

7. BUSINESS

7.1 Overview

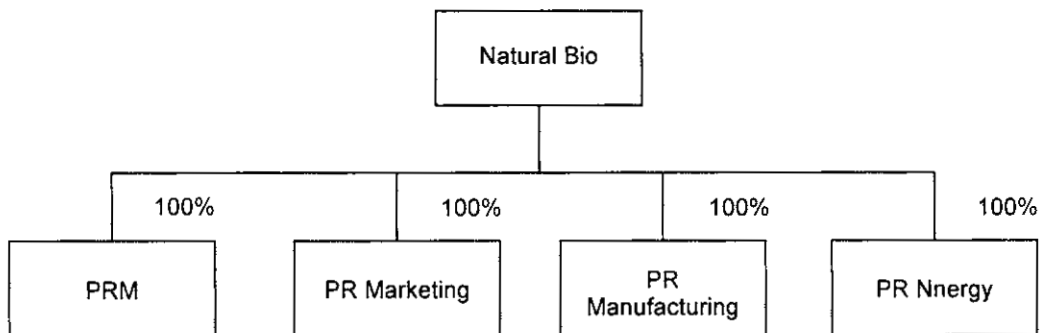
We are in the business of manufacturing and distributing RTD coffee, RTD tea and energy drinks.

Our RTD coffee is sold under our brand, "Ali Café", "Per'l Café" and "Oligo Café", while our main energy drinks and RTD tea are sold under our brand, "Power Root", "Per'l" and "Alitea".

Our Company is an investment holding company and we operate through our subsidiaries, all of which are wholly-owned, as follows:

- (i) *Manufacturing units.* PRM, PR Manufacturing and PR Nnergy undertake the manufacturing of our products. PRM, PR Manufacturing and PR Nnergy operate at No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim. We sub-contract the production of our carbonated energy drink products, being Carbonated Power Root Extra Honey 250ml and Nnergy 250ml to a third party manufacturer.
- (ii) *Marketing and distribution unit.* The marketing and distribution of our products locally are undertaken by PR Marketing, which is located at No. 30, Jalan Tago 9, Taman Perindustrian Tago, 52200 Kuala Lumpur. All the products of PR Marketing are procured from PRM, PR Manufacturing and PR Nnergy. The marketing and distribution of our products in foreign markets are handled by PRM, which has tie-ups with foreign distributors in the respective foreign markets.

The following chart illustrates our Group structure:



7. BUSINESS (cont'd)

7.2 Competitive Strengths

We believe that our principal strengths are as follows:

(i) *Strong brand positioning and management*

Through our advertising and marketing programmes, we have established strong brand awareness of our "Power Root", "Ali Café", "Per'l", "Per'l Café" and "Alitea" brands. We have also built our brand equity through brand positioning efforts such as sponsoring programmes and appointing ambassadors for our products. In 2006, we are 1 of only 3 co-sponsors of the live broadcast of the 2006 Football World Cup in Malaysia, televised over RTM1, RTM2, NTV7 and Astro Channels.

Our Management believes that the increase in our sales in the past has been substantially fuelled by our strong brand positioning through our effective and impactful advertising and marketing campaigns. The increase in our revenue for the financial years ended 28/29 February 2004 to 2006 and for the 8-month financial period ended 31 October 2006, correlates to the increase in our advertising and marketing expenditure for the said years/period.

Not only do our strong brand equity allows us to grow the sales level of our existing products, it also provides us with a platform to leverage on when we introduce new products. One of our strategies is to include free samples of our new products to consumers who purchase our existing products. A good example of our success in leveraging on our strong brand equity is the introduction of our RTD tea under the brand name "Alitea" which has gained a credible market share over a short span of time.

Our brand ownership also gives us the flexibility in brand management and we do not have to incur any franchise charge and/or royalty payment for using our brands. On 20 December 2006, we received an approval-in-principle for a grant amounting to RM2 million from Malaysia External Trade Development Corporation (MATRADE) for our brand building activities in Brunei, Taiwan and UAE.

We believe that the experience that we gained while building our existing brands, as well as the initiatives by the Government will help us in building new brands in the future.

(ii) *Established distribution network*

A wide distribution network helps ensure that our products are accessible to our consumers. Over the years, we have established a strong distribution network comprising 16 key dealers and a 59-personnel full time marketing team throughout Malaysia. We have also established close relationships with forefront retailers such as Giant, Tesco, Jusco, Carrefour, Mydin and Econsave. Our strong relationships with these retailers help ensure that our products are displayed at the preferred shelf space which is visible to our consumers and our promotional activities are jointly supported by the retailers. In May 2006, Giant awarded us the "Supplier of the year Award".

We believe that our advertising and promotional activities (where information of our products are disseminated) coupled with our established wide distribution network (where our products are easily accessible) provide us a strong competitive edge in the industry we operate and this competitive edge will help us grow our business. Our strong distribution network also serves as a platform to effectively and efficiently introduce our new products all across Malaysia.

7. BUSINESS (cont'd)

For our export sales, we distribute our products through tie-ups with exclusive distributors who have local knowledge and access within the foreign markets, which presently include Brunei and the UAE.

(iii) *Management expertise*

Our achievement to date reflects the strength of our management, not only in terms of branding and establishing distribution network, but also in product innovation and quality control. We believe the quality of product taste is one of the primary factors to ensure recurring sales and customer loyalty. Our management team comprise members with vast experience in the food and beverage industry which allows us to identify and profit from understanding consumer taste and trends. This translates to our ability to price and position our products correctly. Our commitment to quality aims to ensure consistency and safety of our products and processes. The HACCP and GMP accreditations that we have received to date serve to provide our consumers the assurance on the quality of our products.

7.3 Prospects and Strategies

Our key objectives are to maintain and leverage on our existing strengths, expand our business and ultimately create value for our shareholders. Our key strategies to achieve these objectives are as follows:

(i) *Increase market share of our existing products*

We intend to increase the market share of our existing products. To this end, we will continue to undertake initiatives to enhance market awareness and increase our brand and product visibility. At the same time, we will continue to undertake initiatives to encourage and entice consumers to purchase our products. We believe our strong relationship with our key dealers and retailers and the incentives provided to them will help us achieve our initiatives.

We believe that we can further grow our market share in Malaysia by targeting certain niche markets, such as the Malaysian Chinese community who generally consumes less of our products. To further promote our brands and products specifically to the Malaysian Chinese community, we have and will continue to promote our products through several television channels mainly viewed by the Chinese community, with the view of enhancing awareness of our products amongst this target group. We will endeavour to identify other niche markets which we have not penetrated to further increase our local market reach. In addition, we believe our revenue growth will also stem from the contribution of sales of our 7 new products launched within the financial year ended 28 February 2007.

On the export front, our revenue growth is expected to be derived mainly from the UAE market. With continuous marketing and branding efforts in the overseas market, we believe that the market awareness of our brand and products will increase. This combined with the expansion of our distribution network (via our 3rd party distributor) will improve consumer product knowledge, our consumer reach and accessibility. Furthermore, it is also our intention to increase our product range in the UAE. Currently, we have successfully launched 5 of our products, being Ali Café (20g and non-sugar added 12g), Perl Café (20g and non-sugar added 12g) and Alitea 20g. With our distribution network in place, we expect to further launch Nnergy 250ml and Carbonated Power Root Extra Honey 250ml in the UAE, for the financial year ending 29 February 2008.

7. BUSINESS (cont'd)

(ii) *Introducing new products*

In order to remain competitive in our industry, we believe it is necessary to be innovative and adaptive to the changing consumers' diverse lifestyle and preferences. As such, we will continue to introduce new products to cater for our consumers' diverse lifestyle and preferences in order to grow our business. Since May 2006, we have launched 7 new products including the new Ali Café and Per'l Café non-sugar added 12g, Oligo Café 20g and carbonated energy drinks. These products have increased our product portfolio in terms of taste, sugar content, packaging size and herb variety. Consequently, consumers have a wider selection of products to cater to their preferences. Should our new products be accepted by consumers, our market share will increase. In the near future, we intend to launch, amongst others, Oligo Oat, which is an instant pre-mixed cereal-based beverage.

(iii) *Market penetration*

We have started to market our core products to the UAE and Brunei whereby considerable in-roads have been made to date. We intend to penetrate into new markets such as Singapore and Taiwan, where we plan to launch our Oligo range of products through tie-ups with distributors with local knowledge and wide market access. With the access to the foreign markets, together with our experience and knowledge gained from our marketing and promotional activities in Malaysia, we believe we can successfully market and promote our products as we have done in Malaysia. The market diversification would also reduce our dependency on the Malaysian market.

There is no definitive time frame for us to complete the said initiatives as they are part of our on-going growth plans.

7.4 History

Our Company was incorporated in Malaysia under the Act on 10 May 2006 as a public company under its present name. Our principal activity is that of investment holding and the provision of management services.

In conjunction with, and as an integral part of the Listing, we undertook a restructuring exercise, which was approved by the following authorities:

- (i) SC, via its letter dated 28 November 2006;
- (ii) SC on behalf of the FIC, via its letter dated 28 November 2006; and
- (iii) MITI, via its letter dated 9 January 2007.

The SAC has also recognised the syariah status of our Shares via its letter dated 27 December 2006.

7.4.1 *Share Split*

On 18 January 2007, we split our 2 ordinary shares of RM1.00 each, to 10 Natural Bio Shares.

7. BUSINESS (cont'd)

7.4.2 Acquisitions

(i) Acquisition of PRM and PR Marketing

On 31 January 2007, we completed the sale and purchase agreement for us to acquire from D.Y.M.M. Tuanku Syed Sirajuddin Ibni Al-Marhum Syed Putra Jamalullail, the Promoters and KPFB, the entire equity interest in PRM and PR Marketing comprising 5,000,000 ordinary shares of RM1.00 each and 1,600,000 ordinary shares of RM1.00 each respectively for a total purchase consideration of RM44,999,998 which we satisfied through the issuance of 224,999,990 new Natural Bio Shares.

With the completion of the Acquisition of PRM and PR Marketing on 31 January 2007, the issued and fully paid-up share capital of our Company increased from RM2.00 comprising 10 Natural Bio Shares to RM45,000,000 comprising 225,000,000 Natural Bio Shares.

(ii) Acquisition of PR Manufacturing and PR Nnergy

On 31 January 2007, we completed the sale and purchase agreement for us to acquire from the Promoters, the entire equity interest in PR Manufacturing and PR Nnergy comprising 3 ordinary shares of RM1.00 each in each company for a total cash consideration of RM6.

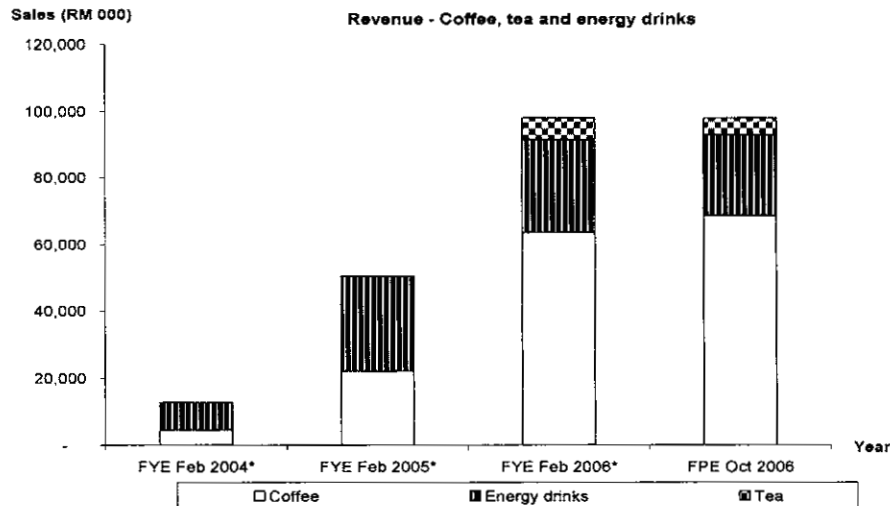
7.5 Products

Our business comprise mainly the manufacturing and distribution of RTD coffee, RTD tea and energy drinks. Our main products are as follows:

| | Instant premixed beverage | Canned beverage |
|----------------------|--|---|
| Coffee | <ul style="list-style-type: none"> • Ali Café 20g • Ali Café 30g • Ali Café 1kg • Ali Café Instant Box 30g • Ali Café Instant Box 20g • Ali Café Cup 30g • Per'l Café 20g • Per'l Café 1kg • Ali Café non-sugar added 12g • Per'l Café non-sugar added 12g • Oligo Café 20g | <ul style="list-style-type: none"> • Ali Café 250ml • Per'l Café 250ml |
| Tea | <ul style="list-style-type: none"> • Alitea 20g • Alitea 30g • Alitea 1kg | - |
| Energy drinks | - | <ul style="list-style-type: none"> • Power Root Extra Honey 250ml • Per'l 250ml • Power Root Honey Dates 250ml • Ginseng Tongkat Ali 250ml • Carbonated Power Root Extra Honey 250ml - carbonated • Nnergy 250ml - carbonated |

7. BUSINESS (cont'd)

The chart below shows the turnover of RTD coffee, RTD tea and energy drinks of our Group for the past 3 financial years ended 28/29 February 2004 to 2006 and the 8-month period ended 31 October 2006:



Note:

* The export revenue contribution of PRM for the financial years ended 31 July 2003 to 2005 have been pro-rated accordingly to reflect a 12-month period ended 28/29 February for the relevant years under review.

