign not exceeding one third (1/3) of their shareholdings in KNM every year thereafter. In connection with this, the SC has no objections to KNM's proposal for the moratorium to be imposed as follows:	Complied, as disclosed in Section 6.2 of this Prospectus and is based on the moratorium requirements in the revised SC Policies and Guidelines on Issue/Offer of Securities issued on 1 April 2003 ("New SC Guidelines")												
	<table border="1" data-bbox="459 1357 1082 1514"> <thead> <tr> <th data-bbox="459 1357 608 1420"></th> <th data-bbox="608 1357 874 1420">No. of shares under Moratorium</th> <th data-bbox="874 1357 1082 1420">% of enlarged share capital</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 1420 608 1451">TKSB</td> <td data-bbox="608 1420 874 1451">2,554,447</td> <td data-bbox="874 1420 1082 1451">5.81</td> </tr> <tr> <td data-bbox="459 1451 608 1482">IMSB</td> <td data-bbox="608 1451 874 1482">17,245,553</td> <td data-bbox="874 1451 1082 1482">39.19</td> </tr> <tr> <td data-bbox="459 1482 608 1514">TOTAL</td> <td data-bbox="608 1482 874 1514">19,800,000</td> <td data-bbox="874 1482 1082 1514">45.00</td> </tr> </tbody> </table>		No. of shares under Moratorium	% of enlarged share capital	TKSB	2,554,447	5.81	IMSB	17,245,553	39.19	TOTAL	19,800,000	45.00	Complied based on Paragraph 6.24 of the New SC Guidelines. Letters of undertaking dated 17 June 2003 from the relevant parties (as disclosed in Section 6.2 of this Prospectus) have been provided to the SC.
	No. of shares under Moratorium	% of enlarged share capital												
TKSB	2,554,447	5.81												
IMSB	17,245,553	39.19												
TOTAL	19,800,000	45.00												
	<p data-bbox="448 1552 491 1574">and</p> <p data-bbox="448 1608 1134 1787">The shareholders of TKS B and IMSB are to provide an undertaking that they will not sell, transfer or assign their shareholdings in TKS B and IMSB for a period as stipulated in Paragraph 10.12 of the Guidelines. This undertaking is to be provided to the SC before the registration and issuance of KNM's listing prospectus.</p> <p data-bbox="448 1821 1134 1944">However, KNM may adopt the Guidelines in relation to moratoriums which will be announced in the future, in line with the implementation of the last phase of the disclosure based regulations, as and when it becomes enforced;</p>	KNM have adopted the guidelines on moratoriums contained in the New SC Guidelines												

6. APPROVALS AND CONDITIONS (Cont'd)

No.	Conditions	Status on Compliance
(v)	KNM is to provide an undertaking that it will ensure that the structures on its property in Melaka that have yet to receive approval from the local authorities, are rectified prior to the issuance of the prospectus. In connection with this, KNM is to submit a copy of each of the certificates of fitness for the respective structures before the prospectus is issued;	Complied. Copies of the certificates of fitness for the structures on KNM's properties in Melaka and Pahang have been submitted to the SC
(vi)	KNM Group is not allowed to participate in activities that are not related to their core business for the duration of at least three (3) years after the listing of KNM on the Second Board of the KLSE;	The directors of KNM have vide letters dated 17 June 2003 provided undertakings to the SC that this condition will be complied with
(vii)	Trade debtors exceeding six (6) months are to be provided for fully and the reporting accountants/external auditors of KNM are to provide a written confirmation to the SC with regards to said provision before the registration of KNM's listing prospectus;	KPMG as the reporting accountants and external auditors of KNM have vide its letter dated 16 June 2003 provided the SC with the relevant confirmation
(viii)	The directors of KNM are to provide a written declaration to the SC prior to the registration of KNM's listing prospectus that the trade debtors exceeding the credit period can be collected and full provision has made in the KNM Group accounts for trade debtors exceeding six (6) months;	Complied vide statutory declarations from the directors of KNM all dated 17 June 2003
(ix)	KNM is to make detailed disclosures in its listing prospectus of the following:	
(a)	The risks related to the business of the KNM Group, including risks related to the lack of long term contracts and the steps taken to mitigate such risks;	Complied and disclosed in Section 3 of this Prospectus
(b)	A risk management plan to deal with the main risks related to the business, including risks of fire, labour shortage, and other risks that can threaten the operations and financial performance of the KNM Group;	Complied and disclosed in Section 3 (xv) of this Prospectus
(c)	Forecast profit of KNM and the secured and unsecured contracts; and	Complied and disclosed in Section 9.2 of this Prospectus
(d)	The losses incurred by associated companies, KNM-DP and KNM-DP HB, and all efforts taken/to be taken to restore the performance of these companies;	Complied and disclosed in Section 1.6 of this Prospectus
(x)	Aseambankers/KNM are to ensure that the dividend payment by KNMPS for the financial year ending 31 December 2002 is financed by KNMPS' internal funds and not through bank borrowings. Aseambankers is to provide written confirmation to the SC with regards to KNMPS' source of funding for said dividend payment; and	Complied. Aseambankers have vide its letter dated 17 June 2003, provided confirmation to the SC on compliance with this condition

