

7. APPROVALS AND CONDITIONS

The SC and FIC approved the Listing Scheme on 19 December 2003. The MITI approved the Listing Scheme on 16 October 2003. The conditions imposed by the SC, FIC and MITI in their approvals of the Listing Scheme and the status of compliance are as follows:

Authority	Details of Conditions Imposed	Status of Compliance
MITI	(i) EKIB is to obtain the approvals of the SC; and	SC approval was obtained on 19 December 2003.
	(ii) The 9,200,000 Public Issue Shares comprising 11.50% of the enlarged share capital of the company is subject to the approval of the MITI and the allocation will be determined after the approval of the SC has been obtained.	The approval from the MITI for the allocation of the 9,200,000 Public Issue Shares was obtained vide MITI's letter dated 3 March 2004.
SC (on behalf of FIC)	In line with the requirements of the National Development Policy whereby at least 30% of the company is to be held by Bumiputeras, EKIB is urged to ensure that the total number of Bumiputera directors on the Board of Directors of the Company reflect the percentage of the said Bumiputera equity holding.	Complied with. There are three (3) Bumiputera directors out of a total of six (6) directors on the Board of EKIB.
SC	(i) In relation to the utilisation of proceeds, appropriate disclosure is to be made on the status of the utilisation of proceeds in the Quarterly Reports and Annual Reports of EKIB until the proceeds are fully utilised;	Will be complied with.
	(ii) In relation to the trade debtors of the EKIB Group, EKIB is required to undertake the following prior to the issuance of its prospectus:	
	(a) Full provision on trade debtors exceeding six (6) months and the reporting accountants of EKIB is to submit a written confirmation to the SC in relation to the aforesaid provision; and	Complied with. Alliance on behalf of EKIB, had written to the SC on 1 March 2004, enclosing BDO's confirmation that the Company has made full provision on trade debtors exceeding six (6) months
	(b) The directors of EKIB are required to submit a written confirmation to the SC that the trade debtors of EKIB exceeding the credit period can be collected and that full provision is to be made for trade debtors exceeding six (6) months.	Complied with. Alliance, on behalf of EKIB, had written to the SC on 1 March 2004 enclosing EKIB's confirmation that the trade debtors of EKIB exceeding the credit period can be collected and that full provision is to be made for trade debtors exceeding six (6) months

7. APPROVALS AND CONDITIONS (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
	EKIB is also advised to improve its credit management system to avoid the possibility of trade debt collection problems.	As part of the continuous improvement in the credit control system, EKIB has further tightened its credit control procedures through the tightening in credit limit and credit period granted to customers. EKIB has also expanded its marketing workforce to carry out frequent follow up with customers on the outstanding amounts which are due for collection
	(iii) Prior to the registration of EKIB's listing prospectus, EKIB is required to submit a written undertaking to the SC, stating that the Company will endeavour to obtain the certificate of fitness for the extension of EKSB's factory building and the boiler owned by FIT.	Complied with. Alliance, on behalf of EKIB, had written to the SC on 1 March 2004 enclosing EKIB's undertaking that it will endeavour to obtain the certificate of fitness for the extension of EKSB's factory building and the boiler owned by FIT.
	(iv) EKIB is to formulate and execute an effective management succession plan to ensure the continuity of its management and a good level of corporate governance.	EKIB has implemented a management succession plan where there are second line managers for every key personnel within the group. The second line managers undergo on-the-job training and will be the successor of the key personnel in order to ensure the continuity of management and good level of corporate governance.
	(v) Transactions between the EKIB Group and parties or companies connected to the promoters/substantial shareholders/ Directors of EKIB are to be made on arm's length basis and do not involve favourable terms which exceeds normal commercial terms which are at a disadvantage to the EKIB Group.	Will be complied with.
	(vi) EKIB is required to provide detailed disclosure in the Prospectus in relation to the following: (a) Ownership status of the factory operated by EKSB, steps taken/to be taken to transfer the ownership of the factory to EKSB;	Complied with. Please refer to Section 10.2 of this Prospectus.

