

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF KBB RESOURCES BERHAD AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING. THE DIRECTORS OF KBB RESOURCES BERHAD HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST OF KBB RESOURCES BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003 AND FINANCIAL YEAR ENDING 31 DECEMBER 2004 INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST OF KBB RESOURCES BERHAD HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

RHB SAKURA MERCHANT BANKERS BERHAD, AS THE ADVISER, UNDERWRITER AND PLACEMENT AGENT ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND IS SATISFIED THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST OF KBB RESOURCES BERHAD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003 AND FINANCIAL YEAR ENDING 31 DECEMBER 2004 RESPECTIVELY (FOR WHICH THE DIRECTORS OF KBB RESOURCES BERHAD ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF KBB RESOURCES BERHAD AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION HAS APPROVED THE PUBLIC ISSUE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE PUBLIC ISSUE.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF KBB RESOURCES BERHAD AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

MALAYSIA SECURITIES EXCHANGE BERHAD SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF KBB RESOURCES BERHAD AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC ISSUE, KBB RESOURCES BERHAD OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

TENTATIVE TIMETABLE

The timing of events leading up to the listing of and quotation for KRB's entire issued and paid-up share capital of RM40,000,000 on the Second Board is set out below:-

<u>Date</u>	<u>Event</u>
30 January 2004	Issue of Prospectus/Opening date of the Public Issue
10 February 2004	Closing date of the Public Issue
12 February 2004	Tentative date for balloting of Applications
18 February 2004	Tentative date for allotment of securities
24 February 2004	Tentative listing and quotation date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL OPEN AT 10.00 A.M. ON 30 JANUARY 2004 AND REMAIN OPEN UNTIL 5.00 P.M. ON 10 FEBRUARY 2004 OR FOR SUCH FUTURE PERIOD AS THE DIRECTORS OF KRB AND THE UNDERWRITER AND PLACEMENT AGENT IN THEIR ABSOLUTE DISCRETION MAY MUTUALLY DECIDE. SHOULD THE CLOSING DATE OF THE APPLICATION BE EXTENDED, THE DATES FOR THE ALLOTMENT OF THE PUBLIC ISSUE SHARES AND LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF KRB ON THE SECOND BOARD WOULD BE EXTENDED ACCORDINGLY. ANY EXTENSION TO THE CLOSING DATE FOR THE APPLICATIONS WILL BE PUBLISHED IN A WIDELY CIRCULATED DAILY ENGLISH AND BAHASA MALAYSIA NEWSPAPERS WITHIN MALAYSIA BEFORE THE ORIGINAL CLOSING DATE.

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

8MP	- Eighth Malaysia Plan
Acquisitions	- Collectively the Acquisition of KBB, Acquisition of BBFM and Acquisition of KBBEM
Acquisition of BBFM	- Acquisition by KRB of 100% equity interest in BBFM comprising 2 ordinary shares of RM1.00 each from KBB for a cash consideration of RM2
Acquisition of KBB	- Acquisition by KRB of 100% equity interest in KBB comprising 17,441,860 ordinary shares of RM1.00 each for a consideration of RM31,660,658 to be satisfied wholly by the issuance of 30,155,209 new ordinary shares of RM1.00 each at an issue price of approximately RM1.05 per ordinary share of RM1.00 each
Acquisition of KBBEM	- Acquisition by KRB of 100% equity interest in KBBEM comprising 300,000 ordinary shares of RM1.00 each from KBB for a cash consideration of RM292,955
Act	- Companies Act, 1965
ADA	- Authorised Depository Agent
ADA Code	- ADA (Broker) Code
AFTA	- ASEAN Free Trade Area
Application	- Refers to application for the Public Issue Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	- Application for Public Issue Shares by way of a printed application form
ASEAN	- The Association of Southeast Asian Nations
ATM	- Automated teller machine
BPIMB	- Bank Pembangunan Dan Infrastruktur Malaysia Berhad (Company No. 16562-K)
BBFM	- Bersatu Bihun & Food Manufacturing Sdn. Bhd. (Company No. 535695-D)
CDS	- Central Depository System
CEPT	- Common Effective Preferential Tariff
EBIDTA / (LBIDTA)	- Consolidated earnings / (loss) before interest, depreciation, taxation and amortisation
Electronic Share Application	- Application for the Public Issue Shares through a Participating Financial Institution's ATM
EPS/LPS	- Earnings per share / Loss per share