7.6 Mode of Marketing and Distribution

Presently, we have 16 key dealers across Malaysia with 4 key dealers in Johor, 3 key dealers in Selangor-Kuala Lumpur region, 2 key dealers in Pahang and 1 key dealer each in Sabah, Sarawak, Perak, Negeri Sembilan, Melaka, Kedah-Penang region and Terengganu-Kelantan region. In addition, our products are also marketed through wholesalers, hypermarkets/supermarkets and retailers nationwide.

The sales and marketing of our products overseas are managed by our Managing Director, Marketing Director and General Manager with the aim to strengthen our market presence overseas and to penetrate into new export markets. The distribution of our products in foreign markets is carried out through tie-ups with foreign distributors with 'local' knowledge and access to the market place.

We support our strong distribution network with various advertisements and promotional activities to enhance our products and brand awareness with a view of increasing our market share. Some of the branding and promotional activities that we have undertaken are as follows:

(i) Mass media advertisements and promotions

Our advertisements are featured on television, radio, magazine, billboards, newspapers and ground live events, whereby the television and radio commercials for our products are aired during prime time slots. Our latest advertisements are focused towards a "lifestyle" theme, which we believe our target market would find appealing and are able to relate to. There are currently 6 billboards on our products across Malaysia, while another 6 are scheduled to be set up by April 2007.

7. BUSINESS (cont'd)

(ii) Free sampling and promotions at supermarkets and hypermarkets

We have more than 140 promoters promoting our products in various supermarkets and hypermarkets across Malaysia and in overseas markets. We have also set up booths on a regular basis to promote our products.

(iii) Free gifts

From time to time, we give free gifts to consumers who purchase our products. This is to increase the attractiveness of our products and to provide an incentive for consumers to try our products. We also give our new products as free gifts to our consumers as a means of introducing our new products to our consumers.

(iv) Contests

We have in the past launched various competitions such as the Gold Pendant Competition Event and the Gold Coast Holiday Trip Competition to promote our products and brand awareness and to increase our sales. In 2006, we launched the Drink and Win Campaign which offered prizes worth approximately RM1.5 million. For the calendar year 2007, our Group will implement the Win and Win Campaign which offers prizes worth approximately RM2 million.

(v) Appointment of well known artistes as our ambassadors

We have renewed and appointed 8 local artistes as our ambassadors for the calendar year 2007. These local artistes include Noorulhuda binti Ab. Wahab (also known as *Nurul*), Asmawi bin Ani (also known as *Mawi*), Mohamed Noor bin Shamsuddin (also known as *Rosyam Nor*), Felix bin Agus (also known as *Felix*), Mohd Aizam bin Mat Saman (also known as *Adam*), Nur Azilah binti Seeron (also known as *Zila*), Farah Diana binti Anuar (also known as *Farah*) and Mohammad Faizal bin Ramly (also known as *Faizal*). We believe that these ambassadors will enhance our brand and product image amongst our consumers.

(vi) Sponsorship of events

We were the co-sponsor for the live coverage of the 2006 Football World Cup for TV1, TV2, NTV7 and Astro channels. By sponsoring this live coverage event which was watched by millions of football fans nationwide, we were able to expose our products to the viewers and thus enhance our product awareness. In addition, we were the co-sponsor for Akademi Fantasia 2006 and the silver sponsor for "Jom Heboh". We were also one of the official sponsors for the Aerospace Zone launched at the Smart Kids Fair during early April 2006.

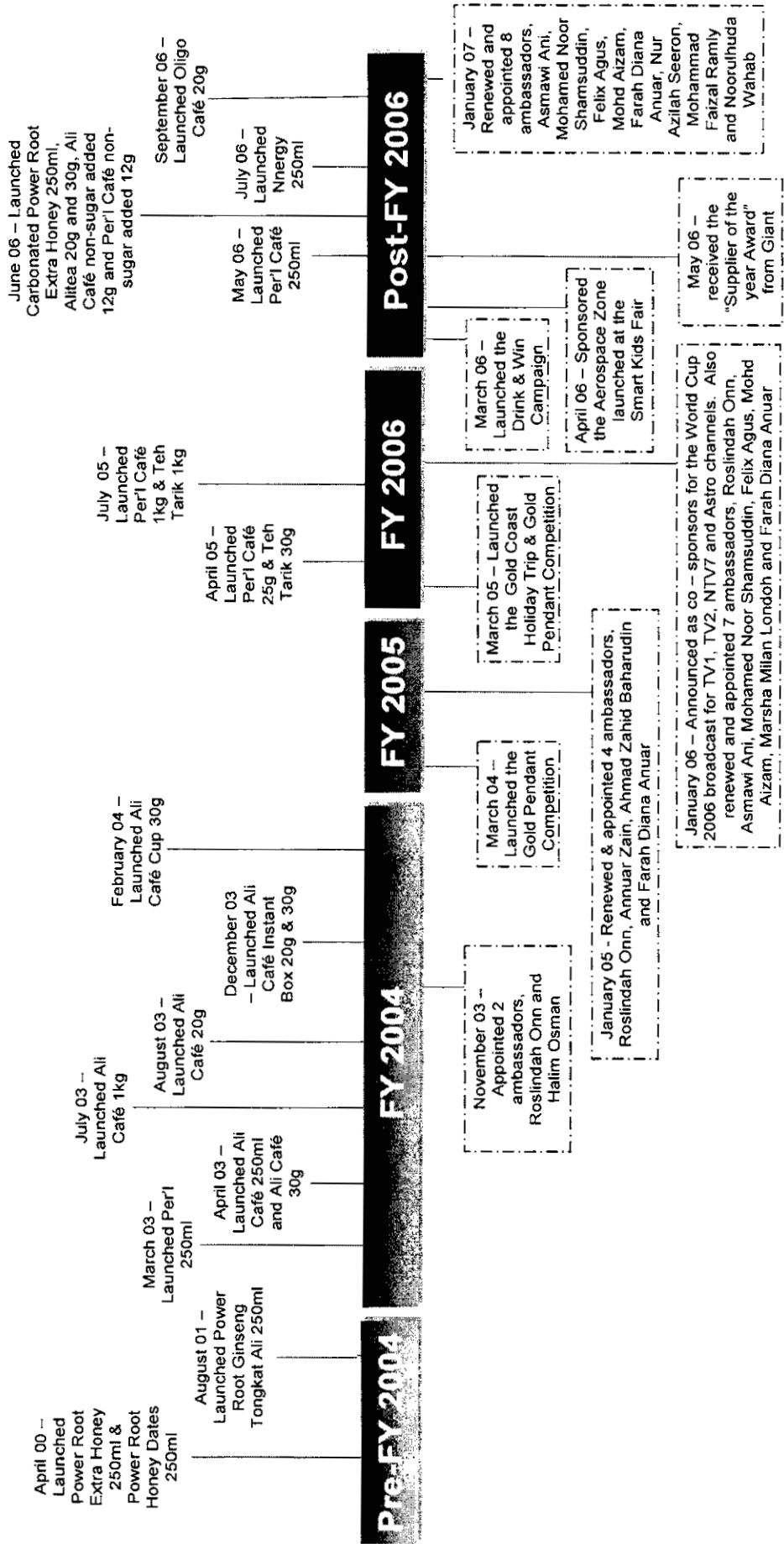
(vii) Participation in local and overseas exhibitions

We have also participated in various exhibitions held in the UAE, Malaysia, Europe, Thailand, Saudi Arabia and Japan. Among these exhibitions were the "Malaysian Halal Food" and "Buatan Malaysia Food Fair" in Malaysia, "Anuga Food Fair" in Germany, "Gulf Food Exhibition" in the UAE, "Thaifex - World of Food Asia 2006" in Thailand, "Food and Hotel Arabia 2006" in Saudi Arabia and "Foodex Japan 2006" in Japan.

7. BUSINESS (cont'd)

7.7 Product and Marketing Development

Over the past few years, we have actively carried out activities to enhance our brand awareness and product range. The following are some of our important product and marketing milestones:



7. BUSINESS (cont'd)

7.8 Customers

Whilst our products are consumed by the consumers, we define our customers as the parties to whom we sell our products for distribution to consumers. For the past 3 financial years ended 28/29 February 2004 to 2006, we do not have any major customer contributing more than 10% of our total gross sales. For the 8-month period ended 31 October 2006, the only customer contributing more than 10% of our total gross sales is Wai Foo Trading, which contributed 11.8% of total gross sales.

Our sales to customers by category as a percentage of total sales for the past 3 financial years ended 28/29 February 2004 to 2006 and the 8-month period ended 31 October 2006 are as follows:

| Customers | -----Financial year ended----- | | | 8-month |
|---------------------------|--------------------------------|----------------------------|----------------------------|---|
| | 29 February 2004 (%) | 28 February 2005 (%) | 28 February 2006 (%) | period ended 31 October 2006 (%) |
| Key dealers | 29 | 37 | 38 | 59 |
| Wholesalers | 44 | 35 | 34 | 8 |
| Hypermarkets/Supermarkets | 10 | 21 | 27 | 27 |
| Retailer | 21 | 11 | 5 | 5 |
| Overseas distributors | 4* | 2* | 2* | 6 |
| Gross sales | 108 | 106 | 106 | 105 |
| Less return inwards | (4) | (1) | (1) | (1) |
| Less discount allowed | (4) | (5) | (5) | (4) |
| Net sales | 100 | 100 | 100 | 100 |

Note:

* The revenue of PRM for the financial years ended 31 July 2003 to 2005 have been pro-rated accordingly to reflect a 12-month period ended 28/29 February for the relevant years under review.

For the 8-month period ended 31 October 2006, approximately 94% of our net sales were made locally. The remaining net sales of 6% were export sales. Our local sales are made through PR Marketing whereas PRM manages the export activities to the UAE and Brunei.

As disclosed above, we are not overly dependent on any specific customer as there is a large number of customers in Malaysia which we are able to source business from, in view that the target markets of our products are diverse.

We pride ourselves in our ability to deliver quality products on a consistent basis, our efficient distribution network and timely deliveries, and our capability to meet our customers' needs. Our main customers have been with us for a period between 3 to 7 years. The long-term customer relationship which we have with our customers is a testimony of our ability to work with our customers and to meet their needs. We have managed to grow our pool of customers over the years through networking amongst our business associates, customers and suppliers.

7. BUSINESS (cont'd)

7.9 Production Processes

We have 2 key production processes, one for our canned drinks and the other for our instant premixed beverage products. The production process for our canned drinks is fully automated, whilst the production process for our instant premixed beverage products is semi-automated.

To prepare the raw materials for the said processes, we carry out the following main sub-processes:

(i) Water treatment

The raw water from the tap is filtered using both sand and carbon, and is deionised to enhance the water quality such that it becomes suitable to be used for our production processes.

(ii) Premix preparation

Before the actual production processes begin, certain raw materials are premixed for subsequent use in the production processes.

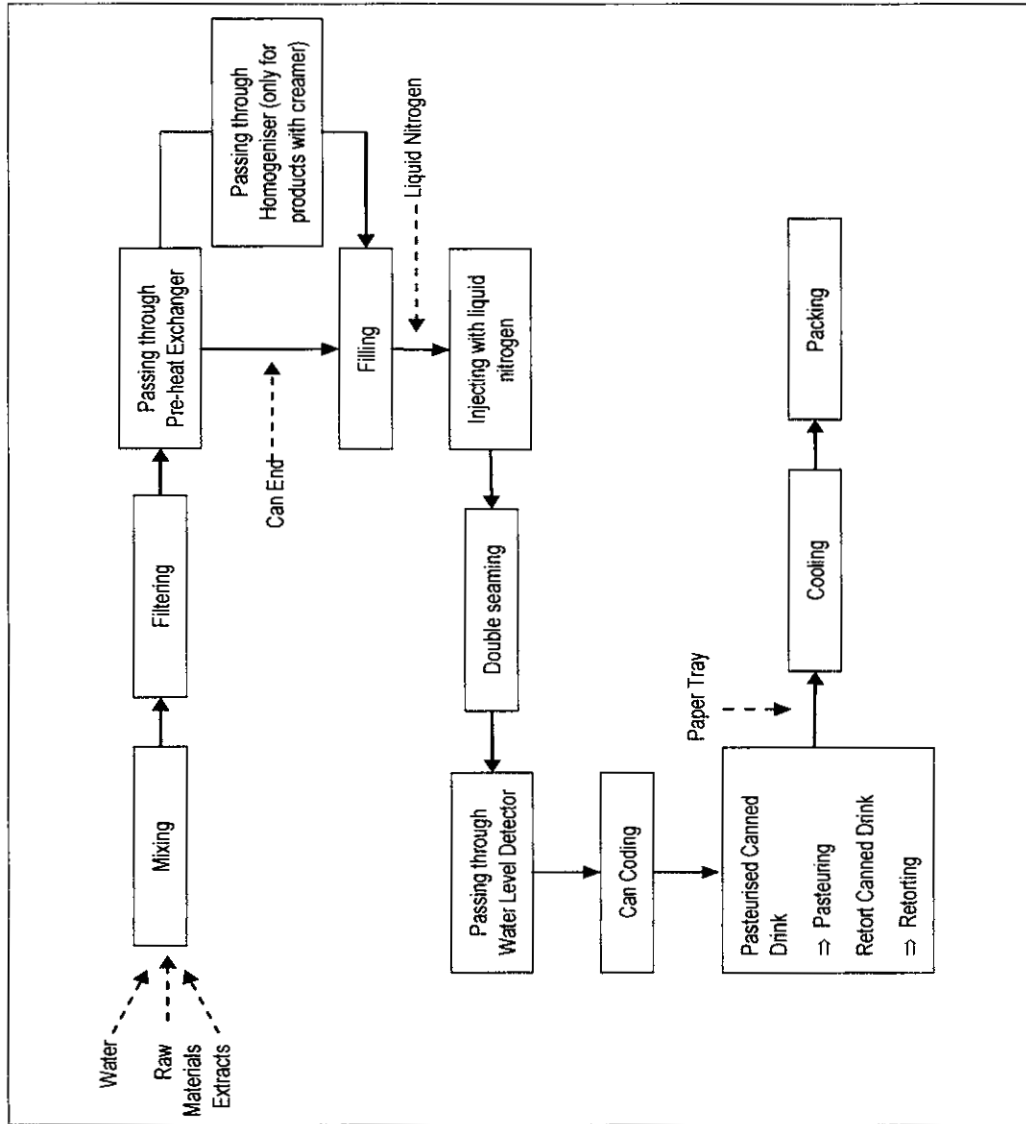
(iii) Herb extraction

Extracts are taken from herbs such as Tongkat Ali, Kacip Fatimah and Ginseng. These extracts will subsequently be incorporated into our relevant products during the production processes.