7. APPROVALS AND CONDITIONS (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
	(b) Status of the application to obtain the certificate of fitness for the EKSB factory extension and the boiler owned by FIT, steps taken/to be taken to obtain the aforesaid certificates of fitness and the related risk factors and steps which will be taken to mitigate the aforesaid risks factors if the certificates of fitness are not obtained;	Complied with. Please refer to Sections 4.20 and 10.2 of this Prospectus.
	(c) Transactions between the EKIB Group and parties or companies connected to the promoters/ substantial shareholders/ Directors of EKIB and procedures that have been implemented to ensure that the transactions have been made on arm's length basis and do not involve favourable terms which exceeds normal commercial terms which are at a disadvantage to the EKIB Group;	Complied with. Please refer to Section 9.1.2 of this Prospectus.
	(d) Management of all risk factors which negatively affects the operations and the profits of the Company, including but not limited to risk factors in relation to the dependence on imports of raw materials and the dependence on the infrastructure and construction sectors	Complied with. Please refer to Section 4 of this Prospectus.
	(vii) A moratorium is to be imposed on 36,000,900 ordinary shares in EKIB which represents 45% of the enlarged issued and paid-up capital of EKIB, held by the substantial shareholders/promoters of EKIB, whereby they are not allowed to sell, transfer or assign their respective shareholdings for a period of one (1) year commencing from the date of the listing of EKIB on the MSEB.	Will be complied with
	(viii) Alliance/EKIB are to submit documentary evidence of the payment of the Bumiputra investors which have been approved by the MITI (with the exception of established Bumiputra Institutions) for the subscription of shares from the Public Issue/Offer for Sale after implementation of the proposals; and	Will be complied with.
	(ix) Full compliance with the relevant requirements in relation to the listing of the company as provided in the SC's Policy and Guidelines for Issue/Offer of Securities	Will be complied with.

8. MORATORIUM ON SALE OF SHARES

The IPO under the terms of the Prospectus had been approved by the SC on 19 December 2003. In conjunction with the Listing, the following Promoters/substantial shareholders have agreed to a moratorium on the sale of their EKIB Shares.

	No. of EKIB Shares held after the IPO	% held	No. of EKIB Shares subject to moratorium	% held
Wong Kong Foo	15,511,028	19.39	10,863,960	13.58
See Chii Wei	7,020,456	8.78	5,036,605	6.30
Intan KL	6,660,804	8.33	5,008,300	6.26
Tan Sri Dato' Kamaruzzaman	6,331,411	7.91	4,428,063	5.53
Neoh Cheng Aik	4,619,322	5.77	3,313,972	4.14
Excel	4,200,000	5.25	4,200,000	5.25
Impiana Venture	3,150,000	3.94	3,150,000	3.94
	47,493,021	59.37	36,000,900	45.00

Pursuant to the moratorium, the Promoters/substantial shareholders of EKIB will not be allowed to sell, transfer or assign their respective shareholdings in EKIB amounting to a total of 36,000,900 EKIB Shares held by them, representing 45% of the enlarged issued and paid-up share capital of EKIB, within one (1) year from the date of admission of EKIB to the Official List of the Second Board of the MSEB.

Note:

The restriction, which is fully accepted by the aforesaid Promoters/substantial shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the aforesaid Promoters/substantial shareholders which are under moratorium to ensure that the Company's registrar do not register any transfer not in compliance with the restriction imposed by the SC and MSEB.

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

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

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9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST

9.1 RELATED PARTY TRANSACTIONS

9.1.1 Interest in Similar Business

Save as disclosed below, none of the other directors or substantial shareholders of EKIB and/or its subsidiary companies have interest, directly or indirectly, in any business carrying on a similar trade as the Company and/or its subsidiary companies:

- (i) Kiara Tex Sdn Bhd (“Kiara Tex”) is principally involved in the manufacture of geocells. Geocells are geosynthetic products made from high density polyethylene sheets which are used for surface erosion control purposes. The EKIB Group’s woven and non-woven geosynthetic products are used for reinforcement and stabilisation of soil purposes. Hence, geocells are distinct from the EKIB Group’s products and these products have different applications. Geocells and the EKIB Group’s woven and non-woven geotextiles are complementary in nature in view that both products are used to form a complete erosion control system.

Lim Yew Hoe, who is a director/shareholder of the EKIB Group is a director/substantial shareholder of Kiara Tex. Puan Sri Datin Sharifah Binti Ahmad who is a substantial shareholder of the EKIB Group is also a substantial shareholder of Kiara Tex. The transaction between Kiara Tex and EKIB Group is further detailed below.

