
4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE CHB GROUP OUTLINED IN THIS PROSPECTUS, APPLICANTS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE CHB GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE APPLYING FOR THE ISSUE SHARES.

4.1 CAPITAL MARKET RISKS

The performance of the local bourse is to a certain extent dependent on external factors such as the performance of the regional and world bourses and the flows of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, and therefore may affect the market price of the listed shares of CHB.

4.2 NO PRIOR MARKET FOR CHB SHARES

Prior to the Public Issue, there has been no public market for shares in CHB. There can be no assurance that an active market for shares in CHB will develop upon its listing on the Second Board of Bursa Securities or, if developed, that such market will be sustained. The Issue Price has been determined after taking into consideration of a number of factors, including but not limited to, the Group's financial and operating history and condition, its prospects and the prospects for the industries in which the CHB Group is involved, the NTA of the Group, the management of the Group, the market prices for shares of companies engaged in businesses similar to that of the CHB Group and the prevailing market conditions at the time the application for CHB's listing was submitted to the SC.

There is no assurance that the Issue Price will correspond to the price at which the shares in CHB will be traded on the Second Board of Bursa Securities upon or subsequent to its listing or that an active market for shares in CHB will develop and continue upon or subsequent to its Listing.

4.3 COMPETITION

The convenience food manufacturing industry operates in an open and competitive environment, accessible to all manufacturers. Investments are encouraged by the Government and there are no limitations to growth beyond capital and supply and demand constraints. Initial capital investments are relatively low and this allows players to enter and exit the industry easily. As competition in the convenience food manufacturing industry is very intense and price sensitive, the Group faces competition from various competitors, both domestically and abroad, which include private and public listed companies. Although the Group exports to more than 40 countries worldwide, the Group does not possess a strong marketing presence in any of the export markets and merely plays the role of a manufacturer, with the distribution and marketing of its products delegated to its agents (*Source: IMR Report*). Should the Group fail to remain competitive, it may potentially lose market share, thus affecting its revenue streams and financial position.

Nevertheless, the Group has successfully established strong relationships with its customers and is confident that it will maintain its competitive advantage by ensuring prompt delivery, price competitiveness of its products and consistent quality. The Group is constantly looking at improving its production processes to increase production efficiency, standards and the quality of its products through R&D to remain competitive. However, there can be no assurance that the Group will be able to maintain its existing market position in the future.

4. RISK FACTORS

4.4 BUSINESS RISKS

The principal business activities of the CHB Group are in the manufacture and trading of processed and preserved foods and fruits of all kinds. The CHB Group is therefore subject to certain risks inherent in the convenience food manufacturing industry.

These risks include constraints in labour supply, changes in economic and business conditions, foreign exchange rate fluctuations, increase in the prices of the imported and local raw materials, unfavourable changes in Government and international policies, the introduction of new and superior products by competitors and changes in consumer preferences. Any of these may be a threat to the operations and financial performance of the Group.

The snack and confectionery food industry is labour intensive, depending on the availability and quantity of non-skilled workers. A shortage of non-skilled workers will have an adverse impact on production processes of companies involved in this industry. Most companies cannot afford to substitute non-skilled workers with semi-skilled workers to compensate for the shortage as this will result in a rise in production cost and in most cases, the gross profit margins are too slim to absorb the increase (*Source: IMR Report*).

The Group is, however, gradually moving from being labour intensive to capital intensive, in tandem with the rapid advancement of technology. Certain segments of the manufacturing process which previously required much manpower such as the packaging function, has since been replaced with fully-automated packaging machines. In addition, existing and new production methods and manufacturing processes are continuously being explored, reviewed and/or modified to minimize the usage of manpower in its operations without affecting the production output or quality of the Group's products.

Although the Group seeks to limit these business risks through, inter-alia, investing in automated machinery to increase efficiency of operations and productivity, maintaining long term relationships with a large pool of suppliers, expanding the business by increasing its customer base, markets, products, improving its technological competence in R&D and advanced technologies and practicing prudent management policies, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business.

4.5 OPERATIONAL RISKS

The CHB Group is also exposed to risks related to its operations, which include fire and power failure. Such incidents may impair the Group's assets and financial condition. To mitigate these risks, the CHB Group conducts regular test on its fire fighting systems i.e. fire hydrants, hose reels, fire extinguishers and the water sprinkler system installed in their buildings and factories. Fire drills are also carried out at regular intervals with its staff. The Group's factory premises are adequately protected through the adoption of stringent security measures. In addition, the Group has taken up insurance coverage for all its fixed assets to cover the risk of fire and consequential losses in profits. The Directors believe that the Group has taken the necessary precautionary measures and would ensure that the Group continuously undertakes scheduled maintenance, updates and checks to address any operational risks.

Notwithstanding the above, there is no assurance that any incidence of fire and/or power failure would not pose critical risks or have any material impact on the Group's operations.

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4. RISK FACTORS

4.6 INSURANCE COVERAGE

The management of the Group is aware of the adverse consequences arising from inadequate insurance coverage that could affect the Group's operations. Accordingly, the Group has taken up fire insurance policies for its office equipment, plant and machinery and premises as well as policies to cover product liability claims and any consequential losses arising from fire, lightning, windstorm and/or flood. While the Group reviews and seeks to ensure adequate insurance coverage on a continuous basis, there can be no assurance that the insurance coverage would be comprehensive and would reflect the replacement cost of the assets or any consequential loss arising therefrom.

4.7 OWNERSHIP AND CONTROL BY THE SUBSTANTIAL SHAREHOLDERS

Upon its listing on the Second Board of Bursa Securities, the controlling shareholders of CHB are the Liew/Lau Family who will collectively control approximately 56% of the Company's enlarged issued and paid-up share capital after the Public Issue. As such, it is likely that they will be able to influence the outcome of certain matters requiring the vote of the Company's shareholders, unless they are required to abstain from voting by law and/or by the relevant authorities.

Nonetheless, the CHB Group has appointed two (2) independent directors to ensure that any future transactions involving related parties, if any, are entered into on arms-length terms as well as to represent the interests of the minority shareholders in the Group.

4.8 POLITICAL, ECONOMIC AND REGULATORY CONSIDERATIONS

The financial and business prospects of the Group and the industry in which it operates may depend to some degree on the developments in the political, economic and regulatory conditions in the countries where the Group's products are sold. Any adverse developments in such conditions may materially and adversely affect the financial prospects of the Group and the industry in which it operates. Amongst the political, economic and regulatory uncertainties are the risks of war, riots, global economic downturn, changes in political leadership, expropriation, nationalism, re-negotiation or nullification of existing sales orders and contracts, unfavourable changes in interest rates and methods of taxation, and currency exchange rules and contracts.

The Malaysian government is promoting more local content and value added production and technological development in the convenience food manufacturing industry. This is done via policies and incentives including the granting of pioneer status and tax allowances.

Whilst the Company will continue to take effective measures such as prudent financial management and efficient operating procedures, there is no guarantee that the abovementioned government policies and incentives to promote the food industry will continue in the long run or that there will not be any other changes in government policies or regulations that may be unfavourable to the Group.

4.9 ENVIRONMENTAL ISSUE

The CHB Group is committed to environmentally sound business practices in all its operations. The Group constantly monitors and checks its manufacturing facilities to ensure compliance with the relevant environmental laws.

There is no toxic gas or harmful by-products as a result of the manufacturing processes. The waste products generated from the Group's snacks, chocolate and sugar confectionery as well as soft drinks are mostly sugar and flour residue, which is passed through a waste treatment plant (where required) before being discharged through the local drainage system as raw treated water. As such, there are no perceivable environmental issues or concerns regarding the manufacturing and production processes that the Group is involved in.

4. RISK FACTORS

4.10 DEPENDENCE ON SUPPLIERS FOR PURCHASE OF RAW MATERIALS

The Group does not have any long-term contracts with its suppliers but places its orders from its regular suppliers on a daily basis. Hence, there is no assurance that the CHB Group will not experience low inventory levels at any point of time or that fluctuations in the prices of raw materials will not affect the future profitability of the Group.

In order to minimise this risk, the Group sources its raw materials from different suppliers and is thus not dependent on any single supplier. The purchase of raw materials is also taken into consideration during its pre-production planning with orders and deliveries confirmed prior to any production run, thus preventing any disruption in the production process.

Further, the Group maintains long-term relationships with its suppliers of raw materials. The relationship between the CHB Group and its suppliers ensures a constant and reliable supply of raw materials. As such, the management of the Group does not foresee any difficulties in procuring the raw materials while at the same time, able to identify alternative suppliers should the need arise.

4.11 ABSENCE OF LONG TERM CONTRACTS

There is no formal contract entered into between the CHB Group and its customers, save for the contracts entered into with Makro Cash and Carry Distribution (M) Sdn Bhd and a multinational pharmaceutical company. It should be highlighted that it is not common practice for manufacturers or suppliers of snack food to enter into long-term contracts with its customers. The normal course of dealings between the parties involves the issuance of a purchase order by the customer followed by a confirmation of the same via the issuance of a sales order. Goods will be delivered within the stipulated period in the respective invoice and payment terms are based on the agreed credit periods.

However, the Group has, through aggressive sales and marketing, built a wide local customer base and enjoys long and stable relationships with many different groups of customers, ranging from wholesalers, hypermarkets, supermarkets and retailers.

4.12 DEPENDENCE ON PARTICULAR MARKETS AND GEOGRAPHICAL LOCATIONS

Although the Group exports to more than 40 countries worldwide, ranging from developed to developing countries, the Group's export customer base is very focused and dependent on revenue from the Middle East region, especially Saudi Arabia. Any decline in revenue contributions from the Middle East region will have an adverse effect on the Group's export revenue (*Source: IMR Report*), which made up approximately 34% of its total export revenue for the FYE 31 December 2003.

Recognising the importance of diversifying its customer base, the Group has shown efforts to diversify its export customer base and move away from being too focused on the Middle East, as reflected in the results for the FYE 31 December 2003, where contributions from new markets such as USA and Chile and higher orders from existing markets like Singapore and Korea were procured. Banking on its strength of being a *halal* convenience food manufacturer, the CHB Group is looking to target more countries with a high percentage of Muslim population.

4.13 DEPENDENCE ON KEY PERSONNEL

The Group believes that its continued success depends to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. The loss of any key members of the Board and senior management may to a certain extent affect the Group's continued ability to compete in the convenience food manufacturing industry.

