

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT

5.1 PROMOTERS

5.1.1 Particulars and Shareholdings

The details of the Promoters of the Group and their shareholdings in MRB after the IPO are as follows:-

Name	Designation	Nationality	No. of Shares Held [^]			
			Direct	%	Indirect	%
Choy Sen @ Chin Kim Sang	Executive Chairman	Malaysian	17,129,700	31.14	5,704,552*	10.37
Low Choon Lan	Executive Director	Malaysian	5,704,552	10.37	17,129,700*	31.14

Notes:-

[^] Shareholdings include Pink Form entitlements

* Deemed to have an indirect interest through his / her spouse's shareholdings in MRB

5.1.2 Profile of Promoters

Please refer to Section 5.3.2 below for the profiles of Choy Sen @Chin Kim Sang and Low Choon Lan.

5.1.3 Directorships and Substantial Shareholdings of Promoters in All Other Public Corporations for the Past Two (2) Years Preceding the Date Hereof

None of the Promoters have held directorships or substantial shareholdings in other public corporations in the last two (2) years preceding the date of this Prospectus.

5.2 SUBSTANTIAL SHAREHOLDERS

5.2.1 Particulars and Shareholdings

The details of the substantial shareholders of the Company and their shareholdings in MRB after the IPO are as follows: -

Name	Place of Incorporation/ Nationality	No. of Shares Held [^]			
		Direct	%	Indirect	%
Choy Sen @ Chin Kim Sang	Malaysian	17,129,700	31.14	5,704,552*	10.37
Low Choon Lan	Malaysian	5,704,552	10.37	17,129,700*	31.14
Dato' Shamsudin Bin Mohd Dubi	Malaysian	158,583	0.29	8,369,870**	15.22
Datin Norhaliza Bt Abdullah	Malaysian	5,356,791	9.74	3,171,662**	5.77
Kerjaya E-Khidmat Sdn Bhd	Malaysia	3,013,079	5.48	-	-
Dato' Haji Wan Zaki bin Haji Wan Muda	Malaysian	5,563,731	10.12	-	-
Ramelle Ashram Bin Tan Sri Ramli	Malaysian	2,781,865	5.06	-	-

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (*Cont'd*)

Notes:-

- [^] Shareholdings include Pink Form entitlements
- ^{*} Deemed to have an indirect interest through his / her spouse's shareholdings in MRB
- ^{**} Deemed to have an indirect interest through his / her spouse's and Kerjaya E – Khidmat Sdn Bhd's shareholdings in MRB

5.2.2 Profiles of Substantial Shareholders

For the profiles of Choy Sen @Chin Kim Sang, Low Choon Lan and Datin Norhaliza Bt Abdullah who are also the Directors of MRB, please refer to Section 5.3.2 below. The profiles of the other substantial shareholders are as follows:-

Dato' Shamsudin Bin Mohd Dubi, aged 60, is a substantial shareholder of the Group. He obtained his Bachelor of Arts (Honours) in Geography from the University of Malaya. Dato' Shamsudin Bin Mohd Dubi's career in the civil service began when he was appointed as an Assistant District Officer (Lands) in the state of Perak. In 1972 he was appointed as the Assistant Secretary (Defence Planning) in the Ministry of Defence where he has been promoted to various positions culminating in appointment as its' Deputy Secretary General in 1986, a position he subsequently assumed in the Ministry of National and Rural Development in 1988. In 1990, he was appointed as the State Secretary for the state of Negeri Sembilan and subsequently in 1993 he was appointed the State Secretary for the state of Perak. His final appointment prior to his retirement in 1996 was as the Secretary General for the Ministry of Youth and Sports.

Dato' Shamsudin Bin Mohd Dubi is currently a director of several private and publicly listed companies including Road Builder (M) Holdings Bhd and RB Land Holdings Berhad.

Dato' Haji Wan Zaki bin Haji Wan Muda, aged 55, is the Executive Vice Chairman of Ahmad Zaki Resources Berhad, a public company listed on the Main Board of Bursa Securities. He began his working career in 1971 as a Financial Assistant with Syarikat Permodalan Pahang Bhd, a Pahang state-owned company. He subsequently joined Perkayuan Pahang Sdn Bhd in 1973 as a Financial Assistant and Marketing Officer and subsequently to Marketing Manager. He left Perkayuan Pahang Sdn Bhd in 1977 to join Pesaka Terengganu Berhad as its Operations Manager until 1979 prior to joining Pesama Timber Corporation Sdn Bhd as Managing Director. He left Pesama Timber Corporation Sdn Bhd in 1984 and started Ahmad Zaki Sdn Bhd.

Other than Ahmad Zaki Resources Berhad, Dato' Haji Wan Zaki is also a director of Chuan Huat Resources Berhad, a public company listed on the Second Board of Bursa Securities and a director of several private companies.

Ramelle Ashram Bin Tan Sri Ramli, aged 26, graduated with a Bachelors of Art in Business Management from American Intercontinental University in 2001. He currently is the managing director and substantial shareholder of R-Segari Holdings Sdn Bhd, R.Medisource Sdn Bhd, R.Facilities Sdn Bhd, Raz Ekuiti Sdn Bhd and Kuari Sungai Perangin Sdn Bhd (through Raz Ekuiti Sdn Bhd). Kuari Sungai Perangin Sdn Bhd and KSC currently have an agreement to undertake turnkey quarry operations.

Please refer to Section 13.5 of this Prospectus for further details of this agreement.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

Kerjaya E-Khidmat Sdn Bhd ("KEK")

(i) Background Information

KEK was incorporated in Malaysia under the Companies Act, 1965 on 2 September 2003. The authorised share capital of KEK is RM100,000 comprising 100,000 Shares. The issued share capital of KEK is RM2.00 comprising 2 Shares all of which have been issued and fully paid-up. The principal activity of KEK is investment holding.

(ii) Directors and Substantial Shareholders

The directors, their shareholdings and the substantial shareholders of KEK as at 31 May 2005 are as follows:-

Name	Designation	No. of Shares Held			
		Direct	(%)	Indirect	(%)
Directors / Substantial Shareholders					
Datin Norhaliza Bt Abdullah	Executive Director	1	50.0	1*	50.0
Dato' Shamsudin Bin Mohd Dubi	Executive Director	1	50.0	1*	50.0

Note:-

* Deemed to have an indirect interest through his / her spouse's shareholdings

5.2.3 Directorships and Substantial Shareholdings of Substantial Shareholder in All Other Public Corporations for the Past Two (2) Years Preceding the Date Hereof

None of the substantial shareholders have held directorships or substantial shareholdings in other public corporations in the last two (2) years preceding the date of this Prospectus, save for the following:-

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Substantial Shareholdings		Principal Activities
			Direct (No. of Shares) (%)	Indirect (No. of Shares) (%)	
Dato' Shamsudin Bin Mohd Dubi	RB Land Holdings Berhad	1999	-	-	Investment holding
	Road Builder (M) Holdings Berhad	1997	145,500	-*	Investment holding
	ERMS Berhad	2001	-	-	Hotel and recreation club operations

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Substantial Shareholdings		Principal Activities
			Direct (No. of Shares) (%)	Indirect (No. of Shares) (%)	
Dato' Haji Ahmad Zaki Wan Zaki bin Haji Wan Muda	Ahmad Zaki Resources Berhad	1999	498,690 0.75	39,012,410 58.6	Investment holding
	Chuan Huat Resources Berhad	1997	3,835,197 8.56	- -	Investment holding

Note:-
* Negligible

5.3 DIRECTORS

5.3.1 Particulars and shareholdings

The details of the Directors of the Company and their shareholdings in MRB after the IPO are as follows: -

Name	Designation	Nationality	No. of Shares Held [^]			
			Direct	%	Indirect	%
Choy Sen @ Chin Kim Sang	Executive Chairman	Malaysian	17,129,700	31.14	5,704,552*	10.37
Lee Kah Keng @ Lee Kah Heng	Group Managing Director	Malaysian	-	-	-	-
Loh Yee Kwan	Group Deputy Managing Director	Malaysian	419,207	0.76	498,010*	0.91
Low Choon Lan	Executive Director	Malaysian	5,704,552	10.37	17,129,700*	31.14
Datin Norhaliza Bt Abdullah	Non-Independent Non-Executive Director	Malaysian	5,356,791	9.74	3,171,662**	5.77
Phoon Sow Cheng	Independent Non-Executive Director	Malaysian	-	-	-	-
Chai Woon Chew	Independent Non-Executive Director	Malaysian	-	-	-	-

Notes:-

[^] Shareholdings include Pink Form entitlements

* Deemed to have an indirect interest through his / her spouse's shareholdings in MRB

** Deemed to have an indirect interest through his / her spouse's and Kerjaya E - Khidmat Sdn Bhd's shareholdings in MRB

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)**5.3.2 Profiles of Directors**

The profiles of the Directors are as follows:-

Choy Sen @ Chin Kim Sang, aged 52, was appointed as the Executive Chairman of the Company on 28 January 2005. He has been the Managing Director of KSC since 1984. He is also the founder of the MRB Group. He has accumulated almost 30 years of experience in the provision of quarrying services and specialised services for the quarrying and civil engineering industries. He received his Masters in Business Administration from the Southern Pacific University, United States in 2004. He is also an Associate of the Institute of Quarrying Malaysia and a registered Shot-Firer with the Jabatan Mineral dan Geosains Malaysia and Polis Diraja Malaysia.

His career started in 1973 as a Clerk at Poh An, a sole proprietorship engaged in trading. He left and joined Ong Ah Kow Drilling & Blasting Contractor, a sole proprietorship, as a Site Clerk in 1975. In 1977, he left and established Chin Construction, a sole proprietorship focusing on drilling and blasting works. In 1984, he subsequently incorporated K.S. Chin Construction Sdn Bhd (now known as KSC) to take over the business operations of Chin Construction. In 1989, he expanded his business to incorporate AT, to provide specialised drilling and blasting, loading and haulage services focusing on rock excavation and infrastructure development projects. Subsequently, he established DIS in 1994 to support the Group's operations in trading of industrial machinery spare parts. In 1998, TM commenced operations focusing on the sales and marketing of aggregates. As part of his intentions to provide value-added products using aggregates, he established TP to provide asphalt premix to the road construction and maintenance industry.

As the founder, he has been the main driving force behind the development, growth and expansion of the MRB Group. He is responsible for strategic planning of the business including the overall direction and vision of the Group. Some of his main contributions include the Group's strategic diversification into long-term quarry operations in 1991.

Lee Kah Keng @ Lee Kah Heng, aged 54, was appointed as the Group Managing Director on 28 January 2005. He was the chief operating officer / director of Hwa Tai Industries Berhad ("Hwa Tai"), a company listed on the Second Board of Bursa Securities from 1998 to 2004.

A graduate in mechanical engineering, he also holds a Masters of Business Administration from the University of Hull, United Kingdom.

He has extensive experience in the field of workshop management, solid waste management, ready mixed concrete and lime products, quarrying and general management.

Prior to his appointment as the chief operating officer of Hwa Tai, he was the managing director of Lime & Lime Products Sdn Bhd, a 100% owned subsidiary of Megafirst Corporation Berhad, a company listed on the Main Board of Bursa Securities and also the Executive Director of Rock Chemicals Industries Bhd, a company listed on the second board of Bursa Securities from 1995 to 1997.

He was also with IJM Corporation Bhd from 1989 – 1995 taking charge of its quarrying / premix as well as its ready mixed concrete business under the industries division.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

Loh Yee Kwan, aged 42, was appointed as the Group Deputy Managing Director on 28 January 2005. He graduated from Universiti Teknologi Malaysia with an Honours Degree in Bachelor of Engineering (Civil) in 1987. In 1991, he obtained his Master of Business Administration (MBA) from the University of Strathclyde, United Kingdom. He is a Graduate Member of the Institute of Engineers of Malaysia and a Member of the Institute of Quarrying Malaysia.

He began his career in 1988 as an Engineer with Rukumus Sdn Bhd, where he was responsible for site planning and supervision. In 1988, he left and joined LP Consultants Sdn Bhd as an Engineer before leaving in 1989 to take up the position as a Civil Engineer with Engineering & Environmental Consultants Sdn Bhd. In 1992, he joined Job Builders Sdn Bhd, part of the Properties Division of the Lion Group, as Project Manager and was primarily responsible for the project management of various property development projects.

He was appointed General Manager at AT in 1994 and was later appointed Deputy Managing Director at KSC in 2002. Currently, his main responsibilities include overseeing the operations and overall management of the various companies in the Group.