- (ii) Innovative Ecological System Sdn Bhd (“IES”) is principally involved in manufacture of biodegradable erosion control products. This geosynthetic product produced from coconut fibre or palm oil fibre is used for surface erosion control purposes. The EKIB Group’s woven and non-woven geosynthetic products are used for reinforcement and stabilisation of soil purposes. Hence, biodegradable erosion control products are distinct from the EKIB Group’s products and these products have different applications. The biodegradable erosion control products and the EKIB Group’s woven and non-woven geotextiles are complementary in nature in view that both products are used to form a complete erosion control system.

Tan Sri Dato’ Kamaruzzaman, Executive Chairman and substantial shareholder; Excel, substantial shareholder and Lim Yew Hoe, director and shareholder of EKIB, are all substantial shareholders of IES. Lim Yew Hoe is also a director of IES. The transaction between IES and the EKIB Group is further detailed below.

9.1.2 Transaction between the EKIB Group and the Promoters, Directors of the EKIB Group, Substantial Shareholders and/or their Related Parties

The current interests, directorships and/or shareholding in other business/corporations of the existing Promoters, directors of the EKIB Group, substantial shareholders and/or related parties do not give rise to a material conflict of interest situation with the business of the EKIB Group. All related party transactions between the EKIB Group and the Promoters, directors of the EKIB Group, substantial shareholders and/or their related parties are disclosed as follows:

- (i) As referred to Section 9.1.1 (i) above, EKM trades in geosynthetic products and sources supply of geocells from Kiara Tex. Pursuant to an agency agreement entered into between Kiara Tex and EKM on 8 April 2003, EKM has been formally appointed as a non-exclusive agent for the distribution of geocells. For the ten (10)-month financial period ended 31 October 2003, the transaction between the EKM and Kiara Tex which is in the ordinary course of business, amounted to approximately RM1,546,982. The Board of EKIB will ensure that all transactions between the EKIB Group and Kiara Tex will be at arm’s length after the Listing.

9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (cont'd)

- (ii) As referred to Section 9.1.1 (ii) above, EKM trades in geosynthetic products and sources supply of biodegradable erosion control products from IES. Pursuant to an agency agreement entered into between IES and EKM on 8 April 2003, EKM has been formally appointed as a non-exclusive agent for distribution of biodegradable erosion control products. For the ten (10)-month financial period ended 31 October 2003, the transactions between the EKM and IES, which is in the ordinary course of business, amounted to approximately RM42,620. The Board of EKIB will ensure all transactions between the EKIB Group and IES will be at arm's length after the Listing.
- (iii) EKM supplies geosynthetic products and provides installation services to Excel for its construction activities. Excel is a substantial shareholder of EKIB. Wong Kong Foo, a director and substantial shareholders of EKIB is also director and substantial shareholder of Excel. For the ten (10)-month financial period ended 31 October 2003, the transaction between EKM and Excel which is in the ordinary course of business, amounted to approximately RM610,313. The Board of EKIB will ensure all transactions between the EKIB Group and Excel will be at arm's length after the Listing.
- (iv) EKM supplies geosynthetic products and provides installation services to Bumi Hiway (M) Sdn Bhd ("Bumi Hiway") for its construction activities. Datuk Yahya Bin Ya'acob, a non-independent Non-Executive Director of EKIB is also the Chairman of Bumi Hiway Ventures Berhad which is the holding company of Bumi Hiway. For the ten (10)-month financial period ended 31 October 2003, the transaction between EKM and Bumi Hiway which is in the ordinary course of business, amounted to approximately RM2.7 million. The Board of EKIB will ensure all transactions between the EKIB Group and Bumi Hiway will be at arm's length after the Listing.
- (v) EKM procures engineering design and technical advisory services from E-Geo Consultant Sdn Bhd ("E-Geoconsult") for the applications of its geosynthetic products. Neoh Cheng Aik, a Promoter and substantial shareholder of EKIB as well as the technical advisor to the EKIB Group is also a director and substantial shareholder of E-Geoconsult. For the ten (10)-month financial period ended 31 October 2003, the transaction between EKM and E-Geoconsult, which is in the ordinary course of business, amounted to RM135,000 or monthly fee of RM13,500. EKM's transaction with E-Geoconsult is immaterial and the Board of EKIB will ensure all transactions between the EKIB Group and E-Geoconsult will be at arm's length after the Listing.
- (vi) EKIB rents office space from Intan KL located at Suite E-16-D1 Wisma Sunrise, Plaza Mont' Kiara, No 2, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur pursuant to a tenancy agreement dated 8 October 2003 which will expire on 9 October 2006 at a monthly rental of RM23,000.
- Intan KL is a Promoter and substantial shareholder of EKIB. Wong Kong Foo and Lim Yew Hoe, both directors of EKIB and Wong Kong Foo who is also a substantial shareholder of EKIB, are also directors and substantial shareholders of Intan KL. For the ten (10)-month financial period ended 31 October 2003, the transaction between EKM and Intan KL, which is in the ordinary course of business, amounted to RM15,000. EKM's transaction with Intan KL is immaterial and the Board of EKIB will ensure all transactions between EKIB Group and Intan KL will be at arm's length after the Listing.
- (vii) EKM supplies geosynthetic products and provide installation services to See Yong & Sons Construction Sdn Bhd ("See Yong") for its construction activities. See Chii Wei, a Promoter and substantial shareholder of EKIB is also a director of See Yong. For the ten (10)-month financial period ended 31 October 2003, the transaction between EKM and See Yong, which is in the ordinary course of business, amounted to RM2,025. EKM's transaction with See Yong is immaterial and the Board of EKIB will ensure all transactions between EKIB Group and See Yong will be at arm's length after the Listing.

