

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT

5.1 Promoters and Substantial Shareholders

5.1.1 Promoters

The Promoters of KRB are Ang Cho Teing, Tai Chok Ping and Ang Chor Teng. Detailed information of the promoters is as set out below:-

Name	Nationality	Designation	Shareholdings after the Public Issue			
			<-----Direct----->		<-----Indirect----->	
			No. of Shares	%	No. of Shares	%
Ang Cho Teing	Malaysian	Group Managing Director	29,360,172 ⁴	36.70	10,749,922 ¹	13.44
Tai Chok Ping	Malaysian	Executive Director	7,340,038	9.18	32,770,056 ²	40.96
Ang Chor Teng	Malaysian	Executive Director	3,399,884	4.25	36,700,210 ³	45.88

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.

5.1.2 Substantial Shareholders

Based on the Register of Substantial Shareholders shareholdings as at 31 December 2003 (being the latest practicable date prior to the printing of this Prospectus), the substantial shareholders of the Company after the Public Issue are as follows:-

Name	Nationality/ Place of Incorporation	Designation	Shareholdings after the Public Issue			
			<-----Direct----->		<-----Indirect----->	
			No. of Shares	%	No. of Shares	%
Ang Cho Teing	Malaysian	Group Managing Director	29,360,172 ⁴	36.70	10,749,922 ¹	13.44
Tai Chok Ping	Malaysian	Executive Director	7,340,038	9.18	32,770,056 ²	40.96
Ang Chor Teng	Malaysian	Executive Director	3,399,884	4.25	36,700,210 ³	45.88
BPIMB	Malaysia	-	13,600,000	17.00	-	-
MOF	Malaysia	-	-	-	13,600,000 ⁵	17.00
Ang Lay Seang	Malaysian	Assistant Production Manager	10,000 ⁶	0.013	36,700,210 ⁷	45.88

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 KRB and its subsidiaries and assuming that she subscribes in full for her allocation.
7. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing and Tai Chok Ping.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.1.3 Background information on the promoters/substantial shareholders of KRB

(i) Ang Cho Teing, Tai Chok Ping and Ang Chor Teng

The profiles of Ang Cho Teing, Tai Chok Ping and Ang Chor Teng are set out in Section 5.2.2 of this Prospectus.

(ii) BPIMB

BPIMB was incorporated on 28 November 1973 as a public limited company under the name of Bank Pembangunan Malaysia Berhad. It assumed its present name on 14 January 1999. It is principally engaged in every aspect of the banking business and in assisting business enterprises in Malaysia.

The Directors of BPIMB, all of whom are Malaysian, as at 31 December 2003 are set out below: -

Datuk Mohamed Adnan bin Ali
Dato' Abdul Rahim Mohd Zin
Datuk Nik Ibrahim Nik Abdullah
Datuk Zakiah binti Hashim
Puan Ilani binti Mohd Ibrahim
Dato' Abdul Rahim Abu Bakar
Dato' Abd. Rahman bin Husin (*alternate to Datuk Zakiah hinti Hashim*)

None of the Directors has any direct or indirect shareholdings in BPIMB. The substantial shareholder of BPIMB as at 31 December 2003 is MOF, which holds 99.99% of the total issued and paid-up share capital.

(iii) Ang Lay Seang

The profile of Ang Lay Seang is set out in Section 5.4.1 of this Prospectus.

5.1.4 Directorship and substantial shareholdings in all other public corporations for the past two years

Save for BPIMB as disclosed below, none of the promoters/substantial shareholders above has directorships or substantial shareholdings, direct or indirect of 5% or more of the issued and paid-up share capital in other public corporations for the past two years:

Company	Place of Incorporation	←-----Direct-----→		←----Indirect----→	
		No. of Shares	%	No. of Shares	%
Apex Healthcare Berhad	Malaysia	8,823,155	13.51 ¹	-	-
Metrod (M) Berhad	Malaysia	13,597,500	22.66 ¹	-	-
Techventure Berhad	Malaysia	5,000,000	10.00 ¹	-	-

Note:

1. As at 31 December 2003.

5.1.5 Knowledge and Experience of Promoters

The profiles of Ang Cho Teing, Tai Chok Ping and Ang Chor Teng are set out in Section 5.2.2 of this Prospectus.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.1.6 Changes in shareholdings of promoters/substantial shareholders of KRB for the past three years

Save as disclosed below, there has been no changes in the shareholdings of promoters/substantial shareholders of KRB for the past 3 years: -

Shareholders	No. of Shares Held from 1 January 2001 to 31 December 2001			No. of Shares Held from 1 January 2002 to 31 December 2002			No. of Shares Held from 1 January 2003 to 31 December 2003#					
	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct	Indirect	Acquisition	Disposal	Direct**	Indirect
Saik Thim Moon	-	-	-	-	1*	-	1	-	-	-	-	-
Loo Chye Sheng	-	-	-	-	1*	-	1	-	-	-	-	-
Ang Hong Peng	-	-	-	-	-	-	-	-	1	-	2	-
Tan Choong Khiaang	-	-	-	-	-	-	-	-	1	-	2	-
Ang Cho Teing	-	-	-	-	-	-	-	-	-	-	-	10,739,922 ¹
Tai Chok Ping	-	-	-	-	-	-	-	-	-	-	7,340,038	32,760,056 ²
Ang Chor Teng	-	-	-	-	-	-	-	-	-	-	3,399,884 ³	36,700,210 ³
BPIMB	-	-	-	-	-	-	-	-	-	-	13,600,000	13,600,000 ⁵
MOF	-	-	-	-	-	-	-	-	-	-	-	36,700,210 ⁶
Ang Lay Seang	-	-	-	-	-	-	-	-	-	-	-	-
Saffie bin Bakar	-	-	-	-	-	-	-	-	-	-	3,597,072 ⁷	-

Notes:

* Subscribers

** After Share Split.

Latest practicable date prior to the printing of the Prospectus.

1. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping and Ang Chor Teng.

2. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing and Ang Chor Teng.

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. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing and Tai Chok Ping.

7. Saffie bin Bakar will cease to be a substantial shareholder of KRB after the Public Issue.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.2 Directors

5.2.1 Shareholdings

The shareholdings of the Directors in KRB, who are all Malaysian, before and after the Public Issue will be as follows: -

Directors	Designation	←-----Before the Public Issue-----→				←-----After the Public Issue-----→			
		Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Md Kamal bin Bilal	Chairman/Independent Non-Executive Director	-	-	-	-	-	-	-	-
Ang Cho Teing	Group Managing Director	29,360,172 ⁴	43.18	10,739,922 ¹	15.79	29,360,172 ⁴	36.70	10,749,922 ¹	13.44
Tai Chok Ping	Executive Director	7,340,038	10.79	32,760,056 ²	48.18	7,340,038	9.18	32,770,056 ²	40.96
Ang Chor Teng	Executive Director	3,399,884	5.00	36,700,210 ³	53.97	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	-	-	-	-	-	-	-	-

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.

5.2.2 Profile of Directors

Md Kamal bin Bilal, aged 41, was appointed the Chairman of KRB on 3 November 2003. He entered the job market at the age of 20 and served with the Ministry of National & Rural Development for 13 years. After gaining 13 years of experience in the government sector, he diverted his career into the business sector where he obtained a Proton Edar Dealership for Penang. He practiced hands-on management in his Proton Edar Dealership where he acquired valuable business experiences. Having equipped himself with business management skills and experiences, he diverted his career to the corporate world. In 2000, The Store Corporation Berhad appointed him as a Director and in 2001, he was re-designated as an Executive Director of the company. In November 2001, he was appointed as the Chairman of The Store Corporation Berhad and holds the position till today.

Ang Cho Teing, aged 50, was appointed as the Group Managing Director of KRB on 3 November 2003. He is the Founder of the KRB Group and the prime-mover in formulating, nurturing and implementing the KRB Group's business strategies since its incorporation in 1984. He has gained in-depth knowledge, skills and expertise in all aspects of the vermicelli industry via his involvement in the industry for the past 20 years and through numerous courses offered in Taiwan.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT
(Cont'd)

He started his career with Hong Lee, a vermicelli manufacturer, in 1972. In early 1980's, he set up a partnership known as Kilang Bihun Sin Hong Lee. Subsequently in 1984, he set up his own sole proprietorship known as Bersatu Kilang Bihun, which was principally involved in the trading and manufacturing of vermicelli, rice flour, "koay teow", noodles, oyster sauce, fruit juice, instant bihun and instant noodles. With foresight, he envisioned the opportunities in the local vermicelli industry and converted Bersatu Kilang Bihun into KBB in 1988. The KRB Group has grown from strength to strength under his leadership. His foresight and expertise have turned the KRB Group into a reputable integrated vermicelli manufacturer in Malaysia.

Tai Chok Ping, aged 47, was appointed as an Executive Director of KRB on 3 November 2003. She is one of the founders of the KRB Group and has more than 25 years of experience in the vermicelli industry. She joined Tai Lean Hardware as a General Clerk in 1976, shortly after the completion of her secondary education. In early 1980's, she assisted her husband Mr Ang Cho Teing in the management of Kilang Bihun Sin Hong Lee. In 1984 she joined Bersatu Kilang Bihun and subsequently co-founded KBB with Mr Ang Cho Teing in 1988. She rose through rank and file to her current position through the years with the Group. Currently, she is responsible for the management and co-ordination of the administration of the Group. She is also involved in packing and design and product development of the Group.

Ang Chor Teng, aged 44, was appointed as an Executive Director of KRB on 3 November 2003. He started his career with Hong Lee, a vermicelli manufacturer, in 1974 as Production Trainee and was subsequently promoted to Production Supervisor in 1975. He left Hong Lee in 1980 to join SunJiang Trading as a Sales Representative, where his responsibilities included the planning and marketing of household consumer products. He resigned in 1985 to join Bersatu Kilang Bihun as a Marketing Representative whereby he supervised the marketing department. In 1991, he left KBB to join Fettes Food Trading Company, which is principally involved in the production and trading of confectionery and sweeteners products as a Production Manager. He rejoined KBB in 1997 as a General Manager and currently, he is responsible for the day-to-day operations of the Group that involves production, marketing, finance and corporate affairs as well as the formulation of business strategies to enhance profitability and growth. He is also involved in the product development department.

Aladdin bin Mohamed Lip, aged 54, was appointed a Director of KRB on 3 November 2003. He started his career as an Audit Assistant with Coopers & Lybrand (*currently known as PriceWaterhouseCoopers*) in 1973. He subsequently left two years later to join Bank Pembangunan Malaysia Berhad and gained valuable experience in development banking and investment. In 1977, he was seconded to a subsidiary, Pembangunan Leasing Corporation Sdn Bhd as a General Manager. In 1982, he left the Bank Pembangunan group to join Talam Leasing Sdn Bhd, a subsidiary of Island and Peninsular Bhd group, as the General Manager. In 1986, he served as Audit Manager in Lim, Ali & Co./Arthur Young & Co. (*currently known as Ernst & Young*) prior to joining Shell Malaysia Trading Sdn Bhd as Group Corporate Accountant in 1988.