4. RISK FACTORS

Efforts are presently being made by the Group to prepare other members of the management to assume more responsibilities in order to ensure a smooth transition in the future. In addition, the Group's middle management team is constantly exposed to various aspects of its business in order to ensure and that they are adequately equipped with the knowledge necessary for them to assume senior management positions and to facilitate greater understanding of the business. The Group is also making effort to attract new and retain existing key personnel.

However, there can be no assurance that the Group can retain these individuals in their employment or that it will successfully attract and retain the additional or replacement personnel with the requisite experience and capabilities to enable the Group to effectively evaluate, develop and market the Group's products.

4.14 PROFIT AND CASH FLOW ESTIMATE AND FORECAST

The profit and cash flow estimate and forecast of the CHB Group as set out in this Prospectus are based on assumptions that the Directors of CHB believe to be reasonable. However, these assumptions are subject to uncertainties and contingencies. Due to the inherent uncertainties underlying the estimate and forecast and as events and circumstances may not occur as expected, there can be no assurance that the profit and cash flow estimate and forecast contained herein will be realised and actual results may be materially different from those stated herein. Investors are deemed to have read and understood the assumptions and uncertainties underlying the estimate and forecasts contained herein.

4.15 ACHIEVABILITY OF FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which are statements made, other than statements of historical facts. Although the Group believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove to be correct. Any differences in the expectation of the Group from its actual performance may result in the Group's financial and business performance and plans to be materially different from those anticipated. As such, the inclusion of forward-looking statements in this Prospectus should not be regarded that the plans and objectives of the Group will be achieved.

4.16 FOREIGN EXCHANGE RISK

The CHB Group's businesses involve the export and import of goods to/from foreign markets which subjects the Group to foreign exchange fluctuations. With Malaysia's currency currently pegged to the USD at USD1.00 to RM3.80, the Group's foreign currency exposure is by and large mitigated by the stability and predictability of the peg. All transactions involving the import of raw materials and most transactions involving the export of the Group's products are conducted in USD. As such, foreign currency exposure does not represent a major risk for the Group for the time being. In addition, the Group constantly monitors the Group's foreign exchange exposure and hedges its foreign exchange risk whenever deemed appropriate.

However, there is no assurance that the exchange rate will remain fixed and that future fluctuations in the foreign exchange rates will not have any adverse impact on the CHB Group if and when the RM peg is revised or removed.

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4. RISK FACTORS

4.17 PRODUCT RISKS

The Group's future results will substantially depend on market acceptance of the products developed by the Group. A reduction in demand or an increase in competition in the market for the Group's existing or future products may have a material adverse effect on the Group's business, results and financial condition. Although the Group's products have been well-received by its customers to date, there is no assurance that the Group will be able to continue to develop and launch new products or introduce enhancements in a timely manner in response to changing market conditions or customer requirements or that the process will not encounter unforeseen problems.

4.18 DELAY IN OR ABORTION OF THE LISTING EXERCISE

The listing exercise is exposed to the risk that it may fail or be delayed should the following events, which may not be exhaustive, occur:

- (i) The placees under the private placement fail to subscribe to the portion of the Public Issue allocated to them;
- (ii) The Underwriters exercising their rights pursuant to the Underwriting Agreement discharge themselves from their obligations thereunder; or
- (iii) The Company is unable to meet the public spread requirement where at least 25% of the issued and paid-up share capital of the Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon completion of the Public Issue and at the point of Listing.

Although the Directors of CHB will endeavour to ensure compliance with the Listing Requirements by the various authorities, no assurance can be given that the abovementioned factors will not cause a delay in or abortion of the Listing exercise.

4.19 IMPACT OF THE AFTA

The AFTA agreement was signed in 1992 between Malaysia, Thailand, Singapore, Indonesia, Philippines and Brunei, and later with Vietnam, Laos, Myanmar and Cambodia, to promote economic co-operation and increase competitiveness by reducing inter-regional tariffs between member countries. AFTA has resulted in a gradual reduction of trade barriers in ASEAN. With the initiation of the CEPT scheme which is the main instrument under AFTA for making ASEAN a free trade area by 2008, tariff on goods traded within the region, which meets a 40% ASEAN content requirement, will be reduced to 0% - 5%. This would result in a liberalised market and intensify competition among producers in the region.

For most food items, Malaysia has zero or minimal import duties. However, Malaysia still has the highest tariff rates in the ASEAN region for certain food items, such as sugar confectionery, chocolate and non-aerated beverages, compared to some other ASEAN markets. This relatively high level of protection has protected domestic manufacturers, including the CHB Group, from lower cost producers such as Thailand and Indonesia. In respect of export potential, the Group is not expected to experience any surge in export sales from the lowering of tariff rates alone since most of the major ASEAN countries it exports to are already applying the CEPT or zero rates. As tariff rates for all countries meet CEPT rates, the CHB Group will need to brace itself for fiercer competition (*Source: IMR Report*).

Please refer to **Section 7.5** for details pertaining to competitive advantages enjoyed by the CHB Group which will equip the Group in mitigating the risks posed by the full implementation of AFTA.

4. RISK FACTORS

4.20 NEED FOR FUTURE CAPITAL INJECTION

The Group is of the view that the net proceeds of the Public Issue, together with the cash flow from its operations and other existing sources of liquidity will be sufficient to meet its projected working capital and other cash requirements for the foreseeable future. However, there is no assurance that future events may not cause the Group to seek additional capital sooner. If additional capital is required, there can be no assurance that it will be available, or if available, that it will be on terms satisfactory to the Group. The issue of additional equity or other securities to non-shareholders will result in a further dilution in the interest of the shareholders of the Company.

The continued availability of credit lines has an important bearing on the operations and capital expenditure plans of the Group. As such, there can be no assurance that the creditors that have extended credit to the Group will continue to make available such credit lines and funding facilities required. Furthermore, there is no assurance that the current assets of the Group will be realised on a timely basis, to meet the obligations of the Group as and when they fall due.

4.21 ACQUISITIONS AND JOINT VENTURES

If appropriate opportunities present themselves, the Group intends to acquire businesses, products or technologies, or enter into synergistic joint ventures that the Group believes will be in the interest of its shareholders. There can be no assurance that the Group will successfully identify, negotiate or finance such acquisitions and joint ventures, or to integrate such acquisitions and joint ventures with its current business, or to benefit from such acquisitions and joint ventures. Such acquisitions and joint ventures may cause the Group to seek additional capital, which may or may not be available to the Group on satisfactory terms. However, any venture or investment of such nature will be carefully considered by the Directors of CHB and its subsidiaries with due care.

4.22 BORROWINGS AND RESTRICTIVE COVENANTS

The Group may from time to time obtain credit facilities from banks and financial institutions to finance its operations and business activities. Interest charged on these credit facilities may be subject to fluctuations in interest rates, which may have a material effect on the Group's profitability. These credit facilities may further be subjected to certain terms and conditions which may limit the Group's operating and financial flexibility. Any act or omission by the Group that tantamounts to a material breach of such terms and conditions may give rise to rights by the financiers to terminate the relevant credit facilities and/or enforce their rights in relation to the security granted, and which may also cause cross-defaults of other facilities granted to the Group. As such, there can be no assurance that the aforesaid breaches will not have any adverse impact on the Group's operational and financial results.

The Group is, to the best of the Board's knowledge and belief, presently not in any breach of any such terms or conditions of any credit facility so as to cause any of the credit facilities granted to the Group to be recalled, and will at all times make reasonable efforts to observe such terms and conditions.

4.23 UNDERWRITING RISKS

In the event of a shortfall in the subscription of the Issue Shares, the Underwriters will have to subscribe for all the under-subscribed Shares as stipulated in the Underwriting Agreement. Should the amount of Shares subscribed for by the Underwriters be of a significant quantum, the Managing Underwriter may end up being a substantial shareholder of CHB (i.e. holding 5% or more of the aggregate of the nominal amount of all the voting shares in the Company). This may result in non-compliance of the public shareholding spread requirements of Bursa Securities and could adversely affect the success of the Listing.

4. RISK FACTORS

The Underwriting Agreement also provides for circumstances, as highlighted in **Section 3.10**, in which the Underwriters may be entitled, on or prior to the closing date of the application for the Issue Shares, to be released or discharged from its obligations under the Underwriting Agreement. The Underwriters' aforesaid right to be discharged from its obligations may result in the Issue Shares not being underwritten and this could adversely affect the success of the Listing.

4.24 LITIGATION RISKS

Although the Group has not faced any material litigation in the past, there is no assurance that the Group will not be exposed to future litigation such as potential product and other liability claims and that the outcome of any such litigation matters will not have any adverse implications on the Group. Nevertheless, the Group seeks to limit its exposure by ensuring that the laws and regulations governing its business and the industry in which it operates, has been strictly adhered to and by closely observing its contractual obligations.

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5. INFORMATION ON THE CHB GROUP

5.1 INCORPORATION AND BUSINESS

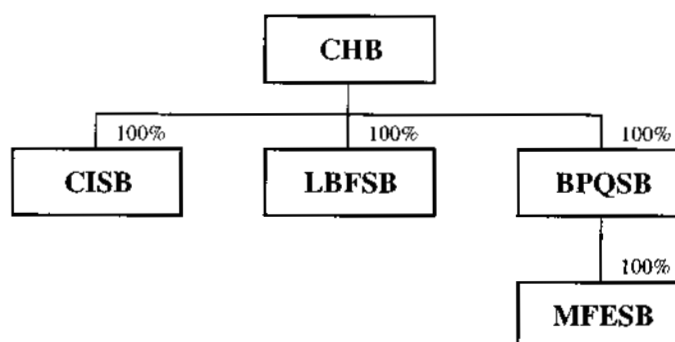
CHB was incorporated in Malaysia under the Act on 6 June 2000 as a public limited company.

CHB is principally an investment holding company. CHB was incorporated to facilitate the Listing Scheme, as described in **Section 5.5** of this Prospectus.