9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (cont'd)

- (viii) KESB, EKSB and ATF supply geosynthetic products to RasWILL Representative Pte Ltd ("RasWILL"). Sandanasamy Richard Douglas, a director of KEX and EKM, is also a director and substantial shareholder of RasWILL. For the ten (10)-month financial period ended 31 October 2003, the transaction between KESB, EKSB and ATF and RasWILL, which is in the ordinary course of business, amounted to RM192,349. KESB and EKSB's transaction with RasWILL is immaterial and the Board of EKIB will ensure all transactions between EKIB Group and RasWILL will be at arm's length after the Listing.
- (ix) KEX rents office space from RasWILL located at 510 Thomson Road, #02-12 SLF Building, Singapore, 298135 pursuant to an Office Services Agreement dated 1 January 2004 which will expire on 14 May 2005 at a monthly rental of S\$2,500. Sandanasamy Richard Douglas, a director of KEX and EKM, is also a director and substantial shareholder of RasWILL.

In order to ensure arms length transactions, the following procedures are carried out:

- (i) Related parties interested in the transactions will abstain from the decision making process in EKIB; and
- (ii) For every related party transaction EKIB will endeavour to procure the terms for similar transactions from third parties for comparison and to ensure the terms given to connected parties do not involve favourable terms which exceed normal commercial terms which are detrimental to the EKIB Group.

9.1.3 Promotion of Assets

Save as disclosed below, none of the directors or substantial shareholders of EKIB has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed or proposed to be disposed or leased to or proposed to be leased to EKIB or its subsidiary companies within the two (2) years preceding the date of this Prospectus:

- (i) EKIB rents office space from Intan KL located at Suite E-16-D1 Wisma Sunrise, Plaza Mont' Kiara, No 2, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur pursuant to a tenancy agreement dated 8 October 2004 which expires on 9 October 2006 at a monthly rental of RM23,000. Intan KL is a Promoter and substantial shareholder of EKIB. Wong Kong Foo and Lim Yew Hoe, both directors of EKIB and Wong Kong Foo who is also a substantial shareholder of EKIB, are also directors and substantial shareholders of Intan KL.