He rejoined BPIMB in 1990 and served in various positions in development banking before he was promoted as General Manager of Service Sector in 1994. Currently, he is the General Manager of Corporate Management Sector, overseeing risk management, investment and project rehabilitation. He sits on the Boards of various subsidiaries of BPIMB.

He is a Fellow Member of the Chartered Association of Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

Ong Wee Meng, aged 44, was appointed a Director of KRB on 3 November 2003. He graduated with a Bachelor of Business Administration (Honours) in Finance and Marketing from National University of Malaysia (UKM) in 1984. He started his career as a Bank Officer in Lee Wah Bank Ltd (*now known as United Overseas Bank Berhad*) in 1984. He then joined Oriental Bank Berhad on 1 October 1990 as a Branch Manager and on 1 July 1997, he was promoted to Area Manager (Northern Branches) until 17 June 1999. Between 1 July 1999 to 31 March 2000, he was a Partner in a consulting and accounting firm known as Tan & Loh Management & Consulting Services. He was appointed to the Board of Seal Incorporated Berhad as an Independent Director and a member of the Audit Committee on 11 April 2002. Subsequently, he was redesignated to Executive Director and was appointed as a member of the Executive Committee on 26 November 2002. Prior to his appointment to the Board of Seal Incorporated Berhad, he was the Deputy Managing Director of Kelpen Resources Sdn Bhd and Kelpen Plastics Technology Sdn Bhd (*formerly known as Sanda Plastics Sdn Bhd*), and holds the positions till today. He is also a Director of Great Eastern Mills Bhd since December 2002.

5.2.3 Directors' Directorships and Substantial Shareholdings in other public corporations for the past two years

Saved as disclosed below, none of the Directors has any directorships and/or substantial shareholdings, direct or indirect, of 5% or more of the issued and paid-up share capital in other public corporations for the past two years: -

Name	Company	Appointment Date	Shareholdings	
			Direct	Indirect
Md Kamal bin Bilal	The Store Corporation Berhad	2.11.01	-	-
Ong Wee Meng	Seal Incorporated Berhad	11.04.02	-	-
	Great Eastern Mills Bhd	2.12.02	-	-

5.2.4 Directors' Remuneration and Benefits

The remuneration paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the FYE 31 December 2002 amounted to RM254,400. For the FYE 31 December 2003 and 31 December 2004, the remuneration payable to the Directors is estimated and forecasted at RM300,000 and RM350,000 respectively.

FYE 31 December	2002 No. of Director	2003 No. of Director	2004 No. of Director
Aggregate Remuneration			
Within RM50,001 to RM100,000	3	3	3
Below RM50,000	-	3	3

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.3 Audit Committee

The composition of the Audit Committee is as follows:-

Name	Designation	Directorship
Ong Wcc 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

The main functions of the Audit Committee include the review of audit plan and audit report with the Auditor, review of Auditor's evaluation of internal accounting controls, review of the scope of internal audit procedures, review of financial statements and nominations of Auditors.

5.4 Key Management of the KRB Group

5.4.1 Key Management

The management of the KRB Group is headed by Ang Cho Teing, Tai Chok Ping and Ang Chor Teng who are assisted by a team of management personnel comprising: -

Hua Chia Yee, aged 30, was appointed as the General Manager, Corporate Planning of the KRB Group in October 2003. He is a CFA charterholder and an Associate Member of the Association of Chartered Certified Accountants (ACCA). He is responsible for the Corporate Planning and Finance department of the KRB Group. He started his career as an Officer, Corporate Finance, with RHB Sakura in 1996 and was promoted through various positions prior to his appointment as Manager, Corporate Finance in 2000. He brings with him a diverse range of experience in corporate finance and corporate planning.

Ng Kim Sing @ Ng Hok Seng, aged 68, is the Production Manager of the KRB Group. He has been in the vermicelli manufacturing business since 1962, initially as Production Executive with Tong Au Mee Hoon Sdn Bhd until 1970 when he started his own business known as Thin Lee Hoong Beehoon Factory, which was principally involved in vermicelli manufacturing. Prior to joining Bersatu Kilang Bihun, he was the Production Manager of Chip Lai Heng Bee Hoon Factory. He has over 40 years of experience in the vermicelli industry. His responsibilities include overseeing the overall production process and maintaining strict quality control of KBB's manufacturing operation. He is also in charge of the product development department.

Tan Woi Keat, aged 34, joined KRB as Finance Manager in February 2003. He is a member of the Association of Chartered Certified Accountants (ACCA), United Kingdom and also a member of Malaysian Institute of Accountants. He began his career in B.Braun Medical Industrial as an Accounts Clerk in 1993. He moved to Zenmax Industries Sdn Bhd in 1995 as an Accounts Assistant where he was mainly responsible for the preparation and review of the financial statements. In 2000, Mr Tan joined Agilent Technologies (M) Sdn Bhd as a Finance Analyst where he was mainly responsible for the review of the cost and management accounting function. He is currently responsible for the preparation, planning and reporting of the KRB Group's financial statements. Mr. Tan is also responsible for overseeing and improving the internal controls of the Group.

