
VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS

I. DIRECTORS**1.1 Profiles**

The profiles of the Directors of the Company are as follows:

Y.A.M. Tengku Syarif, Malaysian, aged 54, is the Non-Independent and Non-Executive Chairman of KHIB and was appointed to the Board of Directors of KHIB on 9 August 2004. He obtained a Diploma in Automobile Engineering from Exeter College, England in 1970. He began his career with Cycle & Carriage Bintang Berhad, an automobile sales company as an Engineer in workshop production, spare parts and sales of specialised vehicles from 1970 to 1980. In 1981, he joined Maju Ria Sdn Bhd, a company specialising in defence equipment as a Director. Thereafter, he was Chairman and Director of Taylors College, Subang Jaya, Selangor Darul Ehsan from 1987 to 1988. In 1987, he was also made the Chairman of Garden International School. At present, he sits on the Board of Directors of several other private limited companies in Malaysia.

Yap Toon Choy, Malaysian, aged 48, is the Group Managing Director of KHIB and was appointed to the Board of Directors of KHIB on 9 August 2004. He obtained a Bachelor of Science degree cum laude majoring in Mechanical Engineering from Washington State University, USA in 1980. In 1981, he became a Director of KHI and was subsequently appointed as the Managing Director in 1983. Since his involvement in 1981, he has envisioned that the metal stamping/forming industry would form the basic foundation of any developed country and this has spurred his dedication to drive the Group to greater heights. Over the years in KHI, he gained valuable experience and technical know-how especially through dealings with his Japanese counterparts. With approximately 20 years of experience in the metal stamping/ forming industry, he is the driving force of the Group and is actively involved in various key aspects of the Group's management in areas such as finance, marketing, R&D activities, purchasing and production planning, identifying new market opportunities, product development, overall co-ordination and implementation of the Group's marketing strategy. He also travels frequently to keep abreast of the latest developments in the metal stamping/forming industry and to assess new market prospects for the Group. He currently sits on the Board of Directors of several other private limited companies in Malaysia. He has been a member of the American Institute of Management since September 1983, a member of the Malaysian Institute of Corporate Governance since February 2003 and a member of the Malaysian Institute of Directors since May 2003.

Yong Elaine, Singaporean, aged 45, is an Executive Director of KHIB and was appointed to the Board of Directors of KHIB on 9 August 2004. She obtained a Bachelor of Arts degree in Business Administration majoring in Banking and Finance from Washington State University, USA in 1981. During her stay in the USA, she has participated in the provision of management counselling services to the business community in Washington State, USA. She started her career in 1982 as an administrative executive trainee at Wing On Life Assurance (H.K.) Pte Ltd in Singapore. She is one of the pioneers of KHI and was appointed a Director of KHI in 1997. At present, she is principally responsible for the administration of KHIB's finances which includes securing and maintaining the Group's credit facilities with its bankers. She currently sits on the Board of Directors of several other private limited companies in Malaysia. She has been a member of the Malaysian Institute of Corporate Governance since February 2003 and a member of the Malaysian Institute of Directors since May 2003.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

Liew Choon Fong, Malaysian, aged 36, is an Executive Director and was appointed to the Board of Directors of KHIB on 9 August 2004. She is also a member of the Audit Committee of KHIB. She obtained a Bachelor of Arts (Honours) degree majoring in Economics from Universiti Malaya, Kuala Lumpur in 1992. She assumed the position of Information Technology Executive of KHI in June 1992 and was promoted to Information Technology cum Stock Control Manager in 1997 and subsequently to Information Technology General Manager in 1999. She was appointed the Corporate Purchase Management Leader in 2000. She has more than 10 years of experience and knowledge in information technology and has contributed towards the implementation of the information technology system of the Group over the years. She has been a member of the Malaysian Institute of Corporate Governance since February 2003 and a member of the Malaysian Institute of Directors since May 2003.

Shigeaki Sugiyama, Japanese, aged 59, is an Executive Director and was appointed to the Board of Directors of KHIB on 9 August 2004. He obtained a Diploma in Mechanical Engineering from Matsushita Technical School, Japan in 1964. He began his career as an instructor with Matsushita Electric Industrial Company Ltd, Japan in 1964 and was promoted to Director of Matsushita Electric Philippines Corporation, Philippines in 1999. Subsequently, he joined Matsushita Refrigeration Company, Japan as a Director in 2000. He joined KHI as a Marketing Director in 2002. Having a sound knowledge of the metal stamping industry both within and outside Malaysia for nearly 30 years, his forte lies in the marketing and developing of new markets. He is instrumental in the development and enhancement of long-term relationships with MNCs and other longstanding customers of the KHIB Group.

Darsan Singh a/l Balwant Singh, Malaysian, aged 49, is an Independent Non-Executive Director and was appointed to the Board of Directors of KHIB on 9 August 2004. He obtained a Bachelor of Law (Honours) degree from the University of Buckingham, United Kingdom in 1980 and went on to complete his bar at Grays Inn, London, United Kingdom. He was called to the Bar of England and Wales, United Kingdom in 1981 and was admitted to the Malaysian Bar the following year. He began his career as a legal assistant in Balwant Singh & Co in 1982 and later joined Othman Hashim, Chen & Co in 1985. He has been an active practising lawyer in various areas such as corporate and commercial, conveyancing and litigation. In 1987, he set up Darshan, Chong & Co and is currently the senior partner of the firm.

Swee Soo Mang, Malaysian, aged 52, is an Independent Non-Executive Director and was appointed to the Board of Directors of KHIB on 9 August 2004. He is also the Chairman of the Audit Committee of KHIB. He obtained a Diploma in Accounting from the London Chamber of Commerce Institution in 1973. He began his career with Chau & Folk as an Audit Assistant in 1971. He then joined Hong Leong Management Co. Sdn Bhd as an Internal Audit Assistant in 1976 and subsequently joined Hong Leong Leasing Sdn Bhd as a Marketing Executive from 1977 to 1980. In 1977, he completed the Institute of Accounting Staff qualifying examination. Between 1980 and 1990, he was attached to Supreme Leasing Sdn Bhd as an Assistant Manager and left as a Senior Business Manager in 1990. In the same year, he joined MBF Finance Berhad as a Senior Manager of the Credit Department in its headquarters and was promoted to General Manager in 1994. He left MBF Finance Berhad in 1998 and is presently a financial adviser and corporate financial planner to various private commercial firms.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

Tan Teik Soon, Malaysian, aged 30, is an Independent Non-Executive Director and was appointed to the Board of Directors of KHIB on 9 August 2004. He is also a member of the Audit Committee of KHIB. He obtained a Bachelor of Business degree majoring in Accountancy from the Royal Melbourne Institute of Technology, Australia in 1996. He began his career with Frank Small & Associates, a market research company as a part time interviewer upon graduation. He then joined Chew Wai Khoon & Co as an Audit Assistant in early 1997 prior to joining PricewaterhouseCoopers as a Senior Associate later the same year. He later left PricewaterhouseCoopers in 2001 and joined First Mobile Group Sdn Bhd as an Accountant, a mobile phone distribution company whereby he was involved in planning and implementing appropriate controls for new sales programs/promotions as well as existing operation activities. Currently, he is an Accounting Manager in Wyeth (Malaysia) Sdn Bhd, a pharmaceutical company. He has been a registered member of the Australian Society of Certified Practising Accountants and a member of the Malaysian Institute of Accountants since 2000.