The rest of this page has been intentionally left blank

7. BUSINESS (cont'd)

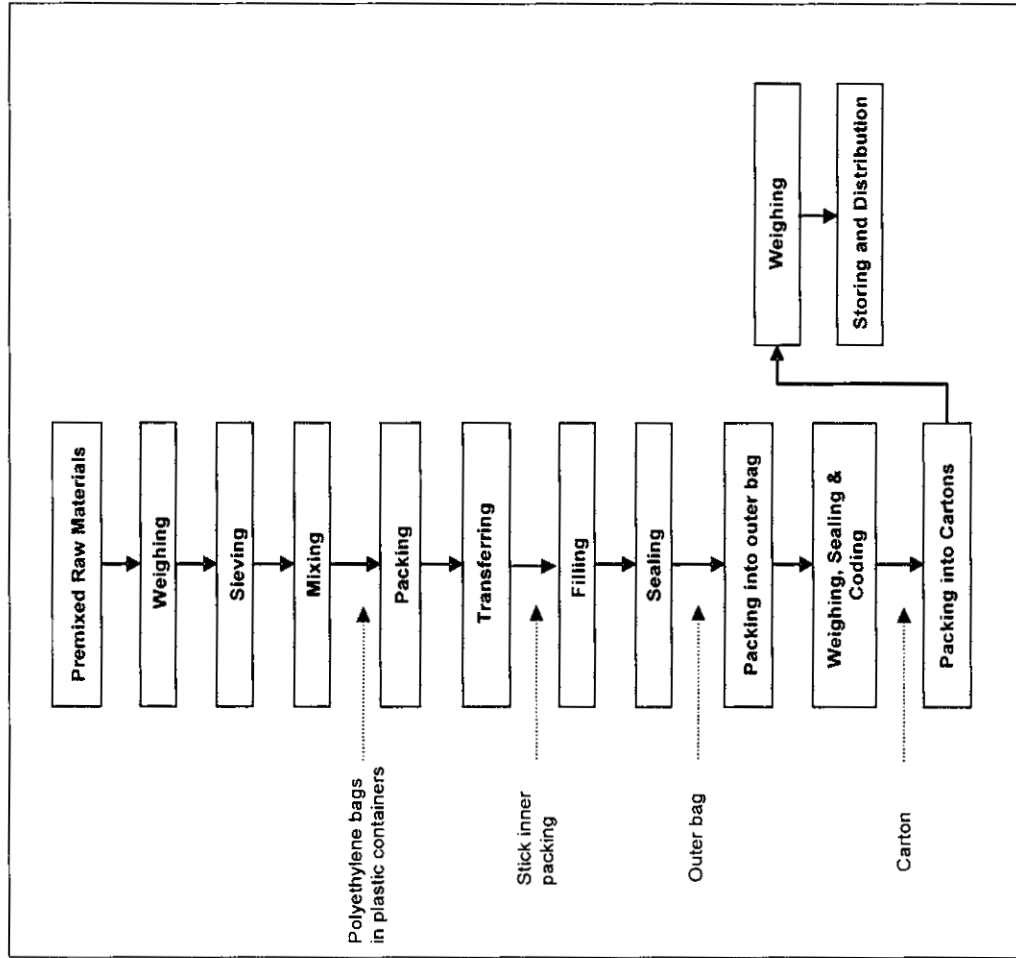
7.9.1 Canned Drink Processing (Pasteurisation and Retort)



| Processing Procedures | Description |
|--------------------------------------|---|
| Mixing | Raw materials (including premix mixture) are filled into a mixing tank. Permitted flavours are added into the mixture. |
| Filtering | Mixture passes through 2 filter housings and subsequently a pre-heat exchanger and homogeniser (only products with creamer as an ingredient will pass through). |
| Filling | Mixture is filled into clean aluminium cans. |
| Injecting with Liquid Nitrogen | Can is injected with liquid nitrogen to preserve its contents' freshness by delaying rancidity and other forms of oxidative damage. |
| Double Seaming | Can is sealed through the double seaming process where a seam is formed by interlocking the edges for both the cover and the body of the can. |
| Passing through Water Level Detector | Can passes through a water level detector to ensure that it is filled with the correct amount of mixture. This is part of the quality assurance process by the manufacturing plant. |
| Can Coding | Important information such as batch number and expiry date is printed onto the can. |
| Pasteurising and retorting | Products with high acidity content will pass through the pasteurising machine whereas products with low acidity content will pass through the retorting machine. |
| Cooling | Can is cooled before being transferred to other processes and to allow for ease of handling. |
| Packing | Cans are entered into a packing machinery and may be wrapped with cardboard to form cases or placed into reusable plastic trays or shells. The packaged products enter a palletising machine, which automatically stacks them onto pallets for coding and distribution. |

7. BUSINESS (cont'd)

7.9.2 Instant Premixed Beverage Products Processing



| Processing Procedures | Description |
|---------------------------------|---|
| Premixed Raw Materials Weighing | Premix prepared earlier is retrieved from storage. The content retrieved from storage is weighed to ensure the right quantity. |
| Sieving | Foreign materials and coarse ingredients are removed from raw materials through a fine filter. |
| Mixing | Different raw materials are mixed together in accordance to the products specification. |
| Packing | Mixture will be discharged/packed into plastic containers. |
| Transferring | Plastic container that holds the mixture is transferred to the filling machine for the next procedure. |
| Filling | Mixture is filled into plastic sachets according to the designated product. |
| Sealing | Sachets are sealed to prevent from contamination. |
| Packing into outer bag | Sachets are then packaged according to the amount and product type into an outer pack. |
| Weighing, Sealing & Coding | Outer pack is weighed again to ensure minimum weight is met. Outer pack is then sealed and expiry date is printed for traceability purposes. |
| Packing into cartons | Outer packs are then packed into carton boxes. |
| Weighing | Another weighing process to ensure the carton's weight is at minimum requirement. |
| Storing and distribution | Cartons are stored in cool and dry place in the warehouse. Cartons will be distributed accordingly to sales orders from various destinations. |

7. BUSINESS (cont'd)

7.10 Major Suppliers

The fundamental raw materials that we use to produce our products are coffee powder, tea powder, sugar, creamer, Tongkat Ali, Kacip Fatimah and Ginseng. The herbs and sugar are mostly obtained from local suppliers whereas coffee powder, creamer and tea powder are sourced from abroad.

Our purchases from our major suppliers as a percentage of total purchases for the past 3 financial years ended 28/29 February 2004 to 2006 and the 8-month period ended 31 October 2006 and the length of relationship with these suppliers are as follows:

| Suppliers | Financial year ended | | | 8-month period ended 31 October 2006 (%) | Length of relationship (Years) | Type of raw material supplied |
|--|----------------------|----------------------|----------------------|--|--------------------------------|--|
| | 29 February 2004 (%) | 28 February 2005 (%) | 28 February 2006 (%) | | | |
| Han Fong Trading Enterprise Pte Ltd | 12 | 28 | 40 | 36 | 4 | Black tea flavour, creamer, instant coffee powder, milk flavour and red tea quality enhancer |
| Kian Joo group of companies | 48 | 30 | 20 | 20 | 6 | Cans |
| Daibochi Plastic & Packaging Industry Berhad | 4 | 13 | 11 | 4 | 4 | Packaging |
| Mega Printing (M) Sdn Bhd | - | - | 1 | 12 | 2 | Packaging |
| Total | 64 | 71 | 72 | 72 | | |

Note:

The results of PRM for the financial years ended 31 July 2003 to 2005 have been pro-rated accordingly to reflect a 12-month period ended 28/29 February for the relevant years under review.

Our current major suppliers, namely Han Fong Trading Enterprise Pte Ltd, Kian Joo group of companies and Mega Printing (M) Sdn Bhd contributed approximately 68% of our total purchases for the 8-month period ended 31 October 2006. Although we depend on certain suppliers for the supply of our major raw materials, we believe that the risk of over-dependency on these suppliers is manageable due to the wide range of local and overseas suppliers who also provide the same required raw materials.

We have remained loyal to our current major suppliers because of the reliability of the suppliers in terms of quality of raw materials, reasonable prices, favourable credit terms and good after-sales services. We have readily available alternative suppliers. We also maintain a stock level ranging from 15 to 60 days for our raw materials. Should there be a disruption of supply of raw materials, we are of the view that the alternative suppliers will be able to provide us the required raw materials on a timely basis.

7. BUSINESS (cont'd)

7.11 Capacity Utilisation

Our production process is performed under strict quality control and standards. We have invested heavily in the latest manufacturing facilities to ensure that production is conducted effectively, efficiently and is in accordance with GMP and HACCP standards for hygienic environment.

Our factory is located at No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim with a total floor space of 21,269 square feet. Our production capacity for the financial year ended 28 February 2006 is as follows:

| Product range | Production capacity for the financial year ended 28 February 2006 | Production utilisation for the financial year ended 28 February 2006 | | Production hours (hours per day) |
|----------------------------|---|--|-----|----------------------------------|
| | (cartons) | (cartons) | (%) | |
| Instant premixed beverages | 510,000 | 280,000 | 55 | 18 |
| Canned beverages | 1,665,000* | 537,000 | 32 | 8 |

Our production capacity for the 8-month period ended 31 October 2006 is as follows:

| Product range | Production capacity for the 8-month period ended 31 October 2006 | Production utilisation for the 8-month period ended 31 October 2006 | | Production hours (hours per day) |
|----------------------------|--|---|-----|----------------------------------|
| | (cartons) | (cartons) | (%) | |
| Instant premixed beverages | 366,080 | 311,298 | 85 | 20 |
| Canned beverages | 1,478,400 | 738,395 | 50 | 12 |

Note:

* Prior to June 2005, the production of canned beverages was undertaken by a third party sub-contractor.

We have been working aggressively to further improve our quality and enhance our competitiveness by exploring ways to enhance our manufacturing process, QC and QA techniques. For example, over the years, we have changed our canned beverages production process from using manual based cooker and storage tanks cum sub contract canning by third parties to using our own fully automated 300 cans per minute drink processing machine. Our main machinery and equipment used to manufacture beverages are as follows:

| Manufacturing machine | Cost RM | Net book value as at 31 October 2006 RM | Description |
|---|-----------|---|---|
| One unit 300 cans per minute drink processing machine complete with accessories | 2,047,843 | 1,382,300 | A fully automatic machine for the production of aluminium canned beverages. |
| One unit steam boiler machine, ancillary equipment items and standard assembly pipeworks system | 108,000 | 72,900 | For boiling treated water with the necessary ingredients which will be used by the automatic canned beverages production machine in the production of canned beverages. |

7. BUSINESS (cont'd)

| Manufacturing machine | Cost RM | Net book value as at 31 October 2006 RM | Description |
|--|--------------------|--|---|
| 27 units of vertical form fill seal machine cum volumetric cups system | 805,500 | 497,300 | Semi automatic powder filling cum packaging machine for producing instant powder products. |
| High speed horizontal flow wrapper cum auto quantitation tea-bag | 140,000 | 94,500 | This is a high speed version of the powder filling cum packaging machine used in the production of instant powder products. |
| Stainless steel powder mixer machine cum powder oven | 55,550 | 37,500 | Mixer machine and oven used in the preparation of premix of ingredients. |
| 4 units of stainless steel powder mixer machines | 87,600 | 59,510 | Mixer machines used in the production of instant powder products. |

As at 28 February 2007, being the latest practicable date prior to the registration of this Prospectus, there were no interruptions in the business which had a significant effect on the operations of our Group during the past 12 months.