Loh Beng Hong, aged 34, is the Administration Manager of the KRB Group. She began her career with Double Horse Tea Merchants Sdn Bhd as a General Clerk in 1988 upon completing her secondary education. Three years later, she joined KBB as an Accounts Clerk and rose through rank and file to her current position in 1998. Her responsibilities include overseeing the general and administration function of the KRB Group.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

Lim Lee Eng, aged 33, joined the KRB Group as the Human Resource Manager in April 2003. Ms Lim began her career in the Quality System Department of Read-Rite (Malaysia) Sdn Bhd as a Document Control Assistant Officer in 1992. While in Read-Rite (Malaysia) Sdn Bhd, she pursued an off-campus course and graduated in 1998 with a Bachelor of Social Science (Honours) from Universiti Sains Malaysia. She left Read-Rite (Malaysia) Sdn Bhd in 1998 to join FWIG (M) Sdn Bhd, a logistic company on a contract basis as a Project Coordinator and Planner, where she was mainly responsible for the coordination of special projects in Thailand, Singapore, the Philippines and US. Upon completing her contract in 1999, she joined Teleplan Technologies (M) Sdn Bhd as a Matrix Controller and was mainly responsible for the analysis of product complexity and customers' requirement. Ms Lim left Teleplan Technologies (M) Sdn Bhd in 2000 to join Sing Ta Nian group of companies as a Personal Assistant to the Managing Director whereby her main job function is to assist the Managing Director to ensure his daily matters are attended to promptly. As the Human Resource Manager of the KRB Group, Ms Lim is responsible for the administration and management of the KRB Group's human resources.

Ang Lay Seang, aged 25, joined the KRB Group in April 2002 as an Assistant Production Manager. She graduated with a Bachelor of Forestry Science in 2002 from Universiti Putra Malaysia. Her responsibilities include overseeing the overall production process and maintaining strict quality control of the Group's manufacturing operation. She is also a member of the product development team.

Tang Kok Soon, aged 43, is the Head of Marketing of the KRB Group. Prior to joining the KRB Group, he was principally involved in the marketing of wet and dry foodstuff. He has over 20 years of experience in the marketing of foodstuff. He joined KBB in June 1997 as a Sales Executive and rose to his current position in 1998. His responsibilities include sales, marketing and product development of the KRB Group.

Teoh Mooi Yang, aged 38, is the Senior Production Executive of the KRB Group. She began her career with General Electric (Audio) Malaysia Sdn. Bhd. as Production Assistant Line Leader in 1980 upon completing her secondary education. In 1981, she joined Franklin Porcelain Sdn. Bhd. as a Production Supervisor. Subsequently in 1984, Ms Teoh joined Asia Porcelain Sdn. Bhd. (Selangor) as Production Manager for one year before she joined Moden Porcelain Sdn. Bhd. as a Production Supervisor. She spent 7 years in Moden Porcelain Sdn. Bhd. before she joined Aura Ceramics Sdn. Bhd. as a Production Supervisor in 1992. Ms Teoh joined KBB as a Production Executive in November 2001 and was promoted to her current position in January 2003. She has over 20 years of experience in manufacturing supervisory. Her responsibilities include overseeing the overall production process and maintaining strict FSQC of the KRB Group's manufacturing operation.

Goh Wan Chun, aged 25, joined the KRB Group in April 2002 as a Product Development and Quality Assurance Executive. He graduated in March 2002 with a Bachelor of Science Degree (Honours) from Universiti Putra Malaysia. His responsibilities include establishing and maintaining the Quality Management System, setting and achieving quality goals for the Group and monitoring the quality of the raw materials used in the Group's production process.

Ooi Wooi Him, aged 25, joined the KRB Group in May 2003 as a Quality Control Executive. He graduated in 2002 with a Bachelor of Science Degree (Honours) from Universiti Putra Malaysia. His responsibilities include maintaining and monitoring FSQC compliance for the Group's production process.

In order to maintain the HACCP system and further improve the quality and safety of the Group's products, the KRB Group has engaged Leong Khoon Huat as a Quality and Food Safety Adviser under a Service Contract dated 1 October 2002.

5.4.2 Shareholding of Management

Save for their respective entitlements of the Public Issue Shares reserved for application by the eligible employees of the KRB Group, the members of management set out above has no shareholding in KRB.

5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.5 Declaration from the Directors and Key Management Team

Save as disclosed below, none of the Directors or the key management team is or was involved in the following events:

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (ii) Conviction in a criminal proceeding or is a named subject of pending criminal proceedings; or
- (iii) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.

Encik Aladdin bin Mohamed Lip was a Director of Transtherm Engineering & Construction Sdn Bhd ("TEC"), which was served with 2 winding-up petitions by Danamin Trade & Services Sdn Bhd and MPL Engineering Sdn Bhd on 18 June 2003 and 17 July 2003 respectively. Encik Aladdin bin Mohamed Lip's appointment in TEC was as a Nominee Director of BPIMB, to safeguard BPIMB's interest pursuant to credit facilities granted by BPIMB to TEC.

Neither Encik Aladdin bin Mohamed Lip nor BPIMB was involved in the day-to-day running of the business of TEC. Encik Aladdin bin Mohamed Lip resigned as a Director of TEC effective from 2 September 2003. Encik Aladdin bin Mohamed Lip's liability for TEC's debts is limited to the statutory debts owed by TEC whilst Encik Aladdin bin Mohamed Lip was a Director of TEC of which he is fully indemnified by BPIMB. Encik Aladdin bin Mohamed Lip has not been disqualified to act as a Director under Section 130A of the Act.