DEFINITIONS (Cont'd)

FIC	- Foreign Investment Committee
FSQC	- Food Safety and Quality Control
FYE	- Financial year ended/ending
GDP	- Gross Domestic Product
GMP	- Good Manufacturing Practices
GNP	- Gross National Product
Government	- Government of Malaysia
HACCP	- Hazard Analysis and Critical Control Point
Issue Price	- RM0.90 per Public Issue Share
KBB	- Kilang Bihun Bersatu Sdn. Bhd. (Company No. 173954-M)
KBEM	- Kilang Bihun Bersatu (East Malaysia) Sdn. Bhd. (Company No. 545386-P)
KRB / the Company	- KBB Resources Berhad (Company No. 583565-U)
KRB Group / the Group	- KRB and its subsidiaries
Listing	- Admission to the official list and the listing of and quotation for the entire issued and paid-up share capital of KRB of RM40,000,000 comprising 80,000,000 Shares on the Second Board
Listing Scheme	- The Acquisitions, Rights Issue, Share Split, Public Issue and Listing collectively
Malaysian Public	- Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	- A day on which the stock market of MASEB is open for trading in securities
MCD or Central Depository	- Malaysian Central Depository Sdn Bhd (Company No. 165570-W), a subsidiary of MASEB
MIDA	- Malaysian Industrial Development Authority
MIDFCCS or Issuing House	- MIDF Consultancy and Corporate Services Sdn Bhd (Company No. 11324-H)
MITI	- Ministry of International Trade and Industry
MOF	- The Minister of Finance Incorporated
MSEB	- Malaysia Securities Exchange Berhad (Company No. 635998-W) (formerly known as the Kuala Lumpur Stock Exchange)
NTA	- Net tangible assets

DEFINITIONS (*Cont'd*)

OBM	- Original brand manufacturing
OPP3	- Malaysian Outline Perspective Plan for 2001-2010
Participating Financial Institution(s)	- Refers to the participating financial institutions for Electronic Share Application as listed in Section 14 of this Prospectus
PAT/LAT	- Profit after tax / Loss after tax
PBT/LBT	- Profit before tax / Loss before tax
PE Multiple	- Price earnings multiple
Public Issue	- The public issue of 12,000,000 new Shares at an issue price of RM0.90 per Public Issue Share to be allocated in the manner set out in Section 2.2 of the Prospectus
Public Issue Shares	- 12,000,000 new Shares to be issued at RM0.90 per Share pursuant to the Public Issue
RHB Sakura	- RHB Sakura Merchant Bankers Berhad (Company No. 19663-P)
Rights Issue	- The rights issue of 3,844,789 new shares of RM1.00 each to the shareholders of KRB on the basis of 1,275 new shares of RM1.00 each for every 10,000 shares of RM1.00 each held after the Acquisitions but before the Share Split
RM and sen	- Ringgit Malaysia and sen respectively
ROC	- Registrar of Companies, Malaysia
SC	- Securities Commission
SC Guidelines	- Policies and Guidelines on Issue/Offer of Securities and the amendments thereof issued by the SC
Second Board	- Second Board of MSEB
Share(s)	- Ordinary share(s) of RM0.50 each in KRB
Share Split	The split of one ordinary share of RM1.00 each in KRB to two ordinary shares of RM0.50 each
Sq. m.	- Square metre(s)
TPC	- Total plate count
Underwriter/Placement Agent	- RHB Sakura
US	- United States of America
USD	- United States Dollar

DEFINITIONS (Cont'd)

Vermicelli

- Means the existing products of the KRB Group such as rice stick, bihun/meehoon/meehon, laksa, instant bihun, rice noodles and other rice and/or sago based products including other products which are currently under development. The terms "bihun", "meehoon" and "meehon" mean the same product and have been used interchangeably in this Prospectus