7.12 Employees

As at 28 February 2007, our Group employs 318 employees. We have not encountered any major problem in staff turnover and there has been no labour or industrial dispute action taken against us. Our employees do not belong to any trade union. Nonetheless, we have set up a committee to deal with the welfare and benefits of our employees.

Our employment structure as at 28 February 2007 is as follows:

| Category | Contract | Permanent | Total | Average length of services (years) |
|-------------------------|-----------------|------------------|--------------|---|
| Management team | - | 13 | 13 | 4 |
| Warehouse and logistics | - | 26 | 26 | 1 |
| Production/QC/QA | 82 | 114 | 196 | 1 |
| Sales and marketing | - | 59 | 59 | 2 |
| HR/Administration | - | 7 | 7 | 1 |
| R&D | - | 2 | 2 | 2 |
| Accounts | - | 15 | 15 | 2 |
| Total | 82 | 236 | 318 | |

In addition to the above, we have 39 production workers sub-contracted from a third party employment agency.

We recognise the importance of our employees and place great emphasis on training and development programmes. We aim to link the capabilities required to implement our business strategies to individual training needs to ensure that our employees have the requisite skills and knowledge. Our employees are sent for training courses from time to time for them to update their technical knowledge. The training courses attended by our employees include managerial/supervisory courses, accounting courses, productivity and quality improvement courses, and health and safety training programmes.

7. BUSINESS (cont'd)

7.13 R&D

R&D Objectives

The objectives of the current R&D activities include:

(i) Enhancing product range

We believe that an enhanced product range will allow us to expand our consumer base as we will have more avenues to meet their different needs. To this end, we focus on the following:

- (a) Development of value-added products such as incorporating functional ingredients such as natural fibre, pre-biotic and vitamins into our current and new products.
- (b) Development of new energy drinks, which we deem as a lifestyle drink and is consumed as body supplements to increase performance, concentration, reaction and speed and to stimulate metabolism. As demand for energy drinks are expected to increase, we intend to further develop additional energy drinks to add to our range of products.
- (c) Creation of alternative serving sizes to cater for our consumers' diverse serving preferences, with the view of balancing between increasing consumption and creating new production lines.

(ii) Improving product quality

In the competitive RTD and energy drink beverage industry, product quality plays a vital role in differentiating one product from the other. We emphasise quality control at various stages of our production process to ensure a high quality of our products. The entire manufacturing process is under strict surveillance and supervision. Quality control starts when the raw materials are brought into the factory premises. The R&D efforts are continuously focused on improving quality of our existing product range based on market feedback through improvements in the texture, taste, colour, aroma and shelf life of our products.

The objectives described above will dominate most of our R&D activities for the next few years in enhancing our competitiveness.

R&D Personnel

Our R&D department is headed by Ms Tan Chee Lay. Her profile is set out in Section 8.4.2 of this Prospectus. She is assisted by another R&D personnel. In addition, our Promoters are also involved in the R&D functions and activities set out below.

R&D Functions and Activities

Our R&D division performs the following functions and activities:

- (i) analysing the latest technologies employed by overseas and other local companies in the beverage and instant premixed industry and to consider and determine the application of the technologies to us;

7. BUSINESS (cont'd)

- (ii) maintaining, updating and consistently improving product quality to meet consumers' requirement and to achieve consumer satisfaction;
- (iii) testing and formulating the right flavour and aroma in accordance to the general taste and preferences of consumers; and
- (iv) to ensure the products developed comply with local food act and regulations in the countries where our products are marketed or intend to be marketed.

Future R&D Plans

Our R&D team aims to focus on the following:

- (i) to establish microbiological laboratory to conduct bacteria culture and analysis for products and creation of new products;
- (ii) to apply the usage of more advance instrument such as lab skill mixer, lab skill retort, desktop refractometer and colourmeter to improve current quality control and to speed up R&D process; and
- (iii) to recruit more R&D personnel with sound technical know-how in food technology.

Key R&D Achievements

Through our R&D activities, we have managed to develop various products as described below:

| Calendar year | Product Launched | Remarks |
|---------------|---|---|
| 1999 | Power Root Tongkat Ali | - |
| 2000 | Power Root Sayang Kacip Fatimah | - |
| | Power Root Extra Honey | Improved version of Power Root Tongkat Ali |
| | Power Root Honey Dates | - |
| 2001 | Power Root Ginseng Tongkat Ali | - |
| 2003 | Per'l | Improved version of Power Root Sayang Kacip Fatimah |
| | Ali Café range of products | - |
| 2005 | Per'l Café | - |
| | Teh Tarik | Now rebranded as Alitea |
| 2006 | Per'l Café 250ml | - |
| | Ali Café non-sugar added 12g | - |
| | Per'l Café non-sugar added 12g | - |
| | Carbonated Power Root Extra Honey 250ml | Carbonated botanical energy drink |
| | Nenergy 250ml | Carbonated energy drink |
| | Oligo Café 20g | - |

7. BUSINESS (cont'd)

R&D expenses

The R&D expenses of our Group mainly comprise raw material costs and time cost of the R&D personnel. The R&D expenses incurred are relatively small when compared with our proforma consolidated revenue. For the 3 financial years ended 28/29 February 2004 to 2006 and 8-month period ended 31 October 2006, we have incurred expenses amounting to RM1,968, RM98,132, RM44,416 and RM81,006 respectively, being less than 1% of the proforma consolidated revenue for the respective financial years/period.

7.14 Licences and Certifications

We have complied with the conditions of all licenses and certification applicable to us. Details of our licences and certification are as follows:

| Owner | Issuer | Date of issuances | Date of expiry | Details | Main conditions imposed |
|--------------|--|-------------------|--------------------------------------|--|---|
| PRM | Majlis Perbandaran Johor Bahru Tengah | 16 January 2007 | 31 December 2007 (Annual renewal) | Business licence for 'manufacture of beverages' (For No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim) | - |
| | Majlis Perbandaran Johor Bahru Tengah | 16 January 2007 | 31 December 2007 (Annual renewal) | Business licence for 'packaging of instant premixed coffee' (For No. 8, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim) | - |
| | MITI | 23 September 2005 | No expiry date | Manufacturing licence for 'instant premixed beverages' and 'non-alcoholic beverages' | PRM is required to inform MITI of any sale of shares in the company |
| | Royal Customs and Excise Malaysia | 30 November 2005 | No expiry date | Manufacturer's licence under the Sales Tax Act 1972 | - |
| | Jabatan Agama Johor | 17 May 2005 | 17 May 2007 (Bi-annual renewal) | Halal Certification | - |
| | Moody United Certification Ltd (United Kingdom) | 9 March 2006 | 8 March 2009 | HACCP Certification | - |
| | Moody International Certification (Malaysia) Sdn Bhd | 31 March 2006 | 30 March 2009 | GMP Certification | - |
| | Jabatan Kemajuan Islam Malaysia | 27 July 2006 | 26 July 2008 | Halal Certification | - |
| PR Marketing | Majlis Perbandaran Selayang | 11 January 2007 | 31 December 2007 (Annual renewal) | Business licence for storing food and drinks | - |

Note:

- * PRM is in the process of obtaining a business license for 'manufacture of beverages' (For No. 4, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim)



7. BUSINESS (cont'd)

7.15 Trade Marks


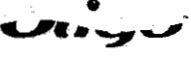


We have filed and/or registered the following trade marks. We are the legal, common law, registered and/or beneficial owner of the following trade marks in the following countries, namely Malaysia, Singapore, Brunei, Taiwan and the UAE only:

| No. | Description | Product Type | Countries | Status |
|-----|---|---------------------------|------------------------------------|--|
| 1. | Power Root & Device  | • Energy drink | • Malaysia • Taiwan • Brunei | Pending registration Pending registration Pending registration |
| 2. | Power Root (EURYCOMA LONGIFOLIA) & Device  | • Energy drink | • Singapore | Registered for Class 30 and Class 32 |
| 3. | Power Root (EURYCOMA LONGIFOLIA) & Device  | • Energy drink | • UAE | Registered for Class 32. Pending registration for Class 30 |
| 4. | ALICAFE Coffee  | • Instant premixed coffee | • Malaysia • Brunei • UAE | Registered for Class 32 Registered for Class 30 and Class 32 Registered for Class 30 |
| 5. | Alicafé  | • Instant coffee | • Singapore | Registered for Class 30 |
| 6. | ALICAFE Coffee  | • Instant premixed coffee | • Taiwan | Registered for Class 30 |
| 7. | ALITEA  | • Instant premixed tea | • Malaysia • UAE | Pending registration Pending registration |

7. BUSINESS (cont'd)

| No. | Description | Product Type | Countries | Status |
|-----|---|---|---|--|
| 8. | Perl  | ▪ Energy drink | ▪ Malaysia ▪ Taiwan ▪ UAE ▪ Brunei | Pending registration Registered for Class 32 Registered for Class 32 Pending registration |
| 9. | Perl Kacip Fatimah  | ▪ Kacip Fatimah energy drink | ▪ Singapore | Registered for Class 32 |
| 10. | Kacip Fatimah Coffee  | ▪ Instant premixed coffee | ▪ Taiwan | Registered for Class 30 |
| 11. | Perl Café  | ▪ Kacip Fatimah instant premixed coffee | ▪ UAE ▪ Malaysia ▪ Brunei | Pending registration Pending registration Pending registration |
| 12. | 活力勇  | ▪ Instant premixed coffee | ▪ Taiwan | Registered for Class 30 |
| 13. | Honey Dates  | ▪ Energy drink | ▪ Malaysia | Pending registration |
| 14. | Kurma Madu  | ▪ Energy drink | ▪ Malaysia | Pending registration |
| 15. | Ginseng  | ▪ Energy drink | ▪ Malaysia | Pending registration |

7. BUSINESS (cont'd)

| No. | Description | Product Type | Countries | Status |
|-----|---|---------------------------|--|--|
| 16. | Nenergy  | ▪ Energy drink | ▪ UAE ▪ Malaysia ▪ Taiwan ▪ Brunei | Pending registration Pending registration Pending registration Pending registration |
| 17. | Oligo  | ▪ Instant premixed coffee | ▪ UAE ▪ Malaysia ▪ Brunei ▪ Singapore | Pending registration Pending registration Pending registration Pending registration |
| 18. | Oligo Café  | ▪ Instant premixed coffee | ▪ Singapore | Pending registration |
| 19. | Oligo Oat  | ▪ Instant premixed cereal | ▪ Singapore | Pending registration |

The rest of this page has been intentionally left blank

7. BUSINESS (cont'd)

7.16 Properties

Our landed properties are as follows:

| No. | Location/Postal address | Registered/ beneficial owner | Existing use | Tenure of land/ Age of building | Date of issuance of Certificate of Fitness | Land area/ Built up area (sq feet) | Restriction in interest | Encumbrances | Net book value/ Purchase consideration (RM) |
|-------|--|------------------------------------|----------------------|---------------------------------------|---|---|--|---|---|
| (i) | Industrial land bearing postal address No. 8, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru, Johor on H.S.(D) 212191 P.T. No. 111289 in the Mukim of Plentong, District of Johor Bahru and building erected thereto comprising: - 1½ storey detached factory | PRM | Warehouse cum office | Freehold/ 9 years | 29.09.1998 | 41,801/ 22,466 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to OCBC Bank (Malaysia) Berhad | 1,852,480 ¹ |
| (ii) | Industrial land bearing postal address No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru, Johor on H.S.(D) 212188 P.T. No. 111286 in the Mukim of Plentong, District of Johor Bahru and building erected thereto comprising: - 1½ storey detached factory | PRM | Factory | Freehold/ 9 years | 29.09.1998 | 41,354/ 21,269 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to United Overseas Bank (Malaysia) Berhad | 3,832,490 ¹ |
| (iii) | Industrial land bearing postal address No. 30, Jalan Tago 9, Taman Perindustrian Tago, 52200 Kuala Lumpur on H.S. (D) 24024 P.T. No. 30916 in the Mukim of Mukim Batu, District of Gombak and building erected thereto comprising: - Semi-detached factory | PR Marketing | Warehouse cum office | Freehold/ 11 years | 16.09.1999 | 19,493/ 14,516 | Nil | The property is charged to Malaysian Banking Berhad | 3,205,667 ¹ |
| (iv) | Industrial land bearing postal address No. 4, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru, Johor on H.S.(D) 212189 P.T. No. 111287 in the Mukim of Plentong, District of Johor Bahru and building erected thereto comprising: - 1½ storey detached factory | PRM | Warehouse cum office | Freehold/ 9 years | 29.9.1998 | 41,801/ 24,177 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | Nil | 2,500,000 ¹ |