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9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (cont'd)

(ii) Acquisitions as set out below:

- (a) Acquisition by EKIB of 1,000,000 ordinary shares of RM1.00 each representing 22.22% equity interest in EKSB for a total consideration of RM6,350,748 fully satisfied by the issuance of 3,097,925 new ordinary shares of RM1.00 each in EKIB at an issue price of RM2.05 per share to the following vendors:

	No. of ordinary shares of RM1.00 each held	%	No. of new ordinary shares of RM1.00 each in EKIB issued
Wong Kong Foo	477,200	10.60	1,478,330
Lim Yew Hoe	68,800	1.53	213,137
See Chii Wei	148,300	3.30	459,422
Kam Tian Yan	1,000	0.02	3,098
Yap Lin Kiew	77,400	1.72	239,779
Neoh Cheng Aik	77,300	1.72	239,470
Tan Sri Dato' Kamaruzzaman	150,000	3.33	464,689
	1,000,000	22.22	3,097,925

The Acquisition of EKSB was completed on 28 March 2003.

- (b) Acquisition by EKIB of 500,000 ordinary shares of RM1.00 each representing 33.33% equity interest in EKM for a total consideration of RM1,168,347 fully satisfied by the issuance of 569,925 new ordinary shares of RM1.00 each in EKIB at an issue price of RM2.05 per share to the following vendors:

	No. of ordinary shares of RM1.00 each held	%	No. of new ordinary shares of RM1.00 each in EKIB issued
Wong Kong Foo	228,600	15.23	260,570
Lim Yew Hoe	58,050	3.87	66,166
Kam Tian Yan	1,000	0.07	1,140
Yap Lin Kiew	38,700	2.58	44,112
Neoh Cheng Aik	38,650	2.58	44,055
Edward Thanarajah A/L Easupatham	30,000	2.00	34,196
Goh Ching Min @ Wu Ching Min	30,000	2.00	34,196
Kudus Bin Shoib	30,000	2.00	34,196
Har Lian Yoon Kim	20,000	1.33	22,797
Chang Kheng Fatt	15,000	1.00	17,098
Ow Yoke Lai	10,000	0.67	11,399
	500,000	33.33	569,925

The Acquisition of EKM was completed on 28 March 2003.

9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (*cont'd*)

- (c) Acquisition by EKIB of 4,200,000 ordinary shares of RM1.00 each representing 42.0% equity interest in FIT for a total consideration of RM3,613,576 fully satisfied by the issuance of 1,762,720 new ordinary shares of RM1.00 each in EKIB at an issue price of RM2.05 per share to the following vendors:

	No. of ordinary shares of RM1.00 each held	%	No. of new ordinary shares of RM1.00 each in EKIB issued
TopAffinity Holdings Sdn Bhd	3,900,000	39.0	1,636,811 ¹
Lim Yew Hoe	120,000	1.2	50,364 ²
Yap Lin Kiew	180,000	1.8	75,545 ²
	4,200,000	42.0	1,762,720

1 Allotted to Intan KL and Neoh Cheng Aik as settlement of debt owing by TopAffinity Holdings Sdn Bhd.

2 Allotted to Sandanasamy Richard Douglas.

The Acquisition of FIT was completed on 18 April 2003

- (d) Acquisition by EKIB of 40 ordinary shares of SD1.00 each representing 40.0% equity interest in KEX for a total consideration of RM350,000 fully satisfied by the issuance of 350,000 new ordinary shares of RM1.00 each in EKIB at an issue price of RM1.00 per share to Sandanasamy Richard Douglas.

The Acquisition of KEX which was completed on 24 March 2003.

EKIB's directors'/substantial shareholders' interests in the Acquisitions are as follows:

Directors/Substantial Shareholders of EKIB	Nature of Interest
<i>Acquisition of EKSB</i>	
Wong Kong Foo	Director and substantial shareholder of EKSB
Lim Yew Hoe	Shareholder of EKSB
Tan Sri Dato' Kamaruzzaman	Director and shareholder of EKSB
See Chii Wei	Shareholder of EKSB
Neoh Cheng Aik	Shareholder of EKSB
<i>Acquisition of EKM</i>	
Wong Kong Foo	Director and substantial shareholder of EKM
Lim Yew Hoe	Director of EKM
Datuk Yahya Bin Ya'acob	Director of EKM
Neoh Cheng Aik	Shareholder of EKM
<i>Acquisition of FIT</i>	
Wong Kong Foo	Director of FIT
Lim Yew Hoe	Director and shareholder of FIT
<i>Acquisition of KEX</i>	
Wong Kong Foo	Director of KEX

9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (cont'd)

- (iii) Sale and purchase agreement dated 1 March 2002, entered into between TopAffinity Holdings Sdn Bhd and EKIB for the acquisition by EKIB of 1,800,000 ordinary shares of RM1.00 each representing 18% of the issued and paid-up share capital of FIT for a cash consideration of RM1,800,000. Wong Kong Foo, a director/substantial shareholder of EKIB, is also a director/shareholder of TopAffinity Holdings Sdn Bhd. Lim Yew Hoe, a director/shareholder of EKIB, is also a director of TopAffinity Holdings Sdn Bhd.