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Md Kamal bin Bilal (Chairman/ Independent Non-Executive Director)	1399, Jalan Perak 13200 Kepala Batas Seberang Perai Utara Penang	Company Director	Malaysian
Ang Cho Teing (Group Managing Director)	2471, Tingkat Selamat Dua Kampung Selamat 13300 Tasek Gelugor Seberang Perai Utara Penang	Company Director	Malaysian
Tai Chok Ping (Executive Director)	2471, Tingkat Selamat Dua Kampung Selamat 13300 Tasek Gelugor Seberang Perai Utara Penang	Company Director	Malaysian
Ang Chor Teng (Executive Director)	1450, Kampung Selamat 13300 Tasek Gelugor Seberang Perai Utara Penang	Company Director	Malaysian
Aladdin bin Mohamed Lip (Non-Independent Non-Executive Director)	41, Jalan SS21/26 Damansara Utama 47400 Petaling Jaya	Company Director	Malaysian
Ong Wee Meng (Independent Non-Executive Director)	18, Lorong Lumba Kuda 11400 Ayer Itam Penang	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Ong Wee Meng	Chairman	Independent Non-Executive Director
Md Kamal bin Bilal	Member	Chairman/Independent Non-Executive Director
Aladdin bin Mohamed Lip	Member	Non-Independent Non-Executive Director

COMPANY SECRETARY

: Tan Choong Khiang (MAICSA 7018448)
40, Lorong Bidara 5
Taman Bidara
14020 Bukit Mertajam

CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : 51-8-B, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04-2287828
Fax: 04-2279828
E-mail: enquiry@fastrack.com.my
- HEAD OFFICE** : Lot 208, Phase II
Kuala Ketil Industrial Estate
09300 Kuala Ketil, Kedah
Tel: 04-4162222
Fax: 04-4162022
E-mail: kbbersatu@po.jaring.my
Website: www.noodles-king.com
- REGISTRAR & TRANSFER OFFICE** : AGRITEUM Share Registration Services Sdn Bhd
2nd Floor Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang
Tel: 04-2282321
Fax: 04-2272391
- ISSUING HOUSE** : MIDF Consultancy and Corporate Services Sdn Bhd
Bangunan MIDF
195A Jalan Tun Razak
50450 Kuala Lumpur
Tel: 03-21613355
- AUDITORS AND REPORTING ACCOUNTANTS** : JB Lau & Associates
Chartered Accountants
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10500 Penang
Tel: 04-2287828
- TAX CONSULTANTS** : JB Lau Tax Services Sdn. Bhd.
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10500 Penang
Tel: 04-2287828
- SOLICITORS FOR THE LISTING SCHEME** : Messrs Ghazi & Lim
19th Floor, Plaza MWE
8, Lebuhr Farquhar
10200 Penang
Tel: 04-2633688
- INDEPENDENT MARKET RESEARCH CONSULTANT** : ACNielsen (Malaysia) Sdn. Bhd.
19/F Menara MPPJ
Jalan Tengah
46200 Petaling Jaya
Selangor
Tel: 03-79562311

CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS** :
- RHB Bank Berhad
Penang Area Business Centre
1st & 2nd Floor
2784 & 2785, Jalan Chain Ferry
Taman Inderawasih
13600 Prai
Penang
Tel: 04-3908997
 - Bank Muamalat Malaysia Berhad
No. 4771, Jalan Bagan Luar
12000 Butterworth
Tel: 04-3333118
 - EON Bank Berhad
22 & 23, Jalan Permatang Gedong
Taman Sejati Indah
08000 Sungai Petai
Kedah
Tel: 04-4310588
- ADVISER, UNDERWRITER
AND PLACEMENT AGENT** :
- RHB Sakura Merchant Bankers Berhad
Level 8, Tower Three
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-92873888
- LISTING SOUGHT** :
- Second Board of Malaysia Securities Exchange Berhad

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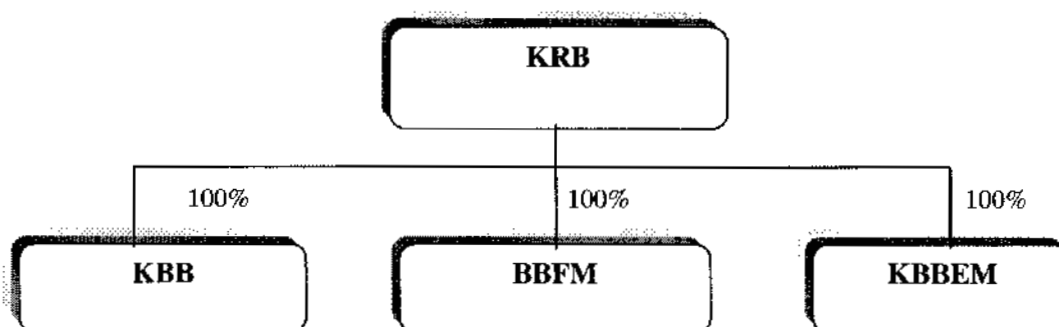
1. INFORMATION SUMMARY

THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION RELATING TO THE KRB GROUP, AND SHOULD BE READ AND UNDERSTOOD IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN THE PUBLIC ISSUE SHARES.