Low Choon Lan, aged 48, was appointed as the Executive Director of the Company on 28 January 2005. She received her Masters in Business Administration from the Southern Pacific University, United States in 2004. She was appointed the Executive Director of KSC in 1984 and AT in 1989 and TM in 1996 where she oversaw the human resources, administration and purchasing divisions of the group. Her present responsibilities include managing and overseeing the public relations activities of the Group.

Low Choon Lan is also a director of several private companies.

Datin Norhaliza Bt Abdullah, aged 49, was appointed as a Non-Independent Non-Executive Director of the Company on 28 January 2005. She is a graduate of the City and East London University where she became a Fellow British Dispensing Optician in 1980. In 1999 she obtained a Masters in Business Administration from Charles Sturt University.

Datin Norhaliza began her working career as an assistant optician in 1977 and subsequently from 1980 to 1983 she was an optometrist with Standard Optician, Kuala Lumpur. She formed her own optometry business with Optician Norhaliza Sdn Bhd in which she became the executive chairperson, a position she continues to hold todate. She is also a director of several other private companies.

Phoon Sow Cheng, aged 51, was appointed as an Independent Non-Executive Director of the Company on 28 January 2005. Upon the completion of her secondary education, she began her working career as an articled audit assistant with an international firm of public accountants, initially in Penang and subsequently in Kuala Lumpur where she was an audit/tax supervisor.

She is currently a Member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants, an Associate of the Financial Planning Association of Malaysia and a Fellow of the Malaysian Institute of Taxation. She also is a director of several private companies.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

Chai Woon Chew, aged 47, was appointed as an independent Non-Executive Director of the Company on 28 January 2005. He graduated with a Bachelor of Science (Honours) in Chemistry in 1981 from the University of Surrey, United Kingdom and obtained a Bachelor of Laws (Honours) from the University of Buckingham, United Kingdom and is a Barrister at Law at Lincoln's Inn, United Kingdom. In 1994 he was admitted into the High Court of Malaya as an Advocate and Solicitor. He currently is the chief executive partner of Messrs. Michael Chai & Co, a legal firm in Kuala Lumpur and the director of a public listed company and several private companies.

5.3.3 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to the Directors of MRB for services rendered in all capacities to the Group for the financial year ended 31 December 2004 and proposed for the financial year ending 31 December 2005 are as follows:-

Remuneration Band (RM'000)	Financial Year Ended 31 December 2004		Proposed Financial Year Ending 31 December 2005	
	Aggregate Remuneration (RM'000)	Number of Directors	Aggregate Remuneration (RM'000)	Number of Directors
Up to 50,000	-	-	72	3
50,001 – 100,000	-	-	-	-
100,001 – 200,000	-	-	-	-
200,001 – 500,000	-	-	974	3
500,000 – 800,000	-	-	538	1
Total	-	-	1,584	7

5.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors. The Audit Committee will also review the nature and terms of future related party transactions to ensure compliance and transactions are entered into based on arms length basis and on commercial terms and are not more favourable to the related party than those generally available to the public and, are not detrimental to the Group. The Audit Committee comprises the following individuals: -

Name	Designation	Directorship
Phoon Sow Cheng	Chairman of Audit Committee	Independent Non-Executive Director
Choy Sen @ Chin Kim Sang	Member of Audit Committee	Executive Chairman
Chai Woon Chew	Member of Audit Committee	Independent Non-Executive Director

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

5.5 KEY MANAGEMENT OF THE MRB GROUP

5.5.1 Particulars and Shareholdings

The details of the key management of the MRB Group and their shareholdings in MRB after the IPO are as follows: -

Name	Designation	No. of Shares Held [^]			
		Direct	%	Indirect	%
Choy Sen @ Chin Kim Sang	Executive Chairman	17,129,700	31.14	5,704,552*	10.37
Lee Kah Keng @ Lee Kah Heng	Group Managing Director	-	-	-	-
Loh Yee Kwan	Group Deputy Managing Director	419,207	0.76	498,010*	0.91
Low Choon Lan	Executive Director	5,704,552	10.37	17,129,700*	31.14
Low Choon Yen	Executive Director ^{^^}	498,010	0.91	419,207*	0.76
Choo Kang Ngee	Executive Director ^{^^}	399,206	0.73	-	-
Loh Poh Im	Group Financial Controller	-	-	-	-
Liew Tsun Fong	General Manager	20,000	0.04	-	-
Foo Tai Wah @ Robert Foo Tai Wah	General Manager	57,000	0.10	-	-
Tan Keat Hock	General Manager	130,000	0.24	-	-
Lai Yuen Pheng	Assistant General Manager	165,000	0.30	-	-
Chin Chee Choy	Assistant General Manager	165,000	0.30	-	-
Aw Lay Hwa	Account and Administrative Manager	-	-	-	-

Notes:-

[^] Shareholdings include Pink Form entitlements

* Deemed to have an indirect interest through his / her spouse's shareholdings in MRB

^{^^} Executive directors of subsidiary companies of the Group

5.5.2 Profiles of the Key Management

For the profiles of Choy Sen @Chin Kim Sang, Lee Kah Keng @ Lee Kah Heng, Loh Yee Kwan, and Low Choon Lan who are also the Directors of MRB, please refer to Section 5.3.2 above. The profiles of the other key management are as follows:-

Low Choon Yen, aged 42, is currently the Executive Director of DIS and her key responsibilities include overseeing and management of the purchasing activities of the Group. She graduated from University of Malaya with a Bachelor of Science (Hons) degree in 1988. She is an Associate Member of the Institute Kimia Malaysia.

She commenced her career in 1988 as a Production Chemist with Medisafe Industries Sdn Bhd, where she was primarily engaged in research and development activities of latex gloves. In 1989, she joined Dispolox Industries Sdn Bhd, also a latex glove manufacturer, as an R&D Executive. In 1992, she left to join an environment pollution control company, HQ Engineering Sdn Bhd as a Senior Technical Executive. She left in 1996 and subsequently joined a water treatment organisation, Glory Water Management Sdn Bhd as Design and Planning Engineer. She left in 2000 and joined DIS as an Executive Director.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

Choo Kang Ngee, aged 47, was appointed the Executive Director of TM in 2000 and was appointed as a Director of TP in 2002. His responsibilities include the overall management of the manufacturing and trading of premix products and sales and marketing of quarry products.

He completed his secondary education in 1975 and started his career with Hong Leong Company (Trading) Sdn Bhd (KL) in 1982 as a Clerk before he was transferred / posted to Yazman Hume Quarries Sdn Bhd as a Sales Co-ordinator and Credit Controller in 1985. He was promoted and transferred to Hume Damansara Quarry Sdn Bhd in 1990 as a Senior Sales Executive. In 1995, he left and joined IJM Damansara Rock Product Sdn Bhd as a Sales Manager. He was responsible for overall management of sales activities.

Loh Poh Im, aged 40, is the Group Financial Controller for the MRB. She graduated from the University of Malaya with an honours degree in Accountancy and subsequently qualified as a Chartered Accountant. She is a member of the Malaysian Institute of Accountants since 1993. She has extensive experience in accounting, financial and administration especially in the manufacturing sector. She has previously worked as Accountant in public listed group and multinational company. Prior to her employment as Group Financial Controller, she was the Group Financial Controller/Director of a company listed on the second board of Bursa Securities. She oversees the management of accounts, finance, human resources, administrative and information technology departments under the Group. Her responsibilities include corporate finance, financial reporting, financial and tax planning, budgetary controls and internal controls. Currently, she is also a non-executive director of a public listed company.

Liew Tsun Fong, aged 42, is the General Manager of AT. He graduated with a Diploma in Quantity Surveying from Federal Institute Technology, Selangor in 1984. He is an Associate of New Zealand Institute of Quantity Surveyor (ANZIQS) from Carrington Polytechnic, New Zealand in 1994. He is a Graduate Member of the Malaysian Institute of Surveyors as well as a Member of the New Zealand Institute of Quantity Surveying.

His career started in 1984 as an Assistant Quantity Surveyor with Baharuddin Ali & Low, a construction company. He joined Rider Hunt Holmes Cooks Ltd, New Zealand, in 1987 as Assistant Quantity Surveyor before joining CCG Construction Sdn Bhd in 1993 as Contracts Administrator. In 1995, he left and joined Contract Sdn Bhd as a Quantity Surveyor.

In 1996, he took up the position of Contracts Manager with Sunway PMI-Pile Construction Sdn Bhd before leaving in 1997 to join Maranatha Engineering Sdn Bhd in 1997 as Contracts Manager. In 1999, he left to take up the position of Contracts Manager with Geo Mutiara Sdn Bhd. He subsequently joined Agrocon (M) Sdn Bhd as Contracts Manager in 2000. In 2003, he joined AT as an Assistant General Manager and was promoted to General Manager in 2005 and is responsible for overseeing the site and office operations.

Foo Tai Wah @ Robert Foo Tai Wah, aged 58, is the General Manager of KSC. He graduated from the University of Malaya in 1970 with a Bachelor of Engineering (Honours) in Mechanical. In 1973, he obtained his Bachelor of Engineering Degree (Honours) in Mining from the University of Queensland, Australia. He is a Member of the Institution of Mining and Metallurgy and Chartered Engineer of The Engineering Council.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

His career started in 1974 as a Mining Engineer with Anglo Oriental Sdn Bhd. In 1980, he joined Senky Dredging as a Manager and was in charge of mining dredges and open cast mines. He left in 1983 to take up the position as Manager of Highway-Quarry Sdn Bhd. Subsequently he left in 1990 to join Hume Quarries Sdn Bhd, a quarry division of Hong Leong Group, as Manager. In 1994, he joined Cemara Dayalam Sdn Bhd as a manager.

In 2001, he left to join KSC as the Assistant General Manager and was promoted to General Manager in 2005. His responsibilities include assisting the management in the daily technical and managerial functions.

Tan Keat Hock, aged 48, is the General Manager of KSC. After completing his secondary education, he embarked on his working career in 1976 as a Clerk of Works with Pembinaan Seri Jaya Sdn Bhd, a housing construction company. He left in 1977 to join Tack Kee Construction Sdn Bhd in Sabah as a Supervisor. In 1980, he left and took up the position as Senior Supervisor with K.S. Lim Construction Sdn Bhd. Subsequently in 1981, he joined Young Construction Sdn Bhd as a Project Senior Supervisor. In 1982, he was a sub-contractor for housing, road and civil construction projects in Sabah. He later joined Winalong Development Sdn Bhd, a quarry in Sabah as a Director and Production Manager in 1984.

In 1993, he joined KSC as a Site Manager and was promoted to Senior Manager and Assistant General Manager in 1996 and 2001 respectively. He was promoted to his current position in 2005. His responsibilities include assisting in the management of the quarry operation, drilling and blasting works, loading and hauling and rock crushing activities.

Lai Yuen Pheng, aged 45, is the Assistant General Manager of KSC. He started his career in the construction industry in 1980 as a Land Surveyor cum Supervisor with Hiap Aik Construction Sdn Bhd. From 1983 to 1984, he joined Promet Construction Sdn Bhd as a Supervisor cum Surveyor. From 1987 to 1988, he was with Folin Engineering & Construction Sdn Bhd as Site Surveyor. He joined KSC Group in 1989 as Manager who in charge of project blasting works and surveying works in the Projection Division. He is also a qualified Shot Firer. He was promoted to Assistant General Manager in 2005 and is responsible for monitoring drilling and blasting projects under AT.

Chin Chee Choy, aged 50, is the Assistant General Manager of KSC. He started in the year 1976 in charge of blasting work of Karak Highway and Sungai Besi Underpass. He moved on to supervise other projects like the Italian-Thai Development project in 1979, East West Highway in 1983 and Quarry Division. He is an experienced and qualified Shot Firer. He has been in the quarry industry for more than twenty years. He is also an associate member of Institute of Quarrying Malaysia. He was promoted to Assistant General Manager in 2005 for quarry operation work at Sg Perangin Quarry.

Aw Lay Hwa, aged 33, is the Account and Administrative Manager of KSC. She graduated with a Bachelor of Accountancy with Honours from the University Utara Malaysia in 1997. She is a member of the Malaysian Institute of Accountants. Her career started with KPMG in 1996 as Audit Assistant. Subsequently in 2002, she joined Tai Kwong-Yokohama Berhad as Accountant, a position she upheld until she left in 2004 to join KSC. Her responsibilities include accounting, human resources and administrative functions.