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VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

1.2 Shareholdings in the Company

The Directors of KHIB and their respective shareholdings in the Company, based on the Register of Directors' Shareholdings of the Company, before and after the Issues as at 6 September 2004 are as follows:

Directors	Designation	Nationality	Before Issues			After Issues		
			No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %
Y.A.M. Tengku Syarif	Non-Independent Non-Executive Chairman	Malaysian	19,813,200	21.73	-	19,813,200	20.01	-
Yap Toon Choy	Group Managing Director	Malaysian	38,341,620	42.04	-	32,841,620	33.17	-
Yong Elaine	Executive Director	Singaporean	22,700,820	24.89	-	20,400,820	20.61	-
Liew Choon Fong	Executive Director	Malaysian	-	-	-	363,250	0.37	-
Shigeaki Sugiyama	Executive Director	Japanese	-	-	-	363,250	0.37	-
Darsan Singh a/l Balwant Singh	Independent Non-Executive Director	Malaysian	-	-	-	-	-	-
Swee Soo Mang	Independent Non-Executive Director	Malaysian	-	-	-	-	-	-
Tan Teik Soon	Independent Non-Executive Director	Malaysian	-	-	-	-	-	-

Note:

* The direct and/or indirect shareholdings are based on the assumption that the Offer Shares allocated to the eligible Directors and employees of KHIB and its subsidiaries pursuant to the Offer for Sale are fully taken up by the respective Directors and employees.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

1.3 Previous or Existing Directorships and Substantial Shareholdings in Other Public Corporations

None of the Directors of the Company have any previous or existing directorships and/or have substantial shareholdings (representing 5% or more of the issued and paid-up share capital) in other public corporations for the 2 years preceding the date of this Prospectus.

1.4 Directors' Remuneration

There was no remuneration and benefits paid by the Company to the existing Directors of the Company for services rendered to the Group in all capacities for the financial year ended 30 April 2004. For the financial year ending 30 April 2005, the remuneration and benefits forecast to be paid by the Company to the Directors of the Company for services rendered to the Group in all capacities is approximately RM1.750 million.

The number of Directors in the various remuneration bands payable for the financial year ending 30 April 2005 is set out below:

Remuneration band	< ----- Financial year ending 30 April 2005 ----- >		
	Executive Directors	Non-Executive Directors	Total
Below RM200,000	2	4	6
RM200,000 and RM300,000	-	-	-
RM300,000 and above	2	-	2

1.5 Involvement in other Business/Corporations

Save as disclosed below, none of the Executive Directors of the Company is involved in the activities or operations of any other business or corporation:

- (i) Yap Toon Choy is the Director of Kein Hing Manufacturing Sdn Bhd ("KHM"), Kein Hing Precision Sdn Bhd ("KHP"), TCY Holdings, Muramoto Technics (M) Sdn Bhd ("MTM") and Microtechno Precision (M) Sdn Bhd ("MPSB"). KHP is a dormant company. He spends less than 1% each of his time in KHM and TCY Holdings and less than 3% of his time in MTM and MPSB. His involvement in the said companies is not expected to have a material effect on the amount of time spent in his capacity as the Managing Director of KHIB;
- (ii) Yong Elaine is the Director of KHM, KHP and TCY Holdings. KHP is a dormant company. She spends less than 1% of her time in KHM and less than 5% of her time in TCY Holdings. Her involvement in the said companies is not expected to have a material effect on the amount of time spent in her capacity as an Executive Director of KHIB; and
- (iii) Shigeaki Sugiyama is a Director of MPSB. He spends less than 5% of his time in MPSB. His involvement in MPSB is not expected to have a material effect on the amount of time spent in his capacity as an Executive Director of KHIB.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

KHM, TCY Holdings, MTM and MPSB are related parties of KHIB. Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB and Yong Elaine, the Executive Director and substantial shareholder of KHIB are also directors of KHM. Yap Toon Choy is also a substantial shareholder of KHM. Further details on TCY Holdings, MTM and MPSB are set out in Sections 1 and 2 of Part X of this Prospectus.

2. AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Swee Soo Mang	Chairman of the Committee	Non-Executive and Independent
Tan Teik Soon	Member of the Committee	Non-Executive and Independent
Liew Choon Fong	Member of the Committee	Executive and Non-Independent

3. KEY MANAGEMENT

3.1 Profiles

Lim Teik Cheng, aged 29, is the Corporate Planner of the KHIB Group. He obtained a Bachelor of Business degree majoring in Accountancy from Royal Melbourne Institute of Technology, Australia in 1996. He went on to pursue his studies and obtained a Master of Business Administration degree from Victoria University, Australia in 2001. He started his career with Messrs Law & Associates as an Audit Assistant from 1997 to 2000. Thereafter, he joined Seek & Find Sdn Bhd, a website publishing company as a Consultant cum Accountant in 2000. In 2001, he was attached to Hotel Malaya Sdn Bhd as an Accounts Manager before joining KHI as a Corporate Planner in 2002. He is a member of the Malaysian Institute of Accountants and a member of the Australian Society of Certified Practising Accountants.

Loong Ding Tong, aged 32, is the Financial Controller of the KHIB Group. He obtained his professional qualification from the Association of Chartered Certified Accountants, United Kingdom in 1997. He also holds a Master of Science in Computing from De Montfort University, United Kingdom which was obtained in 2003. He started his career with Ernst & Young in 1993 and later joined Protasco group of companies as an Assistant Accountant in 1995 before joining Syabas Hakikat Sdn Bhd as an Accountant in 1997. He joined the KNM group of companies, which deals with special instruments for oil and gas industry, in 2001 as a Senior Accountant before joining KHI in 2003. His main responsibilities include the supervision of the overall financial administration and management reporting of the Group. He is a member of the Malaysian Institute of Accountants and a Fellow Certified Chartered Accountant of the Association of Chartered Certified Accountants, United Kingdom.

Ting Kian Sing, aged 34, is a Senior Accounts Manager of the KHIB Group. He completed his Sijil Tinggi Pelajaran Malaysia from Sekolah Menengah Jenis Kebangsaan Yu Hua, Kajang in 1989. He joined Coopers & Lybrand (now known as PricewaterhouseCoopers) as a Junior Auditor in 1991 and was promoted to Senior Auditor in 1992. Prior to joining KHI in 2001, he joined Matomek Precision Die Sdn Bhd, a precision metal stamping company as a Finance Manager in 1994. He is presently responsible for the overall management and supervision of KHMV.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

Ee Chu Waa, aged 38, is the Sales and Marketing General Manager of KHI. She obtained a Bachelor of Economics (Honours) degree from Universiti Kebangsaan Malaysia in 1990. Upon graduation, she joined Matsushita Electric (M) Berhad as a Purchasing Executive in the Corporate Purchase Department. Subsequently in 1997, she was promoted to Manager in the Manufacturing Enhancement Capability Center of Matsushita Electric (M) Berhad. She joined KHI in 2003 as Assistant General Manager. Due to her vast experience in the manufacturing sector especially in corporate management, she is able to contribute positively towards the success of the Group with good leadership and management skills.

Chong Meow Chin, aged 47, is the Production Department Assistant General Manager of the KHIB Group. He obtained his GCE "O" Levels from Universiti Malaya, Kuala Lumpur in 1978. Upon graduation, he joined Lau Fatimah & Partners, a stock broking firm as an Administrator. He established his own business in 1981 which undertakes the business of promotion of electrical household products under a company known as Photo Trading Private Ltd. He then joined Elastomer Technologies Private Limited, an Australian company which is involved in the production of marble and plastic injection mould in 1984 until 1987 as a Production Staff cum Store Assistant. Later, he joined Active Manufacturing (M) Sdn Bhd in 1988 until 1990 as a Production Executive and Human Resource Officer. He joined KHI as a Production Executive in 1991 and was subsequently appointed as an Assistant General Manager of the Production Control Department in 2000. With more than 10 years of experience in planning and operations in the metal stamping industry, he has wide experience in production, planning and control. With the sound knowledge gained from his experiences, he was appointed as the Group's Assistant General Manager of Production Department, a key role in the production activities of the Group. His duties would include the planning of the overall production schedules, overseeing the production creation committee, managing the team and ensuring timely delivery of the Group's products.