1.1 History and Business

The KRB group of companies commenced operations in 1988 and currently has key businesses in integrated vermicelli manufacturing.

The KRB Group's corporate structure is set out below:-



Details of the KRB group of companies are summarised below: -

Company	Date and Place of Incorporation	Issued and paid-up share capital (RM)	Effective Equity Interest (%)	Principal Activities
KRB	20.6.2002 Malaysia	34,000,000	Not applicable	Investment holding company
Subsidiaries of KRB				
KBB	15.9.1988 Malaysia	17,441,860	100	Manufacturing and marketing of all types of vermicelli
BBFM	23.12.2000 Malaysia	2	100	Dormant
KBBEM	18.4.2001 Malaysia	300,000	100	Manufacturing and marketing of all types of vermicelli

1. INFORMATION SUMMARY (Cont'd)

1.2 Promoters, Substantial Shareholders, Directors and Key Management of KRB

Name	Designation	Shareholdings after the Public Issue			
		<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Promoters					
Ang Cho Teing	Group Managing Director	29,360,172 ⁴	36.70	10,749,922 ¹	13.44
Tai Chok Ping	Executive Director	7,340,038	9.18	32,770,056 ²	40.96
Ang Chor Teng	Executive Director	3,399,884	4.25	36,700,210 ³	45.88
Substantial Shareholders					
Ang Cho Teing	Group Managing Director	29,360,172 ⁴	36.70	10,749,922 ¹	13.44
Tai Chok Ping	Executive Director	7,340,038	9.18	32,770,056 ²	40.96
Ang Chor Teng	Executive Director	3,399,884	4.25	36,700,210 ³	45.88
BPIMB	-	13,600,000	17.00	-	-
MOF	-	-	-	13,600,000 ⁵	17.00
Ang Lay Seang	Assistant Production Manager	10,000 ⁶	0.013	36,700,210 ⁷	45.88
Directors					
Md Kamal bin Bilal	Chairman/Independent Non-Executive Director	-	-	-	-
Ang Cho Teing	Group Managing Director	29,360,172 ⁴	36.70	10,749,922 ¹	13.44
Tai Chok Ping	Executive Director	7,340,038	9.18	32,770,056 ²	40.96
Ang Chor Teng	Executive Director	3,399,884	4.25	36,700,210 ³	45.88
Aladdin bin Mohamed Lip	Non-Independent Non-Executive Director	-	-	-	-
Ong Wee Meng	Independent Non-Executive Director	-	-	-	-
Key Management					
Hua Chia Yee	General Manager, Corporate Planning	265,000 ⁶	0.331	-	-
Ng Kim Sing @ Ng Hok Seng	Production Manager	24,000 ⁶	0.030	-	-
Tan Wooi Keat	Finance Manager	10,000 ⁶	0.013	-	-
Loh Beng Hong	Administrative Manager	40,000 ⁶	0.050	-	-
Lim Lee Eng	Human Resource Manager	25,000 ⁶	0.031	-	-
Ang Lay Seang	Assistant Production Manager	10,000 ⁶	0.013	36,700,210 ⁷	45.88
Tang Kok Soon	Head of Marketing	10,000 ⁶	0.013	-	-
Teoh Mooi Yang	Senior Production Executive	10,000 ⁶	0.013	-	-
Goh Wan Chun	Product Development and Quality Assurance Executive	8,000 ⁶	0.010	-	-
Ooi Wooi Him	Quality Control Executive	7,000 ⁶	0.009	-	-

Notes:

1. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping, Ang Chor Teng and Ang Lay Seang.
2. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing, Ang Chor Teng and Ang Lay Seang.
3. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping and Ang Cho Teing.
4. Inclusive of 3,457,798 Shares held through Maju Nominees (Tempatan) Sdn Bhd.
5. Deemed interested by virtue of Section 6A of the Act via its shareholdings in BPIMB.
6. Being the Public Issue Shares allocated as part of the pink form allocation to eligible employees of the KRB Group and assuming that they subscribe in full for their respective allocations.
7. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing and Tai Chok Ping.