5. INFORMATION ON PROMOTERS/SUBSTANTIAL SHAREHOLDERS/DIRECTORS/ KEY MANAGEMENT (Cont'd)

5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS

Save as disclosed below none of the Executive Directors or any members of the key management of the MRB Group are involved in other businesses or corporations.

Director/Key Management	Company	Principal Activity	Position Held	No. of shares held	
				Direct	Indirect
Choy Sen @ Chin Kim Sang	Angkasa Risk Management Sdn Bhd	Insurance agency	Director	2	-
	Sierra Dynamics Sdn Bhd	Property investment	Director	1	-
	K.S. Chin Holdings (M) Sdn Bhd	Provision of management services	Director	1	1*
	Medium Visa Sdn Bhd	Dormant	Director	1	1*
Loh Yee Kwan	Angkasa Risk Management Sdn Bhd	Insurance agency	Director	1	-
	Sierra Dynamics Sdn Bhd	Property investment	Director	1	-
	Capable Impress (M) Sdn Bhd	Property investment	Director	5,125	-
Low Choon Lan	Panglima Emas (M) Sdn Bhd	Goldsmiths	Director	50,000	-
	Collino Hair Cosmetic Sdn Bhd	Trading	Director	15,000	-
	K.S. Chin Holdings (M) Sdn Bhd	Provision of management services	Director	1	1*
	Glamour Heights Sdn Bhd	Property development	Director	-	-
	Teamskill United Sdn Bhd	Construction and project management	Director	-	-
	Medium Visa Sdn Bhd	Dormant	Director	1	1*
	Hwa Tai Industries Bhd	Manufacturing of biscuits and confectionary products	Non-Executive Non-Independent Director	20,000	-
Lee Kah Keng @ Lee Kah Heng	AceTai Corporation Sdn Bhd	Trading of biscuits and consumer agency products	Director	-	^
	Satria Potensi Sdn Bhd	Subcontracting of construction works	Director	-	^
Loh Poh Im	Hwa Tai Industries Bhd	Manufacturing of biscuits and confectionary products	Non-Executive Non-independent Director	5,000	-

Note:-

* Deemed to have an indirect interest through his / her spouse's shareholdings

^ Deemed to have an indirect interest as these companies are subsidiary companies of Hwa Tai Industries Bhd

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

5.7 DECLARATION OF DIRECTORS AND KEY MANAGEMENT TEAM

No director, key management or person nominated to become a director or key management is or has been involved in any of the following events: -

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of any court of competent jurisdiction 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.

5.8 FAMILY RELATIONSHIPS

Save as disclosed below, there are no other family relationships (as defined in Section 122A of the Act) or association between the substantial shareholders, promoters, Directors and key management of MRB:-

- (a) Low Choon Lan is the spouse of Choy Sen @ Chin Kim Sang;
- (b) Low Choon Yen is the spouse of Loh Yee Kwan;
- (c) Low Choon Lan and Low Choon Yen are siblings; and
- (d) Datin Norhaliza Bt Abdullah is the spouse of Dato' Shamsudin Bin Mohd Dubi.

5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

There are no existing or proposed service contracts with the Directors or key management personnel of the Company or its subsidiaries, excluding contracts expiring or determinable by the Company without payments or compensation (other than statutory compensation), which are not terminable by notice without payment or compensation (other than statutory notice).

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5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)

5.10 CHANGES IN SHAREHOLDINGS IN THE COMPANY FOR THE PAST THREE (3) YEARS

The significant changes of the Promoters' and substantial shareholders' shareholdings in the Company for the past three (3) years preceding the date hereof are as follows: -

Name	From 1.6.2004 to 31.5.2005			From 1.6.2003 to 31.5.2004			From date of incorporation to 31.5.2003						
	Direct	%	Indirect	Direct	%	Indirect	Direct	%	Indirect	Direct	%	Acquired	Disposed
Tan Swee Huat#	1	@	-	1	50.00	-	1	50.00	-	1	50.00	-	-
Lee Kwan Ming#	1	@	-	1	50.00	-	1	50.00	-	1	50.00	-	-
Choy Sen @	20,629,700	45.84	6,074,552*	-	-	-	-	-	-	-	-	-	-
Chin Kim Sang	6,074,552	13.50	20,629,700*	-	-	-	-	-	-	-	-	-	-
Low Choon Lan	158,583	0.35	8,369,870**	-	-	-	-	-	-	-	-	-	-
Dato' Shamsudin Bin Mohd Dubi	5,356,791	11.90	3,171,662**	-	-	-	-	-	-	-	-	-	-
Datin Norhaliza Bt Abdullah	3,013,079	6.70	-	-	-	-	-	-	-	-	-	-	-
Kerjaya E-Khidmat Sdn Bhd	5,563,731	12.36	-	-	-	-	-	-	-	-	-	-	-
Dato' Haji Wan Zaki bin Haji Wan Muda	2,781,865	6.18	-	-	-	-	-	-	-	-	-	-	-
Ramelle Ashram Bin Tan Sri Ramli												2,781,865	-

Notes: -

@

Negligible

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Subscribers

*

Deemed to have an indirect interest through his / her spouse's shareholdings in MFRB

**

Deemed to have an indirect interest through his / her spouse's and Kerjaya E - Khidmat Sdn Bhd's shareholdings in MFRB

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT (Cont'd)
5.11 DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDINGS IN ALL OTHER PUBLIC CORPORATIONS FOR THE PAST TWO (2) YEARS

The directorships and substantial shareholdings of the Directors in other public corporations for the past two (2) years preceding 31 May 2005 are as follows: -

Name	Name of Corporation Involved	Year of Appointment/ (Resignation) to the Board	Substantial Shareholdings				Principal Activities
			Direct (No. of Shares)	(%)	Indirect (No. of Shares)	(%)	
Chai Woon Chew	KKB Engineering Berhad	1994	53,000	0.1	3,600,000	7.46	Steel fabrication
Lee Kah Heng	Hwa Tai Industries Bhd	1998	20,000	0.1	-	-	Manufacturing of biscuits and confectionary products

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6. APPROVALS AND CONDITIONS

6.1 APPROVALS AND CONDITIONS

The SC (and approval under the Guideline of the Acquisition of Interest, Take-Overs and Mergers by Local and Foreign Interests) and MITI approved the IPO on 17 November 2004 and 8 September 2004 respectively. The conditions imposed by the authorities and status of compliance are as follows: -

Conditions Imposed By SC						Status of Compliance
(i) The following shareholders are not allowed to sell, transfer or assign their respective shareholdings amounting to 45% of the enlarged issued and paid-up capital of MRB for at least 1 year from the date of listing of MRB on the Second Board of Bursa Securities:						Complied via the undertaking letters dated 15 April 2005 furnished to SC.
Shareholders	Shareholding after IPO		Shareholding placed under moratorium			
	No. of Shares	%	No. of Shares	%		
Choy Sen @ Chin Kim Sang	17,129,700	31.1	12,657,015	23.0		
Low Choon Lan	5,704,552	10.4	3,998,451	7.3		
Dato' Shamsudin Bin Mohd Dubi	158,583	0.3	114,200	0.2		
Datin Norhaliza Bt Abdullah	5,356,791	9.7	3,807,249	6.9		
Kerjaya E-Khidmat Sdn Bhd	3,013,079	5.5	2,169,794	3.9		
Ramelle Ashram Bin Tan Sri Ramli	2,781,865	5.1	2,003,291	3.7		
Total	34,144,570	62.1	24,750,000	45.0		
<p>In this regard, the individual shareholders of Kerjaya E-Khidmat Sdn Bhd should provide written undertaking to the SC that they would not sell, transfer or assign their shareholdings in Kerjaya E-Khidmat Sdn Bhd during the moratorium period.</p>						
(ii) With regard to the trade debtors and creditors, MRB is required to:-						
(a) fully disclosed the trade debtors and creditors position, ageing analysis and comments by its directors on the recoverability of debtors and treatment of its creditors which exceed the credit period, in its prospectus;						Complied as disclosed in Section 9.5 (vi) and (vii) of this Prospectus.
(b) make full provision for all overdue trade debtors (if any), which are in dispute or under legal action, or for amounts which have been outstanding for more than 6 months. The directors of MRB should confirm to the SC that this condition has been complied with prior to the issuance of the listing prospectus; and						SC approved MRB's appeal against condition vide letter dated 22 June 2005. Please refer to Section 9.5 (vi) of this Prospectus for more information.
(c) the directors of MRB should submit a declaration to the SC that the trade debtors exceeding the credit period which have not been provided for as doubtful debts, excluding those under paragraph (ii)(b) above, are recoverable.						Complied via MRB's letter dated 23 June 2005 furnished to SC.

6. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By SC	Status of Compliance
(iii) The directors and substantial shareholders of the MRB Group should not, in the future, carry out any new businesses, which will compete directly or indirectly and be in conflict with the business of the MRB Group.	Complied via the letters dated 15 April 2005 and 16 April 2005 furnished to SC.
(iv) MRB should ensure that any future transactions between the MRB Group and the directors/ substantial shareholders or companies related to the directors/substantial shareholders must be at arms-length basis, and on terms and conditions that are not unfavourable to MRB. In this regard, the audit committee of MRB should report on the position of such transactions in the annual report of MRB.	Noted.
(v) MRB/AmMerchant Bank should make detailed disclosures in the listing prospectus with regard to the salient information contained in the market study by Vital Factor Consulting Sdn Bhd, as well as all the salient terms of the agreements entered into between the MRB Group and the quarry owners, including among others, circumstances under which they can be terminated.	Salient information contained in the market study by Vital Factor Consulting Sdn Bhd is disclosed in Section 12 of this Prospectus. Salient terms of agreements with the quarry owners, including among others, circumstances under which they can be terminated are disclosed in Section 13.5 of this Prospectus.
(vi) MRB should disclose the status of utilisation of proceeds from the flotation proposals in its quarterly and annual reports until the proceeds are fully utilised.	To be complied.
(vii) MRB/AmMerchant Bank should comply with the following requirements in relation to the public issue/offer for sale shares which will be offered vide placement to selected public investors: <ul style="list-style-type: none"> • at least 30% of the securities should, to the extent possible, be allocated to Bumiputera investors; • placement of the securities must be done through an independent placement agent; and • upon implementation of the placement exercise, the corporate adviser or the independent placement agent (where applicable), must submit to the SC, for its notification, a final list of the placees, and a confirmation that the placement complies with the SC Guidelines. 	To be complied.
(viii) MRB/AmMerchant Bank should inform the SC of the status of compliance with the NDP requirement upon completion of the flotation exercise.	To be complied.
(ix) MRB should comply with other relevant requirements relating to the proposals, as stipulated in the SC Guidelines.	To be complied.
(x) Upon completion of the Listing exercise, MRB/ AmMerchant Bank should confirm to SC the status of compliance with the relevant requirements as stipulated in the SC Guidelines.	To be complied.

6. APPROVALS AND CONDITIONS (Cont'd)

The SC had via its letter dated 1 June 2005 further imposed the following conditions:-

Conditions Imposed By SC	Status of Compliance
MRB is required to make full disclosure in the Prospectus of the following:	
(i) Quarry operation in Terengganu;	Complied as disclosed in Section 4.2.2(a) of this Prospectus.
(ii) Conflict of interest resulting from the quarry operation in Terengganu and steps taken/to be taken to mitigate the said conflict;	Complied as disclosed in Section 7.4 of this Prospectus.
(iii) Complete details in relation to the tax investigation by the Inland Revenue Board ("IRB") on the MRB Group and whether any additional tax liabilities has been imposed by the IRB;	Complied as disclosed in Section 4.7 of this Prospectus.
(iv) The effect of the additional tax liabilities on the profit and cashflow of the MRB Group; and	Complied as disclosed in Section 4.7 of this Prospectus.
(v) Whether full settlement has been made for the additional tax liabilities imposed.	Complied as disclosed in Section 4.7 of this Prospectus.

Note:

The SC noted that pursuant to the implementation of the proposed flotation exercise, the equity structure of MRB would change as follow:-

	Before proposals %	After proposals %
Bumiputera	-	30.69
Non-Bumiputera	100.00	69.31
Foreign	-	-
Total	100.00	100.00

Conditions Imposed By MITI	Status of Compliance
(i) To obtain the SC's approval for the listing scheme and compliance with the guideline on acquisition, merger and take-overs.	The SC has approved the listing scheme via letter dated 17 November 2004.