6. APPROVALS AND CONDITIONS (Cont'd)

No.	Conditions	Status on Compliance
	(xi) To ensure full compliance with the requirements relevant to the listing of a company as provided for under the SC's Policies and Guidelines on Issue/Offer of Securities, specifically the requirements under Chapter 10 of the abovementioned guidelines.	Complied/to be complied (where relevant and applicable)
4.	KNM as well as the relevant other parties are to provide written confirmation as to the compliance with all the terms and conditions imposed by the SC vide their approval letter dated 3 December 2002.	KNM have vide its letter dated 17 June provided confirmation to the SC on compliance with this condition

The SC vide its letter dated 24 June 2003 had approved an extension of time of four (4) months up to 2 October 2003 for KNM to implement the IPO.

(ii) Conditions Imposed By SC Vide Their Letter Dated 5 May 2003

No.	Conditions	Status on Compliance
1.	To ensure compliance with the requirements of the SC's Policies and Guidelines on Issue/Offer of Securities, especially informing the SC of any new developments or material changes after approval has been obtained.	To be complied if applicable

(iii) Conditions Imposed By FIC Vide Their Letter Dated 19 February 2001

No.	Conditions	Status on Compliance
1.	MITI approval is obtained	MITI approval obtained on 15 May 2001
2.	50% of the shares under the Proposed Placement are allocated to Bumiputera investors	Complied
3.	To inform FIC upon completion of the Proposed Listing	To be complied

(iv) No Additional Conditions Were Imposed By FIC Vide Their Letter Dated 2 May 2003**(v) Conditions Imposed By MITI Vide Their Letter Dated 15 May 2001**

No.	Conditions	Status on Compliance
1.	SC approval is obtained	SC approval obtained on 3 December 2002 and 5 May 2003
2.	FIC approval is obtained	FIC approval obtained on 19 February 2001 and 2 May 2003
3.	MITI acknowledges IMSB and TKS as Bumiputera shareholders in holding 62.63% effective interest in KNM, provided that 35% of their interest in KNM cannot be sold or transferred without prior written consent of MITI	To be complied if applicable
4.	To inform MITI upon completion of the Proposed Listing	To be complied

6. APPROVALS AND CONDITIONS (Cont'd)**6.2 Moratorium On Sale Of Shares**

It is a condition of the SC, in approving the flotation of KNM on the Second Board of the KLSE that the major shareholders and promoters of KNM are not allowed to sell, transfer or assign their shares in KNM amounting to 45% or 19,800,000 shares of the enlarged issued and paid-up share capital of KNM for a period of one (1) year from the date of admission of KNM to the Second Board of the KLSE. Thereafter, there are no restrictions on the sale, transfer or assignment of their shares in KNM.

The restriction, which is fully accepted by the major shareholders and promoters, is specifically endorsed on the notices of allotment and share certificates representing the respective shareholdings of the major shareholders and promoters, which are under moratorium to ensure that trading of these shares are not allowed in compliance with the restriction imposed by the SC. The moratorium on sale of shares by the substantial shareholders and promoters is as follows: -

Substantial Shareholders	Shareholding After The Public Issue		Shares Placed Under Moratorium	
	No. Of Ordinary Shares Held '000	% of the issued and paid-up share capital	No. Of Ordinary Shares Held '000	% of the issued and paid-up share capital
TKSB	4,247,091	9.65	2,554,447	5.81
IMSB	28,672,909	65.17	17,245,553	39.19
	32,920,000	74.82	19,800,000	45.00

In compliance with Paragraph 6.24 of the New SC's Policies and Guidelines on Issue/Offer of Securities, all the shareholders of IMSB, PSSB and TKSBB, that is, Dato' Abdul Rani bin Mohd Razalli, Ir. Lee Swee Eng, Sofiyani bin Yahya, Lee Hui Leong, Chew Fook Sin and Mohd Zaini bin Buang have given their respective undertakings that they will not sell, transfer or assign their respective existing shareholdings and any future shareholdings in IMSB, TKSBB and PSSB from the period commencing the date of admission of KNM to the Official List of the Second Board of the KLSE until such date the shares held under moratorium are completely released from the requisite moratorium period.