Detailed information on the Promoters, Substantial Shareholders, Directors and Key Management of KRB is set out in Section 5 of this Prospectus. Detailed information on the Listing Scheme is set out in Section 4.3 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.3 Financial Highlights

Proforma Consolidated Income Statements

The following is a summary of the proforma audited consolidated results of KRB for the past five FYE 31 December 2002 and seven months financial period ended 31 July 2003, prepared based on the audited financial statements of the companies in the KRB Group and for illustrative purposes, on the assumption that the current structure of the Group had been in existence throughout the financial years/period under review: -

	←----- FYE 31 December -----→					1.1.2003 to 31.7.2003
	1998	1999	2000	2001	2002	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	26,722	30,243	32,061	46,930	54,676	39,268
EBIDTA	6,245	7,652	8,194	12,384	13,398	9,756
Interest expense	(855)	(863)	(809)	(1,472)	(1,744)	(1,157)
Depreciation	(1,273)	(1,453)	(1,645)	(3,198)	(3,614)	(2,552)
Amortisation	-	-	-	-	(8)	(7)
Operating profit	4,117	5,336	5,740	7,714	8,032	6,040
Exceptional items	-	86	958	-	-	-
PBT	4,117	5,422	6,698	7,714	8,032	6,040
Taxation	(349)	144	(886)	(2,039)	(1,172)	(869)
Profit from ordinary activities	3,768	5,566	5,812	5,675	6,860	5,171
Extraordinary items	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Net profit	3,768	5,566	5,812	5,675	6,860	5,171
No. of ordinary shares in issue ('000)	30,155	30,155	30,155	30,155	30,155	30,155
Gross EPS (sen)	13.65	17.98	22.21	25.58	26.64	34.34 *
Net EPS (sen)	12.50	18.46	19.27	18.82	22.75	29.40 *

* Annualised.

Note:

- The assumed issued and paid-up share capital of 30,155,211 ordinary shares of RM1.00 each is based on the issued and paid-up share capital of KRB after the Acquisitions but prior to the Rights Issue, Share Split and Public Issue. For illustrative purposes only, assuming that the Share Split had been effective throughout the financial years and period under review, the gross EPS and net EPS would be one-half the figures stated.

Further details on the proforma consolidated income statements are set out in Section 9.1 and the Accountants' Report in Section 10 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.4 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets of KRB as at 31 July 2003 have been prepared for illustrative purposes only, to show the effects of the Acquisitions, Rights Issue, Share Split and Public Issue in conjunction with the Listing, on the assumption that these transactions were completed on 31 July 2003: -

	Audited KRB as at 31.7.2003 RM'000	Proforma (I) After the Acquisitions RM'000	Proforma (II) After Proforma (I), Share Split and the Rights Issue RM'000	Proforma (III) After Proforma (II), the Public Issue and utilisation of proceeds RM'000
PROPERTY, PLANT AND EQUIPMENT	-	51,197	51,197	51,197
INVESTMENTS	-	500	500	500
TRADE MARKS	-	234	234	234
CURRENT ASSETS				
Inventories	-	11,372	11,372	11,372
Trade debtors	-	13,329	13,329	13,329
Other debtors, deposits and prepayments	-	1,010	1,010	1,010
Fixed deposits with licensed banks	-	5,696	5,696	5,696
Cash and bank balances	**	537	4,382	537
	**	31,944	35,789	31,944
CURRENT LIABILITIES				
Trade creditors	-	983	983	983
Other creditors and accruals	7	1,892	1,892	1,892
Bank borrowings	-	24,691	24,691	16,894
Provision for taxation	-	672	672	672
	7	28,238	28,238	20,441
NET CURRENT (LIABILITIES)/ASSETS	(7)	3,706	7,551	11,503
	(7)	55,637	59,482	63,434
FINANCED BY :				
SHARE CAPITAL	*	30,155	34,000	40,000
SHARE PREMIUM	-	1,505	1,505	4,805
RESERVE ON CONSOLIDATION	-	12,034	12,034	12,034
ACCUMULATED LOSSES	(7)	(7)	(7)	(7)
SHAREHOLDERS' FUNDS	(7)	43,687	47,532	56,832
DEFERRED TAXATION	-	4,159	4,159	4,159
LONG TERM LIABILITIES	-	7,791	7,791	2,443
	(7)	55,637	59,482	63,434
NET TANGIBLE (LIABILITIES)/ASSETS PER ORDINARY SHARE (RM)	(3,500.00)	1.44 ⁽¹⁾	0.70 ⁽²⁾	0.71 ⁽²⁾

* Represents RM2 comprising 2 ordinary shares of RM1.00 each.