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6. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By MITI			Status of Compliance
(ii) The MITI has recognised the following as Bumiputera shareholders:-			To be complied.
	Shareholding after IPO		
Shareholders	No. of shares	%	
Dato' Shamsudin Muhd Dubi	158,583	0.29	
Datin Norhaliza Abdullah	5,356,791	9.74	
Dato' Haji Wan Zaki Haji Wan Muda	5,563,731	10.12	
Ramelle Ashram Tan Sri Ramli	2,781,865	5.06	
Kerjaya E-Khidmat Sdn Bhd	3,013,079	5.48	
Total	16,874,049	30.69	
subject to the condition that 30% are allowed to be disposed of within 3 months after the listing of the Company and the balance 70% in stages subject to the MITI's prior approval.			

6.2 MORATORIUM ON SHARES

In accordance with the SC Guidelines, the affected shareholders of MRB will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up capital of MRB for one (1) year from the date of admission of MRB to the Official List of the Second Board of the Bursa Securities.

The affected shareholders of MRB whose Shares are subjected to the moratorium as imposed by the SC are as follows:-

Name of shareholders	No. of Shares held after IPO [^]	% of enlarged issued and paid-up capital (%)	No. of Shares held under moratorium	% of enlarged issued and paid-up capital (%)
Choy Sen @ Chin Kim Sang	17,129,700	31.1	12,657,015	23.0
Low Choon Lan	5,704,552	10.4	3,998,451	7.3
Dato' Shamsudin Bin Mohd Dubi	158,583	0.3	114,200	0.2
Datin Norhaliza Bt Abdullah	5,356,791	9.7	3,807,249	6.9
Kerjaya E-Khidmat Sdn Bhd	3,013,079	5.5	2,169,794	3.9
Ramelle Ashram Bin Tan Sri Ramli	2,781,865	5.1	2,003,291	3.7
Total	34,144,570	62.1	24,750,000	45.0

Note:-

[^] Shareholdings include Pink Form entitlements

The restriction, which is fully accepted by the shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the shareholders which are under moratorium to ensure that MRB's registrars do not register any transfer not in compliance with the restriction imposed by the SC.

6. APPROVALS AND CONDITIONS (Cont'd)

The shareholders have provided an undertaking that they shall not sell, transfer or assign their respective shareholdings under moratorium in accordance with the SC Guidelines. The shareholders of Kerjaya E-Khidmat Sdn Bhd has also provided an undertaking that they shall not sell, transfer or assign their respective shareholdings in Kerjaya E-Khidmat Sdn Bhd during the moratorium period.

The endorsement affixed on the share certificates is as follows: -

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

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7. RELATED PARTY TRANSACTIONS

7.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

Save as disclosed below, the MRB Group does not have any other existing or proposed related-party transactions and/or conflicts of interests between the MRB Group, its Directors and/or substantial shareholders of the Company and persons connected to them:-

Related Party	Nature of transaction/ Conflict of Interest	Interested Promoter/ Director/ Substantial Shareholder	Transaction Value
Angkasa Risk Management Sdn Bhd	Angkasa Risk Management Sdn Bhd provides insurance services to the MRB Group.	Choy Sen @ Chin Kim Sang and Loh Yee Kwan (the directors and substantial shareholders of MRB) are directors and substantial shareholders of Angkasa Risk Management Sdn Bhd.	RM700,000 for financial year ended 31 December 2004 and estimated RM750,000 for financial year ending 31 December 2005.
Choy Sen @ Chin Kim Sang	By two (2) tenancy agreements both dated 1 January 2004, Choy Sen @ Chin Kim Sang agreed to let to KSC the premises known as 8-A, 11-A, 11-B, 12-B and 9B, Lot 763, Mukim Damansara, District of Petaling, Selangor for a period of two (2) years commencing from the date of the tenancy agreements.	Choy Sen @ Chin Kim Sang is a director and substantial shareholder of MRB.	RM192,000 for the duration of the tenancy.
Kuari Sungai Perangin Sdn Bhd ("KSPSB")	By an agreement dated 16 April 2001 (supplemented by an agreement dated 28 October 2003) (collectively "Agreements") between KSC and KSPSB, KSPSB has engaged KSC to undertake the works pertaining to the operation of the quarry located at Lot 5453, Mukim of Hulu Bernam, District of Batang Padang, Perak. In consideration of KSC entering into the Agreements, KSPSB consented to AT setting up and operating a pre-mix plant at the said quarry site.	Ramelle Ashram Bin Tan Sri Ramli (a substantial shareholder of MRB) is the managing director and a substantial shareholder of Raz Ekuiti Sdn Bhd, the holding company of KSPSB.	Minimum payment of RM25,000 per month or 8% of the value of all quarry products extracted from the quarry per month for the first 5 years and 10% thereafter.
Kuari Sungai Perangin Sdn Bhd ("KSPSB")	KSC, KSPSB and Kota Malim Sdn Bhd had entered into an agreement dated 13 June 2003 whereby KSC agreed to improve the access road to the quarry located at Lot 5453, mukim of Hulu Bernam, District of Batang Padang, Perak via Kota Malim Development Project. In consideration of RM10.00 paid by KSC to Kota Malim Sdn Bhd and the improvement work and maintenance to be done by KSC on the access road, Kota Malim Sdn Bhd granted to KSC and KSPSB the rights to use and access the said access road.	Ramelle Ashram Bin Tan Sri Ramli (a substantial shareholder of MRB) is the managing director and a substantial shareholder of Raz Ekuiti Sdn Bhd, the holding company of KSPSB.	RM218,008 for the initial work done with regards the improvement of the access work.

7. RELATED PARTY TRANSACTIONS (Cont'd)

Related Party	Nature of transaction/ Conflict of Interest	Interested Promoter/ Director/ Substantial Shareholder	Transaction Value
Low Choon Lan	By a Tenancy Agreement dated 1 January 2004, Low Choon Lan agreed to let to KSC the premises known as 9-A, Lot 763, Mukim Damansara, District of Petaling, Selangor for a period of two (2) years commencing from the date of the tenancy agreement.	Low Choon Lan is a director and substantial shareholder of MRB.	RM24,000 for the duration of the tenancy.
Ng Soong Hee	Ng Soong Hee agreed to let to KSC a double storey terrace house at No. 6, Jalan 1/37, Taman Bukit Maluri, 52100 Kuala Lumpur.	Ng Soong Hee is the mother of Choy Sen @ Chin Kim Sang (a director and substantial shareholder of MRB).	RM12,000 for the financial year ended 31 December 2004 and estimated RM12,000 for the financial year ending 31 December 2005.
Nusa Potensi Quarry Sdn Bhd ("NPQSB")	By a work contract agreement dated 24 June 2003 between KSC and NPQSB, NPQSB has engaged KSC to undertake the works pertaining to the operation of the quarry located at Compartment 16, Hutan Simpanan Gunung Jerai, Mukim Singkir, Daerah Yan.	Lee Kwan Ming (a former director of MRB within the last 12 months) is a director and substantial shareholder of Ciptaan Horizon Sdn Bhd, the holding company of NPQSB.	RM88,000 for the financial year ended 31 December 2004 and estimated RM2,660,000 for the financial year ending 31 December 2005.
Ramelle Ashram Bin Tan Sri Ramli	By a letter dated 31 July 2003, KSC has engaged Ramelle Ashram Bin Tan Sri Ramli to provide KSC with consultancy services in relation to the quarry works/operations in Mukim Hulu Bernam Timur, District of Batang Padang, Perak.	Ramelle Ashram Bin Tan Sri Ramli is a substantial shareholder of MRB.	RM400,000 for the whole duration of the consultancy agreement.
SH Tan Management Services	SH Tan Management Services provides management, consultancy and accounting services to the MRB Group.	Tan Swee Huat (a former director of MRB within the last 12 months) is sole proprietor of SH Tan Management Services.	RM150,000 for the financial year ended 31 December 2004 and estimated RM30,000 for the financial year ending 31 December 2005.

The Directors are of the opinion that all business transactions between the Group and the Directors and substantial shareholders and/or persons connected to them are on arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

7. RELATED PARTY TRANSACTIONS (Cont'd)**7.2 TRANSACTIONS UNUSUAL IN THEIR NATURE OR CONDITIONS**

As at 31 May 2005, there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the MRB Group was a party in respect of the past one (1) financial year and the subsequent financial period thereof, if any, immediately preceding the date of the Prospectus.

7.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

As at 31 May 2005, no outstanding loans (including guarantees of any kind) have been made by MRB and/or any other company within the MRB Group to/for the benefit of related parties.

7.4 INTEREST IN SIMILAR BUSINESS AND POTENTIAL CONFLICT OF INTEREST

Save as disclosed below and to the best of knowledge and belief of the Directors and substantial shareholders of MRB, none of the Directors or substantial shareholders and/or key management of MRB are interested, directly or indirectly in any business carrying on a similar trade as the Company and its subsidiary companies: -

Dato' Haji Wan Zaki bin Haji Wan Muda

Dato' Haji Wan Zaki is currently a substantial shareholder of two (2) companies which are principally engaged in the operation of quarries and in the sales of marketing of quarry products. These two (2) companies are QMC Sdn Bhd, in which he has a direct and indirect interest of 5.56% and 81.58% respectively and Kemaman Quarry Sdn Bhd in which he has a direct and indirect interest of 0.08% and 52.9% respectively. Dato' Haji Wan Zaki is also currently a director of Kemaman Quarry Sdn Bhd.

The principal activities of these two (2) companies are similar to that of the MRB Group but any potential conflict of interest is mitigated by the fact that both of these quarries are located at 120 kilometres from the MRB's quarry site located in Terengganu. As highlighted, aggregates are bulky products in nature and the high costs of transportation is a major constraint on the transportation of aggregates over long distances. Hence, these products are mainly consumed by operations requiring aggregates which are located within close proximity to the quarry. Further to the above, Dato' Haji Wan Zaki as a substantial shareholder of MRB will not play a day to day role in the management and operations of the MRB Group.

It should also be highlighted that Ahmad Zaki Resources Berhad, a public listed company in which Dato' Haji Wan Zaki bin Haji Wan Muda is a substantial shareholder, is via a wholly-owned subsidiary company, Ahmad Zaki Sdn Bhd, engaged as a contractor for civil and structural construction works.

There are no conflicts of interest insofar as the business activities of Ahmad Zaki Resources Berhad and the MRB Group are concerned as they each cater to different sectors of the construction industry.

7. RELATED PARTY TRANSACTIONS (Cont'd)**7.5 PROMOTION OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS**

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

<i>Persons Interested</i>	<i>Acquisition of AT Nature of relationship</i>
Choy Sen @ Chin Kim Sang	Director and substantial shareholder of AT
Low Choon Lan	Director and substantial shareholders of AT
Loh Yee Kwan	Director of AT
Datin Norhaliza Bt Abdullah	Substantial shareholder of AT

<i>Persons Interested</i>	<i>Acquisition of DIS Nature of relationship</i>
Choy Sen @ Chin Kim Sang	Director and substantial shareholder of DIS
Loh Yee Kwan	Director of DIS
Low Choon Yen	Substantial shareholder of DIS
Mooi Weng Wah	Substantial shareholder of DIS

<i>Persons Interested</i>	<i>Acquisition of KSC Nature of relationship</i>
Choy Sen @ Chin Kim Sang	Director and substantial shareholder of KSC
Low Choon Lan	Director and substantial shareholder of KSC
Loh Yee Kwan	Director of KSC
Dato' Shamsudin Bin Mohd Dubi	Substantial shareholder of KSC
Datin Norhaliza Bt Abdullah	Substantial shareholder of KSC
Kerjaya E-Khidmat Sdn Bhd	Substantial shareholder of KSC
Dato' Haji Wan Zaki Bin Haji Wan Muda	Substantial shareholder of KSC
Ramelle Ashram Bin Tan Sri Ramli	Substantial shareholder of KSC

<i>Persons Interested</i>	<i>Acquisition of SM Nature of relationship</i>
Choy Sen @ Chin Kim Sang	Director and substantial shareholder of SM
Loh Yee Kwan	Director and substantial shareholder of SM

<i>Persons Interested</i>	<i>Acquisition of TM Nature of relationship</i>
Choy Sen @ Chin Kim Sang	Director and substantial shareholder of TM
Low Choon Lan	Director and substantial shareholder of TM
Choo Kang Ngee	Director of TM

<i>Persons Interested</i>	<i>Acquisition of TP Nature of relationship</i>
Loh Yee Kwan	Director and substantial shareholder of TP
Choo Kang Ngee	Director and substantial shareholder of TP

The particulars of the above Acquisitions are set out in Section 4.1.3 (a) of this Prospectus.