5.6 Family Relationship

Ang Cho Teing is the spouse of Tai Chok Ping, father of Ang Lay Seang and brother of Ang Chor Teng. Ang Chor Teng is the brother of Ang Cho Teing, brother-in-law of Tai Chok Ping and uncle of Ang Lay Seang. Tai Chok Ping is the spouse of Ang Cho Teing, mother of Ang Lay Seang and sister-in-law of Ang Chor Teng. Ang Lay Seang is the daughter of Ang Cho Teing and Tai Chok Ping and niece of Ang Chor Teng. Save as disclosed above, none of the Directors and senior management of the KRB Group are related to each other.

5.7 Continuity in Management

The KRB Group recognises the need to ensure continuity in its management in order to maintain the Group's competitive edge over its competitors. The Board of Directors of KRB believes that the continued success of the KRB Group will depend on, *inter alia*, the ability, support and dedication of its management personnel. The loss of any key personnel of the Group could adversely affect the Group's performance.

Towards this, the Group has in place human resource policies which are designed to retain and improve the skills of its management personnel which include, *inter alia*, the provision of continuous on-the-job training, training programmes and monetary incentives based on staff performance. The Group's human resource policies are also designed to groom and encourage the middle management to gradually assume the responsibilities of the Group's senior management.

**5. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS & KEY MANAGEMENT
(Cont'd)**

5.8 Existing or Proposed Service Contracts

There are no existing or proposed service contracts between Directors, key management personnel and the Company or its subsidiary companies.

5.9 Involvement of Executive Directors/Key Management in Other Businesses/Corporations

None of the Executive Directors/key management is involved in other businesses or corporations.

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6. APPROVALS AND CONDITIONS

6.1 Approvals and Conditions

The FIC approved the Listing Scheme on 30 December 2002, 25 September 2003, 8 October 2003 and 5 January 2004. The MITI approved the Listing Scheme on 14 February 2003, 9 October 2003 and 26 December 2003 while the SC approved the Listing Scheme on 6 August 2003, 18 December 2003 and 13 January 2004.

No conditions have been imposed by the FIC in its approval of the Listing Scheme. The conditions imposed by MITI and the SC and their respective status of compliance are set out below.

Conditions Imposed		Status on Compliance																					
<p><i>Conditions imposed by MITI vide its letters dated 14 February 2003, 9 October 2003 and 26 December 2003</i></p>																							
1.	KRB is to obtain the approvals of the FIC and the SC.	Complied. KRB has obtained approvals from SC on 6 August 2003, 18 December 2003 and 13 January 2004 and from FIC on 30 December 2002, 25 September 2003, 8 October 2003 and 5 January 2004.																					
2.	MITI has recognised the following shareholdings in KRB as Bumiputera shareholdings of KRB ("Approved Bumiputera Shareholdings"):	To be complied.																					
	<table border="1"> <thead> <tr> <th>Name</th> <th>Number of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>BPIMB</td> <td>13,600,000</td> <td>17.0</td> </tr> <tr> <td>Saffie bin Bakar</td> <td>3,597,072</td> <td>4.5</td> </tr> <tr> <td>Rithauddin Hussein Jamalattiff bin Jamaluddin</td> <td>3,202,684</td> <td>4.0</td> </tr> <tr> <td>Azlin bin Khalid</td> <td>2,400,318</td> <td>3.0</td> </tr> <tr> <td>Ahmad Kamarudin bin Ismail</td> <td>1,699,944</td> <td>2.1</td> </tr> <tr> <td></td> <td>24,500,018</td> <td>30.6</td> </tr> </tbody> </table>	Name	Number of Shares	%	BPIMB	13,600,000	17.0	Saffie bin Bakar	3,597,072	4.5	Rithauddin Hussein Jamalattiff bin Jamaluddin	3,202,684	4.0	Azlin bin Khalid	2,400,318	3.0	Ahmad Kamarudin bin Ismail	1,699,944	2.1		24,500,018	30.6	
Name	Number of Shares	%																					
BPIMB	13,600,000	17.0																					
Saffie bin Bakar	3,597,072	4.5																					
Rithauddin Hussein Jamalattiff bin Jamaluddin	3,202,684	4.0																					
Azlin bin Khalid	2,400,318	3.0																					
Ahmad Kamarudin bin Ismail	1,699,944	2.1																					
	24,500,018	30.6																					
	<p>The recognition of the above Approved Bumiputera Shareholdings is subject to the following:</p> <p>(a) 30% of the above portion of the Approved Bumiputera Shareholdings can be sold during the 12 months period after the listing of KRB; and</p> <p>(b) the remaining 70% of the above Approved Bumiputera Shareholdings can only be sold thereafter in stages upon obtaining the prior approval of MITI.</p>																						

6. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed		Status on Compliance															
<i>Conditions imposed by the SC vide its letters dated 6 August 2003, 18 December 2003 and 13 January 2004</i>																	
1.	The proposed utilisation of proceeds are subject to the following conditions:																
	(i) The SC's approval must be obtained in the event of any changes to the original utilisation of proceeds if such changes involve the utilisation other than for the core business of the KRB Group;	To be complied, if applicable.															
	(ii) The approval of the shareholders of KRB must be obtained for any subsequent deviation amounting to 25% or more from the original utilisation of proceeds. In the event the deviation is less than 25%, necessary disclosure must be made to the shareholders of KRB;	To be complied, if applicable.															
	(iii) Any extension of time for the fixed period which has been determined by KRB for the utilisation of the said proceeds must be approved under a final resolution by the Board of Directors of KRB and should be fully disclosed to MSEB; and	To be complied, if applicable.															
	(iv) Necessary disclosures relating to the status of the said utilisation of proceeds is required to be made in the quarterly and Annual Reports of KRB until the proceeds are fully utilised.	To be complied.															
2.	Moratorium will be imposed on the disposal of 36,000,000 Shares in KRB, representing 45% of the enlarged issued and paid-up share capital of KRB, held by the shareholders of KRB, as stated in Paragraph 6.24 of the SC's Guidelines. In connection to this, they are not allowed to sell, transfer or assign their shareholdings for one year from the date of admission of KRB to the Second Board.	To be complied.															
	<table border="1"> <thead> <tr> <th>Shareholders under moratorium</th> <th>Number of Shares under Moratorium</th> <th>% of Enlarged Issued and Paid-up Share Capital</th> </tr> </thead> <tbody> <tr> <td>Ang Cho Teing</td> <td>21,694,066</td> <td>27.12</td> </tr> <tr> <td>Tai Chok Ping</td> <td>6,655,934</td> <td>8.32</td> </tr> <tr> <td>BPIMB</td> <td>6,120,000</td> <td>7.65</td> </tr> <tr> <td>Ang Chor Teng</td> <td>1,530,000</td> <td>1.91</td> </tr> </tbody> </table>	Shareholders under moratorium	Number of Shares under Moratorium	% of Enlarged Issued and Paid-up Share Capital	Ang Cho Teing	21,694,066	27.12	Tai Chok Ping	6,655,934	8.32	BPIMB	6,120,000	7.65	Ang Chor Teng	1,530,000	1.91	
Shareholders under moratorium	Number of Shares under Moratorium	% of Enlarged Issued and Paid-up Share Capital															
Ang Cho Teing	21,694,066	27.12															
Tai Chok Ping	6,655,934	8.32															
BPIMB	6,120,000	7.65															
Ang Chor Teng	1,530,000	1.91															
3.	The KRB Group's Managing Director, Executive Director and senior management must be under the employment of the Group on a full time basis.	Complied.															
4.	In connection to the notices received from Jabatan Alam Sekitar ("JAS") Sarawak and Pulau Pinang, KRB and its promoters are required to furnish to the SC written confirmations that the KRB Group has complied with all the requirements of JAS as stated in their letters dated 20 May 2003 (JAS, Sarawak) and 28 May 2003 (JAS, Pulau Pinang). In relation to the ingredients and product safety, KRB and its promoters are also required to furnish to the SC undertakings that all the KRB Group's products comply and will continue to comply with the requirements of the Ministry of Health, Malaysia.	Complied. The written confirmations and undertakings by KRB and its promoters have been furnished to the SC on 9 January 2004 and 15 January 2004.															

6. APPROVALS AND CONDITIONS (*Cont'd*)

Conditions Imposed	Status on Compliance
5. KRB and its promoters are required to furnish to the SC undertakings that the KRB Group shall implement the HACCP system or any other systems similar to the HACCP system: <ul style="list-style-type: none"> (a) to all its existing factories within a year from the date of the SC's approval letter; and (b) to all its future factories before the commencement of its production process; and KRB shall at all times comply with all the requirements of authorities which are relevant to its products and production process.	Complied. The written undertakings by KRB and its promoters have been furnished to the SC on 9 January 2004.
6. The independent party who advises KRB to comply with the requirements of JAS Sarawak and JAS Pulau Pinang as stated in their letters dated 20 May 2003 and 28 May 2003 respectively, is required to furnish to the SC a written confirmation and final report in relation to the status of compliance of the KRB Group with the said requirements.	Complied. A written confirmation and a final report by the independent party have been furnished to the SC on 6 January 2004.
7. RHB Sakura / KRB must make full disclosure in KRB's prospectus with regards to the following matters:	
(a) RHB Sakura's conflict of interest position and KRB's awareness of this conflict of interest position;	Complied. Appropriate disclosures have been made in Section 7.3 of this Prospectus.
(b) The risk factors of the industry in which the KRB Group operates in and the steps taken/will be taken to mitigate these risks; and	Complied. Appropriate disclosures have been made in Section 3 of this Prospectus.
(c) The status of compliance with all the conditions of authorities' approval.	Complied. Appropriate disclosures have been made in Section 6.1 of this Prospectus.
8. In relation to the term "Research and Development" ("R&D") used in the prospectus, RHB Sakura/KRB should change it to other terms which are more reflective of the innovative and value-added activities carried out by the KRB Group.	Complied. The term R&D has been replaced by "Product Development", wherever applicable.
9. The 6,000,000 KRB Shares which are required to be allocated to the Malaysian public via ballot may be clawed-back for private placement in the event of under-subscription for the said Shares under the public ballot and the total number of Shares to be clawed-back shall be limited to the total number of Shares not subscribed for under the public ballot.	To be complied, if applicable.
10. In relation to the winding-up petitions against Transtherm Engineering & Construction Sdn Bhd ("TEC"), which involved Encik Aladdin bin Mohamed Lip, who is a Director of KRB, being a Director of TEC at that point of time, RHB Sakura/KRB must make detailed disclosure with regards to the aforesaid matter in KRB's prospectus.	Complied. Please refer to Section 5.5 of this Prospectus.