7. BUSINESS (cont'd)

| No. | Location/Postal address | Registered/ beneficial owner | Existing use | Tenure of land/ Age of building | Date of issuance of Certificate of Fitness | Land area/ Built up area (sq feet) | Restriction in interest | Encumbrances | Net book value/ Purchase consideration (RM) |
|--------|--|------------------------------------|-----------------|--|---|---|--|--|---|
| (v) | Vacant industrial land held on HS(D) 212276 PTD 111376 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 64,270 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,273,893 ² |
| (vi) | Vacant industrial land held on HS(D) 212277 PTD 111377 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 78,402 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,552,359 ² |
| (vii) | Vacant industrial land held on HS(D) 212278 PTD 111378 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 78,402 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,552,359 ² |
| (viii) | Vacant industrial land held on HS(D) 212279 PTD 111379 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 78,402 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,552,359 ² |
| (ix) | Vacant industrial land held on HS(D) 212280 PTD 111380 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 77,952 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,543,449 ² |
| (x) | Vacant industrial land held on HS(D) 212281 PTD 111381 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 81,512 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,613,937 ² |

7. BUSINESS (cont'd)

| No. | Location/Postal address | Registered/ beneficial owner | Existing use | Tenure of land/ Age of building | Date of issuance of Certificate of Fitness | Land area/ Built up area (sq feet) | Restriction in interest | Encumbrances | Net book value/ Purchase consideration (RM) |
|--------|--|------------------------------------|-----------------|--|---|---|--|--|---|
| (xi) | Vacant industrial land held on HS(D) 212282 PTD 111382 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 78,402 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,552,359 ² |
| (xii) | Vacant industrial land held on HS(D) 212283 PTD 111383 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 78,402 | The land, once it has been transferred to a Bumiputera, shall not be sold, leased or transferred by whatever means to a non-Bumiputera without the consent of the state authority. | The property is charged to EON Bank Berhad | 1,552,359 ² |
| (xiii) | Vacant industrial land held on HS(D) 212284 PTD 111384 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 78,402 | The land shall not be sold or transferred by whatever means to a foreigner/foreign company without the consent of the state authority. | The property is charged to EON Bank Berhad | 1,552,359 ² |

7. BUSINESS (cont'd)

| No. | Location/Postal address | Registered/ beneficial owner | Existing use | Tenure of land/ Age of building | Date of issuance of Certificate of Fitness | Land area/ Built up area (sq feet) | Restriction in interest | Encumbrances | Net book value/ Purchase consideration (RM) |
|-------|--|------------------------------------|-----------------|--|---|---|--|--|---|
| (xiv) | Vacant industrial land held on HS(D) 212285 PTD 111385 in the Mukim of Plentong, District of Johor Bahru | PRM | Vacant | Freehold | - | 77,952 | The land shall not be transferred by whatever means until the commencement of the construction of the building in accordance with the plans approved by the local authorities. | The property is charged to EON Bank Berhad | 1,543,449 ² |

Notes:

*1 Being net book value as at 31 October 2006.

*2 Represents the purchase consideration of the respective industrial land.

The acquisition of property (iv) was completed on 14 December 2006 for RM2,500,000. The acquisition of properties (v) to (xiv) was completed on 13 February 2007 for a total consideration of RM15,288,888.

None of the assets above have been revalued in conjunction with the Listing.

Our tenanted landed property material to the operations of our business is as follows:

| No. | Location/Postal address | Registered owner | Existing use | Expiry of tenancy / Age of building | Date of issuance of Certificate of Fitness | Land area/ (sq feet) | Built up area | Monthly rental (RM) |
|-----|--|----------------------------|--------------|-------------------------------------|--|-------------------------|---------------|---------------------|
| (i) | 1½ storey detached factory bearing postal address No. 3, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru, Johor | Bo Asit Enterprise Sdn Bhd | Warehouse | 29.02.2008 / 9 years | 13.02.98 | 41,250/ | 21,500 | 16,500 |

7. BUSINESS (cont'd)

7.17 Subsidiaries

(i) PRM

PRM was incorporated in Malaysia under the Act on 23 July 1999 as a private limited company under the name of U-Rycoma Power Root (M) Sdn Bhd. It assumed its present name on 24 April 2001. The principal activity of PRM is that of manufacturing and distribution of various beverages. PRM commenced business operations on 1 August 1999.

As at 28 February 2007, the authorised, issued and paid-up share capital of PRM is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. All ordinary shares of PRM rank equal in all respects with one another (including voting rights and rights to dividends and/or other distributions).

The changes in the issued and paid-up share capital of PRM since its incorporation up to 28 February 2007 are as follows:

| Date of allotment | No. of shares issued | Par value RM | Consideration | Total issued and paid-up share capital RM |
|-------------------|----------------------|--------------|---------------------------------------|---|
| 23.07.1999 | 4 | 1.00 | Subscribers' shares | 4 |
| 25.10.2000 | 149,998 | 1.00 | Cash | 150,002 |
| 25.10.2000 | 349,998 | 1.00 | Capitalisation of directors' advances | 500,000 |
| 10.07.2002 | 500,000 | 1.00 | Cash | 1,000,000 |
| 12.12.2006 | 4,000,000 | 1.00 | Bonus issue 4 : 1 | 5,000,000 |

As at 28 February 2007, PRM does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, PRM does not have any subsidiary or associated company.

The principal place of business of PRM is located at No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim.

As at 28 February 2007, PRM has 235 employees.

(ii) PR Marketing

PR Marketing was incorporated in Malaysia under the Act on 19 January 2000 as a private limited company under the name of U-Rycoma Power Root Marketing Sdn Bhd. It assumed its present name on 24 April 2001. The principal activity of PR Marketing is that of distribution of various beverages. PR Marketing commenced business operations on 1 March 2000.

7. BUSINESS (cont'd)

As at 28 February 2007, the authorised share capital of PR Marketing is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of PR Marketing is RM1,600,000 comprising 1,600,000 ordinary shares of RM1.00 each. All ordinary shares of PR Marketing rank equal in all respects with one another (including voting rights and rights to dividends and/or other distributions).

The changes in the issued and paid-up share capital of PR Marketing since its incorporation up to 28 February 2007 are as follows:

| Date of allotment | No. of shares issued | Par value RM | Consideration | Total issued and paid-up share capital RM |
|-------------------|----------------------|--------------|---------------------------------------|---|
| 19.01.2000 | 4 | 1.00 | Subscribers' shares | 4 |
| 14.09.2000 | 19,996 | 1.00 | Cash | 20,000 |
| 15.11.2001 | 80,000 | 1.00 | Capitalisation of directors' advances | 100,000 |
| 09.02.2004 | 300,000 | 1.00 | Capitalisation of directors' advances | 400,000 |
| 10.03.2004 | 100,000 | 1.00 | Capitalisation of directors' advances | 500,000 |
| 10.09.2004 | 500,000 | 1.00 | Cash | 1,000,000 |
| 28.02.2005 | 600,000 | 1.00 | Capitalisation of directors' advances | 1,600,000 |

As at 28 February 2007, PR Marketing does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, PR Marketing does not have any subsidiary or associated company.

The principal place of business of PR Marketing is located at No. 30, Jalan Tago 9, Taman Perindustrian Tago, 52200 Kuala Lumpur.

As at 28 February 2007, PR Marketing has 83 employees.

(iii) PR Manufacturing

PR Manufacturing was incorporated in Malaysia under the Act on 23 March 2005 as a private limited company. The principal activity of PR Manufacturing is that of manufacturing and distribution of various beverages. PR Manufacturing commenced business operations on 24 May 2006.

As at 28 February 2007, the authorised share capital of PR Manufacturing is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of PR Manufacturing is RM3 comprising 3 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of PR Manufacturing since its incorporation up to 28 February 2007.

7. BUSINESS (cont'd)

As at 28 February 2007, PR Manufacturing does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, PR Manufacturing does not have any subsidiary or associated company.

The principal place of business of PR Manufacturing is located at No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim.

As at 28 February 2007, PR Manufacturing has no employees as its production activities are sub-contracted to PRM.

(iv) PR Nnergy

PR Nnergy was incorporated in Malaysia under the Act on 2 May 2006 as a private limited company under the name of Evasys Power Sdn Bhd. It assumed its present name on 22 June 2006. The principal activity of PR Nnergy is that of manufacturing and distribution of various beverages. PR Nnergy commenced operations on 1 June 2006.

As at 28 February 2007, the authorised share capital of PR Nnergy is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of PR Nnergy is RM3 comprising 3 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of PR Nnergy since its incorporation up to 28 February 2007 are as follows:

| Date of allotment | No. of shares issued | Par value RM | Consideration | Total issued and paid-up share capital RM |
|--------------------------|-----------------------------|---------------------|----------------------|--|
| 02.05.2006 | 2 | 1.00 | Subscribers' shares | 2 |
| 08.06.2006 | 1 | 1.00 | Cash | 3 |

As at 28 February 2007, PR Nnergy does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, PR Nnergy does not have any subsidiary or associated company.

The principal place of business of PR Nnergy is located at located at No. 2, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Ta'zim.

As at 28 February 2007, PR Nnergy has no employees as its production activities are sub-contracted to a third-party manufacturer.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

8.1 Substantial Shareholders

8.1.1 Shareholdings

Our substantial shareholders and their respective shareholdings in our Company, before and after the IPO based on their shareholdings as at 28 February 2007, are as follows:

| Shareholders | Country of Incorporation /Nationality | -----Before the IPO----- | | | | -----After the IPO----- | | | |
|----------------|---------------------------------------|--------------------------------|----------|--------|----------|--------------------------------|---------------------|--------|----------|
| | | No. of Natural Bio Shares held | | % | | No. of Natural Bio Shares held | | % | |
| | | Direct | Indirect | Direct | Indirect | Direct | Indirect | Direct | Indirect |
| Low Chee Yen | Malaysian | 68,999,997 | 30.67 | - | - | 45,000,030 ^{*1} | 15.00 ^{*1} | - | - |
| Wong Fuei Boon | Malaysian | 68,999,996 | 30.67 | - | - | 45,000,030 ^{*1} | 15.00 ^{*1} | - | - |
| How Say Swee | Malaysian | 68,999,997 | 30.67 | - | - | 45,000,030 ^{*1} | 15.00 ^{*1} | - | - |
| KPFB | Malaysia | 16,000,000 | 7.11 | - | - | 46,000,000 ^{*2} | 15.33 ^{*2} | - | - |

Notes:

^{*1} Assuming all the Offer Shares are fully placed.

^{*2} Assuming that KPFB subscribes for 30 million IPO Shares under the Special Offering, being the allocation approved by MITI.

Prior to the IPO and save for the Acquisitions which resulted in the shareholdings as set out above, there has been no change on our substantial shareholders and their respective shareholdings in our Company since the incorporation of our Company.

8.1.2 Details on substantial shareholders

Low Chee Yen, aged 31, was appointed as our Managing Director on 2 February 2007. He is also a Director and founder of our subsidiaries. He has 7 years of experience in the food and beverage industry. He started his career in direct marketing before venturing into his own business of drink concentrates manufacturing in 1998, under the partnership of LW Trading. LW Trading is an instant beverage drink manufacturer, which manufactured and distributed instant powder barley drinks, herbal tea and chrysanthemum tea in 2-in-1 filter bags. With his vision and belief on the potential of botanical instant beverages, he set up PRM together with the other Promoters in 1999 and PR Marketing in 2000.

He implements our policies, objectives and strategies, which are formulated by our Board. He also administers our overall operations.

Wong Fuei Boon, aged 40, was appointed as our Executive Director on 2 February 2007. He is also a Director and founder of our subsidiaries. Prior to his involvement in our business, he owned and operated 2 mini-markets in Johor Bahru. The first of his mini-markets was established in 1986 and the other in 1998. Together with the other Promoters, he formed PRM in 1999 and PR Marketing in 2000. To further channel his efforts and time on our Group, he divested his mini-market business in January 2006.

He oversees our sales and marketing department and is involved in the planning and formulation of our marketing and business development strategies. He has 19 years of working experience in the sales of consumer products, out of which 7 years were in the food and beverage industry.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

How Say Swee, aged 43, was appointed as our Executive Director on 2 February 2007. He is also a Director and founder of our subsidiaries. He operated several retail food outlets before he founded PRM in 1999 and PR Marketing in 2000 with the other Promoters. He has been involved in the food retailing business for 15 years.

He is responsible for the overall manufacturing operations and is responsible for PRM's production output, QC, maintenance of fixed assets, production logistics and product development. He participates in the management decisions of our product quality and HACCP policies, objectives and practices.

KPFB was incorporated in Malaysia as an investment co-operative under the Co-Operative Ordinance 1948 on 1 July 1980. As an investment co-operative, the main objectives of KPFB are to promote and cultivate savings amongst its members by operating as an investment vehicle for all savings collected. With this, KPFB aims to enhance the economic well-being of its members via savings and investment activities.

As KPFB is incorporated as an investment co-operative, it does not have any substantial shareholder or holding company. KPFB is mainly owned by its members who invest in its share capital. As at 28 February 2007, the share capital of KPFB is RM938,364,313 comprising 938,364,313 shares of RM1.00 each.