7. RELATED PARTY TRANSACTIONS (Cont'd)

Other material assets acquired or to be acquired within two years preceding the date of the Prospectus are:-

- (i) Pursuant to a Sale and Purchase Agreement dated 1 November 2003 between AT and Low Choon Lan, AT agreed to sell and Low Choon Lan agreed to purchase the property known as No. 2341 located at Bukit Sentosa 2 held under HS(D) 22868 PT 1307, Mukim of Serendah, Daerah Ulu Selangor, Selangor for the purchase consideration of RM600,000.00.
- (ii) Pursuant to a Sale and Purchase Agreement dated 1 November 2003 between AT and Low Choon Lan, AT agreed to sell and Low Choon Lan agreed to purchase the property known as No. 2342 located at Bukit Sentosa 2 held under HS(D) 22868 PT 1307, Mukim of Serendah, Daerah Ulu Selangor, Selangor for the purchase consideration of RM590,000.00.

7.6 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF THE GROUP

Save as disclosed in Section 7.1 of this Prospectus, there are no other contracts or arrangements in which the Directors or Substantial Shareholders are interested in and are significant in relation to the business of the MRB Group.

7.7 RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

Under Paragraph 10.09 of the Listing Requirements, a listed issuer may seek the shareholders' mandate in respect of related party transactions involving recurrent transactions of revenue or trading in nature which are necessary for its day-to-day operations such as supplies of materials, subject to the following: -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and
- (c) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

7. RELATED PARTY TRANSACTIONS (Cont'd)

The Company would, in the ordinary course of its business, enter into transactions, including but not limited to the transactions described in related party transactions set out in Section 7.1 of this Prospectus, with persons which are considered "related party" as defined in Chapter 10 of the Listing Requirement. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Due to the time-sensitive nature of commercial transactions, the shareholders mandate will enable the Company, in its normal course of business, to enter into the categories of related party transactions, provided such interested person transactions are made at arm's length and on normal commercial terms.

Transactions which do not fall within the ambit of the shareholders' mandate shall be subject to the relevant provisions of the listing requirements.

7.8 DECLARATION BY THE ADVISERS

AmMerchant Bank hereby confirms that there are no conflicts of interest in its capacity as Advisers to the Group for the IPO.

Messrs. Lee Choon Wan & Co. hereby confirms that there are no conflicts of interest in its capacity as Solicitors to the Group for the IPO and due diligence respectively.

Messrs. BDO Binder hereby confirms that there are no conflicts of interest in its capacity as Auditors and Reporting Accountants to the Group for the IPO.

Vital Factor Consulting Sdn Bhd hereby confirms that there are no conflicts of interest in its capacity as the Independent Business and Market Research Consultants to the Group for the IPO.

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8. LAND AND BUILDINGS OF THE MRB GROUP

8.1 INFORMATION ON LAND AND BUILDINGS

A summary of the land and buildings owned and/or leased by the Group as at 31 December 2004 are as follows: -

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use / Certificate of Fitness	Land area / (Built up area) (square meters)	Restriction in Interest / Encumbrances	Prices Paid (RM) / Date of Transaction	Audited Net Book Value @ 31 December 2004 (RM)
AT							
1.	Lot 7430, Jalan BBN 9/3F Desa Anggerik Bandar Baru Nilai 71800 Nilai Negeri Sembilan HS(D) 86946 PT 7430 Mukim Setul Daerah Seremban	8 years/ Freehold	Building, double storey terrace house, currently vacant / Certificate No. 105/98 issued by Majlis Daerah Seremban dated 01.12.1998	298.5 (approximately 104)	1 st and 2 nd legal charges by AT to EON Bank Berhad The land is for residential purpose only	211,367/ 5 May 1998	180,374
2.	Lot 5734, Jalan BBN 9/2K Desa Anggerik Bandar Baru Nilai 71800 Nilai Negeri Sembilan HS(D) 85290 PT 5734 Mukim Setul Daerah Seremban	8 years/ Freehold	Building, double storey terrace house, currently vacant / Certificate No. 39/99 issued by Majlis Daerah Seremban dated 29.04.1999	334.9 (approximately 104)	1 st and 2 nd legal charges by AT to EON Bank Berhad The land is for residential purpose only	223,692/ 5 May 1998	190,884
3.	Lot 5738, Jalan BBN 9/1A Desa Anggerik Bandar Baru Nilai 71800 Nilai Negeri Sembilan HS(D) 85294 PT 5738 Mukim Setul Daerah Seremban	8 years/ Freehold	Building, double storey terrace house, currently vacant / Certificate No. 39/99 issued by Majlis Daerah Seremban dated 24.04.1999	153.3 (approximately 104)	1 st and 2 nd legal charges by AT to EON Bank Berhad The land is for residential purpose only	151,130/ 17 August 1998	128,965

8. LAND AND BUILDINGS OF THE MRB GROUP (Cont'd)

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use / Certificate of Fitness	Land area / (Built up area) (square meters)	Restriction in Interest / Encumbrances	Prices Paid (RM) / Date of Transaction	Audited Net Book Value @ 31 December 2004 (RM)
4.	Lot 7241, Jalan BBN 1/2A Putra Point Phase 1 Bandar Baru Nilai 71800 Nilai Negeri Sembilan HS(D) 79062 PT 7241 Mukim Labu Daerah Seremban*	11 years/ Freehold	3 storey Shophouse Building. 1 storey - Staff Quarter 2 storey - Vacant / Certificate No. 52/97 issued by Majlis Daerah Seremban dated 29.09.1997	167.2 (approximately 446)	1 st and 2 nd legal charges by AT to EON Bank Berhad The land is for commercial purpose only	531,559/ 28 July 1998	453,598
5.	Unit 123 - 523, Unit 223A - 523A, FAS Business Avenue Jalan Perbandaran 47301 Petaling Jaya Selangor Darul Ehsan Unit 12A - 12I, HS (D) 85220 PT 14532 Mukim Damansara Daerah Petaling*	8 years/ 99 years leasehold/ Expiring on 6 December 2092	9 units 5 storey commercial shoplot currently used as the Group's offices / Certificate No. 10455 issued by Majlis Perbandaran Petaling Jaya dated 03.07.1997	- (approximately 720)	1 st party 1 st fixed charge by KSC and 3 rd party 2 nd fixed charge by AT to OCBC Bank (Malaysia) Berhad The land is for commercial purpose only Land may not be transferred, charged or leased without the consent of the State Authority. Approval for the conversion of land use has been obtained from the authorities by the proprietor, Yayasan FAS. The new express condition would be endorsed on the issue document of title upon payment of a premium.	1,295,327/ 22 November 1994	1,199,381

8. LAND AND BUILDINGS OF THE MRB GROUP (Cont'd)

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use / Certificate of Fitness	Land area / (Built up area) (square meters)	Restriction in Interest / Encumbrances	Prices Paid (RM) / Date of Transaction	Audited Net Book Value @ 31 December 2004 (RM)
6.	Unit A6-1 to A6-10 Plaza Dwtasik No. 21, Jalan 5/106 Bandar Seri Permaisuri 56000 Kuala Lumpur Phase 1, Level 6, Unit No. 13.1, 13.2, 14.1, 14.2, 15.1, 15.2, 16.1, 16.2, 17.1, 17.2, Storey Level 6, Block A Plaza Dwtasik, PN 27024 Lot 51975 Mukim Kuala Lumpur Daerah Kuala Lumpur*	4 years/99 years leasehold/ Expiring on 11 January 2095	10 commercial office units currently rented to third parties / Certificate No. 24858 issued by Dewan Bandaraya Kuala Lumpur dated 10.04.2001	- (approximately 879)	Fixed charge by AT to Hong Leong Bank Berhad The land is for commercial purpose only Land may not be transferred, charged, leased or be subject to any other transaction without the consent of the Jawatankuasa Kerja Tanah, Wilayah Persekutuan Kuala Lumpur	1,726,798/ 18 January 1996 for Unit No. 13.1, 13.2, 14.1, 14.2, 15.1, 16.1 and 17.1 6 March 1996 for Unit No. 15.2, 16.2 and 17.2	1,613,428
1.	KSC Unit 101, Block B Phileo Damansara II 46350 Petaling Jaya Selangor Darul Ehsan GM 106 Lot 905 Mukim Sungai Buluh Jalan Batu Damansara Daerah Petaling*	5 years/ Freehold	1 unit commercial shoplot currently rented to third parties / Certificate No. 0474 issued by Majlis Perbandaran Petaling Jaya dated 18.07.2000	- (approximately 192)	Fixed charge by KSC to Bumiputra Commerce Bank Berhad The land is for commercial purpose only	1,161,109/ 5 May 1995	998,554
2.	29-1 to 29-6, Block E1 Jalan PJU 1/45 Dataran Prima 47301 Petaling Jaya Selangor Darul Ehsan GRN 46496 Lot 42440 Pekan Cempaka Daerah Petaling*	5 years/ Freehold	6 units commercial shoplots currently rented to third parties / Certificate No. 10002 issued by Majlis Perbandaran Petaling Jaya dated 21.12.1998	- (approximately 927)	Fixed charge by KSC to United Overseas Bank (Malaysia) Berhad The land is for commercial buildings only	1,919,147/ 31 January 1996	1,650,466

Company No: 575543-X

8. LAND AND BUILDINGS OF THE MRB GROUP (Cont'd)

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use / Certificate of Fitness	Land area / (Built up area) (square meters)	Restriction in interest / Encumbrances	Prices Paid (RM) / Date of Transaction	Audited Net Book Value @ 31 December 2004 (RM)
1.	SM SA - 0113, SA-0114, SA-SM23, SA - SG17, SA-SG23, SA-SG25, SA-SG26, SA-SG29 Ukay Perdana HS(M) 12614 PT 643 and HS(M) 12615 PT 644 both in Bandar Ulu Kelang, Tempatan Batu 7 Ulu Kelang (Ukay Perdana), Daerah Gombak, Negeri Selangor*	Under construction/ 99 years leasehold/ Expiring on 4 October 2100	8 units commercial shoplots / No certificate of fitness has been issued as the building is property is still under construction	- (approximately 731)	The land may not be transferred, charged or leased without the consent of the State Authority	2,243,932/ 30 April 2004	-

Note:-

* The land title particulars disclosed are the particulars of the master titles registered under the names of the respective developers. The respective strata titles to the individual commercial shoplots have yet to be issued.

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9. FINANCIAL INFORMATION

9.1 HISTORICAL FINANCIAL INFORMATION

This proforma consolidated results has been extracted from the Accountants' Report set out in Section 10 of this Prospectus and should be read in conjunction with the notes thereto.

The following table sets out a summary of the proforma consolidated results of the Group for the past five (5) financial years ended 31 December 2004, presented for illustrative purposes only.

Financial year ended 31 December	2000	2001	2002	2003	2004
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	80,450	78,610	85,706	96,604	92,013
EBIDTA	14,153	10,680	9,754	14,638	14,889
Interest expense	(2,208)	(2,425)	(2,576)	(2,115)	(2,126)
Depreciation	(488)	(674)	(730)	(686)	(925)
Amortisation	-	-	-	-	-
Exceptional items	-	-	-	-	-
PBT	11,457	7,581	6,448	11,837	11,838
Share of profits of associated company and joint ventures	-	-	-	-	-
Taxation	(2,790)	(1,753)	(2,319)	(3,156)	(3,551)
Profits from ordinary activities	8,667	5,828	4,129	8,681	8,287
Extraordinary items	-	-	-	-	-
MI	-	-	-	-	-
Net profits	8,667	5,828	4,129	8,681	8,287
Enlarged no. of shares assumed in issue (('000))	45,000	45,000	45,000	45,000	45,000
Basic EPS:-					
Gross EPS (RM) ^(note vii)	0.25	0.17	0.14	0.26	0.26
Net EPS (RM) ^(note viii)	0.19	0.13	0.09	0.19	0.18
Diluted EPS	-	-	-	-	-

Notes:-

- (i) The Proforma Consolidated Income Statements of MRB for the financial years ended 31 December 2000 to 2004 have been prepared for illustrative purposes after making such adjustments considered necessary on the audited financial statements of MRB, KSC, AT, TM, TP, DIS and SM and assuming that the MRB Group has been in existence throughout the financial years under review.