The Group began as a sole proprietorship operated by two (2) brothers distributing deep fried food from a van to roadside hawkers. They were later joined by other brothers and moved upstream in their business activities in order to benefit from higher margins. MFESB was formed in 1980 as a manufacturing and distributing company. Success finally came in the mid-1980s when the brothers successfully identified a market opportunity for the manufacture of polytubed drinks, which enabled the company to venture into the overseas markets for the first time, exporting to the Middle East, and to purchase their own factory, where the Group's second successful product 'Koko Jelly' was produced. Today, the CHB Group is managed by ten (10) siblings.

CISB, which is located in Rawang and Kepong, Selangor Darul Ehsan, is the principal manufacturing arm of the CHB Group, manufacturing mainly chocolates, hard candy, fruit gummy, cookies, wafers and snacks, whilst LBFSB, which is located in Rawang, Selangor Darul Ehsan, is the primary trading arm and is responsible for the export market of the CHB Group. BPQSB, which is located in Kampar, Perak Darul Ridzuan, mainly manufactures soft drinks, wafer rolls, peas, nuts, jelly cups, snacks and crackers. MFESB, which is a wholly-owned subsidiary of BPQSB, is the trading and distribution arm for BPQSB and operates from the same premises as BPQSB.

The group structure of the CHB Group is set out below:



5.2 SHARE CAPITAL

CHB presently has an authorised share capital of RM50,000,000 comprising 100,000,000 Shares and an issued and paid-up share capital of RM40,000,000 comprising 80,000,000 Shares. Upon completion of the Public Issue, the enlarged issued and paid-up share capital of CHB shall be RM45,000,000 comprising 90,000,000 Shares.

The details of the changes in the issued and paid-up share capital of CHB since incorporation until the date of this Prospectus are as follows:

Date of Allotment	No. of Shares	Consideration	Issued and Paid-up Share Capital (RM)
06.06.00	2	Cash / Subscribers' Shares	2
07.10.04	4	Share Split	2
08.10.04	79,999,996	Shares issued pursuant to the Acquisitions	40,000,000

5. INFORMATION ON THE CHB GROUP

5.3 SUBSIDIARY AND ASSOCIATED COMPANIES

Details of CHB's subsidiary companies are as follows:

Name of Company	Date and Place of Incorporation	Issued and Paid-Up Capital (RM)	Effective Equity Interest (%)	Principal Activities
CISB	22.08.90, Malaysia	1,000,000	100	Manufacturing and trading of processed and preserved foods and fruits of all kinds
LBFSB	23.01.84, Malaysia	1,500,000	100	Wholesale and retail of processed and preserved foods
BPQSB	29.08.85, Malaysia	500,000	100	Manufacturer of fruit juice and foodstuffs
MFESB	10.09.80, Malaysia	225,000	100	Trading and distribution of foodstuffs

CHB does not have any associated companies.

5.4 INFORMATION ON SUBSIDIARY COMPANIES

5.4.1 Information on CISB

(a) History and Business

CISB was incorporated in Malaysia on 22 August 1990 under the Act as a private limited company. CISB commenced business on 2 March 1991 and is principally engaged in the manufacturing and trading of processed and preserved foods and fruits of all kinds.

(b) Share Capital

As at 1 December 2004, being the latest practicable date prior to the printing of this Prospectus, the authorised and issued and paid-up share capital of CISB is as follows:

	No. of Shares	Amount (RM)
Authorised	1,000,000	1,000,000
Issued and Paid-Up	1,000,000	1,000,000

Details of the changes in the issued and paid-up share capital of CISB since its date of incorporation are as follows:

Date of Allotment	No. of Shares	Consideration	Total (RM)
22.08.90	2	Subscriber's shares	2
30.04.91	499,998	Cash	500,000
06.10.93	500,000	Cash	1,000,000

(c) Subsidiary and Associated Companies

CISB does not have any subsidiary or associated companies.

5. INFORMATION ON THE CHB GROUP

5.4.2 Information on LBFSB

(a) History and Business

LBFSB was incorporated in Malaysia on 23 January 1984 under the Act as a private limited company. LBFSB is principally involved in the wholesale and retail of processed and preserved foods.

(b) Share Capital

As at 1 December 2004, being the latest practicable date prior to the printing of this Prospectus, the authorised and issued and paid-up share capital of LBFSB is as follows:

	No. of Shares	Amount (RM)
Authorised	2,000,000	2,000,000
Issued and Paid-Up	1,500,000	1,500,000

Details of the changes in the issued and paid-up share capital of LBFSB since its date of incorporation are as follows:

Date of Allotment	No. of Shares	Consideration	Total (RM)
23.01.84	2	Subscribers' shares	2
17.04.84	59,998	Otherwise than cash	60,000
23.08.85	10,000	Cash	70,000
24.04.86	55,000	Cash	125,000
19.05.86	70,000	Otherwise than cash	195,000
15.02.89	60,000	Cash	255,000
10.12.90	60,305	Cash	315,305
17.12.90	945,915	Bonus Issue	1,261,220
27.12.90	238,780	Cash	1,500,000

(c) Subsidiary and Associated Companies

LBFSB does not have any subsidiary or associated companies.

5.4.3 Information on BPQSB

(a) History and Business

BPQSB was incorporated in Malaysia on 29 August 1985 under the Act as a private limited company. The company is principally engaged in the business of manufacturing fruit juice and foodstuffs.

(b) Share Capital

As at 1 December 2004, being the latest practicable date prior to the printing of this Prospectus, the authorised and issued and paid-up share capital of BPQSB is as follows:

	No. of Shares	Amount (RM)
Authorised	500,000	500,000
Issued and Paid-Up	500,000	500,000

5. INFORMATION ON THE CHB GROUP

Details of the changes in the issued and paid-up share capital of BPQSB since its date of incorporation are as follows:

Date of Allotment	No. of Shares	Consideration	Total (RM)
29.08.85	2	Subscribers' shares	2
17.01.86	49,998	Cash	50,000
08.02.89	450,000	Cash	500,000

(c) *Subsidiary and Associated Companies*

BPQSB has one (1) wholly-owned subsidiary company, MFESB, and no associated companies.

5.4.4 Information on MFESB

(a) *History and Business*

MFESB was incorporated on 10 September 1980 in Malaysia under the Act as a private limited company. The company's principal activities are that of the trading and distribution of foodstuffs. MFESB acts mainly as the marketing and distribution arm of BPQSB.

Before CISB was formed, MFESB was the manufacturer and distributor for LBFSB in the 1980s. MFESB was absorbed by BPQSB in 1989, and began concentrating on the distributing aspect of the business while BPQSB concentrated on the manufacturing aspect. MFESB currently distributes to the northern region of Malaysia.

(b) *Share Capital*

As at 1 December 2004, being the latest practicable date prior to the printing of this Prospectus, the authorised and issued and paid-up share capital of MFESB is as follows:

	No. of Shares	Amount (RM)
Authorised	500,000	500,000
Issued and Paid-Up	225,000	225,000

Details of the changes in the issued and paid-up share capital of MFESB since its date of incorporation are as follows:

Date of Allotment	No. of Shares	Consideration	Total (RM)
10.09.80	2	Subscribers' shares	2
24.07.81	30,000	Cash	30,002
28.07.81	94,998	Cash	125,000
14.03.83	100,000	Cash	225,000

(c) *Subsidiary and Associated Companies*

MFESB does not have any subsidiary or associated companies.

5. INFORMATION ON THE CHB GROUP

5.5 LISTING SCHEME

In conjunction with, and as an integral part of the Listing, CHB implemented a restructuring exercise which was approved by the SC and the FIC (vide the SC) vide the SC's letters dated 19 August 2004 and 13 December 2004, and by the MITI vide its letters dated 11 May 2004 and 27 May 2004, and involved the following transactions:

5.5.1 Share Split

CHB undertook a share split pursuant to which each its existing ordinary shares of RM1.00 each were subdivided into two (2) ordinary shares of RM0.50 each. Following the completion of the Share Split, the issued and paid-up share capital of CHB changed from RM2 comprising two (2) ordinary shares of RM1.00 each in CHB to RM2 comprising four (4) CHB Shares.

5.5.2 Acquisitions

Upon completion of the Share Split, CHB undertook the following acquisitions:

(a) Acquisition of CISB

On 29 December 2003, CHB entered into a Conditional Sale and Purchase Agreement with the vendors of CISB for the acquisition of the entire issued and paid-up share capital of CISB for a consideration of RM33,121,309 which was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted estimated NTA of CISB as at 31 December 2003.

Subsequent thereto, the parties agreed that the purchase consideration be adjusted based on the adjusted audited NTA of CISB as at 31 December 2003. To facilitate this, a Supplemental Agreement was entered into on 8 September 2004 to revise the purchase consideration to RM32,967,365. The said acquisition was satisfied through the issuance of 50,844,093 new CHB Shares issued at approximately RM0.65 per Share.

The adjusted audited NTA of CISB as at 31 December 2003 was derived as follows:

	RM	RM
Audited NTA as at 31 December 2003		29,435,917
<i>Add:</i> Revaluation surplus on valuation of landed property		
Open market value based on the valuation by Messrs Colliers, Jordan Lee & Jaafar	16,160,000	
<i>Less:</i> Audited NBV of landed property as at 31 December 2003	<u>12,628,552</u>	
		<u>3,531,448</u>
		<u>32,967,365</u>

The revaluation surplus of RM3,531,448 arose from the valuations of Plot No. 100 and Plot No. 5 within Rawang Integrated Industrial Park, Mukim of Rawang, District of Gombak, State of Selangor, of RM10,000,000 and RM6,160,000, respectively, as assessed by Messrs Colliers, Jordan Lee & Jaafar, a firm of independent registered valuers in their valuation reports dated 23 December 2003. The market value of the properties was arrived at using the cost and investment methods of valuation.

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5. INFORMATION ON THE CHB GROUP

Details of the vendors' shareholdings and their respective purchase consideration are set out below:

Vendors	No. of CISB Shares Disposed	Purchase Consideration RM	No. of CHB Shares Received
Liew Fook Meng	95,713	3,155,406	4,866,442
Lau Kee Von	95,715	3,155,471	4,866,542
Liew Yoon Kee	95,715	3,155,471	4,866,542
Lew Foo Chay @ Lau Foo Chay	95,715	3,155,471	4,866,542
Lau Pak Lam	95,715	3,155,471	4,866,542
Lau Kwai Choon	95,713	3,155,406	4,866,441
Lau Kim Chew	95,714	3,155,439	4,866,492
IASB	175,000	5,769,289	8,897,716
Twinbond (M) Sdn Bhd	75,000	2,472,552	3,813,307
Recotech Industries Sdn Bhd	75,000	2,472,552	3,813,307
Identiti Bijak (M) Sdn Bhd	5,000	164,837	254,220
Total	1,000,000	32,967,365	50,844,093

The Acquisition of CISB was completed on 8 October 2004.