6. APPROVALS AND CONDITIONS (Cont'd)

6.2 Moratorium on Shares

Under the SC Guidelines, the substantial shareholders and/or promoters of KRB will not be allowed to sell, transfer, or assign their shareholdings amounting to 45% of the enlarged issued and paid-up capital of KRB for 1 year from the date of admission of KRB to the Official List of the Second Board.

The existing shareholders of KRB who are subjected to the moratorium as imposed by the SC are as follows: -

Name	Shareholding after Listing	% of enlarged issued and paid-up capital	No. of Shares under Moratorium	% of enlarged issued and paid-up capital
Ang Cho Teing	29,360,172 ¹	36.70	21,694,066	27.12
BPIMB	13,600,000	17.00	6,120,000	7.65
Tai Chok Ping	7,340,038	9.18	6,655,934	8.32
Ang Chor Teng	3,399,884	4.25	1,530,000	1.91
Total	53,700,094	67.13	36,000,000	45.00

Note:

1. Inclusive of 3,457,798 Shares held through Maju Nominees (Tempatan) Sdn Bhd.

The restriction, which is fully accepted by the substantial shareholders and/or promoters, is specifically endorsed on the share certificates representing the respective shareholdings of the substantial shareholders and/or promoters which are under moratorium to ensure that KRB's registrar do not register any transfer not in compliance with the restriction imposed by the SC. The abovementioned substantial shareholders and/or promoters have also provided undertakings that they shall not sell, transfer or assign their respective shareholdings amounting to 45% of the enlarged issued and paid-up capital of KRB during the moratorium period.

The endorsement affixed on the share certificates of the securities under moratorium is as follows: -

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

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7. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTERESTS *(Cont'd)*

7.1 Related-Party Transactions/Conflict of Interests

7.1.1 Promotions of any material assets acquired/to be acquired within two years preceding the date of this Prospectus

Save for the Acquisitions referred to in Section 4.3(i) and the below mentioned, none of the Directors and substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiaries within the two years preceding the date of this Prospectus: -

- (a) A Sale and Purchase Agreement for Building dated 15 June 2002 was entered into between KBB as vendor and Ang Cho Teing as purchaser wherein KBB sold to Ang Cho Teing the building bearing address No. 2471, Tingkat Selamat 2, Kampung Selamat, 13300 Tasek Gelugor erected on that piece of land held under HS(M) 1334, PT 715, Mukim 12, Seberang Perai Utara, Tempat Kampung Selamat, Tasek Gelugor, Pulau Pinang for a cash consideration of RM2,900,000.
- (b) A Deed of Assignment dated 2 August 2002 was entered into between Ang Cho Teing as Assignor and KBB as Assignee wherein Ang Cho Teing as registered owner of the trademark known as "EKA" (application No. 89/00217 under class 30) registered with the Registrar of Trade Mark Malaysia, assigned to KBB all his rights and benefits pertaining to the abovementioned trade mark for a cash consideration of RM1.
- (c) A Deed of Assignment dated 26 August 2002 was entered into between Ang Cho Teing as Assignor and KBB as Assignee wherein Ang Cho Teing as registered owner of the trade mark of "CIK YANG" (application No. 93001521 under class 30) registered with the Registrar of Trade Mark Malaysia, assigned to KBB all his rights and benefits pertaining to the abovementioned trade mark for a cash consideration of RM1.
- (d) On 21 March 2003, Ang Cho Teing transferred to KBB 4 units of motor vehicles bearing registration Nos. WBH 2511, PAP 8071, PBY 3716 and PDP 2386 which he had earlier purchased on behalf of KBB and which purchase was subsequently evidenced by a Trust Deed dated 2 September 2002.

7.1.2 Contracts or arrangements in which the Directors, Substantial Shareholders and Key Management is interested

Save as disclosed below, none of the Directors, substantial shareholders and/or key management of KRB has interest in any subsisting contract or arrangement, which is significant to the business of the Group, as at 31 December 2003: -

Tenancy Agreement dated 18 June 2002 and a Supplemental Agreement dated 12 November 2002 between Ang Cho Teing as landlord and KBB as tenant for the letting of a piece of land held under HS(M) 1334, PT 715, Mukim 12, Seberang Perai Utara, Tempat Kampung Selamat, Tasek Gelugor, Pulau Pinang together with the building erected thereon bearing address No. 2471, Tingkat Selamat 2, Kampung Selamat, 13300 Tasek Gelugor for a fixed term of 3 years commencing on 1 July 2002 for RM32,000 per month with option to renew for another 4 terms of 3 years each up to a maximum of 15 years at an increased rental of 10% over and above the rental of the preceding term upon each renewal.

7. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTERESTS *(Cont'd)*

7.1.3 Save as disclosed in Section 13.6 on material contracts, there are no unusual transactions involving goods, services, tangible or intangible assets, to which KRB or its subsidiaries was a party in respect of the past one financial year and the financial period immediately preceding the date of this Prospectus.

7.1.4 There are no outstanding loans (including guarantees of any kind) made by KRB or its subsidiaries to or for the benefit of related party(ies).

7.2 Interest in Similar Business

None of the Directors and/or substantial shareholders of KRB has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies.