** Represents RM2.

(1) Per ordinary share of RM1.

(2) Per ordinary share of RM0.50.

Further details on the proforma consolidated balance sheets of KRB as at 31 July 2003 are set out in Section 9.3 of this Prospectus. The above proforma consolidated balance sheets should be read together with the notes and assumptions to the proforma consolidated balance sheets as set out in Section 9.3 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.5 Audit Qualifications

JB Lau & Associates has been the auditors of KRB, KBB and BBFM for the financial years and period under review. JB Lau & Associates has acted as auditors of KBBEM since the FYE 31 December 2002. Prior to that, the financial statements of KBBEM were audited by another firm of auditors.

The financial statements of all the companies within the Group for all the financial years and period under review have been reported without any audit qualification.

1.6 Summary of Material Risk Factors

In addition to the general risks associated with any investment in the stock market, there are certain additional risks in investing in the KRB Group as well as risks specific to investments in entities engaged in the food manufacturing industry. Applicants for the Public Issue Shares should consider carefully the risk factors that may affect the KRB Group and the industry in which it operates as well as the relevant information contained in this Prospectus. The material risk factors, which are discussed in detail in Section 3, are, *inter alia*, as follows:-

- (i) No Prior Market for KRB Shares
- (ii) Business Risks
- (iii) Investment Activities Risks
- (iv) Financial Risks
- (v) Dependence on Major Suppliers and Customers
- (vi) Dependence on Key Personnel
- (vii) Adequacy of Insurance Coverage on Assets
- (viii) Supply and Costs of Raw Materials
- (ix) Dependency on Single Product
- (x) Political and Economic Considerations
- (xi) Operational Risks
- (xii) Control by Promoters
- (xiii) Competition from New Entrants and Existing Competitors
- (xiv) Threat of Substitute Products
- (xv) Vulnerability to Import
- (xvi) System disruption
- (xvii) Environmental Concerns
- (xviii) Dependence on Foreign Labour
- (xix) Disclosure Regarding Forward-Looking Statements

1. INFORMATION SUMMARY (Cont'd)

1.7 Profit Estimate and Forecast

FYE 31 December	Estimate 2003 RM'000	Forecast 2004 RM'000
Revenue	67,283	71,515
PBT	10,802	12,146
Taxation	(1,868)	(2,008)
PAT	8,934	10,138
Minority interests	-	-
Profit after taxation and minority interests	8,934	10,138
Pre-acquisition profits ⁽¹⁾	(6,751)	-
Net profit	2,183	10,138
Issued and paid-up Share capital:		
(i) number of Shares in issue ('000)	68,000	80,000
(ii) weighted average number of Shares in issue ('000) ⁽²⁾	15,398	78,500
Based on consolidated PBT/PAT before deducting pre-acquisition profits and on the number of Shares in issue		
Gross EPS (sen)	15.89	15.18
Net EPS (sen)	13.14	12.67
Gross PE Multiple (times) ⁽³⁾	5.66	5.93
Net PE Multiple (times) ⁽³⁾	6.85	7.10
Based on consolidated PBT/PAT before deducting pre-acquisition profits and on the weighted average number of Shares in issue		
Gross EPS (sen)	70.15	15.47
Net EPS (sen)	58.02	12.91
Gross PE Multiple (times) ⁽³⁾	1.28	5.82
Net PE Multiple (times) ⁽³⁾	1.55	6.97
Based on consolidated PBT/PAT after deducting pre-acquisition profits and on the number of Shares in issue		
Gross EPS (sen)	4.38 ⁽⁴⁾	15.18
Net EPS (sen)	3.21	12.67
Gross PE Multiple (times) ⁽³⁾	20.55	5.93
Net PE Multiple (times) ⁽³⁾	28.04	7.10