9.2 DECLARATION BY ADVISORS

Save as disclosed below there is no conflict of interest between the EKIB Group and its Advisors, Reporting Accountants, Solicitors and Business and Market Research Consultant:

- (i) Alliance has given its confirmation that there are no existing or potential interests or conflict of interests in its capacity as the Advisor, Managing Underwriter and Underwriter for the Listing Scheme.
- (ii) Messrs. BDO Binder has given its confirmation that there are no existing or potential interests or conflict of interests in its capacity as the Reporting Accountants for the Listing Scheme.
- (iii) Messrs. Chooi & Co has given its confirmation that there are no existing or potential interests or conflict of interests in its capacity as the Solicitors for the Listing Scheme.
- (iv) Vital Factor has given its confirmation that there are no existing or potential interests or conflicts of interest in its capacity as the Business and Market Research Consultant for the Listing Scheme.

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10. OTHER INFORMATION ON THE EKIB GROUP

10.1 APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED

Approvals, licences and permits under the possession of the EKIB Group are as follows:

Type of Approval/Licence/ Permit	Authority	Date of Issue	Expiry Date	Material Conditions	Status of Compliance
<u>EKSB</u> Manufacturing Licence	MITI	30.04.1997	-	At least 80% of the shares of the company must be held by Malaysians including a minimum of 30% to be held by Bumiputeras.	Not complied.*
Manufacturer's Licence under Sales Tax Act	Royal Customs and Excise Malaysia	23.10.2003	-	None	-
Approval to import and purchase materials and components free of sales tax for use in manufacture of goods	Royal Customs and Excise Malaysia	08.03.2003	07.03.2004 [#]	None	-
Signage and Storage Licence	Majlis Perbandaran Selayang	26.12.2003	31.12.2004	None	-
Certificate of Fitness for single storey factory together with 3-storey office building erected on land held under H.S. (D) 28284, No. P.T. 10356, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Majlis Perbandaran Selayang/ Majlis Daerah Gombak	12.08.1997	-	None	-

* To be complied with upon completion of the IPO as EKIB will have at least 30% Bumiputera equity interest. EKSB and KESB will be deemed to have 30% Bumiputera equity interest as they are wholly-owned by EKIB.

EKSB had on 26 February 2004 applied for the renewal of the licence.

10. OTHER INFORMATION ON THE EKIB GROUP (cont'd)

Type of Approval/Licence/ Permit	Authority	Date of Issue	Expiry Date	Material Conditions	Status of Compliance
<u>KESB</u> Manufacturing Licence	MITI	27.01.1998	-	All the shares of the company must be acquired and held by Malaysian including a minimum of 30% to be held by Bumiputeras.	Not complied.*
Manufacturer's Licence under Sales Tax Act	Royal Customs and Excise Malaysia	29.11.2000	-	None	
Approval to import and purchase materials and components free of sales tax for use in manufacture of goods	Royal Customs and Excise Malaysia	01.10.2003	14.10.2004	None	-
Certificate of Fitness of single-storey factory building erected on land held under H.S. (D) 28620 P.T. 10332, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Majlis Daerah Gombak	16.08.1994	-	None	-
Certificate of Fitness of extension to the abovesaid single-storey factory building	Majlis Perbandaran Selayang	02.03.2001	-	None	
Signage and Storage Licence	Majlis Perbandaran Selayang	26.12.2003	31.12.2004	None	-

* To be complied with upon completion of the IPO as EKIB will have at least 30% Bumiputera equity interest. EKSB and KESB will be deemed to have 30% Bumiputera equity interest as they are wholly-owned by EKIB.