- (ii) The Proforma Income Statements of the following subsidiary companies have been time apportioned in order to be coterminous with the financial year end of the MRB Group:-

Company	Financial year end
AT	31 August 2000 to 31 August 2001 and 16-month period ended 31 December 2002
TM	30 April 2000 to 30 April 2001 and 20-month period ended 31 December 2002

Consequently, the results of AT and TM have been adjusted on a time apportionment basis to arrive at the above results.

- (iii) MRB's equity interest in the subsidiary companies is assumed as follows for the Proforma Consolidated Income Statements for the financial years ended 31 December 2000 to 2004:-

Company	Equity interest (%)
KSC	100
AT	100
TM	100
TP	100
DIS	100
SM	100

9. FINANCIAL INFORMATION (Cont'd)

- (iv) The Proforma Consolidated Income Statements have been prepared based on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements of the respective subsidiary companies.
- (v) There were no amortisation, share of profits of associated company and joint ventures, extraordinary or exceptional items during the relevant financial years under review.
- (vi) Tax expense has been adjusted for any under or overprovision where relevant.
- (vii) The proforma gross EPS is computed by dividing the PBT by the number of ordinary shares assumed in issue of 45,000,000 Shares of MRB after the Acquisitions but before the Public Issue.
- (viii) The proforma net EPS is computed by dividing the PAT by the number of ordinary shares assumed in issue of 45,000,000 Shares of MRB after the Acquisitions but before the Public Issue.
- (ix) All significant intra-group transactions are eliminated on consolidation and the consolidated results reflect external transactions only.
- (x) In 2000, the Group's revenue from the turnkey quarry operation increased in line with the intensive development projects and infrastructure works in the areas surrounding the quarry sites of the Group. Specialised civil engineering works also registered higher income following the intensive housing development projects in Klang Valley and Selangor.
- The Group's revenue for 2001 decreased slightly due to the drop in contract income from specialised civil engineering works. Quarry sales surged in line with the intensive development in the areas surrounding the quarry sites.
- In 2002, the Group's revenue increased due to the higher quarry sales together with the new sales generated from the premix products through TP.
- In 2003, the Group reported improvement in total revenue hitting its historical high due to the significant increase in contract income from specialised civil engineering works following the completion of certain major civil engineering projects. In addition, the sales of premix product increased significantly as a result of market demand.
- In 2004, the Group's revenue decreased marginally mainly due to the expiry of certain turnkey quarry contracts. Contract income from specialised civil engineering works remained consistent with prior year.
- (xi) In 2000, pre-tax profit increased in-line with the increased in revenue.
- In 2001, pre-tax profit slipped due mainly to the bad debts written off amounting to RM2.4 million and higher finance costs resulting from hire-purchase and lease arrangements for the acquisitions of new plant and machinery.
- In 2002, the pre-tax profit dropped marginally due to the higher depreciation charge, higher upkeep of plant and machinery and machinery parts consumed.
- In 2003, the pre-tax profit improved mainly due to the better cost control and higher profit margin earned from the quarry sales as a result of better selling price.
- In 2004, the pre-tax profit remained fairly consistent despite the decrease in revenue due to the more stringent cost control imposed.
- (xii) In 2000 and 2001, the effective tax rates were lower than the statutory tax rate due mainly to the tax exempt foreign income from Karimun Project in accordance with the Income Tax (Exemption) (No. 4B) Order 1997.
- In 2002, the effective tax rate for the year increased significantly due mainly to the taxable income on the disposal of certain plant and machinery. In addition, the profits were derived mainly from the local sales following the completion of overseas project.
- In 2003, the effective tax rate was slightly lower than the statutory tax rate mainly due to the non-taxable capital gain on disposal of plant and machinery.
- In 2004, the effective tax rate was marginally higher than the statutory tax rate mainly due to the taxable income on the disposal of certain plant and machinery and non-allowable expenses.

9. FINANCIAL INFORMATION (Cont'd)**9.2 ANALYSIS OF HISTORICAL FINANCIAL INFORMATION****9.2.1 Segmental Analysis of Revenue and Operating Profit****Analysis of Revenue by Corporations:**

Financial Year Ended 31 December	2000	2001	2002	2003	2004
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
MRB	-	-	-	-	-
AT*	21,473	15,971	15,044	21,699	18,200
DIS	9,003	10,196	13,429	11,577	10,113
KSC	61,337	64,368	71,489	65,085	60,666
SM**	-	-	-	-	-
TM***	6,717	15,086	18,526	20,091	21,179
TP	-	-	1,193	11,100	12,727
	98,530	105,621	119,681	129,552	122,885
Consolidated adjustments	(18,080)	(27,011)	(33,975)	(32,948)	(30,872)
Total	80,450	78,610	85,706	96,604	92,013

Notes:-

* The financial periods ended for AT's audited results for 2000 and 2001 was 31 August. Subsequent to that the audited results for the financial year ended 2001 was for a period of 16 months ended 31 December 2002.

** Based on the audited results of SM for a financial period of 4 months ended 31 December 2003.

*** The financial periods ended for TM's audited results for 2000 and 2001 was 30 April. Subsequent to that the audited results for the financial year ended 2001 was for a period of 20 months ended 31 December 2002.

Analysis of Revenue by Products and Services*:-

Financial Year Ended 31 December	2000	2001	2002	2003	2004
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Turnkey quarry operations	58,799	56,325	57,263	46,620	41,194
Sale of industrial spare parts	90	102	339	318	654
Sale of premix products	-	-	1,193	11,099	12,728
Sale of quarry products	6,709	15,059	18,491	20,007	21,179
Civil engineering works	14,345	7,103	8,258	18,163	14,208
Rental of equipment	507	21	162	397	2,050
Total	80,450	78,610	85,706	96,604	92,013

Note:-

* After consolidated adjustments

9. FINANCIAL INFORMATION (Cont'd)**Analysis of Revenue by Markets / Geographical Location:**

Financial Year Ended 31 December	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)
Export	8,661	7,567	4,800	128	-
Domestic	71,789	71,043	80,906	96,476	92,013
Total	80,450	78,610	85,706	96,604	92,013

Analysis of PBT by Corporations:

Financial Year Ended 31 December	2000 (RM'000)	2001 (RM'000)	2002 (RM'000)	2003 (RM'000)	2004 (RM'000)
MRB	-	-	(4)	(2)	(6)
AT*	3,024	684	603	1,792	1,460
DIS	395	277	410	412	368
KSC	7,876	6,197	5,525	6,689	7,669
SM**	-	-	-	(3)	(2)
TM***	162	533	699	1,171	1,139
TP	-	-	(108)	991	1,210
	11,457	7,691	7,125	11,050	11,838
Consolidated adjustments	-	(110)	(677)	787	-
Total	11,457	7,581	6,448	11,837	11,838

Notes:-

- * The financial periods ended for AT's audited results for 2000 and 2001 was 31 August. Subsequent to that the audited results for the financial year ended 2001 was for a period of 16 months ended 31 December 2002.
- ** Based on the audited results of SM for a financial period of 4 months ended 31 December 2003.
- *** The financial periods ended for TM's audited results for 1999, 2000 and 2001 was 30 April. Subsequent to that the audited results for the financial year ended 2001 was for a period of 20 months ended 31 December 2002.

9.3 OVERVIEW OF REVENUE AND OPERATING PROFIT**FINANCIAL YEAR ENDED 31 DECEMBER 2000**

In 2000, the Group's revenue from the turnkey quarry operation increased in line with the intensive development projects and infrastructure works in the areas surrounding the quarry sites of the Group. Specialised civil engineering works also registered higher income following the massive housing development projects in Klang Valley and Selangor.

In 2000, pre-tax profit increased in-line with the increased in revenue.

FINANCIAL YEAR ENDED 31 DECEMBER 2001

The Group's revenue for 2001 decreased slightly due to the drop in contract income from specialised civil engineering works. Quarry sales surged in line with the intensive development in the areas surrounding the quarry sites.

In 2001, pre-tax profit slipped due mainly to the bad debts written off amounting to RM2.4 million and higher finance costs following the new hire-purchase and lease arrangements for the acquisitions of new plant and machinery.

9. FINANCIAL INFORMATION (Cont'd)**FINANCIAL YEAR ENDED 31 DECEMBER 2002**

In 2002, the Group reported better results due to the higher quarry sales together with the new sales generated from the premix products through TP.

In 2002, the pre-tax profit dropped marginally due to the higher depreciation charge, higher upkeep of plant and machinery and machinery parts consumed.

FINANCIAL YEAR ENDED 31 DECEMBER 2003

In 2003, the Group reported buoyant results with total revenue hitting its historical high due to the significant increase in contract income from specialised civil engineering works following the completion of certain major civil engineering projects. In addition, the sales of premix product increased significantly as a result of market demand.

In 2003, the pre-tax profit improved mainly due to the better cost control and higher profit margin earned from the quarry sales as a result of better selling price.

FINANCIAL YEAR ENDED 31 DECEMBER 2004

In 2004, the Group's revenue decreased marginally mainly due to the expiry of certain turnkey quarry contracts. Contract income from specialised civil engineering works remained consistent with prior year

In 2004, the pre-tax profit remained fairly consistent despite the decrease in revenue due to the more stringent cost control imposed.

9.4 DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE

Save as disclosed in Sections 3 and 9.2.1 of this Prospectus, the Directors are of the view that the financial performance, position and operations of the Group are not affected by any of the following: -

- (i) Any known trends, demands, commitments, events or uncertainties that have had, or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the corporation/group;
- (ii) Any material capital expenditure commitments, the purpose of such commitments and the anticipated source of funds;
- (iii) Any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the corporation/group; and the extent to which the financial performance, position and operations of the corporation/group was so affected;
- (iv) Where there has been a substantial increase in revenue, state the extent to which such increase is attributable to prices, volume of goods/services being sold, the introduction of new products/services or any other factors; and
- (v) Any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

9. FINANCIAL INFORMATION (Cont'd)**9.5 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS, MATERIAL LITIGATION, TRADE DEBTORS AND TRADE CREDITORS****(i) Working Capital**

As at 31 May 2005, the Directors of the Group are of the opinion that after taking into account the cashflow position, banking facilities available and gross proceeds from the Public Issue, the Group will have adequate working capital for the period of twelve (12) months from the date of this Prospectus.

(ii) Borrowings

As at 31 May 2005, (being the latest practicable date prior to the printing of this Prospectus) the Group has total borrowings amounting to approximately RM23.06 million arising from various credit facilities granted by several financial institutions in Malaysia. Of this amount, approximately RM10.22 million is in the form of long term interest bearing borrowings, whilst the remainder of RM12.84 million is in the form of short term interest bearing borrowings.

The Group has not defaulted in any of its payment of either interest and/or principal sums in respect of any borrowings through out the past one (1) financial year and the financial period thereof immediately preceding the date of this Prospectus.

(iii) Contingent Liabilities

Save as disclosed below and as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus), MRB Group does not have any contingent liabilities:-

A former employee of DIS, has filed a claim against the company for a sum of approximately RM70,000.00 for liquidated damages and for general damages to be assessed by the court pursuant to injury arising from personal accident during working hours. The solicitors for DIS had on 9 May 2005 obtained an order from the court to amend its defence to include Section 31 of the Employees Social Security Act 1969. Upon filing of the amended statement of defence, the solicitors of DIS will file an application to strike out the matter. Based on the legal advice, the Board of Directors are of the opinion that no provision is required as DIS has valid grounds to succeed in defending this litigation.

(iv) Material Commitments

Save as disclosed below and as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus), there were no material commitments for capital expenditure incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group:-

Capital Commitments	RM'000
Capital expenditures in respect of purchase of property, plant and equipment	
- approved and contracted for	7,007
- approved but not contracted for	550
Total	7,557

9. FINANCIAL INFORMATION (Cont'd)**(v) Material Litigation**

Save as disclosed below and as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus), the MRB Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the MRB Group:-

High Court Winding Petition No. 28-13-2002

KSC has vide its solicitors filed a petition against Khas Teguh Sdn Bhd ("**Khas Teguh**") in the Seremban High Court via Winding-Up Petition No. 28-13-2002. KSC is claiming for the sum of RM2,873,913.53 being outstanding fees with regards the work done for Khas Teguh. Khas Teguh has subsequently filed an application for an injunction and to strike out KSC's petition. The Court has dismissed Khas Teguh's application for the injunction and the application to strike out KSC's petition. The parties are required to file written submissions to the Court by 7 July 2005. The winding-up petition is also fixed for mention on 7 July 2005.