The Directors of KPFB and their respective shareholdings in KPFB as at 28 February 2007 are as follows:

| Names | No. of shares of RM1.00 each |
|-----------------------|---------------------------------|
| Datuk Khamis Md. Som | 168,532 |
| Ahmad Tarmizi Alias | 2,897 |
| Suhaimi Zainuddin | 70,935 |
| Abdul Karim Ahmad | 37,418 |
| Che Megat Dewa Khalid | 21,422 |
| Arifin Husain | 25,155 |
| Dato' Zainal Hassan | 26,031 |
| Mahamood Sarjono | 26,098 |
| Abdul Latif Othman | 1,856 |
| Dato' Mat Abas Yusoff | 176,167 |
| Abdul Majid Abdullah | 206,830 |
| Saadah Sudi | 32,048 |

Note:

* *The shareholdings of all the Directors of KPFB are negligible relative to the share capital of KPFB as at 28 February 2007.*

None of our substantial shareholders has any interest in any contract, agreement or arrangement, which is significant in relation to the business and financial position of our Company and our subsidiaries subsisting as at 28 February 2007, being the latest practicable date prior to the registration of this Prospectus.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.1.3 Other directorships and substantial shareholdings in all other public corporations

Other than as disclosed below, none of our substantial shareholders has any directorship or substantial shareholding in other public corporations for the past 2 years up to 28 February 2007.

As at 28 February 2007, KPFB's substantial shareholdings in other Malaysian public companies are as follows:

| Companies | -----Substantial shareholdings as at 28 February 2007----- | | | |
|---|--|-------|-----------------------------|--------------------|
| | -----Direct----- | | -----Indirect----- | |
| | No. of ordinary shares held | % | No. of ordinary shares held | % |
| Felda Holdings Berhad | 112,200,000 | 51.00 | - | - |
| Rex Metal Packagings Bhd <i>(formally known as Rheem (Malaysia) Berhad)</i> | - | - | 4,308,380 | 18.40 ¹ |
| Royal & Sun Assurance Alliance (M) Berhad | - | - | 17,591,952 | 16.40 ² |
| UMS-Neiken Group Berhad | 7,000,000 | 8.70 | - | - |
| Mah Sing Group Berhad | 22,848,900 | 12.76 | - | - |
| Leweko Resources Berhad | 15,000,000 | 13.03 | - | - |
| Cheetah Holdings Berhad | 9,100,000 | 11.36 | - | - |
| Hunza Properties Berhad | 6,000,000 | 5.18 | - | - |
| Malaysia Steel (KL) Berhad | 9,499,000 | 6.51 | - | - |
| Notion Vtec Berhad | 95,500,000 | 16.29 | - | - |
| Gefung Berhad | 10,000,000 | 6.46 | - | - |

Notes:

¹ Deemed interested by virtue of its interests in Felda Holdings Berhad, Felda Plantations Industries Sdn Bhd and Felda Enterprise Sdn Bhd pursuant to Section 6A of the Act.

² Deemed interested by virtue of its interests in Felda Holdings Berhad, Felda Palm Industries Sdn Bhd and Felda Marketing Services Sdn Bhd pursuant to Section 6A of the Act.

8.2 Promoters

Our Promoters are Low Chee Yen, Wong Fuei Boon and How Say Swee, who are also our substantial shareholders. Further details of the Promoters are set out in Section 8.1 above.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

8.3 Directors

8.3.1 Shareholdings

Our Directors and their respective shareholdings in our Company, before and after the IPO based on their shareholdings as at 28 February 2007 are as follows:

| Director | Nationality | -----Before the IPO----- | | | | -----After the IPO----- | | | |
|---|-------------|--------------------------------|----------|--------|----------|--------------------------------|---------------------|--------|----------|
| | | No. of Natural Bio Shares held | | % | | No. of Natural Bio Shares held | | % | |
| | | Direct | Indirect | Direct | Indirect | Direct | Indirect | Direct | Indirect |
| Y. M. Tengku | Malaysian | - | - | - | - | 500,000 ^{*1} | 0.17 ^{*1} | - | - |
| Low Chee Yen | Malaysian | 68,999,997 | 30.67 | - | - | 45,000,030 ^{*2} | 15.00 ^{*2} | - | - |
| Wong Fuei Boon | Malaysian | 68,999,996 | 30.67 | - | - | 45,000,030 ^{*2} | 15.00 ^{*2} | - | - |
| How Say Swee | Malaysian | 68,999,997 | 30.67 | - | - | 45,000,030 ^{*2} | 15.00 ^{*2} | - | - |
| Clement Valentine Toh Shu Yen | Malaysian | - | - | - | - | 520,000 ^{*1} | 0.17 ^{*1} | - | - |
| Tan Sri Dato' Sri Abdul Halil bin Abd Mutalif | Malaysian | - | - | - | - | - | - | - | - |
| Chang Tian Kwang | Malaysian | - | - | - | - | - | - | - | - |
| Tea Choo Keng | Malaysian | - | - | - | - | 400,000 ^{*1} | 0.13 ^{*1} | - | - |

Notes:

^{*1} Assuming full subscription of Natural Bio Shares allocated to our Directors.

^{*2} Assuming all the Offer Shares are fully placed.

8.3.2 Profiles

The profiles of Low Chee Yen, Wong Fuei Boon and How Say Swee are set out in Section 8.1.2 above and the profiles of our other Directors are as follows:

Y.M. Tengku, aged 48, was appointed as the Independent Non-Executive Chairman of our Company on 2 February 2007. He is the son of Y.A.M. Tengku Azman Shah Alhaj Ibni Almarhum Sultan Hishamuddin Alam Shah Alhaj, the Tengku Bendahara of Selangor Darul Ehsan. He graduated with a Diploma in Finance and was involved in the printing business for several years. He subsequently embarked on other businesses such as manufacturing, logistics management and building construction. He is the director and shareholder of several private companies undertaking the above businesses. He is also the Treasurer of the Persatuan Pedagang dan Pengusaha Melayu Negeri Selangor and Ketua Bahagian Negeri Selangor Persatuan Bekas Pasukan Keselamatan Negera, Malaysia.

Clement Valentine Toh Shu Yen, aged 31, was appointed as our Executive Director on 2 February 2007. He is also the Finance Director of the Group. He graduated with a Bachelor of Commerce Degree majoring in Money, Banking and Finance from the University of Melbourne, Australia in 1997 and subsequently obtained a Master of Finance from the Royal Melbourne Institute of Technology University in 1999. He began his career as an Associate Consultant in PricewaterhouseCoopers Consulting Sdn Bhd. In 2001, he furthered his studies in Australia and obtained a Master Degree in Professional Accounting in 2002. He came back to Malaysia in 2002 and joined Southern Investment Bank Berhad's Corporate Finance/Investment Banking Division where he was involved in engagements such as initial public offerings, fund raising, acquisitions, independent advisory and underwriting schemes. He was subsequently promoted to Assistant Manager in 2004 and resigned in 2005. He then joined Protégé Associates (M) Sdn Bhd as a Director and resigned in January 2006.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

As the Finance Director of our Group, he oversees all corporate finance matters and corporate planning and strategy of our Group. Overall, he has 6 years of working experience in the finance and accounting industry.

Tan Sri Dato' Sri Abdul Halil bin Abd Mutalif, aged 61, was appointed as an Independent Non-Executive Director of the Company on 15 February 2007. He was formerly the Director-General of the Royal Malaysian Customs for 5 years before he retired in October 2005. After graduating from University Malaya with a B.A. (Hons.) in History in 1970, he began his career as an Administrative and Diplomatic Service Officer and served at various government departments and ministries, where he held key positions. From 1990 to 2000, he was seconded to Langkawi Development Authority ("LADA") which was under the purview of the Ministry of Finance as General Manager. During the secondment to LADA, he was responsible for the overall development of the Langkawi islands. In 2000, he was subsequently seconded to the Royal Malaysian Customs to assume the position of Director-General of Customs. During his tenure as Director-General of the Royal Malaysian Customs, yearly revenue collections increased from RM16 billion prior to his appointment to RM25 billion upon his retirement. He also sits on the board of directors of several private limited companies.

Chang Tian Kwang, aged 41, was appointed as an Independent Non-Executive Director of the Company on 15 February 2007. He graduated from University of Malaya with a Bachelor of Accountancy (Honours) Degree in 1990. He is a Chartered Accountant registered with the Malaysian Institute of Accountants and an associate member of the Malaysian Institute of Taxation. He started his career in Deloitte Kassim Chan as an Audit Assistant in April 1990 and then joined KPMG in 1991. After gaining experience in the auditing profession, he joined V.S. Industry Berhad as an Accountant in 1994. He is currently the Group Financial Controller of V.S. Industry Berhad. He also sits on the board of V.S. Industry Berhad (as an alternate Director) and its various subsidiary companies.

Tea Choo Keng, aged 38, was appointed as the Alternate Director to Y.M. Tengku on 2 February 2007. He graduated with a law degree (LL.B Hons) from the University of Hull (United Kingdom) in 1991. He was called to the Bar and admitted as the advocate and solicitor in 1993. He set up his own legal practice under the name of Messrs Tea & Company in 1994. He is now the managing partner of Messrs Tea, Kelvin Kang & Co, a legal firm in Johor Bahru.

8.3.3 *Other directorships and substantial shareholdings in all other public corporations*

Save as disclosed below, for the past 2 years up to 28 February 2007, none of our Directors have any directorship in other public corporations.

The directorships of Tan Sri Dato' Sri Abdul Halil bin Abd Mutalif and Chang Tian Kwang in other public corporations are as follows:

| Name | Company | Designation |
|---|---------------------------|------------------------------------|
| Tan Sri Dato' Sri Abdul Halil bin Abd Mutalif | Sanichi Technology Berhad | Independent Non-Executive Director |
| Chang Tian Kwang | V.S. Industry Berhad | Alternate Director |

For the past 2 years up to 28 February 2007, none of our Directors have any substantial shareholding in public corporations other than our Company.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.3.4 Directors' remuneration

The aggregate remuneration and benefits paid to our Directors in the last financial year ended 28 February 2007 and expected to be paid to our Directors for financial year ending 29 February 2008 for all services rendered to our Company and our subsidiaries in all capacities are approximately RM1.35 million and RM1.47 million respectively.

The remuneration bands for our Directors are set out below:

| | Financial year ended 28 February 2007 | Financial year ending 29 February 2008 |
|-----------------------|--|---|
| Below RM50,000 | 1 | 2 |
| RM50,001 - RM100,000 | 2 | 1 |
| RM100,001 - RM150,000 | - | 1 |
| RM200,001 - RM250,000 | 1 | - |
| RM300,000 - RM350,000 | - | 1 |
| RM350,001 - RM400,000 | 1 | 1 |
| RM550,001 - RM600,000 | 1 | - |
| RM600,001 - RM650,000 | - | 1 |
| TOTAL | <u>6</u> | <u>7</u> |

For the financial year ended 28 February 2007, 2 of the Non-Executive Directors did not receive any remuneration for the said period. Similarly, for the financial year ending 29 February 2008, it is expected that one of the Non-Executive Directors will not be receiving any remuneration for the said period.

8.3.5 Audit Committee

The composition of our Audit Committee is as follows:

| Names | Designation | Directorship |
|-------------------------------|-------------|------------------------------------|
| Chang Tian Kwang | Chairman | Independent Non-Executive Director |
| Y. M. Tengku | Member | Independent Non-Executive Chairman |
| Clement Valentine Toh Shu Yen | Member | Executive Director |

Our Audit Committee is responsible for reviewing audit plans and audit reports with our auditors, reviewing the auditors' evaluation of internal accounting controls and management information systems, the scope of internal audit procedures, the financial statements and the nomination of auditors. The Audit Committee will also be responsible for reviewing related party transactions and conflict of interests situations that may arise. The committee responsible for ensuring that proper processes and procedures are in place to comply with all laws, regulations and rules established by all relevant regulatory bodies.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.3.6 *Nomination Committee*

The composition of our Nomination Committee is as follows:

| Names | Designation | Directorship |
|------------------|--------------------|------------------------------------|
| Y. M. Tengku | Chairman | Independent Non-Executive Chairman |
| Chang Tian Kwang | Member | Independent Non-Executive Director |
| Low Chee Yen | Member | Managing Director |

Our Nomination Committee is primarily responsible for recommending candidates for appointments to our Board. The Committee is also responsible for establishing performance criteria to evaluate the performance of each member of our Board and ensuring an appropriate framework and succession planning for our Board.

8.3.7 *Remuneration Committee*

The composition of our Remuneration Committee is as follows:

| Names | Designation | Directorship |
|------------------|--------------------|------------------------------------|
| Y. M. Tengku | Chairman | Independent Non-Executive Chairman |
| Chang Tian Kwang | Member | Independent Non-Executive Director |
| Low Chee Yen | Member | Managing Director |

Our Remuneration Committee is primarily responsible for recommending and negotiating the compensation packages for our Directors. The Committee is also responsible for ensuring corporate accountability and governance in respect of our remuneration and compensation functions.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.3.8 Articles governing our Directors

The relevant Articles of Association relating to remuneration, voting powers and borrowing powers of our Directors are as follows:

(i) Remuneration of Directors

The provisions in respect of remuneration of our Directors are as follows:

Article 98

- (1) The fee of our Directors, who hold no executive office with the Company, for their services as Directors shall be determined by our Company by ordinary resolution at a general meeting and shall be payable by way of a fixed sum only and not by way of a commission on or percentage of profits or turnover and thereafter shall not be increased except by an ordinary resolution of our Company passed at an annual or other general meeting of our Company where notice of the proposed increase has been given in the notice convening the general meeting. If the fee of each such non-Executive Director is not specifically fixed by our Company in the general meeting then the quantum of fee to be paid to each Non-Executive Director, within the overall limits fixed by our Company in the general meeting, shall be decided by resolution of our full Board. In default of any decision being made in this respect by our full Board, the fee payable to our Non-Executive Directors shall be divided equally amongst them and such a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's fee.
- (2) The salaries of our Directors who hold executive office with our Company shall not include a commission on or percentage of our Company's profits or turnover.