Chan Woon To, aged 42, is the R&D Assistant General Manager of the KHIB Group. He studied until Year 3 of secondary education in Hong Kong in 1977. He started his career with Lin Tat Metal Components Co., Hong Kong as a Tool Maker in 1977. He then joined Fidelity Ind. Co., Hong Kong as a Grinding Technician in 1982. In 1989, he joined Miyoshi Precision (S) Pte Ltd, Singapore as a Tooling Design Engineer before joining Seksun Precision Engineering Ltd, Singapore as an Assistant Design Manager in 2000. He joined KHI as a Manager in 2001 and was subsequently promoted to Assistant General Manager in the same year. Having vast experience in the metal stamping industry in particular designing tooling and mould and die, he is well versed in his profession and has developed and designed various types of tooling to meet the Group's customers' demand and specification. He is responsible for the design development of the tooling by the Group's designers. All designs of the tooling are reviewed and commented by him before the same are released for production. As part of the review, he will also conduct tooling testing and quotation, project monitoring and scheduling. As the Assistant General Manager of R&D, he undertakes the task of ensuring a smooth flowing management system in the R&D department and the Mould and Die department. He also acts as a Technical Advisor Member of the R&D department and the Mould and Die department. With his experience in this industry, his technical knowledge and skills are complementary to the Group's goal of enhancing its status from original equipment manufacturer to original design manufacturing with more tooling designs.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

Low Kok Hang, aged 43, is the Sales Department Senior Manager of the KHIB Group. He obtained a Diploma in Management from the Malaysian Institute of Management in 1998. His career started with Brimal Stampers Sdn Bhd, a metal stamping company as a Purchasing Executive from 1982 to 1985. In 1986, he joined YK Engineering Sdn Bhd, a metal stamping company as a Sales Executive. Subsequently, in 1988, he joined KHI as a Production Control Executive and was transferred to the sales department in 1990. He has more than 20 years experience in sales and marketing and is experienced in handling customers' demands and expectations. He is primarily responsible for sales, costing of parts and project planning.

Ana Low, aged 35, is the Purchasing Department Senior Manager of the KHIB Group. She completed her secondary education in Kuala Lumpur in 1987. She began her career with Carrier Air Condition Sdn Bhd as a Purchasing Clerk in 1990. Prior to joining KHI in 1992, she was with Friven (M) Sdn Bhd, a company dealing in textile, bed spread, covers and related products, as a Purchasing Executive for a year. She was subsequently promoted to Purchasing Manager of KHI in 1994. She is primarily responsible for sourcing and procuring raw materials as well as effective sub-contractor sourcing and control which is important to the Group's overall procurement management.

Peh Soo Hui, aged 29, is the Information Technology Senior Manager of the KHIB Group. She obtained a certificate in Computer Programming and Information Technology from Tunku Abdul Rahman College, Kuala Lumpur in 1995. Upon graduation, she joined KHI as an Information Technology Assistant and was promoted to the post of Senior Executive of Information Technology in 1998. In 2002, she was promoted to Assistant Manager of Information Technology and was subsequently promoted to the position of Senior Manager in the same year. At present, she is in charge of the overall operation and management of the hardware and software of the Group, provision of application support and development to the Group, maintaining the operation of the server and all other relevant system support services.

Liaw Soo Hui, aged 27, is the Senior Environment Manager of the KHIB Group. She obtained a Bachelor of Science (Honours) degree majoring in Environmental Science from Universiti Kebangsaan Malaysia in 1999. She began her career with KHI as an Environmental Management Executive in 2000 and was later promoted to Head of the Environmental Management Department in 2001. Subsequently, she was appointed as the Environmental Management Representative, Safety and Health Committee Chairman and Safety Management Representative of KHI. Her current responsibilities include planning and implementing various programs to create environmental, health and safety awareness within the Group, ensuring that the Group complies with all practicable environmental safety laws, regulations and policies by liaising with state and federal regulatory authorities and departments, developing reviewing and monitoring the Group's safety, health and environmental management system from time to time and addressing complaints and/or problems pertaining to environmental, health and safety issues.

Tang Yuen San, aged 27, is the Quality Control and Quality Management Senior Manager of the KHIB Group. She obtained a Bachelor of Science (Honours) degree from Universiti Putra Malaysia in 1999. She started her career with KHI as a Quality Control Executive in 1999. She was subsequently promoted to Assistant Manager of Quality Control in 2001. She is presently in charge of quality assurance to ensure that quality control in raw materials, production standards, finished products and packaging standards are in compliance with the standards imposed under ISO/TS 16949.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

Haris Bin Ghazali, aged 33, is the Production Control Senior Manager of the KHIB Group. He obtained a Diploma in Accountancy from Institut Teknologi MARA in 1992. His career started with KHI as a Production Clerk in 1992 and he was promoted to Assistant Production Line Leader in 1998. In 2000, he was promoted to Production Line Leader primarily involved in production control. Throughout his years in KHI, he has obtained valuable knowledge and understanding of the metal stamping industry and is thus able to contribute positively towards the success of the Group. At present, he is primarily responsible for planning production schedules in accordance with customers' orders as well as daily management and monitoring of production activities.

Teh Siaw Lian, aged 28, is the Supply Chain Management Manager of the KHIB Group. She obtained a Bachelor of Business Administration (Honours) degree, majoring in Finance from Universiti Kebangsaan Malaysia in 1999. She began her career as a secretary with Kadanjoe Asia Pacific Sdn Bhd, an insurance consultancy firm in 1999. She later joined KHI in 1999 as an Information Technology Executive and was promoted to the post of Manager of Supply Chain Management in 2002. Her responsibility entails managing the supply chain management team by enhancing, planning and developing the Company's stock control system, corporate purchase management system, enterprise information system and electronic management system. As such, she has to constantly monitor and review the progress of each management team. Apart from that, she is also the assistant leader of the high productivity creation improvement project. She has also been assigned the task of leading, planning, developing and maintaining the ISO 14001 internal communication team.

Badlaisah Bin Sani, aged 37, is the Production Engineering Manager of the KHIB Group. He obtained a Certificate in Hotel and Restaurant Services from Institut Teknologi MARA in 1987. Prior to joining KHI in 1995, he was working in the hotel industry, namely Samila Hotel, Kedah Darul Aman and Tanjung Jara Beach Resort, Terengganu Darul Iman from 1987 to 1990. He later joined Seltex Spinning Sdn Bhd, a textile company as a Tester in 1991 and was promoted to Supervisor in 1994. He joined KHI as an Executive in the production engineering department and was promoted to Assistant Manager in 1997. Due to his experience and contribution, he was later promoted to Manager in 1998. At present, he is responsible for the daily management of the production engineering system operation and incoming quality control of the Group. He is also responsible for the customer service in relation to quality control issues.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

3.2 Shareholdings in the Company

The key management personnel of the KHIB Group and their respective shareholdings in the Company, before and after the Issues as at 6 September 2004 are as follows:

Key management	Designation	Before Issues			After Issues		
		Direct	Indirect	%	Direct	Indirect	%
		No. of KHIB Shares	No. of KHIB Shares	Percentage of share capital	No. of KHIB Shares	No. of KHIB Shares	Percentage of share capital
Lim Teik Cheng	Corporate Planner	-	-	-	20,000	-	0.02
Loong Ding Tong	Financial Contoller	-	-	-	110,000	-	0.11
Ting Kian Sing	Senior Accounts Manager	-	-	-	40,000	-	0.04
Ee Chu Waa	Sales and Marketing General Manager	-	-	-	200,000	-	0.20
Chong Meow Chin	Production Department Assistant General Manager	-	-	-	180,000	-	0.18
Chan Woon To	R&D Assistant General Manager	-	-	-	110,000	-	0.11
Low Kok Hang	Sales Department Senior Manager	-	-	-	80,000	-	0.08
Ana Low	Purchasing Department Senior Manager	-	-	-	60,000	-	0.06
Peh Soo Hui	Information Technology Senior Manager	-	-	-	50,000	-	0.05
Liaw Soo Hui	Senior Environment Manager	-	-	-	40,000	-	0.04
Tang Yuen San	Quality Control and Quality Management Senior Manager	-	-	-	50,000	-	0.05
Harris bin Ghazali	Production Control Senior Manager	-	-	-	60,000	-	0.06
Teh Siaw Lian	Supply Chain Management Manager	-	-	-	30,000	-	0.03
Badlrasah bin Sani	Production Engineering Manager	-	-	-	30,000	-	0.03

Note:

* The direct and/or indirect shareholdings are based on the assumption that the Offer Shares allocated to the eligible Directors and employees of KHIB and its subsidiaries pursuant to the Offer for Sale are fully taken up by the respective Directors and employees.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

3.3 Involvement in Other Business/Corporations

Save as disclosed below, none of the key management of the Company is involved in the activities or operations of any other business or corporation:

- (i) Ting Kian Sing is a Director of HKH and S&Y. Ting Kian Sing's involvement in HKH and S&Y is less than 5% and 3% a month, respectively. His involvement in HKH and S&Y is not expected to have a material effect on the amount of time spent in his capacity as the Senior Accounts Manager of the KHIB Group; and
- (ii) Ee Chu Waa is a Director of HKH. Ee Chu Waa spends approximately 30% of her time in HKH. Her involvement in HKH is not expected to have a material effect on the amount of time spent in his capacity as the Sales and Marketing General Manager of KHIB Group.