The solicitors for KSC are of the opinion that Khas Teguh will not be able to injunct or strike out KSC's petition.

(vi) Trade Debtors

An ageing analysis of the trade debtors of the Group (excluding inter-company trade debtors) as at 31 December 2004 is set out below:-

As at 31 December 2004	Ageing Analysis							Total RM'000
	0 - 30 days RM'000	31 - 60 days RM'000	61 - 90 days RM'000	91 - 120 days RM'000	121 - 150 days RM'000	151 - 180 days RM'000	> 180 days RM'000	
Group trade debtors	6,565	4,960	2,460	1,136	634	250	2,744	18,749
Bad and doubtful debts provided for : Debtors > 180 days	-	-	-	-	-	-	(54)	(54)
Net Group trade debtors	6,565	4,960	2,460	1,136	634	250	2,690	18,695
Percentage of total Group trade debtors (%)	35	26	13	6	4	1	15	100

The normal credit period given by MRB's trade debtors ranges from 60 days to 180 days.

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9. FINANCIAL INFORMATION (Cont'd)

As at 31 December 2004, there were RM2.744 million trade debtors (excluding inter-company trade debtors within the Group) exceeding 180 days. Of the trade debtors exceeding 180 days, approximately RM54,000 was provided as doubtful debts. The balance of RM2.690 million was not provided for due to the following reasons:-

- (1) RM0.660 million of the trade debtors have been settled up to 31 May 2005.
- (2) RM0.090 million of the trade debtors is under monthly instalment of RM30,000 per month up to 31 August 2005.
- (3) RM1.674 million pursuant to the letter of award dated 19 July 2004 by Sunway Construction Sdn Bhd ("SCSB") is under settlement agreement dated 31 March 2005 entered into between AT, SM and SCSB. RM1.427 million is to be contra off with a four (4) storey shop office known as Lot No. B01, Block B, Kasturi Business plaza bearing postal address No. 15, Jalan Kasturi 1, Plaza Kasturi, Off Jalan Balakong, Batu 11, 43200 Cheras, measuring approximately 12,836 square feet property and the balance of RM0.247 million is the retention sum, which is expiring on 23 June 2006.
- (4) RM0.266 million represent the retention sum for a rock excavation project at Bandar Mahkota Cheras in which the retention sum will be collected upon the issue of the Certificate of Practical Completion and Statement of Final Account.

The Directors of MRB are of opinion that trade debts exceeding credit period (net of doubtful debts provisions) are recoverable taking into consideration the long term relationship between the Group and these customers and various credit control measures being implemented by the Group to minimise customer default.

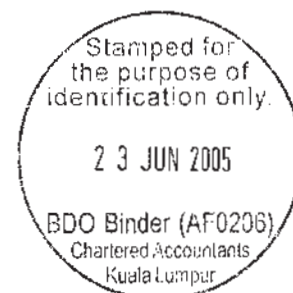
(vii) Trade Creditors

An ageing analysis of the trade creditors of the Group (excluding inter-company trade creditors) as at 31 December 2004 is set out below:-

As at 31 December 2004	Ageing Analysis							Total RM'000
	0 - 30 days RM'000	31 - 60 days RM'000	61 - 90 days RM'000	91 - 120 days RM'000	121 - 150 days RM'000	151 - 180 days RM'000	> 180 days RM'000	
Group trade creditors	4,023	3,378	1,944	1,286	158	48	368	11,205
Percentage of total trade creditors (%)	36	30	17	11	1	1	3	100

The normal credit period given by MRB's trade creditors ranges from 30 days to 120 days. The total trade creditors exceeding the average credit period granted amounted to RM574,000 of which RM337,000 comprise the retention sum for projects.

The Directors of MRB are of the opinion that the credit period given are based on industry norm.

9. FINANCIAL INFORMATION (Cont'd)**9.6 CONSOLIDATED PROFIT FORECAST AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2005
(Prepared for inclusion in the Prospectus)**

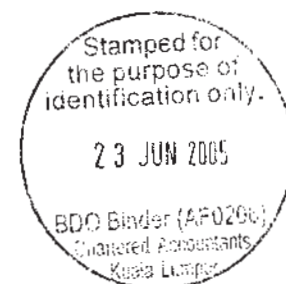
**MINETECH RESOURCES BERHAD ("MRB")
CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2005
TOGETHER WITH THE PRINCIPAL BASES AND ASSUMPTIONS THERETO**

The Directors forecast that the consolidated profit after taxation of MRB and its subsidiary companies (collectively referred to as "MRB Group") for the financial year ending 31 December 2005 will be as follows:-

	RM'000
Consolidated profit after taxation and minority interests	<u>9,131</u>

The principal bases and assumptions upon which the above consolidated profit forecast after taxation and minority interests have been prepared are as follows:-

1. There will be no significant changes to the prevailing market, economic and political conditions in Malaysia and elsewhere which the MRB Group operates that will adversely affect the activities or performance of the MRB Group.
2. There will be no significant changes in legislation or government regulations and policies, including tariffs, duties, levies and other taxes, which will adversely affect the MRB Group, its operations or the market in which it operates.
3. Inflation and exchange rates of foreign currencies will not change significantly from their present levels.
4. Existing financing facilities will remain available to the MRB Group at the prevailing effective interest rates. Additional financing facilities will be readily available as and when required.
5. There will be continuity in the existing management and there will be no material changes in the existing accounting, management and operating policies adopted by the MRB Group.
6. The demand for and prices of the products, sales mix, profit margins and services provided by the MRB Group as forecasted will not be affected to a material extent by changes in market conditions.
7. There will be no unfavourable or major disruptions in the production facilities arising from industrial disputes, labour shortage, postponement/cessation of government linked projects or any abnormal circumstances including exceptional bad debts which will adversely affect the development, production operation and sales of the products and services of the MRB Group.
8. There will be no significant changes in the prevailing cost of raw materials, labour, plant & machinery and their incidental costs or overheads which will adversely affect the operations of the MRB Group.

9. FINANCIAL INFORMATION (Cont'd)

9. Capital expenditure programmes will be implemented and incurred as scheduled with no material changes in the expected cost or price and there will be no material acquisitions or disposals of property, plant and equipment and investment other than those planned.
10. There will be no material changes in the structure and present activities of MRB Group other than those taken into consideration in the profit forecast.
11. There will be no disruption in the supply of raw materials/services by major suppliers that will adversely affect the activities of the MRB Group.
12. There will be no delays in the scheduled commencement of the operations of new quarries and there will be no significant changes to the terms and conditions of these quarry agreements.
13. There will be no delays or disruptions in the operations of all the existing quarries and specialised civil engineering projects and there will be no significant changes to the terms and conditions of these agreements/contracts.
14. The licences of MRB Group will not be terminated or suspended and there will be no significant changes to the terms and conditions of these licences.
15. There will be no delays by the sub-contractors to meet the production volume of quarry products as stipulated in the sub-contract agreements with MRB Group and as forecast, and there will be no significant changes to the terms and conditions of these agreements.
16. All contracts/agreements due for renewal during the financial year ending 31 December 2005 will be renewed at its existing/current terms and conditions.
17. Approvals from the relevant authorities will be obtained as planned and the intended development work will be completed according to schedule.
18. Billings will be made and collected in accordance with the schedule as forecasted and there will be no termination of existing contracts/agreements that have been concluded.
19. The statutory income tax rate for the forecast year is 28% and 20% for small and medium companies for the first RM500,000 of chargeable income.
20. There will be no material liabilities arising from any legal action instituted against the MRB Group in the forecast year.
21. Certain subsidiary companies of MRB Group are currently under tax investigation by the Inland Revenue Board ("IRB"). As at the date of this letter, the IRB has made a proposed tax settlement of RM228,000 to the MRB Group in respect of year of assessment 1999. However, the Directors of MRB are currently considering this proposal prior to final settlement with the IRB. The Directors are of the opinion that the additional tax liability is not material to the Group and therefore has not been included in the consolidated profit forecast for the financial year ending 31 December 2005.

9. FINANCIAL INFORMATION (Cont'd)

22. The proposed listing will be completed by the second quarter of 2005 and the proceeds from the proposed listing amounting to RM13 million will be utilised in the following manner:-

	RM'000
Working capital	3,000
Purchase of plant and equipment	4,900
Repayment of bank borrowings	3,500
Estimated listing expenses*	1,600
	<u>13,000</u>

* The listing expenses of RM1.6 million are netted off against the share premium arising from the public issue.

9. FINANCIAL INFORMATION (Cont'd)

9.7 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST OF THE MRB GROUP FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2005
(Prepared for inclusion in the Prospectus)



BDO Binder (AF 0206)
Chartered Accountants

12th Floor Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia
Telephone : (603) 2616 2888
Telefax : (603) 2616 3190, 2616 3191
Website : www.bdo-malaysia.com

23 June 2005

The Board of Directors
Minetech Resources Berhad
Unit 4-23, 4th Floor
FAS Business Avenue
Jalan Perbandaran
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

MINETECH RESOURCES BERHAD ("MRB")
CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2005

We have reviewed the consolidated profit forecast of MRB and its subsidiary companies (collectively referred to as "MRB Group") for the financial year ending 31 December 2005 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the International Standards on Auditing 810 applicable to the review of forecast. The forecast has been prepared for the purpose of inclusion in the Prospectus of MRB to be dated 30 June 2005 in connection with the listing of MRB on the Second Board of Bursa Malaysia Securities Berhad, and should not be relied on for any other purposes. The listing comprises the following:-

- (a) Acquisitions by MRB of the entire equity interest in K.S. Chin Minerals Sdn. Bhd., Angkasa Tegas Sdn. Bhd., Tegas Marketing Sdn. Bhd., Tegas Premix Sdn. Bhd., Drillman Industrial Supplies Sdn. Bhd. and Solar Media Sdn. Bhd. for a total consideration of RM44,999,998 satisfied by the issuance of 44,999,998 new ordinary shares of RM1.00 each in MRB;
- (b) Public Issue of 10,000,000 new ordinary shares of RM1.00 each in MRB at an issue price of RM1.30 per ordinary share;
- (c) Offer for Sale of 4,600,000 ordinary shares of RM1.00 each in MRB at an offer price of RM1.30 per ordinary share; and
- (d) Listing and quotation of the entire issued and fully paid-up share capital of MRB comprising 55,000,000 ordinary shares of RM1.00 each on the Second Board of Bursa Malaysia Securities Berhad.

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the MRB Group in its respective audited financial statements for the financial year ended 31 December 2004. The Directors of the MRB Group are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast is based.

9. FINANCIAL INFORMATION (Cont'd)

*Minetech Resources Berhad
Consolidated Profit Forecast
for the Financial Year Ending 31 December 2005*



Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit forecast; and
- (ii) in our opinion, the consolidated profit forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the MRB Group in its respective audited financial statements for the financial year ended 31 December 2004.

Yours faithfully

Handwritten signature of BDO Binder in black ink.

BDO Binder

AF : 0206

Chartered Accountants

Handwritten signature of Tan Lye Chong in black ink.

Tan Lye Chong

1972/08/05 (J)

Partner

9. FINANCIAL INFORMATION (Cont'd)

9.8 DIRECTORS' COMMENTS ON THE PROFIT FORECAST

The Board of MRB confirms that the consolidated profit forecast for financial year ending 31 December 2005 has been prepared on the basis and accounting principles consistent with those previously adopted in the preparation of the audited financial statements. The Board also confirms that the underlying bases and assumptions stated therein have been reviewed by the Directors after due and careful enquiry and after taking into account the future prospects of the construction and infrastructure industry, the future plans and strategies of MRB Group and its level of gearing, liquidity and working capital requirements. The Board is of the opinion that the consolidated profit forecast of the Group is achievable and the assumptions made are reasonable.

In 2005, the economy is projected to register higher growth, and the construction sector is also anticipated to expand. There will be continued demand in certain segments of the property market and higher demand for road projects construction and infrastructure projects.

Nevertheless, in the light of the current economic environment in Malaysia, certain assumptions, including interest and exchange rates, may differ significantly from actual should the economic situation differ significantly from the date of this Prospectus and this may have a material impact on MRB Group's profit forecast.

9.9 DIVIDEND FORECAST

On the basis of the profit forecast for the financial year ending 31 December 2005 and on the estimates and assumptions that the present basis for calculation of taxation and the rates of taxation will remain unchanged, the Directors of MRB anticipate that they will be in a position to propose a gross dividend of 6.94% based on the enlarged issued and paid-up share capital of 55,000,000 Shares.