1. INFORMATION SUMMARY (Cont'd)

FYE 31 December	Estimate 2003 RM'000	Forecast 2004 RM'000
Based on consolidated PBT/PAT after deducting pre-acquisition profits and on the weighted average number of Shares in issue		
Gross EPS (sen)	19.35 ⁽⁴⁾	15.47
Net EPS (sen)	14.18	12.91
Gross PE Multiple (times) ⁽³⁾	4.65	5.82
Net PE Multiple (times) ⁽³⁾	6.35	6.97

Notes:

1. *The pre-acquisition profits are computed based on the estimated profits for the 9 months period ended 30 September 2003.*
2. *The weighted average number of Shares in issue is computed based on the assumption that the Acquisitions were completed in early October 2003, the Rights Issue and Share Split were completed in mid December 2003 and the Public Issue is completed by mid February 2004.*
3. *The gross/net PE Multiple is computed based on the Issue Price of RM0.90 per Share over the gross/net EPS.*
4. *Computed based on the consolidated PBT after pre-acquisition PBT of approximately RM7.82 million (for 9 months period ended 30 September 2003).*
5. *The profit forecast for the FYE 31 December 2004 reflects the profits for the full year in view that the Acquisitions were completed in early October 2003.*

The principal bases and assumptions upon which the consolidated profit estimate and forecast of KRB have been made are set out in Section 9.2.2 of this Prospectus.

Dividend Estimate and Forecast

FYE 31 December	Estimate 2003	Forecast 2004
Tax exempt dividend per Share (sen)	-	1.75
Tax exempt dividend yield based on the Issue Price of RM0.90 per Share (%)	-	1.94
Net dividend cover (times)	-	7.24

1.8 Proforma Group NTA

Proforma Consolidated NTA as at 31 July 2003 (after the Acquisitions, Rights Issue, Share Split, Public Issue and after deducting estimated listing expenses of RM1,500,000) (RM'000)	56,598
Proforma Consolidated NTA per Share (based on the enlarged share capital of 80,000,000 Shares) (RM)	0.71

Please refer to Section 2.7 of the Prospectus for details of the estimated listing expenses.

1. INFORMATION SUMMARY (Cont'd)

1.9 Principal Statistics Relating to the Public Issue

1.9.1 Share Capital

	RM
Authorised	
100,000,000 ordinary shares of RM0.50 each	50,000,000
Issued and fully paid-up as at the date of this Prospectus	
68,000,000 ordinary shares of RM0.50 each	34,000,000
To be issued pursuant to the Public Issue	
12,000,000 new ordinary shares of RM0.50 each	6,000,000
	<u>40,000,000</u>

1.9.2 Issue Price

The Issue Price per Share	RM0.90
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1.9.3 Class of Shares

There is only one class of shares in KRB, namely, ordinary shares of RM0.50 each, all of which rank *pari passu* with one another. The Public Issue Shares to be issued pursuant to this Prospectus will rank *pari passu* in all respects with the existing Shares of the Company including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the Public Issue Shares.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the shareholders of ordinary shares in the Company shall be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company in accordance with the Company's Articles of Association.

At every general meeting of the Company, every shareholder shall be entitled to vote in person or by proxy or by attorney or by other duly authorised representative. On a show of hands, every person who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and in the case of a poll every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

1.10 Utilisation of Proceeds

The total gross proceeds of approximately RM14.645 million (arising from the Rights Issue and Public Issue) will accrue to the Company and will be utilised in the following manner: -

	RM'000
Repayment of bank borrowings	13,145
Payment of estimated listing expenses	1,500
	<u>14,645</u>

Details of the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.11 Material Litigation, Commitment and Contingent Liabilities

1.11.1 Material Litigation

As at 31 December 2003, KRB and its subsidiary companies are not engaged in any material litigation either as plaintiff or defendant and the Directors of KRB do not have any knowledge of any proceedings pending or threatened against KRB or its subsidiary companies or of any facts likely to give rise to any proceedings, which might materially affect the position or business of KRB and its subsidiary companies.

1.11.2 Contingent Liabilities

As at 31 December 2003, the Directors of KRB confirm that there are no contingent liabilities, which have become enforceable, or are likely to become enforceable, which will affect the ability of the Company or any of its subsidiaries to meet their obligations as and when they fall due.

1.11.3 Capital Commitment

As at 31 December 2003, the KRB Group has authorised and contracted for material capital commitments amounting to RM249,000 for the purchase of machinery.

Further details of the material litigation, contingent liabilities and capital commitment (if any) are set out in Section 9.1.4 of this Prospectus.

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