Article 99

Any Director who by request of our Board serves on any committee or performs special services for any purposes of our Company may be paid such extra remuneration by way of salary or otherwise (subject to any other provisions of these present) as our Board may determine. All our Directors shall also be entitled to be repaid by our Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of our Board or of committees of our Board or general meetings or otherwise in or about the business of our Company.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)***(ii) Voting and borrowing powers of Directors**

The provisions in respect of voting powers of our Directors in relation to proposals, arrangements or contracts in which they are interested in and their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Voting powers of Directors**Article 102**

- (A) Subject to the Act and the Bursa Securities LR, no Director or intending Director shall be disqualified by his office from contracting with our Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of our Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, but the nature and extent of his interest must be disclosed by him at the meeting of our Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of our Directors held after he became so interested or, in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of our Directors held after he becomes so interested; provided, nevertheless, that, subject to any other provisions of these presents, our Director shall not as our Director vote in respect of any contract, proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted.
- (B) A general notice in writing, which complies with Section 131(4) of the Act, given to our Directors by any of our Director shall be deemed to be sufficient declaration of interest in relation to the subject matter of the notice.

Borrowing powers of Directors**Article 114**

- (1) Our Directors may exercise all the powers of our Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of our Company or any related company as may be thought fit.
- (2) Our Directors may borrow or raise any such money as aforesaid, upon such terms and conditions in all respects as our Directors may think fit, upon or by the issue or sale of any bonds, debentures, debenture stocks or securities. Our Company may in general meeting grant a right for the holders of bonds, debentures, debenture stocks or securities to exchange the same for shares in our Company or any class authorised to be issued. Our Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of our Company, both present and future and upon any capital remaining unpaid upon the shares of our Company, whether called up or not or by any other security and our Directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of our Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

our Directors may think necessary or expedient in relation to the undertaking or property of our Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

- (3) Our Directors shall not borrow any money or mortgage or charge any of our Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

8.3.9 Service Agreements

On 11 July 2006, PRM entered into a service agreement with Y.M. Tengku, our Independent Non-Executive Chairman. Under the terms of the service agreement, Y.M. Tengku is to perform the duties assigned or vested in him by the board of Directors of PRM for a term of 2 years commencing from 15 June 2006 to 14 June 2008. On 2 February 2007, our Company and PRM entered into a supplemental service agreement with Y.M. Tengku to transfer his appointment from PRM to our Company as the Independent Non-Executive Chairman of our Company upon the same terms and conditions as the previous service agreement.

On 29 March 2006, PRM entered into a service agreement with Clement Valentine Toh Shu Yen, currently our Executive Director, whereby he is to assist in corporate finance-related matters of the Group for a term of 1 year commencing from 1 February 2006 to 31 January 2007. On 2 February 2007, our Company entered into another service agreement with Clement Valentine Toh Shu Yen. Under the terms of the new service agreement, he is to continue in his previous role for a term of 1 year commencing from 1 February 2007 to 31 January 2008.

Other than as disclosed above, none of our Directors has any interest in any contract, agreement or arrangement, which is significant in relation to the business and financial position of our Company and our subsidiaries subsisting at the date hereof.

8.3.10 Involvement in other businesses and/or corporations

As at 28 February 2007, none of our Executive Directors are involved in other businesses and/or corporations which will affect their contribution to our Group.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.4 Key Management

8.4.1 Shareholdings

Our key management personnel (other than our Managing Director and Executive Directors, whose details are set out in Sections 8.1 and 8.3 above) and their respective shareholdings in our Company, before and after the IPO based on their shareholdings as at 28 February 2007 are as follows:

| Names | Designation | -----Before the IPO----- | | | | -----After the IPO----- | | | |
|---------------|------------------------|--|---|---|---|--|------|---|---|
| | | ----No. of Natural Bio Shares held---- | | ----No. of Natural Bio Shares held*---- | | ----No. of Natural Bio Shares held---- | | ----No. of Natural Bio Shares held*---- | |
| | | Direct | % | Indirect | % | Direct | % | Indirect | % |
| Loh Chai Seng | General Manager | - | - | - | - | 180,000 | 0.06 | - | - |
| Quek Jin Wee | General Manager | - | - | - | - | 130,000 | 0.04 | - | - |
| Pau Choon Mei | Financial Controller | - | - | - | - | 180,000 | 0.06 | - | - |
| Yap Chee Wei | National Sales Manager | - | - | - | - | 130,000 | 0.04 | - | - |
| Ang Siew Beng | Factory Manager | - | - | - | - | 60,000 | 0.02 | - | - |
| Lee Chin Tuck | Production Manager | - | - | - | - | 35,000 | 0.01 | - | - |
| Lim Leong Poh | Export Manager | - | - | - | - | 20,000 | 0.01 | - | - |
| Tan Chee Lay | Assistant QA Manager | - | - | - | - | 12,000 | # | - | - |

Notes:

* Assuming full subscription of Natural Bio Shares allocated to our key management personnel.

Negligible.

8.4.2 Profiles

Loh Chai Seng, aged 47, is the General Manager of PR Marketing and has 27 years of working experience in the food and beverage industry. He started his career in 1979 as a Plant Executive in an oil refinery company that is involved in the production of edible cooking oil. In 1984, he joined Chuan Choon Oil Refinery Sdn Bhd as a Plant Manager, in charge of the production process of the company. In 1986, he joined Cheong Fatt Trading as a Van Sales Operator, selling consumer products to retail outlets. He was attached with Eastern Agencies Sdn Bhd as a Credit Sales Executive in 1988. His role in Eastern Agencies Sdn Bhd was to handle the sales and collection for supermarkets and hypermarkets. Between 1991 to 2001, he was the Sales Manager of Taisho Pharmaceutical Sdn Bhd, a company involved in the manufacturing and distribution of 'LIVITA' energy drinks and was involved in managing the company's distribution network, new product development, sales forecasting, target setting and format planning. In 2001, he joined PR Marketing as the National Sales Manager and currently holds the position of General Manager.

He manages the sales and marketing department and oversees our branch operations. He is also responsible in our advertising and promotional activities and directs the budgeting process and fund allocation for various programmes related to sales promotion.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Quek Jin Wee, aged 51, is the General Manager of PRM. He graduated with a Bachelor Degree in Food Science and Technology, majoring in Food Engineering and Processing from Universiti Pertanian Malaysia in 1981. He started his career with PFIZER Ltd. Industries as a Technical Sales Executive in 1981 and subsequently joined Yeo Hiap Seng (M) Berhad under the Management Trainee Programme in 1982. Upon completion of the Management Trainee Programme, he was appointed as Project Manager in 1982 and was promoted to Assistant Regional Manager in 1983. He then assumed the following roles in Yeo Hiap Seng (M) Berhad - National Sales Manager of the Food Division (Head Office Level) in 1986, Business Development Manager 1987, Regional Manager (Southern Region) in 1990 and General Manager-Operations in 1998, overseeing all manufacturing operations of Yeo Hiap Seng group and related manufacturing joint-ventures of the Yeo Hiap Seng group. In 2004, he was appointed to oversee the Engineering Division of the Yeo Hiap Seng group.

In February 2005, he left Yeo Hiap Seng (M) Berhad and joined F&N Dairies (Malaysia) Sdn Bhd as the General Manager, overseeing the manufacturing operations and operating related activities of the F&N group.

He then joined PRM in May 2006 as the General Manager. He is responsible to oversee the manufacturing operations of PRM and to help formulate an efficient manufacturing cost structure and capital expenditure programme to suit our needs.

Pau Choon Mei, age 31, is the Financial Controller of our Group. She joined PRM in 1999 as the Accounts Manager and was soon promoted to Financial Controller in 2000. She holds a LCCI Higher Diploma in Accounting. She is responsible for the accounting, finance and HR matters related to our Group. She has 7 years of working experience in the food and beverage industry.

Yap Chee Wei, aged 40, is the National Sales Manager of PR Marketing. He started his career as a Trading Representative with Eng Securities Sdn Bhd in 1984 and was mainly involved in securities trading. He left Eng Securities Sdn Bhd in 1990 to join Eastern Agencies Sdn Bhd as a Sales Representative and subsequently joined Taisho Pharmaceutical (M) Sdn Bhd as a Sales Executive in the same year. In 2001, he joined PR Marketing as a Sales Manager and was later promoted to National Sales Manager in 2004.

As National Sales Manager, he is in charge of our sales and marketing activities in Malaysia. He has 22 years of working experience of which 16 years were in the sales and marketing industry.

Ang Siew Beng, aged 45, is the Factory Manager of PRM. He holds a Certificate in Business and Administration Management and Marketing Management from the Universiti Teknologi Malaysia. He started his career as a Production Supervisor in 1979 with Yeo Hiap Seng (M) Sdn Bhd. Subsequently, he assumed the position of Production Manager of Star Fresh Sdn Bhd in 1996. In 2000, he joined Super NHF Canning Sdn Bhd as a Production Manager. In 2001, he joined PRM as a Production Manager and was later promoted to Factory Manager in 2004. He has more than 27 years of working experience in the manufacturing process of food and beverage.

As the Factory Manager, he oversees the maintenance of factory infrastructure, the performance and maintenance of machinery and manufacturing facilities. He participates in management decisions in our product quality and HACCP policies, objectives and practices.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

Lee Chin Tuck, age 49, is the Production Manager of PRM. He holds a Technical Diploma in Mechanical Engineering from the Bedford Technical College. He started his career in 1986 as a Machine Technician in General Container Sdn Bhd. He left in 1987 to join C.M.B. Packaging Singapore Ltd as a Machine Fitter and was later promoted to Machine Technician. In 1992, he joined M.C.M. Packaging Sdn Bhd as a Technical Officer being responsible for production planning and QC. Between 1994 to 1997, he was attached with Pacific Can Manufacturing Pte Ltd as a Technical Assistant. In 1997, he joined Qarira Packaging (M) Sdn Bhd and was responsible for setting up new production lines as well as maintenance of 3 production lines. He was later promoted to Production Engineer. In 1999, he joined Super Coffeemix Marketing Sdn Bhd as a Production Manager, being in charge of the company's production facilities. In 2004, he left Super Coffeemix Marketing Sdn Bhd and joined PRM as the Production Manager.

As the Production Manager, he is responsible for the overall production activities which includes amongst others, managing the production resources, planning to meet delivery schedules and he is also responsible for maintenance of the factory infrastructure. He has almost 30 years of working experience, 7 years of which were in food and beverage industry.

Lim Leong Poh, aged 32, is the Export Manager of PRM. He graduated with a Bachelor Degree in Technology Management from Universiti Teknologi Malaysia in 1999. He started his career as a Remisier with Leong & Co. After spending 2 years with Leong & Co, he left to join Singnan Communication Sdn Bhd as Senior Business Executive, where he was responsible for proposing and coordinating new strategies and marketing plans for his clients.

In October 2004, he left Singnan Communication Sdn Bhd and joined PR Marketing in November 2004 as the Assistant Marketing Manager. In October 2005, he assumed the position as the Assistant Export Manager in PRM. His responsibilities include coordinating marketing activities for overseas markets such as the UAE, Brunei and Taiwan. In March 2006, he was promoted to Export Manager. He is also involved in the planning, coordination and execution of PR Marketing's marketing plan.

Tan Chee Lay, aged 31, is the Assistant QA Manager of PRM. She graduated with a Bachelor Degree in Food Technology from Universiti Putra Malaysia in March 2000. She started her career with Malayan Flour Mill Berhad as a Junior Food Technologist. She was involved in product development, QA, customer service and the implementation of HACCP system for the company.

She left Malayan Flour Mill Berhad and joined Yeo Hiap Seng (M) Berhad in April 2001. She spent about one and a half years with Yeo Hiap Seng (M) Berhad as a Senior Food Technologist cum Nutritionist. She was in-charge of QA of finished goods, HACCP implementation, internal and supplier audit, new product development and customer services. Her most significant contribution during her tenure with Yeo Hiap Seng (M) Berhad was commissioning a new physical/chemical and microbiological laboratory and plant for R&D purposes.

In September 2002, she joined JB Cocoa Sdn Bhd. She held the QA/Technical Executive position for 3 years, specialising in food QC, assurance and inspection. She was responsible for all matters concerning food production and development, quality and standard adherence and customer service.

She joined PRM in December 2005 as Assistant QA Manager. She is responsible for the planning and implementation for production and quality improvement of PRM operations. She also oversees PRM's compliance with the HACCP policies, objectives and practice, human capital and customer services. She has 5 years of working experience in the food and beverage industry and has attended many food and beverage industry related courses and seminars.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.4.3 *Service agreements*

As at 28 February 2007, there are no existing or proposed service agreements between our Company or our subsidiaries with our key management personnel apart from the normal employment contracts.