The entire issued and paid-up share capital of CISB was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the Acquisition of CISB.

(b) Acquisition of LBFSB

On 29 December 2003, CHB entered into a Conditional Sale and Purchase Agreement with the vendors of LBFSB for the acquisition of the entire issued and paid-up share capital of LBFSB at a purchase consideration of RM9,689,077 which was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted estimated NTA of LBFSB as at 31 December 2003.

Subsequent thereto, the parties agreed that the purchase consideration be adjusted based on the adjusted audited NTA of LBFSB as at 31 December 2003. To facilitate this, a Supplemental Agreement was entered into on 8 September 2004 to revise the purchase consideration to RM9,613,210. The said acquisition was satisfied through the issuance of 14,873,576 new CHB Shares issued at approximately RM0.65 per Share.

The adjusted audited NTA of LBFSB as at 31 December 2003 was derived as follows:

	RM	RM
Audited NTA as at 31 December 2003		6,888,391
<i>Add:</i> Revaluation surplus on valuation of landed property		
Open market value based on the valuation by Messrs Colliers, Jordan Lee & Jaafar	5,500,000	
<i>Less:</i> Audited NBV of landed property as at 31 December 2003	2,775,181	
		<u>2,724,819</u>
		<u>9,613,210</u>

5. INFORMATION ON THE CHB GROUP

The revaluation surplus of RM2,724,819 arose from the valuation of the industrial premises held under title no. H.S.(M) 6660, P.T. No. 8435, Mukim of Batu, State of Selangor and the detached factory/warehouse complex held under title no. Pajakan Negeri 42986, Lot No. 10903, Mukim of Chenderiang, District of Batang Padang, State of Perak, of RM2,500,000 and RM3,000,000, respectively, as assessed by Messrs Colliers, Jordan Lee & Jaafar, a firm of independent registered valuers in their valuation reports dated 23 December 2003. The market value of the properties was arrived at using the cost and investment methods of valuation.

Details of the vendors' shareholdings and their respective purchase consideration are set out below:

Vendors	No. of LBFSB Shares Disposed	Purchase Consideration RM	No. of CHB Shares Received
Liew Fook Meng	167,500	1,073,475	1,660,881
Lau Kee Von	167,500	1,073,475	1,660,883
Liew Yoon Kee	167,500	1,073,475	1,660,883
Lew Foo Chay @ Lau Foo Chay	167,500	1,073,475	1,660,883
Lau Pak Lam	167,500	1,073,475	1,660,883
Lau Kwai Choon	167,500	1,073,475	1,660,883
IASB	295,000	1,890,598	2,925,137
Identiti Bijak (M) Sdn Bhd	200,000	1,281,762	1,983,143
Total	1,500,000	9,613,210	14,873,576

The Acquisition of LBFSB was completed on 8 October 2004.

The entire issued and paid-up share capital of LBFSB was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the Acquisition of LBFSB.

(c) Acquisition of BPQSB

On 29 December 2003, CHB entered into a Conditional Sale and Purchase Agreement with the vendors of BPQSB for the acquisition of the entire issued and paid-up share capital of BPQSB at a purchase consideration of RM9,303,920, which was arrived at based on a willing-buyer willing-seller basis after taking into consideration, among other factors, the adjusted estimated NTA of BPQSB as at 31 December 2003.

Subsequent thereto, the parties agreed that the purchase consideration be adjusted based on the adjusted audited NTA of BPQSB as at 31 December 2003. To facilitate this, a Supplemental Agreement was entered into on 8 September 2004 to revise the purchase consideration to RM9,242,197. The said acquisition was satisfied through the issuance of 14,282,327 new CHB Shares issued at approximately RM0.65 per Share.

The adjusted audited NTA of BPQSB as at 31 December 2003 was derived as follows:

Audited NTA as at 31 December 2003	RM	RM
		9,157,897
<i>Add:</i> Revaluation surplus on valuation of landed property Open market value based on the valuation by Messrs Colliers, Jordan Lee & Jaafar	140,000	
<i>Less:</i> Audited NBV of landed property as at 31 December 2003	55,700	
		84,300
		<u>9,242,197</u>

5. INFORMATION ON THE CHB GROUP

The revaluation surplus of RM84,300 arose from the valuation of the single-storey semi-detached house identified as Title No. Geran 14144, Lot No. 75742, Mukim of Kampar, District of Kinta, State of Perak of RM140,000 as assessed by Messrs Colliers, Jordan Lee & Jaafar, a firm of independent registered valuers in their valuation report dated 23 December 2003. The market value of the property was arrived at using the comparison and investment methods of valuation.

Details of the vendors' shareholdings and their respective purchase consideration are set out below:

Vendors	No. of BPQSB Shares Disposed	Purchase Consideration RM	No. of CHB Shares Received
Liew Fook Meng	26,800	495,382	765,529
Lau Kee Von	38,692	715,198	1,105,224
Liew Yoon Kee	26,800	495,382	765,533
Lew Foo Chay @ Lau Foo Chay	26,800	495,382	765,533
Lau Pak Lam	26,800	495,382	765,533
Lau Kwai Choon	26,800	495,382	765,533
Low Yoon Sun	14,874	274,937	424,871
Lau Pa Sin	26,800	495,382	765,533
Lau Yoke Kiew	14,874	274,937	424,871
Wong Yen Se	22,345	413,034	638,277
Choong Fook Onn	14,874	274,937	424,871
Ho Weng Kong	7,135	131,886	203,809
Ho Too Kong	8,375	154,806	239,229
Ho Len Kong @ Ho Loon Kong	8,375	154,806	239,229
Ho Sek Kee Sdn Bhd	29,782	550,502	850,713
Kok Chan Kheong	14,874	274,937	424,871
IASB	165,000	3,049,925	4,713,168
Total	500,000	9,242,197	14,282,327

The Acquisition of BPQSB was completed on 8 October 2004.

The entire issued and paid-up share capital of BPQSB was acquired free from all charges, liens, pledges, and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the Acquisition of BPQSB.

The 79,999,996 new CHB Shares issued pursuant to the Acquisitions rank *pari passu* in all respects with the then existing ordinary shares of CHB and carry all rights to receive in full all dividends and other distribution declared and paid subsequent to the allotment thereof.

Upon completion of the Acquisitions, the issued and fully paid-up share capital of CHB increased from RM2 comprising four (4) Shares each to RM40,000,000 comprising 80,000,000 Shares.

5. INFORMATION ON THE CHB GROUP

5.5.3 Consolidation of Interests

Subsequent to the completion of the Acquisitions, several of the vendors will transfer all of their new CHB Shares already allotted and issued to them arising from the Acquisitions to a nominee company, LSSB, for the purpose of consolidating their interests in CHB, as follows:

	No. of Shares After the Acquisitions	Consolidation of Interests	No. of Shares After the Consolidation of Interests
Liew Fook Meng	7,292,852	(7,292,852)	-
Lau Kee Von	7,632,649	(7,632,649)	-
Liew Yoon Kee	7,292,958	(7,292,958)	-
Lew Foo Chay @ Lau Foo Chay	7,292,958	(7,292,958)	-
Lau Pak Lam	7,292,958	(7,292,958)	-
Lau Kwai Choon	7,292,857	(7,292,857)	-
Lau Kim Chew	4,866,492	(4,866,492)	-
LSSB	-	48,963,724	48,963,724
Total	48,963,724	-	48,963,724

Concurrent with the Consolidation of Interests, the four (4) CHB Shares previously held by the nominee Directors of CHB will be transferred to LSSB.

As at 1 December 2004, Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and Lau Kim Chew are still the registered holders of the 48,963,724 new CHB Shares issued to them. The Consolidation of Interests would be completed upon the relevant CHB Shares being credited into the CDS Account of LSSB prior to the listing of and quotation for CHB Shares on the Second Board of Bursa Securities. The Directors of CHB have confirmed that the relevant procedures to enable the completion of the Consolidation of Interests have been undertaken, where applicable.

5.5.4 Public Issue

In conjunction with the Listing, CHB proposes to undertake a public issue of 10,000,000 new CHB Shares, representing approximately 11.1% of the enlarged issued and paid-up share capital of CHB, at an issue price of RM0.65 per Share in the following manner:

- (a) 1,800,000 new CHB Shares representing 2.0% of the enlarged share capital of 90,000,000 CHB Shares available for application by eligible employees of the CHB Group;
- (b) 600,000 new CHB Shares representing approximately 0.7% of the enlarged share capital of 90,000,000 CHB Shares reserved for Bumiputera investors nominated and approved by the MITI;
- (c) 6,000,000 new CHB Shares representing approximately 6.7% of the enlarged share capital of 90,000,000 CHB Shares available for application by the Malaysian Public; and
- (d) 1,600,000 new CHB Shares representing approximately 1.8% of the enlarged share capital of 90,000,000 CHB Shares by way of private placement to identified public investors.

5. INFORMATION ON THE CHB GROUP

Upon completion of the Public Issue, the issued and paid-up share capital of CHB will increase from RM40,000,000 comprising 80,000,000 CHB Shares to RM45,000,000 comprising 90,000,000 CHB Shares.

All the Issue Shares shall rank *pari passu* in all respects with the existing issued CHB Shares including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of the allotment thereof.

There is no minimum subscription to be raised from the Public Issue.

5.5.5 Listing

Upon completion of the Public Issue, the Company will make an application to Bursa Securities for the admission of CHB to the Official List and for the listing of and quotation for the entire enlarged issued and paid-up share capital of CHB comprising 90,000,000 Shares on the Second Board of Bursa Securities.