10. OTHER INFORMATION ON THE EKIB GROUP (cont'd)

Type of Approval/Licence/ Permit	Authority	Date of Issue	Expiry Date	Material Conditions	Status of Compliance
<i>FIT</i> Manufacturing Licence	MITI	19.01.2001	-	The shares held by foreign shareholders may not be sold without obtaining prior written approval from MITI.	Will be complied if applicable. Shares held by foreigners have not been sold since issuance of manufacturing licence.
Exemption from import duties on raw material for production	Ministry of Finance	08.06.2002	07.06.2004	Only for import of polypropylene resin coated with ultra-violet stabiliser and additive for anti static, used in production of fibre for local market.	Complied with.
Certificate of Fitness of single storey factory erected on land held under H.S. (D) 28259, P.T. 10331, Mukim Rawang. Daerah Gombak, Selangor Darul Ehsan	Majlis Perbandaran Selayang	5.8.2002	-	None	-
Approval for Investment Tax Allowance under the Promotion of Investment Act 1986	MITI	25.06.2001 (effective date)	-	None	-
<i>EKM</i> Akuan Pendaftaran Kontraktor	Kementerian Kewangan Malaysia	13.04.2003	12.04.2006	None	-
Akuan Pendaftaran Kontraktor	Construction Industry Development Board Malaysia	05.12.2002	04.12.2005	None	-

10. OTHER INFORMATION ON THE EKIB GROUP (cont'd)

Type of Approval/Licence/ Permit	Authority	Date of Issue	Expiry Date	Main Conditions	Status of Compliance
<i>ATF</i> Manufacturer's Licence under Sales Tax Act	Royal Customs and Excise Malaysia	14.10.2003	-	None	-
Approval to import and purchase materials and components free of sales tax for use in manufacture of goods	Royal Customs and Excise Malaysia	09.12.2003	15.12.2004	None	-
Manufacturing licence	MITI	07.11.2003	-	MITI to be informed of the sales of shares in the Company	Will be complied with if applicable. No sale of shares yet.

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10. OTHER INFORMATION ON THE EKIB GROUP (cont'd)

10.2 LANDED PROPERTIES OF THE EKIB GROUP

The details of the landed properties of the EKIB Group as at the date of this Prospectus are set out below:

Registered owner	Title No./Location	Approximate Land Area/Built-up Area	Description/ Existing Use	Tenure	Date of Acquisition	Net book value as at 31.10.2003 (At cost)	Age of building (years)
EKSB	H.S. (D) 28284, No. P.T. 10356, Mukim Rawang, Daerah Gombak, Selangor ¹ / Lot 13A, Rawang Industrial Estate, 48000 Rawang, Selangor	1.69 acres (Land)	Single storey factory together with 3-storey building	Freehold	1.06.2001	1,767,700	8
		40,111 sq ft (Factory building)				4,130,656	
		10,431 sq ft (Office building)					
KESB	H.S. (D) 28620, No. P.T. 10332, Mukim Rawang, Daerah Gombak, Selangor ² / Lot 32, Rawang Industrial Estate, 48000 Rawang, Selangor	1.5 acres (Land)	Single storey office and factory building	Freehold	25.09.1999	636,675	9
		31,457 sq ft (Factory building)				2,911,247	
		3,696 sq ft (Office building)					
FIT	H.S. (D) 28259, No. P.T. 1331, Mukim Rawang, Daerah Gombak, Selangor ³ / Lot 33, Rawang Industrial Estate, 48000 Rawang, Selangor	2 acres (Land)	Single storey factory building	Freehold	13.5.1997	2,529,063	2
		23,435 sq ft (Factory building)				2,386,980	

The certificates of fitness for the above factories and buildings have all been obtained save for the certificate of fitness for the extension of EKSB's factory. The certificate of fitness for EKSB's factory extension is pending the clearance from Jabatan Bomba and Penyelamat on the adequacy of fire fighting facility. The building plan for the extension of EKSB's factory had been approved by the Majlis Perbandaran Selayang on 11 February 2002 and the construction of the extension had been completed in accordance with the approved building plan.

- There is no restriction in interest and property is charged to EON Bank Berhad. The ownership of factory operated by EKSB has been transferred to EKSB and a qualified title has been issued to this effect.*
- There is no restriction in interest and property is charged to OCBC Bank (M) Berhad.*
- There is no restriction in interest and property is charged to Bumiputra-Commerce Bank Berhad.*