7.3 Declaration by the Advisers

The Listing Scheme will raise approximately RM14.645 million for KRB. RHB Sakura wishes to highlight to the applicants/subscribers/investors that approximately RM12.345 million of the RM14.645 million will be used towards the part repayment of facilities owing by the KRB Group to RHB Bank Berhad ("RHB Bank"). Although RHB Bank is a corporation deemed to be related to RHB Sakura by virtue of Section 6 of the Act, RHB Sakura has no equity interest in RHB Bank.

The total outstanding facilities granted by RHB Bank to the KRB Group of RM22.51 million as at 31 December 2003 amounted to 0.05% of RHB Bank's total gross loans, advances and financing of RM42.34 billion based on RHB Bank's latest annual report as at 30 June 2003. Further, the KRB Group has no facilities granted by RHB Sakura.

It should also be noted that the part repayment of the said facilities will benefit the KRB Group in terms of interest savings and is a commercial decision made by the Directors/Promoters after taking into consideration the terms of the facilities and the interest savings arising thereon which will be a contributory factor to the profitability of the Group and ultimately, its shareholders.

RHB Sakura and the Board of Directors of KRB noted that the said facilities are not material to RHB Bank and that none of the proceeds raised via the Listing Scheme would be applied for the benefit of RHB Sakura. Based on the foregoing, RHB Sakura and the Board of Directors of KRB are of the view that the said facilities do not give rise to a conflict of interest in RHB Sakura's capacity as the Adviser, Underwriter and Placement Agent for the Listing Scheme.

Messrs Ghazi & Lim has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Solicitor for the Listing Scheme.

Messrs JB Lau & Associates has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants for the Listing Scheme.

JB Lau Tax Services Sdn Bhd has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Tax Consultants for the Listing Scheme.

ACNielsen (Malaysia) Sdn Bhd has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Independent Market Research Consultant for the Listing Scheme.

8. LANDED PROPERTIES

The landed properties owned by the KRB Group are set out below: -

Registered/ Beneficial Owner	Description	Existing Use	Land area/ Built up area	Tenure	Approximate Age of Building (years)	Audited Net Book Value as at 31.7.03 RM'000
KBB	Suratan Hakmilik Sementara No. H.S.(M) 2233, No. P.T. 1956, Seksyen 1, Tempat Batu 18 ¼, Jalan Sungai Chua, Mukim Kajang, Daerah Hulu Langat, Negeri Selangor bearing assessment address 81, Desa Kiambang Sg. Chua Kajang	Shop house	148.64 m ² / 204.38 m ²	Freehold	22	147
KBB	Restrictions in interest: Nil. Encumbrance on land: Charged to a financial institution.	Factory and office premises	25,264 m ² / 9,990 m ²	60 years commencing from the date of issuance of the qualified title with an option to renew for 39 years at a rent to be agreed upon	1	17,583

Restrictions in interest: The Lessee shall not sell, transfer, charge, lease, sublease, let or otherwise in any manner encumber, deal with or dispose of the said Lease or assign or otherwise dispose of the benefit of or under the Agreement without the prior written consent of the Lessor, which consent may be granted or refused in the absolute discretion of the Lessor and upon such terms and conditions as the Lessor may require *

Encumbrance on land: Assigned to a financial institution

8. LANDED PROPERTIES (Cont'd)

Registered/ Beneficial Owner	Description	Existing Use	Land area/ Built up area	Tenure	Approximate Age of Building (years)	Audited Net Book Value as at 31.7.03 RM'000
KBBEM	Lot 1178, Block 19 Seduan Land District, Sarawak bearing assessment address No.9 Lorong Then Kung Suk 5, 96000 Sibul, Sarawak	Factory and office premises	4,073 m ² / 1,072 m ²	60 years lease from 17.9.1991 to 16.9.2051	8	3,222

Restrictions in interest:

- i) This Land is to be used only as a 2-storey detached building for industrial purposes in the following manner:-
Ground Floor - Industrial;
First Floor - Office;
- ii) The development or re-development of this land shall be in accordance with plans sections and elevations approved by the Superintendent of Lands and Surveys, Sibul Division;
- iii) The erection of a building shall be in accordance with detailed drawings and specifications approved by the Sibul Municipal Council and shall be completed within 18 months from the date of registration of this lease;
- iv) No transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys; and
- v) No sublease affecting this land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of 5 years from the date of registration of this lease.

Encumbrance on land: Charged to a financial institution

8. LANDED PROPERTIES (Cont'd)

Note:

- * Pursuant to a Sale and Purchase Agreement dated 6 November 2000, KBB purchased the land from Perbadanan Kemajuan Negeri Kedah and the land title is pending issuance by relevant authorities.
- 1. The factory and office premises of KBB and KBBEM located in Kedah Darul Aman and Sarawak have obtained their Certificate of Fitness for Occupation ("CF") on 27 November 2001 and 14 July 1994 respectively. However, the CF for KBB's shop house in Kajang could not be located when the shop house was purchased by KBB in 1994. The Majlis Daerah Kajang has advised KBB to procure the CF from the developer of the shop houses. Due to the fact that KBB is not the first owner of the shop house and that the shop houses was completed almost 20 years ago, the developer of the aforesaid shop house was unable to provide a copy of the CF to KBB but has verbally confirmed to KBB that the CF for the shop house has been issued in the 1980s.

Save as disclosed in the table above, there are no restrictions in interest for the above properties. In addition, none of the existing use of the land in the above properties breaches the land-use conditions or permissible land use.

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