

7. BUSINESS OVERVIEW (*Cont'd*)

- Proper planning and integration of mechanical and electrical systems for the kitchen, including heating, ventilation and air conditioning (“HVAC”), power, lighting and plumbing, will make the work space safe and efficient.
- Integration of technology to achieve maximum efficiency and aesthetics with multi-functional kitchen appliances and control systems being assimilated into the overall kitchen design;
- Selection and combination of materials such as wood, glass, stainless steel, marble, and laminate in all of its various shapes, forms and thickness.
- Selection of colour and finishing to generate visual interests, for example wood based plank laminates with materials that come with various natural wood grain design with different texture options such as roughness, embossed wood pore to simulate a natural wood feel finish, and range of solid colour options.

(ii) Wardrobe Design

Wardrobe design applies the same principle as kitchen design, which primarily emphasises on the following elements:

- Functionality, refers to the physical accessibility including space creation and utilisation such as height and width of the wardrobe based on available roofline. Creation and planning of storage solutions for closet organisation to maximise the space with wide range of choices in shelving, for example specialised racks for ties, pants, skirts or shoes.
- Aesthetic, refers to the different styles of cabinet doors and colour coordination with combination of different materials such as glass panels with aluminium frames that generate visual interest.

Some of the innovations for the Wardrobe designs include:

- Adjustable shelves and poles allow the user to adjust the closet organisation system to meet their differing needs;
- Different length of hanging space such as full length, three quarter length and half length hanging space. The half length hanging will allow double hanging enabling more clothes to be hung compared to the full length;
- Special hanging rack such as trouser hanging rack, tie rack and shoe rack.

(iii) Mechanical Joinery Techniques

Mortise-and-Tenon Joinery

Our Group currently utilises the mechanical joinery techniques, namely mortise-and-tenon in the manufacture of face frames for the door of the wooden kitchen cabinets. The mortise-and-tenon can be either round or square shape.

Mortise is a recess that is cut into a piece of wood to accept the tenon, and tenon is a tongue at the end of a board that fits into a mortise. Tenons can be made with or without shoulders. Shoulder refers to a square off the notch on the tenon.

Our Group currently applies the mortise-and-tenon joinery techniques to manufacture the ‘Recessed Panel’ types of cabinet doors and drawer doors, where a frame is constructed with mortise-and-tenon joints. One or more flat panels are secured within the frame.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Computerised Management Solutions

Our Group uses a computerised management solution that incorporates the full process of designing, materials planning and components manufacturing. This is a fully integrated system.

This software is made available to all retail showrooms and appointed dealers. Our customer's choices and specifications are entered into the system. The customer's information is processed in the head office for administration and billing purposes as well as to the manufacturing plant for fabrication.

In addition, the software is designed to be a sales tool, where customers' choices and specifications are instantly displayed in full colour and three-dimension images of the Kitchen Systems. This helps our customers to visualise their choices and creates significant enthusiasm, which are important in securing sales.

7.10.2 Policies on R&D

Our Group's R&D efforts are closely linked to its design and manufacturing processes, to provide the Group with competitive advantages to continually stay ahead of the competition. Our Group's R&D is undertaken from the following interrelated perspectives:

- Creating new designs and solutions;
- Selecting best practices in contemporary designs and trends;
- Utilising new and more cost effective materials; and
- Improving manufacturing processes and techniques.

Through R&D, our Group aims to realise the following benefits:

- sustain and grow the business through the development of new and improved range of products;
- create competitive advantages by leveraging from our strong brand equity; and
- increase revenue and profitability by addressing new markets and market segments with enhanced and new products and services.

7.10.3 R&D Facilities and Personnel

Our Group's R&D activities are undertaken by our in-house design team for Kitchen Systems and supported by production line personnel in manufacturing. Our Group is equipped with in-house designing tools such as Computer Aided Design ("CAD") system to facilitate design activities including conceptualisation and three-dimensional ("3-D") simulator.

With in-house design facilities, our Group is able to undertake the following activities:

- Display virtual models of the Kitchen System to test various aesthetic and functional designs for example the distribution of kitchen cabinets with different types of Kitchen System such as single-row, L-shape, corner-shape or U-shape;
- Subtract or add features such as countertops, islands and cabinets (such as upper cabinets, base cabinets and corner cabinets), placing of appliances, change of colour, size and shape; and
- Simulate how people will move through the work area to achieve efficient accessibility.

In addition, our Group also has the in-house expertise and facilities to create prototypes for testing purposes. Prototypes are crucial in new design development.

7. BUSINESS OVERVIEW (Cont'd)

Our Group also undertakes testing of our prototypes with in-house expertise and facilities, including:

- Types of materials used;
- Functionality and aesthetics of new design; and
- Testing on variety of closing mechanisms to ensure durability of the cabinet doors.

As at 20 November 2007, our Group has two personnel who are directly involved in R&D activities including facilitating the design process and providing quality assurance. The R&D team is headed by our Managing Director, Tan Kee Choong.

7.10.4 Achievements in R&D

(a) Kitchen Systems

Over the years, our Group has successfully undertaken R&D to commercialise a series of Kitchen Systems. There are eight active series of Kitchen Systems that was developed by our Group. Within each series of Kitchen System, our Group is able to provide a selection of colour options and materials used. The following are some of the previous series of Kitchen Systems, which were successfully designed, manufactured and retailed by our Group:

- Soft Form series;
- ABS Door series;
- Direct Post-form series;
- Hot Press series;
- Semangkok series;
- MDF Spray Paint series; and
- Solid Timber Beech Shaker series.