HKH is an associated company of KHIB while S&Y is an associated company of KHI. Further details are set out in Section 1 of Part X of this Prospectus.

4. PROMOTERS

4.1 Profiles

The profiles of the Promoters, namely Yap Toon Choy and Yong Elaine are set out in Section 1.1 of this Part of this Prospectus.

The knowledge and experience of the Promoters and their involvement in the management of the Group are fully set out in Section 1.1 of this Part of this Prospectus.

4.2 Shareholdings in the Company

The Promoters and their respective shareholdings in the Company, based on the Register of Members, before and after the Issues as at 6 September 2004 are as follows:

	←-----Before Issues-----→				←-----After Issues-----→			
	←-----Direct-----→		←-----Indirect-----→		←-----Direct-----→		←-----Indirect-----→	
	No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %
Promoters								
Yap Toon Choy	38,341,620	42.04	-	-	32,841,620	33.17	-	-
Yong Elaine	22,700,820	24.89	-	-	20,400,820	20.61	-	-

4.3 Previous or Existing Directorships and Substantial Shareholdings in Other Public Corporations

None of the Promoters has any previous or existing directorships or substantial shareholdings in other public corporations for the 2 years preceding the date of this Prospectus.

4.4 Changes in Promoters and their Direct Shareholdings

The changes in the shareholdings of the Promoters since the date of incorporation of KHIB are set out in Section 5.4 of this Part of this Prospectus.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)
5. SUBSTANTIAL SHAREHOLDERS
5.1 Profiles

The profiles of the substantial shareholders of the Company, namely Y.A.M. Tengku Syarif, Yap Toon Choy and Yong Elaine are set out in Section 1.1 of this Part of this Prospectus.

5.2 Shareholdings in the Company

The substantial shareholders of the Company and their respective shareholdings in the Company, based on the Register of Substantial Shareholders and Register of Members of the Company, before and after the Issues as at 6 September 2004 are as follows:

Substantial shareholders	Designation	Nationality/ Place of incorporation	Before Issues		After Issues	
			Direct	Indirect	Direct	Indirect
			No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %
Y.A.M. Tengku Syarif	Non Executive Non-Independent Chairman	Malaysian	19,813,200	21.73	19,813,200	20.01
Yap Toon Choy	Group Managing Director	Malaysian	38,341,620	42.04	32,841,620	33.17
Yong Elaine	Executive Director	Singaporean	22,700,820	24.89	20,400,820	20.61

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

5.3 Previous or Existing Directorships or Substantial Shareholdings in Other Public Corporations

None of the substantial shareholders of the Company has any previous or existing directorships and/or substantial shareholdings in other public corporations for the 2 years preceding the date of this Prospectus.

5.4 Changes in Substantial Shareholders and their Direct Shareholdings

The changes in the direct shareholdings of the Promoters and substantial shareholders of the Company since the date of incorporation of KHIB, based on the Register of Substantial Shareholders of the Company to 6 September 2004 are as follows:

Shareholders	←-----As at ⁽¹⁾ 23 May 2003----->		←-----As at ⁽²⁾ 16 July 2004----->	
	No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %
Gan Chee Tsong	1	50.00	-	-
Ching Lee Tian	1	50.00	-	-
Y.A.M. Tengku Syarif	-	-	19,813,200	21.73
Yap Toon Choy	-	-	38,341,620	42.04
Yong Elaine	-	-	22,700,820	24.89

Notes:

(1) Being the date of incorporation of KHIB.

(2) Being the date of completion of the issuance of KHIB Shares pursuant to the Acquisitions.

6. SERVICE AGREEMENTS

Save as disclosed below, there are no existing or proposed service agreements between the Directors and key management of the KHIB Group with the Company and/or its subsidiaries:

- (i) Service contract dated 10 September 2004 between KHIB and Yap Toon Choy wherein during his employment as Group Managing Director, Yap Toon Choy shall be principally responsible for, inter alia, the day-to-day management of the business and operations of KHIB Group and he shall undertake other duties and exercise his powers in connection with the business of the KHIB Group as his Board of Directors may from time to time assign to him;
- (ii) Service contract dated 10 September 2004 between KHIB and Yong Elaine wherein during her employment as an Executive Director, Yong Elaine shall be principally responsible for, inter alia, assisting in the financial management of the KHIB Group and she shall undertake other duties and exercise her powers in connection with the business of the KHIB Group as her Board of Directors may from time to time assign to her;

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

- (iii) Service contract dated 10 September 2004 between KHIB and Shigeaki Sugiyama wherein during his employment as an Executive Director, Shigeaki Sugiyama shall be principally responsible for, inter alia, production control, sales and marketing, research and development of products and services provided by the KHIB Group. He shall also undertake other duties and exercise his powers in connection with the business of the KHIB Group as his Board of Directors may from time to time assign to him; and
- (iv) Service contract dated 10 September 2004 between KHIB and Liew Choon Fong wherein during her employment as an Executive Director, Liew Choon Fong shall be principally responsible for, inter alia, the management and performance of the information technology, management of the supply chain and corporate purchases of the KHIB Group and she shall undertake other duties and exercise her powers in connection with the business of the KHIB Group as her Board of Directors may from time to time assign to her.

7. OFFERORS

7.1 Profiles

The profiles of the Offerors, namely Yap Toon Choy and Yong Elaine are set out in Section 1.1 of this Part of this Prospectus.

7.2 Shareholdings in the Company

The Offerors and their respective shareholdings in the Company based on the Register of Substantial Shareholders and Register of Members of the Company, before and after the Issues as at 6 September 2004 are as follows:

Offerors	Designation	←After Acquisitions→		←After Issues→	
		←Direct→		←Direct→	
		No. of KHIB Shares	Percentage of share capital %	No. of KHIB Shares	Percentage of share capital %
Yap Toon Choy	Group Managing Director	38,341,620	42.04	32,841,620	33.17
Yong Elaine	Executive Director	22,700,820	24.89	20,400,820	20.61

7.3 Previous or Existing Directorship and Substantial Shareholdings in Other Public Corporations

None of the Offerors has any directorships or substantial shareholdings in other public corporations for the 2 years preceding the date of this Prospectus.

8. RELATIONSHIPS AND ASSOCIATIONS

Save for the Promoters, namely, Yap Toon Choy and Yong Elaine who are husband and wife, there is no other relationship and association between the Directors, substantial shareholders and Promoters of KHIB and the key management of the KHIB Group.

VII. INFORMATION ON DIRECTORS, KEY MANAGEMENT, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND OFFERORS (CONT'D)

9. DECLARATION FOR DIRECTORS AND KEY MANAGEMENT

None of the Directors, senior executive officers or person nominated to become a Director or senior executive officer of the Company is or has been involved in any of the following events:

- (i) a petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or senior executive officer;
- (ii) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) being the subject of any order, judgement or ruling of any court, tribunal or government body of competent jurisdiction 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.

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VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES

1. SUBSIDIARIES

The details of the subsidiaries of KHIB as at the date of this Prospectus are as follows:

Name of company	Date and country of incorporation	Effective equity interest %	Principal activities	Issued and paid-up share capital
KHI	14.03.81; Malaysia	100.00	Sheet metal forming, precision machining and components assembly	RM4,000,000
KHA	28.09.01; Malaysia	83.00	Trading in electrical and electronic products, and home appliances	*RM500,000
KHMY	*28.08.03; Vietnam	51.00	Sheet metal forming, precision machining and components assembly	**USD1,200,000

Notes:

Comprising 255,000 ordinary class A shares of RM 1.00 each in KHA and 245,000 ordinary class B shares of RM1.00 each in KHA.