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5. INFORMATION ON THE CHB GROUP**5.6 MAJOR LICENCES, PERMITS, CERTIFICATIONS AND APPROVALS**

The major licences, permits, certifications and approvals that have been obtained by the CHB Group which are still applicable as at 30 November 2004, being the latest practicable date prior to the printing of this Prospectus, are as follows:

Subsidiary/ Authority	1. Date Issued/ 2. Licence/ Cert. No./ 3. Validity Period	Nature of Approval	Equity Condition Imposed	Status of Compliance
CISB / MITI	1. 30.01.03 (for cakes)/ 2. A 013755/ 3. Not applicable	Manufacturing licence under Industrial Coordination Act 1975 (Rawang Operations - Lot 5)	All shares must be held by Malaysians, with at least 33% allocated to Bumiputeras. The MITI's approval must be obtained for any sale of CISB's shares.	Met. The equity condition has been amended by the MITI vide its letter dated 11 May 2004 and now reads as "At least 70% of the equity interest in CISB is to be held by Malaysian citizens, with at least 30% held by Bumiputeras".
CISB / MITI	1. 28.06.93 (for chocolate products); 19.04.99 (for biscuits)/ 2. A 008814/ 3. Not applicable	Manufacturing licence under 1975 (Kepong operations)	All shares must be held by Malaysians, with at least 33% allocated to Bumiputeras.	Met.
CISB / MITI	1. 19.04.99 (for sugar confectionery, snack food, chocolate products) / 2. A 011770/ 3. Not applicable	Manufacturing licence under Industrial Coordination Act, 1975 (Rawang operations - Lot 100)	All shares must be held by Malaysians, with at least 33% allocated to Bumiputeras.	Met.
CISB/ Royal Customs and Excise Malaysia	1. 05.12.01 / 2. W10-A033138/91/ 3. Not applicable	Manufacturer's licence under Sales Tax Act, 1972	None	Not applicable.

5. INFORMATION ON THE CHB GROUP

Subsidiary/ Authority	1. Date Issued/ 2. Licence/ Cert. No./ 3. Validity Period	Nature of Approval	Equity Condition Imposed	Status of Compliance
CISB/ Royal Customs and Excise Malaysia	1. 13.09.04/ 2. A 033138 (04002770, 04002771 and 04002772)/ 3. 01.10.04 until 30.09.05	Approval to import/ purchase materials and components free of sales tax for use in manufacture of goods under Sales Tax Act, 1972	None.	Not applicable.
CISB/ Lembaga Minyak Sawit Malaysia	1. 09.08.04/ 2. 006520 - 003000/ 3. 15.09.04 until 14.09.05	Palm oil purchase, transporting and storage licence under the "Akta Lembaga Minyak Sawit Malaysia 1998" and "Peraturan-Peraturan Perusahaan Minyak Kelapa Sawit Malaysia (Perlesenan) 1979 (Peraturan 13)"	None.	Not applicable.
CISB/ Jabatan Kemajuan Islam Malaysia	1. 01.06.04/ 2. 000864/ 3. Until 31.05.06	Certification of Authentication: HALAL (Cocoa/land gummy, Cocoa/land candy, Omiyuki Mango Pastilles, Ribena pastilles, Cocoa/land wafers, Cocoa/land snacks and Pectin jelly)	None.	Not applicable.
CISB/ Jabatan Kemajuan Islam Malaysia	1. 01.06.04/ 2. 000863/ 3. Until 31.05.06	Certification of Authentication: HALAL (Choco Pie/ cookies/ cake/ biscuit/ chocolate under the 'Cocoa/land' brandname)	None.	Not applicable.
CISB/ Jabatan Kemajuan Islam Malaysia	1. 15.12.03/ 2. 009134/ 3. 14.12.04	Certification of Authentication: HALAL (Chocolate, cookies and candies of various flavours under the 'Cocoa/land' brandname)	None.	Not applicable.

5. INFORMATION ON THE CHB GROUP

Subsidiary/ Authority	1. Date Issued/ 2. Licence/ Cert. No./ 3. Validity Period	Nature of Approval	Equity Condition Imposed	Status of Compliance
CISB and LBFSB / SGS United Kingdom Ltd, Yarsley International Certification Services	1. 26.08.02 / 2. QSP 20007 / 3. 26.08.02 until 25.08.06	ISO 9001 certification of CISB's and LBFSB's quality management systems under ISO 9001: 2000 assessment standard	Not applicable.	Not applicable.
BPQSB / MITI	1. 12.12.97 (for snack food, jelly and non- carbonated soft drinks) / 2. A 011131 / 3. Not applicable	Manufacturing licence under Industrial Co- ordination Act, 1975 (Kampar operations)	BPQSB is exempted from equity conditions. However, BPQSB is required to inform the MITI in writing should the shareholders' funds of BPQSB reach RM2.5 million.	Met.
BPQSB / Royal Customs and Excise Malaysia	1. 15.05.86 / 2. A 027645 / 3. Not applicable	Manufacturer's licence under Sales Tax Act, 1972 (Kampar operations)	None.	Not applicable.
BPQSB / Royal Customs and Excise Malaysia	1. 08.12.03, 03.03.04, 06.04.04, 15.07.04, 06.08.04, 22.09.04 / 2. A 027645 / 3. 08.12.03 until 07.12.04, 03.03.04 until 02.03.05, 06.04.04 until 05.04.05, 15.07.04 until 14.07.05, 06.08.04 until 05.08.05 and 22.09.04 until 21.09.05, respectively	Approval to import/ purchase materials and components free of sales tax for use in manufacture of goods under Sales Tax Act, 1972	None.	Not applicable.

5. INFORMATION ON THE CHB GROUP

Subsidiary/ Authority	1. Date Issued/ 2. Licence/ Cert. No./ 3. Validity Period	Nature of Approval	Equity Condition Imposed	Status of Compliance
BPQSB / Lembaga Minyak Sawit Malaysia	1. 27.01.04/ 2. 006991 – 403000/ 3. 01.04.04 until 31.03.05	Palm oil purchase, transporting and storage licence under the "Akta Lembaga Minyak Sawit Malaysia 1998" and "Peraturan-Peraturan Perusahaan Minyak Kelapa Sawit Malaysia (Perlesenan) 1979 (Peraturan 13)".	None.	Not applicable.
BPQSB / Jabatan Kemajuan Islam Malaysia	1. 15.10.04 / 2. 001883, 001884, 001885 and 001886 / 3. 15.10.04 until 14.10.06	Certification of Authentication: HALAL (Ice Pong, Pong Pong, Coco Pop, BQ Pop, Diction Clucken Flavour, Diction Prawn Crackers, Diction Potato Stick with Chili Sauce, Kabi Potato Stick, Kabi Cuttlefish Crackers, Pick Onion Chips Stick, Pick Green Pea Snack, Junee Prawn, Diction Potato Stick with Satay Sauce, Pick Chili Tapioca Crackers, Be Be Shrimp Flavoured Snacks, Gee Gee Cheese, Pick Green Peas Snacks, Superstick 3 in 1, Long Q, Q Q Jelly, Q Q Konyaku, Lot 100 Pudding, Gold Jelly, Mijel Jelly, VV Pop, Cris Coated Green Peas, Cris Wasabi Green Peas, Cris Chicken Flavour Peanut, Cris Cuttlefish Flavour Peanut, Cris Mix Crackers, Cris Mix Nuts, Juicy Pop, Pudding, Boli Shrimp Flavour, Vira Pack Chocolate, Vira Pack Pandan, Vira Pack Strawberry)	None.	Not applicable.
BPQSB / Moody International Certification (M) Sdn Bhd	1. 01.10.04 / 2. 1809 / 3. 01.10.04 until 30.09.07	ISO 9001 certification of BPQSB's quality management systems under ISO 9001:2000 assessment standard	None.	Not applicable.

5. INFORMATION ON THE CHB GROUP

5.7 LANDED PROPERTIES

The CHB Group currently owns the following landed properties:

Registered Owner	Title / Location	Description / Existing Use	Tenure of Land	Land Area	Approx. Age of Building(s) / Date of Issuance of CF / Remarks	Audited NBV as at 31.12.03 (RM'000)	Open Market Value (RM'000) / Date of Valuation	Open Market Value as Approved by SC (RM'000)	Revaluation Surplus/ (Deficit) ^(a) (RM'000)	1. Encumbrances 2. Restriction in Interest
CISB	Plot No. 100 within Rawang Integrated Industrial Park, Mukim of Rawang, District of Gombak, State of Selangor bearing postal address Lot 100, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan	Factory building / Industrial premises	Freehold	190,634 sq. ft.	7 - 10 years / 19.02.99	5,941	10,000/ 01.12.03	10,000	4,059	1. Assigned to United Overseas Bank (Malaysia) Berhad in respect of credit facilities granted to CISB. 2. Not applicable.
CISB	Plot No. 5 within Rawang Integrated Industrial Park, Mukim of Rawang, District of Gombak, State of Selangor bearing postal address Lot 5,	Factory building / Industrial premises	Freehold	89,371 sq. ft.	1 year / Not applicable/ Application in respect of the CF has been submitted to the relevant authority on 24.11.04	6,688	6,160 ^(b) / 01.12.03	6,160	(528)	1. Assigned to United Overseas Bank (Malaysia) Berhad in respect of credit facilities granted to CISB. 2. Not applicable.

5. INFORMATION ON THE CHB GROUP

Registered Owner	Title / Location	Description / Existing Use	Tenure of Land	Land Area	Approx. Age of Building(s) / Date of Issuance of CF / Remarks	Audited NBV as at 31.12.03 (RM'000)	Open Market Value (RM'000) / Date of Valuation	Open Market Value as Approved by SC (RM'000)	Revaluation Surplus/ (Deficit) ^(a) (RM'000)	1. Encumbrances 2. Restriction in Interest
LBFSB	Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan Title No. Pajakan Negeri 42986, Lot No. 10903, Mukim of Chenderiang, District of Batang Padang, State of Perak bearing postal address Lot 883, Off Jalan Degong, Mambang Diawan, 31950 Kampar, Perak Darul Ridzuan	Industrial building / Industrial premises	60 years leasehold expiring on 15.04.2046	130,652 sq. ft.	12 – 16 years / 11.01.93 and 10.11.04	1,397	3,000/ 01.12.03	3,000	1,603	1. Nil. 2. Property shall not be transferred, leased or charged without the prior written consent from Menteri Besar Perak. Land cannot be sub-divided in accordance with Section 135 National Land Code without the consent from Menteri Besar Perak.
LBFSB	Title No. H.S.(M) 6660, P.T. No. 8435, Mukim of Batu, District of Gombak, State of Selangor bearing postal address No. 41, Jalan E ¼, Kawasan	Factory building / Industrial premises	99 years leasehold expiring on 09.07.2078	26,000 sq. ft.	22 years / Not available / Property was acquired from an open-tender process	1,378	2,500 ^(c) / 01.12.03	2,500	1,122	1. Charged to Overseas Union Bank Limited (now known as United Overseas Bank (M) Berhad). 2. Nil.