Financial Year Ending 31 December	Forecast 2005 (RM'000)
Consolidated PBT	12,910
Less : Taxation	(3,779)
Consolidated PAT	9,131
Less : MI	-
Consolidated PAT after MI	9,131
Less : Proposed Final Dividend	(2,750)
Retained Profits	6,381
Gross dividend per share (sen)	6.94
Gross dividend yield (%) *	5.34
Net dividend per share (sen)	5.00
Net dividend yield (%) *	3.85
Net dividend cover (times)	3.32

Note:-

* Based on IPO Price

It will be the policy of the Directors of MRB in recommending dividends to allow shareholders to participate in profits of the Group as well as leaving adequate reserves for the growth of the Group.

9. FINANCIAL INFORMATION (Cont'd)

Investors should note that future dividends might be waived if the Group records losses as opposed to profits and payment of dividends would adversely affect Group's cash flow and business operations.

9.10 SENSITIVITY ANALYSIS

The following sensitivity analysis is prepared by the management of the Group and has not been independently verified by the Reporting Accountants. It is based on the forecast assumptions set out in Section 9.6 above and assuming all factors remaining unchanged except for the 5% and 10% upward or downward variations in the turnover and the cost of sales. Notwithstanding the impacts of the variations in the turnover and cost of sales as outlined here, there may exist other factors which have not been taken into account, while variations may have a significant effect, either positively or negatively, on the financials of the Group. The sensitivity analysis is as follows:-

9.10.1 Variations in Revenue

Forecast for the financial year ending 31 December 2005

	Revenue (RM'000)	Cost Sales of (RM'000)	Gross Profit (RM'000)	PBT (RM'000)	PAT & After MI (RM'000)	GP Margin %
As Forecasted	115,547	95,323	20,224	12,910	9,131	18
Up to 10%	127,102	95,323	31,779	24,465	17,304	25
Up to 5%	121,324	95,323	26,001	18,687	13,218	21
Down 5%	109,770	95,323	14,447	7,133	5,044	13
Down 10%	103,992	95,323	8,669	1,355	958	8

9.10.2 Variations in Cost of Sales

Forecast for the financial year ending 31 December 2005

	Revenue (RM'000)	Cost Sales of (RM'000)	Gross Profit (RM'000)	PBT (RM'000)	PAT & After MI (RM'000)	GP Margin %
As Forecasted	115,547	95,323	20,224	12,910	9,131	18
Up to 10%	115,547	104,855	10,692	3,378	2,389	9
Up to 5%	115,547	100,089	15,458	8,144	5,760	13
Down 5%	115,547	90,557	24,990	17,676	12,502	22
Down 10%	115,547	85,791	29,756	22,442	15,873	26

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9. FINANCIAL INFORMATION (Cont'd)

9.11 PROFORMA CONSOLIDATED BALANCE SHEETS OF MRB GROUP AS AT 31 DECEMBER 2004
(Prepared for inclusion in the Prospectus)

Stamped for
the purpose of
identification only.

23 JUN 2005

MINETECH RESOURCES BERHAD ("MRB")
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2004

BDO Binder (AF0206)
Chartered Accountants
Kuala Lumpur

The proforma consolidated balance sheets of MRB as at 31 December 2004, for which the Directors of MRB Group are solely responsible, as set out below are prepared for illustrative purposes only.

	MRB as at 31 December 2004 RM'000	Proforma I RM'000	Proforma II RM'000
ASSETS EMPLOYED			
PROPERTY, PLANT AND EQUIPMENT	-	55,715	60,615
QUARRY DEVELOPMENT EXPENDITURE	-	1,804	1,804
CURRENT ASSETS			
Inventories	-	9,482	9,482
Trade receivables	-	18,695	18,695
Other receivables, deposits and prepayments	570	6,096	6,096
Amounts owing by customers for contract work	-	3,697	3,697
Tax recoverable	-	259	259
Fixed deposits with licensed banks	-	1,351	1,351
Cash and bank balances	*	3,797	6,797
	570	43,377	46,377
CURRENT LIABILITIES			
Trade payables	-	11,205	11,205
Other payables and accruals	419	5,699	5,699
Hire-purchase and lease creditors	-	3,697	3,697
Amounts owing to Directors	164	2,472	2,472
Short term borrowings - secured	-	5,507	2,507
Term loans - secured	-	1,227	727
Taxation	-	919	919
	583	30,726	27,226
NET CURRENT (LIABILITIES) / ASSETS	(13)	12,651	19,151
	(13)	70,170	81,570
FINANCED BY			
ORDINARY SHARE CAPITAL	*	45,000	55,000
SHARE PREMIUM	-	-	1,400
ACCUMULATED LOSSES	(13)	(13)	(13)
RESERVE ON CONSOLIDATION	-	8,434	8,434
SHAREHOLDERS' EQUITY	(13)	53,421	64,821
LONG TERM AND DEFERRED LIABILITIES			
Hire-purchase and lease creditors	-	8,479	8,479
Term loans - secured	-	2,563	2,563
Deferred taxation	-	5,707	5,707
	(13)	70,170	81,570
Net (Liabilities) / Tangible Assets (RM'000)	(13)	51,617	63,017
Net (Liabilities) / Tangible Assets per ordinary share of RM1.00 each (RM)	(6,500)	1.15	1.15

Note:-

*Represent RM2.00

9. FINANCIAL INFORMATION (Cont'd)**NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2004****(A) BASIS OF PREPARATION**

The proforma consolidated balance sheets of MRB Group are presented for illustrative purposes only and have been prepared:-

- (i) based on the audited balance sheets as at 31 December 2004 of MRB, K.S. Chin Minerals Sdn. Bhd. ("KSC"), Angkasa Tegas Sdn. Bhd. ("AT"), Tegas Marketing Sdn. Bhd. ("TM"), Tegas Premix Sdn. Bhd. ("TP"), Drillman Industrial Supplies Sdn. Bhd. ("DIS") and Solar Media Sdn. Bhd. ("SM") [collectively referred to as "MRB Group"];
- (ii) based on the accounting policies and bases adopted and disclosed by the MRB Group in its respective audited financial statements for the financial year ended 31 December 2004 ; and
- (iii) after incorporating the transactions referred to in (B) to (C) as though they were effected on 31 December 2004.

(B) PROFORMA I***Acquisitions***

The proforma I incorporates the acquisitions by MRB of the entire equity interest in KSC, AT, TM, TP, DIS and SM for a total consideration of RM44,999,998 satisfied by the issuance of 44,999,998 new ordinary shares of RM1.00 in MRB (the "Acquisitions"). The details are as follows:-

- (i) Acquisition of the entire issued and paid-up share capital of KSC comprising 1,000,000 ordinary shares of RM1.00 each for a total consideration of RM31,716,626 satisfied by the issuance of 31,716,626 new MRB shares at par.
- (ii) Acquisition of the entire issued and paid-up share capital of AT comprising 1,000,000 ordinary shares of RM1.00 each for a total consideration of RM10,546,173 satisfied by the issuance of 10,546,173 new MRB shares at par.
- (iii) Acquisition of the entire issued and paid-up share capital of TM comprising 2 ordinary shares of RM1.00 each for a total consideration of RM1,054,406 satisfied by the issuance of 1,054,406 new MRB shares at par.
- (iv) Acquisition of the entire issued and paid-up share capital of TP comprising 2 ordinary shares of RM1.00 each for a total consideration of RM638,412 satisfied by the issuance of 638,412 new MRB shares at par.
- (v) Acquisition of the entire issued and paid-up share capital of DIS comprising 400,000 ordinary shares of RM1.00 each for a total consideration of RM1,044,379 satisfied by the issuance of 1,044,379 new MRB shares at par.

9. FINANCIAL INFORMATION (Cont'd)**(B) PROFORMA I (cont'd)*****Acquisitions (cont'd)***

- (vi) Acquisition of the entire issued and paid-up share capital of SM comprising 2 ordinary shares of RM1.00 each for a total consideration of RM2 satisfied by the issuance of 2 new MRB shares at par.

Consequently, the reserve on consolidation of RM8,433,704 which resulted from the excess of the fair value of net assets of KSC, AT, TM, TP, DIS and SM as at 31 December 2004 over the cost of their acquisitions by MRB.

(C) PROFORMA II***Public issue***

The proforma II is stated after proforma I and incorporates the effects of the public issue of 10,000,000 new ordinary shares of RM1.00 each in MRB at an issue price of RM1.30 per ordinary share.

The proceeds from the public issue will be utilised as follows:-

	RM'000
Working capital	3,000
Purchase of plant and equipment	4,900
Repayment of bank borrowings	3,500
Estimated listing expenses*	1,600
	<u>13,000</u>

* The listing expenses of RM1.6 million are netted off against the share premium arising from the public issue.

9. FINANCIAL INFORMATION (Cont'd)

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identification only.

23 JUN 2005

BDO Binder (AF0206)
Chartered Accountants
Kuala Lumpur

(D) SHARE CAPITAL AND RESERVES

The movement of the issued and paid-up share capital and reserves of MRB are as follows:-

	Share capital RM'000	← Non distributable →		Accumulated losses RM'000	Total RM'000
		Share premium RM'000	Reserve on consolidation RM'000		
As at 31 December 2004	*	-	-	(13)	(13)
Arising pursuant to the Acquisitions	45,000	-	8,434	-	53,434
Proforma I	45,000	-	8,434	(13)	53,421
Public issue	10,000	3,000	-	-	13,000
Estimated listing expenses	-	(1,600)	-	-	(1,600)
Proforma II	55,000	1,400	8,434	(13)	64,821

Note:-

*Represents RM2.00

9. FINANCIAL INFORMATION (Cont'd)

**9.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED
BALANCE SHEETS AS AT 31 DECEMBER 2004
(Prepared for inclusion in the Prospectus)**



BDO Binder (AF 0206)
Chartered Accountants

12th Floor Menara Uni Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur Malaysia
Telephone : (603) 2616 2888
Telefax : (603) 2616 3190, 2616 3191
Website : www.bdo-malaysia.com

23 June 2005

The Board of Directors
Minetech Resources Berhad
Unit 4-23, 4th Floor
FAS Business Avenue
Jalan Perbandaran
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

**MINETECH RESOURCES BERHAD ("MRB")
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2004**

We have reviewed the presentation of the proforma consolidated balance sheets of MRB and its subsidiary companies (collectively referred to as "MRB Group") as at 31 December 2004, together with the notes thereon as set out in the accompanying statement (which we have stamped for the purpose of identification), for which the Directors of MRB Group are solely responsible, for the purpose of inclusion in the Prospectus of MRB to be dated 30 June 2005 in connection with the listing of MRB on the Second Board of Bursa Malaysia Securities Berhad, and should not be relied on for any other purposes. The listing comprises the following:-

- (a) Acquisitions by MRB of the entire equity interest in K.S. Chin Minerals Sdn. Bhd., Angkasa Tegas Sdn. Bhd., Tegas Marketing Sdn. Bhd., Tegas Premix Sdn. Bhd., Drillman Industrial Supplies Sdn. Bhd. and Solar Media Sdn. Bhd. for a total consideration of RM44,999,998 satisfied by the issuance of 44,999,998 new ordinary shares of RM1.00 each in MRB;
- (b) Public Issue of 10,000,000 new ordinary shares of RM1.00 each in MRB at an issue price of RM1.30 per ordinary share;
- (c) Offer for Sale of 4,600,000 ordinary shares of RM1.00 each in MRB at an offer price of RM1.30 per ordinary share; and
- (d) Listing and quotation of the entire issued and fully paid-up share capital of MRB comprising 55,000,000 ordinary shares of RM1.00 each on the Second Board of Bursa Malaysia Securities Berhad.

9. FINANCIAL INFORMATION (Cont'd)

Minetech Resources Berhad
Proforma Consolidated Balance Sheets
31 December 2004



In our opinion:-

- (i) the proforma consolidated balance sheets of MRB as at 31 December 2004, which are prepared for illustrative purposes only, have been properly compiled on the basis set out in the notes to the proforma consolidated balance sheets and such basis is consistent with the accounting policies adopted and disclosed by the MRB Group in its respective audited financial statements for the financial year ended 31 December 2004; and
- (ii) the adjustments to the consolidated balance sheets of MRB as at 31 December 2004 are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully



BDO Binder

AF : 0206

Chartered Accountants



Tan Lye Chong

1972/08/05 (J)

Partner