* *The joint venture agreement for the incorporation of KHMY was entered into on 23 July 2003.*

** *Legal capital of KHMY.*

2. ASSOCIATED COMPANIES

The details of HKH, the associated company of KHIB and S&Y, the associated company of KHI as at the date of this Prospectus are as follows:

Name of company	Date and country of incorporation	Effective equity interest %	Principal activity	Issued and paid-up share capital RM
HKH	07.08.98; Malaysia	49.00	Car components manufacturer	1,000,000
S&Y	01.11.94; Malaysia	28.00	Precision metal stamping	200,000

3. FURTHER DETAILS

Further details of the subsidiaries and associated companies of KHIB are as follows:

3.1 KHI

History

KHI was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 14 March 1981. KHI is principally involved in sheet metal forming, precision machining and components assembly.

VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Share Capital

As at the date of this Prospectus, the authorised share capital of KHI is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each in KHI. The issued and paid-up share capital of KHI is RM4,000,000 comprising 4,000,000 ordinary shares of RM1.00 each in KHI.

The changes in the issued and paid-up share capital of KHI since its incorporation up to the date of this Prospectus are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital RM
14.03.81	4	Cash	4
15.12.83	225	Cash	229
27.02.84	199,771	Cash	200,000
16.02.85	80,000	Cash	280,000
18.04.85	220,000	Bonus issue on the basis of approximately 0.79 ordinary shares of RM1.00 each in KHI ("KHI Shares") for every 1 existing KHI Share	500,000
09.10.90	500,000	Bonus issue on the basis of 1 KHI Share for every 1 existing KHI Share	1,000,000
15.01.96	3,000,000	Bonus issue on the basis of 3 KHI Shares for every 1 existing KHI Share	4,000,000

Substantial Shareholder

KHI is a wholly-owned subsidiary of KHIB.

Subsidiary and Associated Company

The associated company of KHI as at the date of this Prospectus is disclosed in Section 2 of this part of this Prospectus.

Outstanding Warrants, Options, Convertible Securities, and Uncalled Capital

As at the date of this Prospectus, KHI does not have any outstanding warrants, options, convertible securities and uncalled capital.

VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

3.2 KHA

History

KHA was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 28 September 2001. KHA is principally involved in the trading in electrical and electronic products, and home appliances.

Share Capital

As at the date of this Prospectus, the authorised share capital of KHA is RM500,000 comprising 255,000 ordinary class A shares of RM1.00 each in KHA ("Class A Shares") and 245,000 ordinary class B shares of RM1.00 each in KHA ("Class B Shares"). The issued and paid-up share capital of KHA is RM500,000 comprising 255,000 Class A Shares and 245,000 Class B Shares.

The changes in the issued and paid-up share capital of KHA since its incorporation up to the date of this Prospectus are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/ Consideration	Issued and paid-up share capital RM
28.09.01	*2	Subscribers' shares	2
29.04.02	**170,000	Cash	170,002
29.04.02	*254,998	Capitalisation of loan from KHI	425,000
29.04.02	**75,000	Capitalisation of loan from KHI	500,000

Notes:

* Class A Shares.

** Class B Shares.

According to the Articles of Association of KHA, Class A Shares and Class B Shares shall rank parri passu in all respect except that the Class B Shares shall not entitle the holder to voting rights in meetings.

Substantial Shareholders

According to the Register of Substantial Shareholders of KHA as at the date of this Prospectus, the substantial shareholders' equity interest in the issued and paid-up share capital of KHA are set out below:

Substantial shareholders	<-----Direct----->		<-----Indirect----->	
	No. of ordinary shares	Percentage of share capital %	No. of ordinary shares	Percentage of share capital %
KHIB	*415,000	83.00	-	-
Y.A.M. Tengku Syarif	-	-	*(1)415,000	83.00
Yap Toon Choy	-	-	*(1)415,000	83.00
Yong Elaine	-	-	*(1)415,000	83.00

VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Notes:

- (1) Deemed interested by virtue of their substantial shareholdings in KHIB.
 * Comprising 255,000 Class A Shares and 160,000 Class B Shares.

The remaining 17% equity interest in KHA comprising 85,000 Class B Shares are held by Ana Low, Low Kok Hang, Chong Meow Chin, Low Chee Keong, Tham Siew Chin, Haris Bin Ghazali, Mek Chee Lian, Yee Eng Kah, Sophia Raymond Udi and Kuang Siew Chan, who each holds less than 5% equity interest in KHA.

Subsidiaries and Associated Company

As at the date of this Prospectus, KHA does not have any subsidiary or associated company.

Outstanding Warrants, Options, Convertible Securities, and Uncalled Capital

As at the date of this Prospectus, KHA does not have any outstanding warrants, options, convertible securities and uncalled capital.

3.3 KHMV

History

KHMV was established/incorporated in Vietnam on 28 August 2003 as a private limited company under the law on Foreign Investment in Vietnam promulgated on 12 November 1996 by the National Assemble of the Socialist Republic of Vietnam, the law of Amendment of and addition to a number of Articles of the Law on Foreign Investment in Vietnam promulgated on 9 June 2000 and Decree No. 24/2000/ND-CP dated 31 July 2000 of the Government of Vietnam providing detailed regulations on the implementation of the law on Foreign Investment in Vietnam, as amended by Decree 27/2003/ND-CP dated 19 March 2003 providing additions or amendments to a number of Articles of Decree 24/2000/ND-CP dated 31 July 2000 of the Government of Vietnam. KHMV is principally involved in sheet metal forming, precision machining and components assembly.

Share Capital

As at the date of this Prospectus, the total invested capital of KHMV is USD4,000,000 and its legal capital is USD1,200,000.

The changes in the legal capital of KHMV since its incorporation up to the date of this Prospectus are as follows:

Date of allotment	Share of legal capital USD	Type of issue/Consideration	Legal capital USD
30.10.03	349,984	Cash	349,984
15.12.03	94,984	Cash	444,968
25.02.04	200,016	Cash	644,984
30.04.04	300,000	Cash	944,984
04.06.04	124,950	Cash	1,069,934
18.08.04	130,066	Cash	1,200,000

VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Substantial Shareholders

As at the date of this Prospectus, the substantial shareholders' contribution to and share of legal capital of KHMV are set out below:

Substantial shareholders	Direct		Indirect	
	Share of legal capital USD	Percentage of legal capital %	Share of legal capital USD	Percentage of legal capital %
KHIB	612,000	51.00	-	-
Muramoto Asia (S) Pte Ltd	588,000	49.00	-	-
Y.A.M. Tengku Syarif	-	-	*612,000	51.00
Yap Toon Choy	-	-	*612,000	51.00
Yong Elaine	-	-	*612,000	51.00

Note:

* Deemed interested by virtue of their substantial shareholdings in KHIB.

Subsidiaries and Associated Company

As at the date of this Prospectus, KHMV does not have any subsidiary or associated company.

Outstanding Warrants, Options, Convertible Securities, and Uncalled Capital

As at the date of this Prospectus, KHMV does not have any outstanding warrants, options, convertible securities and uncalled capital.

3.4 HKH

History

HKH was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 7 August 1998 under the name of Hirotako Technologies Sdn Bhd. It subsequently changed its name to HKH on 12 September 2002. HKH is principally involved in car components manufacturing.

Share Capital

As at the date of this Prospectus, the authorised share capital of HKH is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each in HKH. The issued and paid-up share capital of HKH is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each in HKH.

The changes in the issued and paid-up share capital of HKH since its incorporation up to the date of this Prospectus are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/Consideration	Issued and paid-up share capital RM
04.08.98	2	Subscribers' shares	2
14.01.99	99,998	Cash	100,000
18.02.03	266,000	Cash	366,000
11.08.03	634,000	Cash	1,000,000

VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Substantial Shareholders

According to the Register of Substantial Shareholders of HKH as at the date of this Prospectus, the substantial shareholders' equity interest in the issued and paid-up share capital of HKH are set out below:

Substantial shareholders	-----Direct----->		<-----Indirect----->	
	No. of ordinary shares of RM1.00 each	Percentage of share capital %	No. of ordinary shares of RM1.00 each	Percentage of share capital %
KHIB	490,000	49.00	-	-
Hirotaiko Holdings Berhad*	510,000	51.00	-	-
Y.A.M. Tengku Syarif	-	-	⁽¹⁾ 490,000	49.00
Yap Toon Choy	-	-	⁽¹⁾ 490,000	49.00
Yong Elaine	-	-	⁽¹⁾ 490,000	49.00
Hiro-Dapat Holdings Sdn Bhd	-	-	⁽²⁾ 510,000	51.00

Notes:

* *Hirotaiko Holdings Berhad is a public company listed on the Second Board of Bursa Securities on 23 January 1995 and was subsequently transferred to the Main Board of Bursa Securities on 29 August 2002.*

(1) *Deemed interested by virtue of their substantial shareholdings in KHIB.*

(2) *Deemed interested by virtue of its substantial shareholdings in Hirotaiko Holdings Berhad as at 28 July 2004.*

Subsidiary and Associated Company

As at the date of this Prospectus, HKH does not have any subsidiary or associated company.