5. INFORMATION ON THE CHB GROUP

Registered Owner	Title / Location Perusahaan Taman Ehsan, 52100 Kepong, Kuala Lumpur	Description / Existing Use	Tenure of Land	Land Area	Approx. Age of Building(s) / Date of Issuance of CF / Remarks	Audited NBV as at 31.12.03 (RM'000)	Open Market Value (RM'000) / Date of Valuation	Open Market Value as Approved by SC (RM'000)	Revaluation Surplus/ (Deficit) ^(a) (RM'000)	1. Encumbrances 2. Restriction in Interest
BPQSB	H.S. (D) 1715/82, Lot No. PT 4324, Mukim of Chenderiang, District of Batang Padang, State of Perak bearing postal address No. 324, Taman Diawan, Mambang Diawan, 31950 Kampar, Perak Darul Ridzuan	Residential premises (single-storey terrace house)	99 years leasehold expiring on 29.12.2081	1,400 sq. ft.	1 year / 22.11.03	55 ^(d)	Not applicable	Not applicable	Not applicable	1. Charged to RHB Bank Berhad. 2. Property shall not be transferred without the prior written consent from Menteri Besar Perak.
BPQSB	H.S. (D) 1716/82, Lot No. PT 4325, Mukim of Chenderiang, District of Batang Padang, State of Perak bearing postal address No. 325, Taman Diawan, Mambang	Residential premises (single-storey terrace house)	99 years leasehold expiring on 29.12.2081	1,400 sq. ft.	1 year / 22.11.03	55 ^(d)	Not applicable	Not applicable	Not applicable	1. Charged to RHB Bank Berhad. 2. Property shall not be transferred without the prior written consent from Menteri Besar Perak.

5. INFORMATION ON THE CHB GROUP

Registered Owner	Title / Location	Description / Existing Use	Tenure of Land	Land Area	Approx. Age of Building(s) / Date of Issuance of CF / Remarks	Audited NBV as at 31.12.03 (RM'000)	Open Market Value (RM'000) / Date of Valuation	Open Market Value as Approved by SC (RM'000)	Revaluation Surplus/ (Deficit) ^(a) (RM'000)	1. Encumbrances 2. Restriction in Interest
MFESB	Diawan, 31950 Kampar, Perak Darul Ridzuan Title No. Geran 14144, Lot No. 75742, Mukim of Kampar, District of Kinta, State of Perak bearing postal address No. 309, Golden Dragon Garden, 31900 Kampar, Perak Darul Ridzuan	Residential premises (single- storey semi- detached)	Freehold	4,230 sq. ft.	15 years / 03.08.87	56	140/ 01.12.03	140	84	1. Charged to United Malayan Banking Corporation Berhad (now known as RHB Bank Berhad) 2. Nil.

Notes:

- (a) The revaluation surplus/(deficit) will be incorporated in CHB's financial statements for the FYE 31 December 2004.
- (b) On the assumptions that the industrial factory erected thereon has been constructed as per the approved building plans and thereafter certified fit for occupation by the relevant authorities. However, on an "as is" basis, i.e. as a parcel of improved industrial land disregarding the buildings erected thereon, the market value is RM2,234,000.
- (c) On the assumptions that the building has been constructed in accordance with approved building plans and specifications and thereafter issued with a certificate of fitness for occupation. However, on an "as is" basis, i.e. as a plot of improved industrial land, the market value is RM1,300,000.
- (d) Represents the audited NBV of the properties as at 30 June 2004 as these properties were only entered into the accounts during the current financial year. Both properties were purchased vide Sale and Purchase Agreements dated 18 August 2003 between Syarikat Larut Jaya Sdn Bhd and BPQSB for purchase considerations of RM55,000 each.

The Valuation Certificate pertaining to the abovementioned properties, save for the single-storey terrace houses owned by BPQSB, is enclosed in **Section 13** of this Prospectus.

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

6.1.1 Substantial Shareholding in CHB

The direct and indirect interests of the Promoter and substantial shareholders of CHB in the issued and paid-up share capital of CHB upon completion of the Public Issue are as follows:

<u>Promoter and Substantial Shareholder</u>	Nationality/ Place of Incorporation	<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	% of Enlarged Share Capital	No. of Shares	% of Enlarged Share Capital
LSSB ^(a)	Malaysia	48,963,728	54.4	-	-
<u>Substantial Shareholders</u>					
IASB	Malaysia	16,536,021	18.4	-	-
Liew Fook Meng	Malaysian	-	-	50,579,003	56.2 ^(b)
Lau Kee Von	Malaysian	-	-	50,579,003	56.2 ^(b)
Liew Yoon Kee	Malaysian	-	-	50,579,003	56.2 ^(b)
Lew Foo Chay @ Lau Foo Chay	Malaysian	-	-	50,579,003	56.2 ^(b)
Lau Pak Lam	Malaysian	-	-	50,579,003	56.2 ^(b)
Lau Kwai Choon	Malaysian	-	-	50,579,003	56.2 ^(b)
Low Yoon Sun	Malaysian	424,871	0.5	50,154,132	55.7 ^(b)
Lau Pa Sin	Malaysian	765,533	0.9	49,813,470	55.3 ^(b)
Lau Yoke Kiew	Malaysian	424,871	0.5	50,154,132	55.7 ^(b)
Lau Kim Chew	Malaysian	-	-	50,579,003	56.2 ^(b)
Azri bin Ahmad	Malaysian	-	-	16,536,021	18.4 ^(c)
Soraiya binti Faisol	Malaysian	-	-	16,536,021	18.4 ^(c)

Notes:

- (a) As at 1 December 2004, Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and Lau Kim Chew are still the registered holders of a total of 48,963,724 CHB Shares. However, their CHB Shares will be transferred to LSSB, an investment holding company, pursuant to the Consolidation of Interests as described under Section 5.5.3 of this Prospectus, prior to the listing of CHB on the Second Board of Bursa Securities
- (b) Deemed interests by virtue of their siblings Low Yoon Sun, Lau Pa Sin and/or Lau Yoke Kiew's direct shareholdings in CHB, and Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and/or Lau Kim Chew's substantial shareholdings in LSSB
- (c) Deemed interests by virtue of their substantial shareholdings in IASB

6.1.2 Profiles of Promoter and Substantial Shareholders

LSSB was incorporated in Malaysia on 29 October 2003 as a private limited company under the Act. LSSB's principal activity is general trading and investment holding.

LSSB has an authorised share capital of 100,000 shares divided into 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of LSSB as at 1 December 2004 is RM10,000 shares divided into 10,000 ordinary shares of RM1.00 each.

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6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

As at 1 December 2004, LSSB's substantial shareholders and directors and their respective shareholdings are as tabulated below:

	Nationality/ Place of Incorporation	<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	% of Share Capital	No. of Shares	% of Share Capital
Shareholders					
Liew Fook Meng	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Kee Von	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Liew Yoon Kee	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lew Foo Chay @ Lau Foo Chay	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Pak Lam	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Kwai Choon	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Kim Chew	Malaysian	1,000	10.0	9,000	90.0 ^(a)
Directors					
Liew Fook Meng	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Kee Von	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Pak Lam	Malaysian	1,500	15.0	8,500	85.0 ^(a)
Lau Kwai Choon	Malaysian	1,500	15.0	8,500	85.0 ^(a)

Note:

(a) Deemed interests by virtue of their siblings' shareholdings in LSSB

Please refer to **Section 6.2.1** for the profiles of Liew Fook Meng, Lau Kee Von, Lau Pak Lam and Liew Yoon Kee and **Section 6.4.1** for the profiles of Lew Foo Chay @ Lau Foo Chay, Lau Kwai Choon, Low Yoon Sun, Lau Pa Sin, Lau Yoke Kiew and Lau Kim Chew.

IASB was incorporated in Malaysia under the Act on 24 July 1996. The company is principally an investment holding company. IASB has an authorised share capital of 500,000 shares divided into 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of IASB as at 1 December 2004 is RM250,000 comprising 250,000 ordinary shares of RM1.00 each.

IASB's directors, shareholders and their respective shareholdings in IASB as at 1 December 2004 are as follows:

Directors and Shareholders	Nationality/ Place of Incorporation	<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	% of Share Capital	No. of Shares	% of Share Capital
Azri bin Ahmad	Malaysian	100,000	40.0	-	-
Soraiya binti Faisal	Malaysian	150,000	60.0	-	-

Azri bin Ahmad, a Malaysian aged 36, sits on the board of Uniphoenix Corporation Berhad where he is also the Chairman of the Audit Committee. He is presently the Director of Corporate Planning in Harta Perak Corporation Sdn Bhd, a position he has held since 2002, and the Chief Corporate Officer in United Chemical Industries Berhad, a position he has held since May 2003. He also holds directorships in several private limited companies. He graduated with a Bachelor of Social Science in Accountancy (Hons) from the University of East Anglia, England and later obtained a Master of Science in Actuarial Science from City University, England. From 1993 to 1994, he was an Officer and subsequently, Assistant Manager in the Corporate Finance Department of D&C Sakura Merchant Bankers Berhad (now known as RHB Sakura Merchant Bankers Berhad). From 1994 to 1996, he was an Assistant Manager and later, Manager in the Projects and Corporate Finance Division in Kretam Holdings Berhad. Thereafter, he was a General Manager in Azcorp Sdn Bhd from 1996 to 1998. Apart from that, he held directorships in

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

various companies, namely Speedy Video Distributors Sdn Bhd from 1997 to 2003, CSM Corporation Berhad from March 1998 to July 1998 and Seng Hup Corporation Berhad from 1998 to 2003.

Soraiya binti Faisal, a Malaysian aged 36, is a Director and Chairman of Inner Strength Sdn Bhd. She graduated with a Bachelor of Arts (Hons) in Economics (Major) and Political Studies (Minor) from Bishop's University, Canada. From 1992 to 1994, she was an Officer in the Corporate Finance Department of D&C Sakura Merchant Bankers Berhad (now known as RHB Sakura Merchant Bankers Berhad). In 1994, she joined SocGen Crosby Research (M) Sdn Bhd as a Research Executive until 1997. She was later a Corporate Manager in Azcorp Sdn Bhd from 1997 to 1998. She is presently a Partner/Principal of HSF Mega Enterprise, a position she has held since 2003.