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7. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST

7.1 Related Party Transactions / Conflict of Interest

Promotions Of Any Assets Acquired / To Be Acquired Within Two Years Preceding The Date Of Prospectus

Save as disclosed below, none of the Directors nor substantial shareholders of the Company has any interest, direct or indirect, in the Acquisitions of KNMPS and KNMI by the Company and none of the Directors has any interest, directly or indirectly in the promotion of or in any assets acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased of proposed to be leased to the Company or any of its subsidiary companies within the two (2) years preceding the date of this Prospectus:

Acquisition of KNMPS	
Persons interested	Nature of relationship
Dato' Abdul Rani bin Mohd. Razalli, Ir. Lee Swee Eng, Sofiyan bin Yahya, Lee Hui Leong	Directors and indirect shareholders of KNMPS by virtue of their direct and indirect shareholdings in IMSB and TKSB and the Directors and indirect shareholders of KNM.

Acquisition of KNMI	
Persons interested	Nature of relationship
Dato' Abdul Rani bin Mohd. Razalli, Ir. Lee Swee Eng, Sofiyan bin Yahya, Lee Hui Leong	Directors and indirect shareholders of KNMI (via KNMPS) by virtue of their direct and indirect shareholdings in IMSB and TKSB and the Directors and indirect shareholders of KNM.

None of the related party transaction, for the past one year and its subsequent financial preceding period thereof, immediately from the date of this prospectus is unusual in nature or condition, involving goods, services, tangible or intangible assets, to which KNM Group or its subsidiaries was a party.

7.2 Transactions Between KNMPS, Its Subsidiaries And Related Companies

Company	Companies Transacted With	Nature of Transaction	Financial year ended 31 December 2002 RM'000	% of proforma KNMPS group of companies' turnover
KNMPS	IMSB	Actual office rental charge for corporate office*	903	0.84
	IMSB	Administrative expenses	345	0.32
	KNMO	Charges in respect of project fabrication and general work	4,342	4.05*

7. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST (Cont'd)

Company	Companies Transacted With	Nature of Transaction	Financial year ended 31 December 2002 RM'000	% of proforma KNMPS group of companies' turnover
	PASB	Actual factory rental charge for Gebeng fabrication shop	222	0.21*
	DE	Charges of manpower supply in respect of sub-contract labour	5,662	5.29*
	KNM-DP	Actual rental income receivable for Melaka fabrication shop	(481)	(0.45)
	KNM-DP	Charges on fabrication works	5,295	4.94
	Inter Merger Trading Sdn Bhd	Purchases of production materials and fixed assets	230	0.21
	IM Bina Sdn Bhd	Contract of subcontract works for secured projects and expansion plan for Gebeng and Melaka fabrication shops	9,982	9.32
	Inter Merger Realty Sdn Bhd	Charges of administrative expenses	141	0.13
	Kumpulan Usajaya Sdn Bhd	Actual rental of staff house	22	0.02
DE	IM Bina Sdn Bhd	Manpower supply receivable	(223)	(0.21)
KNM-DP	InterMerger Trading Sdn Bhd	Purchase of fixed asset and materials	34	0.03

* This is in respect of the rental of the Group's Corporate Office from Inter Merger Realty Development Sdn Bhd, which is a wholly owned subsidiary of IMSB. The tenancy of the rental agreement is for a period of three (3) years with an option to renew the agreement.

Based on the KNMPS company level turnover

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

As a condition stated in the approval letter from the SC dated 3 December 2002, the directors of KNM will ensure, if applicable, that all future business transactions between KNM Group and the directors/substantial shareholders of KNM as well as the companies related to the directors/substantial shareholders of KNM are to be made on an arms-length basis and on terms not detrimental to KNM.

7. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST (Cont'd)

7.3 Declaration By The Advisers

Aseambankers hereby confirms that there is no conflict of interest in its capacity as the Adviser for the Public Issue and Placement.

Messrs. Wong Beh & Toh has given its confirmation that there is no conflict of interest in its capacity as Solicitors for the Public Issue and Placement.

Messrs. KPMG has given the confirmation that there is no conflict of interest in its capacity as Auditors and Reporting Accountants for KNM, for the Public Issue and Placement.

Messrs. W.M. Malik & Kamaruzaman Sdn Bhd has given its confirmation that there is no conflict of interest in its capacity as the Valuers for KNM, for the Public Issue and Placement.

Vital Factor Consulting Sdn Bhd has given the confirmation that there is no conflict of interest in its capacity as Independent Market Research Consultants for KNM, for the Public Issue and Placement.

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