Outstanding Warrants, Options, Convertible Securities, and Uncalled Capital

As at the date of this Prospectus, HKH does not have any outstanding warrants, options, convertible securities and uncalled capital.

3.5 S&Y

History

S&Y was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 1 November 1994. S&Y is principally involved in precision metal stamping.

Share Capital

As at the date of this Prospectus, the authorised share capital of S&Y is RM500,000 comprising 500,000 ordinary shares of RM1.00 each in S&Y. The issued and paid-up share capital of S&Y is RM200,000 comprising 200,000 ordinary shares of RM1.00 each in S&Y.

VIII. INFORMATION ON THE SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Type of issue/Consideration	Issued and paid-up share capital RM
01.11.94	3	Subscribers' shares	3
01.11.94	99,997	Cash	100,000
23.11.99	100,000	Bonus issue on the basis of 1 ordinary shares of RM1.00 each in S&Y ("S&Y Shares") for every 1 existing S&Y Share	200,000

Substantial Shareholders

According to the Register of Substantial Shareholders of S&Y as at the date of this Prospectus, the substantial shareholders' equity interest in the issued and paid-up share capital of S&Y are set out below:

Substantial shareholders	←-----Direct-----→		←-----Indirect-----→	
	No. of ordinary shares of RM1.00 each	Percentage of share capital %	No. of ordinary shares of RM1.00 each	Percentage of share capital %
KHIB	56,000	28.00	-	-
Sim Kooi Wah	70,000	35.00	-	-
Yap Kim Hok	40,000	20.00	-	-
Chan Jun Fai	24,000	12.00	-	-
Teh Pang Koon	10,000	5.00	-	-
Y.A.M. Tengku Syarif	-	-	*56,000	28.00
Yap Toon Choy	-	-	*56,000	28.00
Yong Elaine	-	-	*56,000	28.00

Note:

* Deemed interested by virtue of their substantial shareholdings in KHIB.

Subsidiary and Associated Company

As at the date of this Prospectus, S&Y does not have any subsidiary or associated company.

Outstanding Warrants, Options, Convertible Securities, and Uncalled Capital

As at the date of this Prospectus, S&Y does not have any outstanding warrants, options, convertible securities and uncalled capital.

IX. APPROVALS, CONDITIONS AND MORATORIUM

I. APPROVALS AND CONDITIONS FROM AUTHORITIES

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of Khib on the Second Board of Bursa Securities, the Company undertook a restructuring exercise, details of which are set out in Section 2 of Part VI of this Prospectus, which was approved by the SC and SC (on behalf of FIC) on 7 May 2004, MITI on 31 October 2003 and 19 January 2004 and BNM on 16 June 2004. The conditions imposed by the SC, MITI and BNM and the status of compliance are set out as follows:

Authority	Conditions imposed	Status of compliance
BNM	The approval for the Proposed Acquisition of KHMV is conditional upon the following:	
	(a) Khib is required to repatriate all dividends, profits or interest and proceeds from the sale of investments to Malaysia as soon as such dividends, profits or interest have been paid or when the investment in the foreign company is sold and the Department of Foreign Exchange ("DFE") must be informed of the above;	To be complied.
	(b) Khib is to provide the DFE with quarterly accounts in accordance with the required format. Khib is given the choice to send the report in printed form or electronically. Khib is encouraged to send the report electronically. The report must be received by the DFE within a month after each quarterly report; and	To be complied.
	(c) Khib is to provide the DFE with copies of the financial statements of Khib and KHMV annually once the financial statements are prepared.	To be complied.
MITI	The approval of SC is obtained.	Complied. The approval of the SC was obtained on 7 May 2004.
	The recognition of Y.A.M Tengku Syarif, Azlan Meah bin Haji Ahmad Meah, Azhar bin Abdul Hamid and Ruslan bin Rawi as Bumiputera shareholders is subject to the condition that 30% of the Khib Shares may be sold within 3 months from the Listing while the remaining 70% may be sold in stages with prior approval from the MITI.	To be complied.
SC	(i) Khib should obtain the approvals of all the relevant authorities prior to the implementation of the flotation proposal;	Complied. The approval of the SC and SC (on behalf of FIC) was obtained on 7 May 2004, MITI on 31 October 2003 and 19 January 2004 and BNM on 16 June 2004.

IX. APPROVALS, CONDITIONS AND MORATORIUM (CONT'D)

Authority	Conditions imposed	Status of compliance
	(ii) The corporate guarantees given by KHI in respect of loans granted by financial institutions to the related parties of KHI (other than companies within the KHIB Group) ("Corporate Guarantees") should be removed prior to the acquisition of KHI by KHIB;	Complied. The Corporate Guarantees were removed prior to the acquisition of KHI by KHIB.
	(iii) The following should be fully disclosed in the flotation prospectus of KHIB:	
	(a) The risk-management plans and practices to address the major risks relating to the KHIB Group, which could jeopardise its operations;	Complied. Appropriate disclosure has been made in Section 19 of Part IV of this Prospectus.
	(b) The existing interests/involvement in other businesses of the existing/proposed directors and substantial shareholders of KHIB which could give rise to conflict-of-interest situations with the KHIB Group, and the measures taken to mitigate the conflict-of-interest situations; and	Complied. Appropriate disclosure has been made in Section 2 of Part X of this Prospectus.
	(c) The transactions entered into by the KHIB Group with its related parties;	Complied. Appropriate disclosure has been made in Section 1 of Part X of this Prospectus.
	(iv) With regard to the KHIB Group's trade debtors:	
	(a) KHIB should fully disclose in the flotation prospectus the debtors' position, the ageing analysis and, for amounts exceeding the credit period, comments by directors on the recoverability of the amounts;	Complied. Appropriate disclosure has been made in Section 3 of Part XI of this Prospectus.
	(b) full provision should be made for all overdue trade debtors which are in dispute or under legal action, and for amounts which have been outstanding for more than 6 months; and	Complied. Full provision was made for all overdue trade debtors outstanding for more than 6 months as at 31 July 2004. There were no overdue trade debtors which were in dispute or under legal action.
	(c) the directors of KHIB should confirm and submit a declaration to the SC that debts exceeding the credit period are recoverable and that full provision has been made to the accounts/forecast in accordance with paragraph (b) above;	Complied. The declaration was furnished to the SC on 30 August 2004.
	(v) With regard to the property located at Lot 1837, Jalan Kolej, Seri Kembangan, Selangor [which is rented by KHI from TCY Holdings, a related company];	

IX. APPROVALS, CONDITIONS AND MORATORIUM (CONT'D)

Authority	Conditions imposed	Status of compliance
	(a) TCY Holdings should provide to the SC a written confirmation from the relevant consultant that the buildings erected are in compliance with the building by-laws;	Waiver from having to comply with this requirement was granted by the SC in their letter dated 6 July 2004.
	(b) TCY Holdings should provide to the SC an undertaking that it will use its best endeavours to obtain the approval for the buildings and subsequently to obtain the certificate of fitness for occupation ("CFO") from the relevant authorities within 12 months from the date of the SC's letter dated 7 May 2004;	Complied. The undertaking was furnished to the SC on 30 August 2004.
	(c) KHIB, when listed, should make quarterly announcements to Bursa Securities on the status of application for approval and CFO by TCY Holdings, until such approval and CFO are obtained; and	To be complied.
	(d) KHIB should provide the SC with the status of the application by TCY Holdings every quarter until such approval and CFO are obtained;	To be complied.
(vi)	With regard to the property located at GM 391 and 392, Lot No 1866 and 1867, Mukim and District of Petaling, Selangor (which is owned by KHI), KHIB should provide to the SC an undertaking letter that KHI will:	
	(a) use its best endeavours to obtain the approved building plan prior to the issuance of the flotation prospectus; and	Complied. Copies of the approved building plan were furnished to the SC on 28 May 2004.
	(b) obtain the CFO before occupying the building;	Complied. The undertaking was furnished to the SC on 30 August 2004.
(vii)	With regard to the properties located at:	
	(a) GM 249 and 250, Lot No 1863 and 1864, Mukim and District of Petaling, Selangor;	
	(b) H.S. (M) 26921, Lot No PT 174, Mukim and District of Petaling, Selangor; and	
	(c) H.S. (D) 31748, 31749, 31750 and 31751, Mukim and District of Petaling, Selangor,	
	(which are owned by KHI), KHIB should:	