8.4.4 *Involvement of key management personnel in other businesses and/or corporations*

As at 28 February 2007, none of our key management personnel is involved in other businesses and/or corporations which will affect their contribution to our Group.

8.5 Declaration by Promoters, Directors and Key Management

Each of our Promoter, Director and our key management personnel has confirmed to us that he/she is not and has not been involved in any of the following events:

- (i) a petition under any bankruptcy or insolvency laws being filed (and not struck out) against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.6 Relationships or Associations between Our Substantial Shareholders, Directors, Promoters and Key Management

Save as disclosed below, as at 28 February 2007, being the latest practicable date prior to the registration of this Prospectus with the SC, there are no family relationships or associations between our substantial shareholders, Directors, Promoters and key management personnel.

Pau Choon Mei is the spouse of Low Chee Yen.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

9.1 Related Party Transactions

Save for the transactions as disclosed below, the service agreements disclosed in Section 8.3.9 of this Prospectus and the Acquisitions, we do not have any transaction, existing or potential, entered or to be entered by us and our Directors, substantial shareholders, key management personnel and/or persons connected to them in respect of the financial years ended 28/29 February 2004 to 2006, the 8-month financial period ended 31 October 2006 and in the subsequent period up 28 February 2007 (being the latest practicable date prior to the registration of this Prospectus).

| Company in our Group involved | Interested Director | Nature of transaction | Total consideration for the financial year ended 28/29 February | | | |
|-------------------------------|---------------------|---|---|---------|---------|---------|
| | | | 2004 RM | 2005 RM | 2006 RM | 2007 RM |
| PR Marketing | Wong Fuei Boon | Sales to Pasir Gudang Mini Market, which was owned by Wong Fuei Boon ¹ | 93,631 | 260,905 | 305,256 | - |
| PR Marketing | How Say Swee | Sales to Restoran Hong Yiun, which was owned by How Say Swee ¹ | 1,042 | 4,103 | 1,262 | - |
| PRM and Natural Bio | Tea Choo Keng | Professional fees paid to Messrs. Tea, Kelvin Kang and Co, a legal firm of which Tea Choo Keng is the managing partner ² | - | - | 11,915 | 394,462 |

Notes:

¹ Subsequent to 28 February 2006, PR Marketing no longer transacts with Pasir Gudang Mini Market and Restoran Hong Yiun.

² Messrs. Tea, Kelvin Kang and Co commenced provision of professional services to our Group in January 2006.

The related party transactions disclosed above have been carried out on an arm's length basis and on terms and conditions which are fair, reasonable and not more favourable than terms and conditions offered to any third party with whom our Company transacts with.

Save for the transactions as disclosed above and the Directors' remuneration disclosed in Section 8.3.4 of this Prospectus, none of our Directors, substantial shareholders or Promoters has been paid or intended to be paid remuneration and benefits within the 2 years preceding 28 February 2007 (being the latest practicable date prior to the registration of this Prospectus).

9.2 Transactions of Unusual Nature

Our Directors confirm that there is no transaction that is unusual in nature or condition, involving goods, services, tangible or intangible assets, to which we or any of our subsidiaries was a party in respect of the financial years ended 28/29 February 2004 to 2006, the 8-month financial period ended 31 October 2006 and in the subsequent period up 28 February 2007 (being the latest practicable date prior to the registration of this Prospectus).

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS *(cont'd)*

9.3 Outstanding Loans

Save as disclosed below, there is no other outstanding loan (including guarantees of any kind) made by us or any of our subsidiaries to or for the benefit of our related parties for the financial years ended 28/29 February 2004 to 2006, the 8-month financial period ended 31 October 2006 and in the subsequent period up to 28 February 2007 (being the latest practicable date prior to the registration of this Prospectus).

As at 31 July 2005 and 28 February 2006, there was an amount of RM0.11 million owing by the Directors of PRM as reflected under the current assets of the balance sheets of PRM as at the said dates. This amount was fully paid on 6 March 2006 by the Directors of PRM.

9.4 Promotion of Material Assets

Save for the Acquisitions, none of our Directors and substantial shareholders have any interest, direct or indirect, in any promotion of, or in any material assets, within the financial years ended 28/29 February 2004 to 2006, the 8-month financial period ended 31 October 2006 and in the subsequent period up to the 28 February 2007 (being the latest practicable date prior to the registration of this Prospectus), acquired or disposed of by, or leased to us or any of our subsidiaries, or is proposed to be acquired or disposed of by or leased to us or any of our subsidiaries.

9.5 Interests in Similar Businesses

As at 28 February 2007 (being the latest practicable date prior to the registration of this Prospectus), none of our Directors and substantial shareholders have any interest, direct and indirect, in other businesses and/or corporations carrying on a business similar to that as us and/or our subsidiaries.

9.6 Declaration by the Advisers

CIMB, Adi Radlan & Co, Messrs Horwath and Frost & Sullivan (M) Sdn Bhd declare that they are not aware of any conflict of interests situation, existing or potential, with respect to their capacity as our advisers for the Listing.

10. APPROVALS AND CONDITIONS

10.1 Approvals

The Share Split, Acquisitions, IPO and Listing (collectively referred to as “Proposals”) was approved by the following authorities:

| Authority | Date of Approval |
|---------------------------|---|
| SC | 28 November 2006 |
| SC (on behalf of the FIC) | 28 November 2006 |
| MITI | 9 January 2007, 12 March 2007 and 30 March 2007 |

Further, based on PRM’s, PR Marketing’s and PR Manufacturing’s latest audited financial statements for the financial year ended 28 February 2006, 7-month period ended 28 February 2006 and period from 23 March 2005 to 28 February 2006 respectively and for the purpose of the IPO, the SAC of the SC had via its letter dated 27 December 2006, classified our Shares as Syariah-compliant. The classification is valid until a reassessment is made by the SC based on the next audited financial statements of the Group.

The conditions imposed by the authorities and the status of the compliance with these conditions are as follows:

- (i) The SC and SC (on behalf of the FIC), via its letter dated 28 November 2006, had approved the IPO and Listing subject to the following conditions:

| Details of conditions imposed | Status of compliance |
|---|----------------------|
| (i) As soon as practicable after the placement and prior to the listing of Natural Bio, CIMB must submit to the SC the following information: | |
| (a) The final list setting out the names, home/business addresses, identity card/ passport/ company registration numbers, occupations/principal activities and CDS accounts numbers of all the placees and the ultimate beneficial owners of the securities placed (in the case where the placees are nominee companies or funds), and the amount and price of securities placed with each placee; and | To be met |
| (b) A confirmation from CIMB that to the best of its knowledge and belief, after having taken all reasonable steps and made all reasonable enquiries, the details set out in the final list of placees in subparagraph (a) above are accurate and the placement exercise complies with the requirements on placement as stated in Guidance Note 6D of the Policies and Guidelines on Issue/Offer of Securities (“Issues Guidelines”); | To be met |

10. APPROVALS AND CONDITIONS (cont'd)

| Details of conditions imposed | Status of compliance | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--|--|--------------|------------|------------|-------|----------------|------------|------------|-------|--------------|------------|------------|-------|--------------|--------------------|--------------------|--------------|--|
| (ii) Moratorium of the sale of Natural Bio Shares for 1 year from the listing date should be imposed on the following shareholders: | To be met | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Shareholders</th> <th style="text-align: right;">Balance of Natural Bio Shares held after the Offer for Sale</th> <th style="text-align: right;">No. of Natural Bio Shares under moratorium</th> <th style="text-align: right;">% of the enlarged share capital</th> </tr> </thead> <tbody> <tr> <td>Low Chee Yen</td> <td style="text-align: right;">45,000,030</td> <td style="text-align: right;">45,000,000</td> <td style="text-align: right;">15.00</td> </tr> <tr> <td>Wong Fuei Boon</td> <td style="text-align: right;">45,000,030</td> <td style="text-align: right;">45,000,000</td> <td style="text-align: right;">15.00</td> </tr> <tr> <td>How Say Swee</td> <td style="text-align: right;">45,000,030</td> <td style="text-align: right;">45,000,000</td> <td style="text-align: right;">15.00</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">135,000,090</td> <td style="text-align: right; border-top: 1px solid black;">135,000,000</td> <td style="text-align: right; border-top: 1px solid black;">45.00</td> </tr> </tbody> </table> | Shareholders | Balance of Natural Bio Shares held after the Offer for Sale | No. of Natural Bio Shares under moratorium | % of the enlarged share capital | Low Chee Yen | 45,000,030 | 45,000,000 | 15.00 | Wong Fuei Boon | 45,000,030 | 45,000,000 | 15.00 | How Say Swee | 45,000,030 | 45,000,000 | 15.00 | Total | 135,000,090 | 135,000,000 | 45.00 | |
| Shareholders | Balance of Natural Bio Shares held after the Offer for Sale | No. of Natural Bio Shares under moratorium | % of the enlarged share capital | | | | | | | | | | | | | | | | | | |
| Low Chee Yen | 45,000,030 | 45,000,000 | 15.00 | | | | | | | | | | | | | | | | | | |
| Wong Fuei Boon | 45,000,030 | 45,000,000 | 15.00 | | | | | | | | | | | | | | | | | | |
| How Say Swee | 45,000,030 | 45,000,000 | 15.00 | | | | | | | | | | | | | | | | | | |
| Total | 135,000,090 | 135,000,000 | 45.00 | | | | | | | | | | | | | | | | | | |
| (iii) Bumiputera investors holding the 30% of the enlarged capital of Natural Bio to be recognised/approved by the MITI, to comply with the National Development Policy ("NDP") requirement; | Allocations under the Special Offering have been approved by the MITI via its letters dated 12 March 2007 and 30 March 2007 | | | | | | | | | | | | | | | | | | | | |
| (iv) CIMB/Natural Bio to inform the SC on the status of compliance with the NDP requirement upon completion of the Listing; | To be met | | | | | | | | | | | | | | | | | | | | |
| (v) CIMB/Natural Bio to fully comply with all the relevant requirements pertaining to the implementation of the IPO and Listing as stipulated in the Issues Guidelines; | To be met | | | | | | | | | | | | | | | | | | | | |
| (vi) CIMB/Natural Bio to inform the SC upon completion of the Listing; and | To be met | | | | | | | | | | | | | | | | | | | | |
| (vii) Full disclosure is to be made in the Prospectus of Natural Bio on the matter whereby the underwriting of the IPO Shares under the Institutional Offering should be arranged and finalised after the completion of the bookbuilding exercise. | Met. Disclosed in Section 4.3.2 of this Prospectus | | | | | | | | | | | | | | | | | | | | |

The SC has taken note that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in Natural Bio would change arising from the implementation of the Proposals, as follows:

| | Before Proposals ^{*1} % | After Proposals % |
|----------------|-------------------------------------|----------------------|
| Bumiputera | 50.0 | 30.0 ^{*2} |
| Non-Bumiputera | 50.0 | 70.0 |
| Foreign | - | - |
| Total | 100.0 | 100.0 |

Notes:

*1 As at incorporation.

*2 Subject to MITI's approval.

10. APPROVALS AND CONDITIONS (cont'd)

- (ii) The MITI, via its letter dated 9 January 2007, had approved the IPO and Listing subject to the following conditions:

| Details of conditions imposed | Status of compliance |
|---|---|
| (i) Natural Bio to obtain the SC's approval for the IPO and Listing and to comply with the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interest; | Met |
| (ii) 30% of the total recognised Bumiputera portion may be disposed within three months after the Listing and the remaining 70% may be disposed in stages subject to prior approval being obtained from MITI; | To be met by the respective Bumiputera parties |
| (iii) The Listing is to be scheduled after 4 February 2007, after which Bumiputera shareholders of Natural Bio prior to the IPO would be deemed to have complied with Bumiputera classification criteria, which requires Bumiputera investors to have shareholdings in Natural Bio for no less than 6 months; | Met |
| (iv) Special Offering is subject to MITI's approval, where the allocation of such shares will be decided separately after SC's approval is obtained; | Allocations under the Special Offering have been approved by the MITI via its letters dated 12 March 2007 and 30 March 2007 |
| (v) Natural Bio to inform the MITI of the shareholdings of the recognised Bumiputera investors 6 months after the Listing for monitoring purposes; and | To be met |
| (vi) Natural Bio to inform the MITI upon completion of the Listing. | To be met |

10.2 Moratorium on Our Promoters' Shares

In accordance with the Policies and Guidelines on Issue/Offer of Securities issued by the SC, Low Chee Yen, Wong Fuei Boon and How Say Swee shall not be allowed to sell, transfer or assign their collective shareholdings of 135,000,000 Natural Bio Shares, representing 45% of the issued and paid up share capital of our Company within 1 year from the date of Listing.

The restriction, which is fully accepted by the shareholders set out above, is specifically endorsed on the share certificates of our Company representing the shareholdings of Low Chee Yen, Wong Fuei Boon and How Say Swee in our Company on which moratorium on disposal has been imposed to ensure that the Bursa Depository will not register any transfer not in compliance with the aforesaid restriction.

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

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