6.1.3 Changes in the Promoter and Substantial Shareholders and their Direct Shareholdings for past three (3) years

The changes in the Promoter and substantial shareholders' direct shareholdings in the Company are as follows:

	<--As of 31.12.01-->		<--As of 31.12.02-->		<--As of 31.12.03-->		<--As of 01.12.04-->	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Promoter and Substantial Shareholder								
LSSB ^(a)	-	-	-	-	-	-	-	-
Substantial Shareholders								
Wong Yoke Fun	1	50.0	1	50.0	-	-	-	-
Wong Wai Foong	1	50.0	1	50.0	-	-	-	-
Yap Foo Teng	-	-	-	-	1	50.0	-	-
Raja Noorbaini bt Raja Azam	-	-	-	-	1	50.0	-	-
IASB	-	-	-	-	-	-	16,536,021	20.7
Liew Fook Meng ^(a)	-	-	-	-	-	-	7,292,852	9.1
Lau Kee Von ^(a)	-	-	-	-	-	-	7,632,649	9.5
Liew Yoon Kee ^(a)	-	-	-	-	-	-	7,292,958	9.1
Lew Foo Chay @ Lau Foo Chay ^(a)	-	-	-	-	-	-	7,292,958	9.1
Lau Pak Lam ^(a)	-	-	-	-	-	-	7,292,958	9.1
Lau Kwai Choon ^(a)	-	-	-	-	-	-	7,292,857	9.1
Lau Kim Chew ^(a)	-	-	-	-	-	-	4,866,492	6.1
Low Yoon Sun	-	-	-	-	-	-	424,871	0.5
Lau Pa Sin	-	-	-	-	-	-	765,533	1.0
Lau Yoke Kiew	-	-	-	-	-	-	424,871	0.5
Azri bin Ahmad	-	-	-	-	-	-	-	-
Soraiya binti Faisal	-	-	-	-	-	-	-	-

Note:

- (a) As at 1 December 2004, Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and Lau Kim Chew are still the registered holders of a total of 48,963,724 CHB Shares. However, their CHB Shares will be transferred to LSSB, an investment holding company, pursuant to the Consolidation of Interests as described under Section 5.5.3 of this Prospectus, prior to the listing of CHB on the Second Board of Bursa Securities

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6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.1.4 Directorships and Substantial Shareholdings in other Public Corporations

Save as follows, none of the substantial shareholders of CHB holds any directorships and/or substantial shareholdings in other public corporations for the past two (2) years preceding the date of this Prospectus:

Name	Company	Principal Activities	Date Appointed / Resigned	% held as at 1.12.04	
				Direct	Indirect
Azri bin Ahmad	Uniphoenix Corporation Berhad	Investment holding	15.09.98	-	-
	Seng Hup Corporation Berhad	Dormant (in liquidation)	10.02.98	-	-

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6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.2 DIRECTORS**6.2.1 Profiles of Directors**

Dato' Azman bin Mahmood, a Malaysian aged 53, is the Chairman and Independent Non-Executive Director of CHB and was appointed to the Board on 8 October 2004. He is also an Independent Non-Executive Director for Jaks Resources Berhad and Kumpulan Hartanah Selangor Berhad. He also sits on the board of Tabung Amanah Saham Selangor Berhad and is the Chairman of Fine Access Sdn Bhd. He is a member of the Institute of Chartered Accountants in England & Wales.

He joined Lim, Ali & Co., an auditing firm based in Johor, in 1975 until 1978. He later worked with RD Neville & Co., a firm of chartered accountants in Essex, England up to 1980. From 1981 to 1983, he worked for MMC Services Limited, London, a subsidiary of Malaysian Mining Corporation Berhad. In 1983, he was the Senior Manager of MUI Bank Berhad (now known as Hong Leong Bank Berhad). From 1983 to 1990, he was in charge of the Finance Division of Kumpulan Perangsang Selangor Berhad. From 1990 to 1996, he was the Managing Director of Worldwide Holdings Berhad, after which he had set up his own investment holding company, Fine Access Sdn Bhd.

Liew Fook Meng, a Malaysian aged 56, is one of the Executive Directors of CHB and was appointed to the Board on 8 October 2004. He is also the Director of CISB, LBFSB and BPQSB. He has more than 20 years of experience in the manufacturing and marketing of confectionery products. He oversees product development through his active involvement in introducing new ideas and flavouring processes. He is responsible for acquiring new machinery to improve the manufacturing processes of CISB and BPQSB. Currently, he also sits on the board of directors of several private limited companies.

Lau Kee Von, a Malaysian aged 51, is one of the Executive Directors of CHB and was appointed to the Board on 8 October 2004. He is also a Director of CISB, LBFSB and BPQSB. He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. He started out as a partner of Lau Brothers Food Trading Co. in 1976, which was primarily involved in the distribution of confectionery products. In 1984, he and the other partners incorporated LBFSB to take over the operations of the partnership. At the same time, he was appointed as the Managing Director of LBFSB. Under his stewardship over the past 16 years, the Group has grown from a family business concern into one of the largest confectionery manufacturers and distributors in Malaysia. He is responsible for the strategic business development and future direction of the Group.

Lau Pak Lam, a Malaysian aged 46, is one of the Executive Directors of CHB and was appointed to the Board on 8 October 2004. He is also a Director of CISB and LBFSB. He has more than 20 years of experience in the manufacturing and wholesale of confectionery products. After the formation of LBFSB, he was appointed as Sales Manager of LBFSB in 1984, and is responsible for the domestic market sales of the Group's products. Having been involved in the convenience food manufacturing industry for over 20 years, he has established long-standing relationships with various local retailers and wholesalers in the same industry.

Liew Yoon Kee, a Malaysian aged 55, is one of the Executive Directors of CHB and was appointed to the Board on 8 October 2004. He is also a Director of BPQSB and MFESB, and has been the Factory Manager of BPQSB since 1984. He worked as a Sales Executive for LBFSB for 5 years from 1979 to 1984 before joining BPQSB. He is primarily responsible for the daily operations of the factory.

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

Chow Kee Kan @ Chow Tuck Kwan, a Malaysian aged 51, is the Independent Non-Executive Director of CHB and was appointed to the Board on 8 October 2004. He is also the Independent Non-Executive Director of Merge Housing Berhad since 2001 and a Director of several private limited companies. He is an Approved Company Auditor and Chartered Accountant having his own audit and tax practices and has more than 25 years of practical experience in the same field. He was a council member of the Malaysian Institute of Accountants from 1987 to 1994. Currently, he serves as a Trustee for the Malaysian Accountancy Research and Education Foundation and is the Chairman of the Research Board. He is also a council member and honorary secretary of the Malaysian Institute of Taxation.

6.2.2 Shareholding in CHB

The direct and indirect interests of the Directors of CHB in the issued and paid-up share capital of CHB upon completion of the Public Issue are as follows:

	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	% of Enlarged Share Capital	No. of Shares	% of Enlarged Share Capital
Director					
Dato' Azman bin Mahmood	Malaysian	350,000	0.4 ^(a)	-	-
Liew Fook Meng	Malaysian	-	-	50,579,003	56.2 ^(b)
Lau Kee Von	Malaysian	-	-	50,579,003	56.2 ^(b)
Lau Pak Lam	Malaysian	-	-	50,579,003	56.2 ^(b)
Liew Yoon Kee	Malaysian	-	-	50,579,003	56.2 ^(b)
Chow Kee Kan @ Chow Tuck Kwan	Malaysian	-	-	-	-

Notes:

- (a) Assuming that he subscribes for 350,000 Issue Shares pursuant to the MITI allocated portion of the Public Issue
- (b) Deemed interests by virtue of their siblings Low Yoon Sun, Lau Pa Sin and/or Lau Yoke Kiew's direct shareholdings in CHB, and Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and/or Lau Kim Chew's substantial shareholdings in LSSB. As at 1 December 2004, Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and Lau Kim Chew are still the registered holders of a total of 48,963,724 CHB Shares. However, their CHB Shares will be transferred to LSSB, an investment holding company, pursuant to the Consolidation of Interests as described under Section 5.5.3 of this Prospectus, prior to the listing of CHB on the Second Board of Bursa Securities

6.2.3 Directorships and Substantial Shareholdings in other Public Corporations

Save as disclosed below, none of the Directors of CHB holds any directorships and/or substantial shareholdings in other public corporations for the past two (2) years preceding the date of this Prospectus:

Name	Company	Principal Activities	Date Appointed / Resigned	% held as at 1.12.04	
				Direct	Indirect
Dato' Azman bin Mahmood	Astino Berhad	Investment holding, manufacturing and sale of metal roofing sheets, PVC products and other building related products	05.01.01/ 26.03.04	-	-

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

Name	Company	Principal Activities	Date Appointed / Resigned	% held as at 1.12.04	
				Direct	Indirect
	Kumpulan Hartanah Selangor Berhad	Investment holding and property development	19.05.03	-	-
	Tabung Amanah Selangor Berhad	Investment holding	15.09.00	-	-
	Jaks Resources Berhad	Investment holding, infrastructure construction project, land development, water supply works, manufacture of mild steel pipes and trading of construction related products	23.12.03	-	-
Chow Kee Kan @ Chow Tuck Kwan	Merge Housing Berhad	Property development and construction	13.02.01	*	-

Note:

* Negligible

6.2.4 Directors' Remuneration and Benefits

The aggregate remuneration paid to the Directors for services rendered in all capacities to the Company and its subsidiary companies for the FYE 31 December 2003 amounted to RM1.17 million. It is estimated that the aggregate remuneration (excluding performance bonus) payable to the Directors of the Company for services to the Company and its subsidiary companies in the aforesaid capacities for the FYE 31 December 2004 and FYE 31 December 2005 is approximately RM1.30 million for each year.