IX. APPROVALS, CONDITIONS AND MORATORIUM (CONT'D)

Authority	Conditions imposed	Status of compliance
	(a) provide to the SC an undertaking letter that KHI will use its best endeavours to rectify the extended structures which do not have the relevant approvals, within 12 months from the date of the SC's letter dated 7 May 2004; and	Complied. The undertaking letter was furnished to the SC on 30 August 2004.
	(b) make quarterly announcements on the status of the said rectification to Bursa Securities, and update the SC on the status of the rectification when such announcements are made;	To be complied.
	(viii) With regard to the utilisation of the flotation proceeds:	
	(a) KHIB should disclose the time frame for the utilisation in the flotation prospectus. Any extension of time for the completion of the utilisation of the proceeds from that determined earlier should be approved by a clear resolution by the board of directors of KHIB and fully disclosed to Bursa Securities; and	Complied/To be complied (if applicable).
	(b) KHIB should disclose the status of the utilisation of the flotation proceeds in its quarterly and annual reports until the proceeds are fully utilised;	To be complied.
	(ix) All trade debts exceeding the normal credit period and all non-trade debts owing to the KHIB Group by its proposed/existing directors, substantial shareholders and other companies controlled by the proposed/existing directors and substantial shareholders must be settled prior to the issuance of the flotation prospectus;	Complied. All trade debts exceeding the normal credit period and all non-trade debts owing to the KHIB Group by its proposed/existing directors, substantial shareholders and other companies controlled by the proposed/existing directors and substantial shareholders have been settled as at 6 September 2004.
	(x) The placement of shares should comply with the following:	
	(a) At least 30% of the shares to be placed out should, to the extent possible, be allocated to Bumiputera investors;	To be complied.
	(b) The placement should be done through an independent placement agent;	Complied. The placement agent is CIMB which is an independent placement agent.
	(c) The KHIB shares should be placed with persons other than parties connected to the placement agent;	To be complied.

IX. APPROVALS, CONDITIONS AND MORATORIUM (CONT'D)

Authority	Conditions imposed	Status of compliance
	(d) If the shares are placed with nominee companies, the names of the ultimate beneficiaries must be disclosed; and	To be complied.
	(e) On implementation of the placement, CIMB or the placement agent, where applicable, must submit to the SC a final list of the placees and a confirmation that the placement complies with the above;	To be complied.
	(xi) The identified placees of the placement should give written irrevocable undertakings to subscribe for the shares prior to the issuance of the flotation prospectus;	Complied. Written irrevocable undertakings from identified placees to subscribe for the shares have been obtained as at 15 September 2004.
	(xii) The expenses incurred relating to the proposed offer for sale should be borne by the offerors;	To be complied.
	(xiii) 30% of the shares to be allocated to Bumiputera investors recognised by the MITI, should comply with the National Development Policy ("NDP") requirement;	To be complied.
	(xiv) CIMB/KHIB should inform the SC on the status of compliance with the NDP requirement upon completion of the flotation proposal;	To be complied.
	(xv) Any future transactions between the KHIB Group and the proposed/existing directors/substantial shareholders or companies related to the proposed/existing directors/substantial shareholders must be on an "arm's-length" basis and must not be unfavourable to the KHIB Group. In this regard, the Audit Committee of KHIB must monitor such transactions, in the annual report of KHIB on a yearly basis;	To be complied.
	(xvi) The proposed/existing directors and substantial shareholders of KHIB should not, in the future, carry out any other new businesses which will compete directly or indirectly and be in conflict with the business of the KHIB Group;	To be complied.
	(xvii) The proposed/existing directors and substantial shareholders who are involved in full-time capacity in the KHIB Group should not be involved in full-time capacity in their other personal businesses;	To be complied.

IX. APPROVALS, CONDITIONS AND MORATORIUM (CONT'D)

Authority	Conditions imposed	Status of compliance
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- | | | |
|---------|--|-----------------|
| (xviii) | Moratorium on disposal of shares is imposed on the following shareholders of KHIB: | To be complied. |
|---------|--|-----------------|

	No of KHIB Shares under moratorium	% of enlarged issued and paid-up share capital of KHIB
Yap Toon Choy	27,479,848	27.76
Yong Elaine	17,070,152	17.24
Total	44,550,000	45.00

The above shareholders will not be allowed to sell, transfer or assign their shareholdings under moratorium for 1 year from the date of admission of KHIB to the Second Board of Bursa Securities; and

- | | | |
|-------|--|--------------------------|
| (xix) | CIMB/KHIB should fully comply with the relevant requirements of the Policies and Guidelines on Issue/Offer of Securities relating to the implementation of the flotation proposal. | Complied/To be complied. |
|-------|--|--------------------------|

The SC (on behalf of FIC) had also noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in KHIB would change arising from the implementation of the restructuring and subsequent listing scheme ("Proposal"), as follows:

	Before Proposal	After Proposal
	%	%
Bumiputera	-	30.00
Non-Bumiputera	100.00	49.39
Foreign	-	20.61
Total	100.00	100.00

IX. APPROVALS, CONDITIONS AND MORATORIUM (CONT'D)

2. MORATORIUM ON SALE OF SHARES

The Listing had been approved by the SC on 7 May 2004. In conjunction with the Listing, the Promoters have agreed to a moratorium on the sale of their KHIB Shares.

Pursuant to the SC Guidelines, the Promoters mentioned below will not be allowed to sell, transfer or assign their respective portion of their shareholdings, as tabulated in column II below and amounting in totality to 44,550,000 KHIB Shares, representing 45% of the enlarged issued and paid-up share capital of the Company after the Issues within 1 year from the date of admission of the Company to the Official List of the Second Board of Bursa Securities. Thereafter, they are permitted to sell, transfer or assign their respective shareholdings in the Company which is under moratorium.

Details of the Promoters who will be subjected to the moratorium, as approved by the SC, are as follows:

Promoters	I <----- After Issues ----->		II <-----Under Moratorium ----->	
	No. of KHIB Shares RM	Percentage of share capital %	No. of KHIB Shares RM	Percentage of share capital %
Yap Toon Choy	32,841,620	33.17	27,479,848	27.76
Yong Elaine	20,400,820	20.61	17,070,152	17.24
Total	53,242,440	53.78	44,550,000	45.00

The restriction, which is fully accepted by the Promoters above, being the controlling shareholders, is specifically endorsed on the share certificates representing its shareholding, which are under moratorium to ensure that trading of these KHIB Shares, are not allowed in compliance with the restriction imposed by the SC.

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 Exchange 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."

X. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

1. RELATED PARTY TRANSACTIONS

Save as disclosed below, there are no other related party transactions between the KHIB Group with the Directors, substantial shareholders and/or persons connected to them:

- (i) KHI had entered into the following tenancy agreements with TCY Holdings for the rental of properties where TCY Holdings is the landlord. The tenancy agreements are as follows:
 - (a) A tenancy agreement dated 1 June 2003 was entered into between TCY Holdings and KHI for the tenancy of the 5 apartment units known as units no. C2-2, C3-2, C4-2, C5-2 and C6-2 Excelsa Apartments at a monthly rental of RM7,500 for use by the employees of KHI. The tenancy is for a period of 3 years commencing from 1 June 2003 to 31 May 2006 and KHI has an option to renew the tenancy for a further term of 3 years;
 - (b) A tenancy agreement dated 1 May 2002 was entered into between TCY Holdings and KHI for the tenancy of the residential premise known as No.7, Jalan Indah, 1/28, Taman Universiti Indah, 43300 Seri Kembangan, Selangor Darul Ehsan at a monthly rental of RM600 for use by the employees of KHI. The tenancy is for a period of 3 years commencing from 1 May 2002 to 30 April 2005 and KHI has an option to renew the tenancy for a further term of 3 years; and
 - (c) A tenancy agreement dated 7 March 2003 was entered into between TCY Holdings and KHI for the tenancy of Factory A at a monthly rental of RM17,500 for the place of operation of Factory A. The tenancy is for a period of 2 years commencing from 1 December 2002 to 31 December 2004 and KHI has an option to renew the tenancy for a further term of 3 year;
- (ii) On 6 March 2003, KHI entered into a tenancy agreement as landlord with HKH as tenant for the tenancy of the partial portion of the factory lot known as Lot 33, Jalan 6/2, Kawasan Perindustrian, 43300 Seri Kembangan, Selangor Darul Ehsan at a monthly rental of RM2,000 for production facility. The tenancy is for a period of 1 year commencing from 1 March 2003 to 28 February 2004. Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB is also a Director of HKH. KHIB wholly-owns KHI and is also a substantial shareholder of HKH;
- (iii) On 3 October 2003, KHI entered into a tenancy agreement as landlord with Microtechno Precision (M) Sdn Bhd ("MPSB") for the tenancy of the premises known as Lot 1866 and Lot 1867, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan at a monthly rental of RM15,000 for the business of precision machining and other activities thereto. The tenancy is for a period of 2 years commencing from 1 October 2003 to 30 September 2005. Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB and Shigeaki Sugiyama, the Executive Director of KHIB, are also directors of MPSB;
- (iv) KHI purchases home appliances and electronic products from KHA. The transaction value for the financial year ended 30 April 2004 was RM181,622 while the forecast transaction value for the financial year ending 30 April 2005 is approximately RM400,000. Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB and Liew Choon Fong, the Executive Director of KHIB are both Directors of KHA. KHIB wholly-owns KHI and is also a substantial shareholder of KHA;

X. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (CONT'D)

- (v) KHI sub-contracts tooling and metal stamping work to S&Y. The transaction value for the financial year ended 30 April 2004 was RM1.025 million while the forecast transaction value for the financial year ending 30 April 2005 is approximately RM1.200 million. KHIB wholly-owns KHI and is also a substantial shareholder of S&Y;
- (vi) KHI produces automobile components for HKH. The transaction value for the financial year ended 30 April 2004 was RM4.087 million while the forecast transaction value for the financial year ending 30 April 2005 is approximately RM5.700 million. Yap Toon Choy the Group Managing Director and substantial shareholder of KHIB is also a Director of HKH. KHIB wholly-owns KHI and is also a substantial shareholder of HKH;
- (vii) KHI forms electrical components for Muramoto Technics (M) Sdn Bhd ("MTM"). The transaction value for the financial year ended 30 April 2004 was RM14.885 million while the forecast transaction value for the financial year ending 30 April 2005 is approximately RM22.496 million. Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB is also a Director and substantial shareholder of MTM;
- (viii) KHI will sell parts such as cylinder plates which are required to produce vane, to MPSB. The transaction value for the financial year ended 30 April 2004 was RM393,521 and the forecast transaction value for the financial year ending 30 April 2005 is approximately RM405,327. Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB and Shigeaki Sugiyama, the Executive Director of KHIB, are also directors of MPSB; and
- (ix) KHI forms electrical components for Muramoto Asia (S) Pte Ltd ("Muramoto Singapore"). The transaction value for the financial year ended 30 April 2004 was RM6.956 million while the forecast transaction value for the financial year ending 30 April 2005 is nil. Muramoto Singapore is deemed a major shareholder of KHIB by virtue of its 49% equity interest in KHMV, a 51%-owned subsidiary of KHIB.

The above transactions were carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public. Upon Listing, the Directors of the Company will ensure that such related party transactions will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public and which will not be detrimental to the minority shareholders of KHIB.

Disclosure will be made in the annual report of the Company of the aggregate value of transaction conducted based on the nature of the related party transactions made, names of the related parties involved in each type of related party transactions made and their relationship with the Company.

As at the date hereof, there are no transactions, existing or potential, entered or to be entered by KHIB or its subsidiaries which involved the interest, direct or indirect, of the key management of the Group.

X. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (CONT'D)

2. CONFLICT OF INTERESTS

2.1 As at 6 September 2004, save as disclosed below, none of the Directors or substantial shareholders of the Company or its subsidiaries have any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries:

Directors	Note	Designation	Company	Principal activity	No. of shares	Percentage of share capital %
Yap Toon Choy	(i)	Director	Muramoto Technics (M) Sdn Bhd ("MTM")	Manufacture of electrical components and parts for picture tube display	2,000,000	40.00
	(ii)	Director	Microtechno Precision (M) Sdn Bhd ("MPSB")	Manufacturing of precision parts for air conditioner compressors	-	-
Shigeaki Sugiyama	(ii)	Director	MPSB	Manufacturing of precision parts for air conditioner compressors	-	-

- (i) Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB, is also a director and substantial shareholder of MTM. MTM has given an undertaking that for as long as Yap Toon Choy remains a director of MTM, MTM will only manufacture a specific list of products and will not compete against KHIB by manufacturing any products currently produced by KHIB or any of its subsidiaries and/or which may be manufactured by KHIB or any of its subsidiaries in the future. Further, KHIB's products are complementary to MTM's products as KHIB's products are used to produce MTM's products. The transaction value for the financial year ended 30 April 2004 was RM14.885 million and the forecast transaction value for financial year ending 30 April 2005 is approximately RM22.496 million. The Board of Directors of KHIB, save for Yap Toon Choy who has abstained from Board deliberations, is of the opinion that Yap Toon Choy's shareholdings in MTM will not result in a material conflict of interest and that all transactions between the Group and the mentioned companies have been carried out on arm's length basis; and
- (ii) Yap Toon Choy, the Group Managing Director and substantial shareholder of KHIB and Shigeaki Sugiyama, the Executive Director of KHIB, are also directors of MPSB. MPSB is principally engaged in manufacturing of precision parts for air conditioner compressors. MPSB's products do not compete with KHIB's products. In fact, KHIB supplies to MPSB some of the parts such as cylinder plates which are required to produce vane, an essential component in air conditioner compressor parts, which is MPSB's main product. MPSB will focus mainly on high precision grinding and machinery while sub-contracting other stamping and secondary processes to KHIB. Therefore, MPSB and KHIB are more of a strategic alliance rather than companies with conflicting interests. The transaction value for the financial year ended 30 April 2004 was RM393,521. The forecast transaction value for financial year ending 30 April 2005 is approximately RM405,327. MPSB and KHIB are working together to produce a replacement for sintered material, the main raw material in vane production. The Board of Directors of KHIB, save for Yap Toon Choy and Shigeaki Sugiyama who have abstained from Board deliberations is of the opinion that Yap Toon Choy and Shigeaki Sugiyama's directorship in MPSB will not result in a material conflict of interest and that all transactions between the Group and MPSB have been carried out on arm's length basis.

X. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (CONT'D)

2.2 There is no conflict of interest between the KHIB Group and its Adviser, Managing Underwriter and Placement Agent, Auditors and Reporting Accountants, Solicitors, Registrar and Independent Market Researcher as set out in Part I of this Prospectus.

3. OTHER TRANSACTIONS

As at 6 September 2004, there are no transactions that are unusual in their nature and conditions, involving goods, service, tangible or intangible assets, to be entered into by KHIB or its subsidiaries in respect of the last financial year and the subsequent financial period.

As at 6 September 2004, there are no outstanding loans (including guarantees of any kind) made by KHIB or its subsidiaries to or for the benefit of a related party.

None of the Directors or substantial shareholders of KHIB has any interest in any contract or arrangement, which is significant in relation to the business of KHIB and its subsidiaries taken as a whole subsisting at the date of this Prospectus.

None of the Directors or substantial shareholders of KHIB has any interest, direct or indirect, in the promotion of or in any material assets which have been, within the 2 years preceding the date of this Prospectus, acquired or disposed of by or leased to the Company or its subsidiaries, or proposed to be acquired, disposed of by or leased to the Company or its subsidiaries.

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