The details of the aggregate remuneration paid or payable are as follows:

Remuneration Band (RM)	Number of Directors		
	FYE 31.12.03	FYE 31.12.04	FYE 31.12.05
0 – 100,000	-	2	2
100,001 – 200,000	1	-	-
200,001 – 300,000	-	1	1
300,001 – 400,000	3	3	3
	<u>4</u>	<u>6</u>	<u>6</u>

In addition to normal employment benefits such as medical benefits and annual leave, other benefits provided to the Executive Directors of CHB are those which are befitting the office of an Executive Director and typically include the use of motor vehicles and mobile phones, whereby all related expenses are borne by the Group.

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

The composition of the Remuneration Committee is as follows:

Name	Designation	Directorship
Dato' Azman bin Mahmood	Chairman	Independent Non-Executive Director
Liew Fook Meng	Member	Executive Director
Chow Kee Kan @ Chow Tuck Kwan	Member	Independent Non-Executive Director

6.2.5 Directors' Service Agreements

None of the Directors of CHB has entered into any service agreements with the CHB Group.

6.2.6 Interests in Other Businesses and Corporations

None of the Executive Directors of CHB are involved in the activities or operations of any other businesses or corporations, save as follows:

- (a) Liew Fook Meng is a substantial shareholder and director of Artists Records Sdn Bhd, Eastern Music Sdn Bhd, A & E Capital Sdn Bhd and L.B. Realty Sdn Bhd. He is also a director and deemed substantial shareholder of Speedy Video Distributors Sdn Bhd, Movie Magic Sdn Bhd, Fairdex Consolidated Sdn Bhd and Ati Irama Sdn Bhd;
- (b) Lau Kee Von is a substantial shareholder and director of A & E Capital Sdn Bhd and L.B. Realty Sdn Bhd;
- (c) Lau Pak Lam is a substantial shareholder and director of L.B. Realty Sdn Bhd. He is also a director and deemed substantial shareholder of Ati Irama Sdn Bhd; and
- (d) Liew Yoon Kee is a substantial shareholder of L.B. Realty Sdn Bhd and a substantial shareholder and director of CubiArt Media Sdn Bhd.

The above Directors intend to devote most of their time and effort to their respective executive functions in the CHB Group. As such, their involvement in other businesses and corporations is not expected to have any material effect on their respective capacities within the Group.

6.2.7 Declaration

None of the Directors of CHB is or was involved in any of the following events, whether within or outside Malaysia:

- (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such director or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (b) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (c) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority 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.

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL**6.3 AUDIT COMMITTEE**

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
Dato' Azman bin Mahmood	Chairman	Independent Non-Executive Director
Liew Fook Meng	Member	Executive Director
Chow Kee Kan @ Chow Tuck Kwan	Member	Independent Non-Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the CHB Group's auditors, the review of the auditors' evaluation of internal accounting controls and management information systems, the review of the scope of internal audit procedures, the review of financial statements and the nomination of auditors.

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6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.4 KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.4.1 Profiles of Key Management and Technical Personnel

Low Foo Chay @ Lau Foo Chay, a Malaysian aged 58, is a Director of CISB, MFESB and BPQSB. He holds a Bachelor of Science degree from the National Taiwan University, Taiwan. He has over 30 years of experience in the manufacturing of confectionery products, including 4 years from 1979 to 1982 as a consultant for Vite Canning Sdn Bhd. He was the Food Technologist with a manufacturing company, Cheong Chan Hup Kee Sdn Bhd for 4 years from 1974 to 1978. Prior to that, he was the Production Manager with Hudson Sdn Bhd for a year. He is primarily responsible for the development of new products for the CHB Group.

Lau Kwai Choon, a Malaysian aged 43, is a Director of CISB and LBFSB. He has close to 20 years of experience in food distribution and retail and is jointly responsible for the daily manufacturing operations of CISB which includes ensuring the timely delivery of products to customers and adherence to product quality standards.

Low Yoon Sun, a Malaysian aged 60, is a Director of MFESB. He holds a Diploma in Electronics from Edison Electron Institute, Singapore. He has more than 30 years of experience in electrical maintenance works including 16 years as a Maintenance Executive in Lever Brothers Sdn Bhd, where he was attached to the said company from 1971 to 1987. Given his vast experience, he supervises the maintenance of plant and machinery of the Group.

Lau Pa Sin, a Malaysian aged 53, is a Director and Marketing Manager of BPQSB and MFESB. He has more than 20 years of experience in the convenience food industry, having been with the companies since the 1980s. He oversees the sales and marketing of BPQSB's products and is involved in BPQSB's production planning.

Lau Yoke Kiew, a Malaysian aged 44, is a Director of MFESB. She is also the Finance Executive of LBFSB, a position she has held since 1984. She has approximately 20 years of experience in finance, accounting and office administration, including 2 years with Messrs Ong & Wong Co as an External Auditor when she joined the firm in 1981. She joined Kampar Tyre Company as an Accounts Executive in 1980 for a year prior to joining LBFSB.

Lau Kim Chew, a Malaysian aged 39, is a Director of CISB and is responsible for the production and marketing strategy of CISB. He plays an active role in implementing and reviewing CISB's strategic direction. He is also jointly responsible for the daily operations of CISB.

Tai Chun Wah, a Malaysian aged 37, is the Group Accountant for the CHB Group. He joined CISB in 1996 as Accountant and was subsequently promoted to Group Accountant in 1998. He is an associate member of the Chartered Institute of Management Accountants (UK) and is also a member of the Malaysian Institute of Accountants (MIA). Prior to joining CISB, he was an Accounts Executive in May Plastics Industries Berhad, a public listed company principally involved in the business of plastic injection moulding, for 4 years. As the Group Accountant, he is responsible for the Group's daily accounting functions. He also holds directorships in several private limited companies, where he is a non-executive director.

Tee Then Sang @ Tay Yee Huan, a Malaysian aged 54, has been the Factory Manager of CISB since 1991. His responsibilities include the supervision of production operations and the testing and development of new products. He has more than 20 years' experience in the snack food and confectionery industry, including 10 years as Factory Supervisor at Khee Sang Food Industry Sdn Bhd, where he was responsible for the daily factory operations and maintenance of factory equipment.

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

Lee Thai Yuan, a Malaysian aged 43, has been the Sales Manager of LBFSB since 1994. His work experience includes being the Sales Representative of Trebor Sales (M) Sdn Bhd from 1982 to 1987, Sales Representative of Harper Trading (M) Sdn Bhd from 1987 to 1990 and Sales Representative of Network Foods (M) Sdn Bhd from 1990 to 1992. Subsequently he joined Chocolate Products (M) Sdn Bhd as a Sales Supervisor in 1992 before joining LBFSB in 1994.

Tan Kay Tiew, a Malaysian aged 39, has been the Production Manager of BPQSB since 1993. Prior to joining BPQSB, he was a Production Engineer based in China with Sedap Food (M) Sdn Bhd from 1989 to 1993. As the Production Manager, he is responsible for the overall production functions of the factory.

6.4.2 Shareholding in CHB

The direct and indirect interests of the key management and technical personnel of CHB in the issued and paid-up share capital of CHB upon completion of the Public Issue are as follows:

Key Management and Technical Personnel	Nationality	After Public Issue			
		Direct		Indirect	
		No. of Shares	% of Enlarged Share Capital	No. of Shares	% of Enlarged Share Capital
Lew Foo Chay @ Lau Foo Chay	Malaysian	-	-	50,579,003	56.2 ^(a)
Lau Kwai Choon	Malaysian	-	-	50,579,003	56.2 ^(a)
Low Yoon Sun	Malaysian	424,871	0.5	50,154,132	55.7 ^(a)
Lau Pa Sin	Malaysian	765,533	0.9	49,813,470	55.3 ^(a)
Lau Yoke Kiew	Malaysian	424,871	0.5	50,154,132	55.7 ^(a)
Lau Kim Chew	Malaysian	-	-	50,579,003	56.2 ^(a)
Tai Chun Wah	Malaysian	120,000	0.1 ^(b)	-	-
Tee Then Sang @ Tay Yee Huan	Malaysian	130,000	0.1 ^(b)	-	-
Lee Thai Yuan	Malaysian	120,000	0.1 ^(b)	-	-
Tan Kay Tiew	Malaysian	30,000	* ^(b)	-	-

Notes:

- (a) Deemed interests by virtue of their siblings Low Yoon Sun, Lau Pa Sin and/or Lau Yoke Kiew's direct shareholdings in CHB, and Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and/or Lau Kim Chew's substantial shareholdings in LSSB. As at 1 December 2004, Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon and Lau Kim Chew are still the registered holders of a total of 48,963,724 CHB Shares. However, their CHB Shares will be transferred to LSSB, an investment holding company, pursuant to the Consolidation of Interests as described under Section 5.5.3 of this Prospectus, prior to the listing of CHB on the Second Board of Bursa Securities
- (b) Assuming that they subscribe for their full entitlements under the 'pink form' allocation pursuant to the Public Issue
- * Negligible

6.4.3 Directorships and Substantial Shareholdings in other Public Corporations

None of the key management and technical personnel of the CHB Group holds any directorships and/or substantial shareholdings in other public corporations for the past two (2) years preceding the date of this Prospectus.

6. INFORMATION ON THE PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

6.4.4 Service Agreements

None of the key management and technical personnel of the CHB Group has entered into any service agreements with the Company or any of its subsidiary companies, which are not terminable by notice without payment of compensation.

6.4.5 Interests in Other Businesses and Corporations

Save as disclosed below, none of the key management and technical personnel of the CHB Group is involved in any other businesses or corporations:

- (a) Tai Chun Wah is a substantial shareholder and director of Paradise Cake House Sdn Bhd and director of D'orterm Restaurant Sdn Bhd. However, he is not involved in the executive functions of the said corporations and spends most of his time and effort performing his duties within the CHB Group.

6.4.6 Declaration

None of the key management and technical personnel of the CHB Group is or was involved in any of the following events, whether within or outside Malaysia:

- (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such personnel or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
- (b) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
- (c) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority 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.

6.5 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there is no family relationship or association between the Promoter, substantial shareholders and Directors of CHB, and/or key management and technical personnel of the CHB Group:

- (a) Liew Fook Meng, Lau Kee Von, Liew Yoon Kee, Lew Foo Chay @ Lau Foo Chay, Lau Pak Lam, Lau Kwai Choon, Lau Kim Chew, Lau Pa Sin, Low Yoon Sun and Lau Yoke Kiew are siblings; and
- (b) Azri bin Ahmad and Soraiya binti Faisol are husband and wife.

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