Our Group has successfully manufactured Kitchen Systems utilising different materials for our cabinet front face including:

- Solid wood;
- Lacquer usually painted with polyurethane paint with glossy or matte finishing;
- Veneer;
- Melamine and plastic laminates; and
- Glass materials.

(b) Wardrobe Systems

Our Group has successfully undertaken R&D to commercialise Wardrobe System for the bedroom area. Through our R&D, our Group has been able to successfully commercialise 'Reach-In' and 'Walk-in' Wardrobe Systems which has resulted in three different series.

For our Wardrobe Systems, our Group is able to configure a range of organisation systems for the inside of the wardrobe to optimise on storage space, including:

- Adjustable shelves and poles to allow users to adjust the closet organisation system to meet their needs;
- Different length of hanging space such as full length, three quarter length and half length; and
- Special hanging racks such as trouser hanging racks, tie racks and shoe racks.

7. BUSINESS OVERVIEW (Cont'd)

7.10.5 On-Going and Future R&D

Our Group's R&D is focused on the following areas:

- Kitchen design;
- Wardrobe design;
- Application of new materials; and
- Improvements in manufacturing processes.

(a) Kitchen Design

R&D on kitchen design is an on-going process for our Group. This is important to ensure our Group continues to attain and preserve our competitive advantages of being an innovative Kitchen Systems designer, manufacturer and retailer. R&D activities in kitchen design enable our Group to provide our customers with the following benefits for our Kitchen Systems:

- Innovative design;
- Functional and productive environment;
- Practical workflow; and
- Aesthetics that generate visual appeal.

Our Group plans to undertake R&D on the following to achieve better ergonomics and workflow for our products:

- Reduce or eliminate hanging wall units and transform the kitchen into a refined extension of the living room;
- Streamline wall units that seamlessly incorporate storage areas;
- Kitchen island with built-in hob, sink and appliances. Different shapes of kitchen island, including L-shaped, rectangular and square islands;
- Walk-in cabin style kitchen that keeps the storage areas out of sight, including storage of appliances, crockery and food;
- Cabinet segments, countertops and wall cabinets mounted on vertical tracks for manual or motorised adjustability;
- Shelves that slide out when the cabinet door is opened;
- Baskets that are mounted on the back of cabinet doors;
- Allow bi-fold base-cabinet to open fully providing maximum use of clear knee space for seated users; and
- Countertops with raised edges to prevent spillages.

Part of our Group's future plans is to expand on our existing series of Kitchen Systems by launching the following new designs:

- Lucenta Series, described as 'A clean and sleek contemporary kitchen' that is in tune with the lifestyle of stylish young professionals who are after design and technology';
- Grande Series, described as 'The essential kitchen that blends the beauty of classic style with today's sophisticated modern kitchen' which will suit home owners of all cultures and tastes';
- Elpenco Series, described as 'The chic and practical kitchen that combines both style and function with a touch of European design'; and
- Membrane Door series uses membrane press technology for our cabinet door fronts of the Kitchen System.

7. BUSINESS OVERVIEW (Cont'd)

The new series of Kitchen Systems include new kitchen layout design, design of different models or series of Kitchen Systems and profile design of cabinet door fronts.

Our Group intends to launch the "Lucenta Series", "Grande Series" and "Elpenco Series" of Kitchen Systems in the FYE 30 June 2008. Meanwhile, we intend to introduce the "Membrane Door Series" in the FYE 30 June 2009.

(b) Wardrobe Design

Our Group also plans to continually undertake R&D in our wardrobe design to develop innovative range of Wardrobe Systems. Some of the areas of R&D include:

- Range of door styles, profiles and finishing and choice of colours;
- Organising space with innovative storage system such as track-mounted shelving system, and double hanging system to create more shelving and storage space; and
- Configuration of innovative closing mechanism such as self-adjustable closing mechanism.

Part of our Group's future plans is to expand on our existing series of Wardrobe Systems by launching the following new designs:

- Sistema Wardrobe is a series of design that uses high quality metal materials to provide an alternative to home owners; and
- Santiano Wardrobe is a series of design which are adaptable to all needs of space and convenience that fulfils the needs for space and habitability.

Our Group intends to launch the new series of Wardrobe Systems by FYE 30 June 2008.

(c) Applications of New Materials

In line with on-going R&D to improve and enhance our current products, our Group intends to undertake R&D on utilisation of new materials to design and develop new and innovative Kitchen Systems. Our Group plans to undertake R&D on the following type of materials:

- Stainless steel that is resistant to corrosion and staining, and low maintenance. This type of material can generate a very sleek look for the Kitchen System. Stainless steel can be used in the manufacturing of cabinet doors and countertop;
- Smoked glass for splashback for storage cabinet, and backlit in green light to provide illusion of glowing shelves;
- Colour glass splashback, with kitchen wall cladding from bench to ceiling for ease of cleaning; and
- Translucent glass used as frameless front units to create space.

Our Group intends to undertake R&D into selection of new materials to create new series of Kitchen Systems to address market opportunities.

(d) Improvements in Manufacturing Processes

Our Group continuously focuses on process improvement, particularly in enhancing our manufacturing processes. This is critical as it has a direct impact on manufacturing efficiency, effectiveness, and productivity.

7. BUSINESS OVERVIEW (Cont'd)

Through improvements in manufacturing processes, our Group aims to achieve the following key benefits:

- increased cost competitiveness for our products;
- improved product quality;
- improved functionality and effective accessibility of Kitchen Systems;
- increased production volume; and
- improved customer satisfaction.

As such, our Group undertakes the R&D through:

- Selection of best practices locally and abroad;
- Continuous evaluation and improvement of existing processes and procedures to optimise workflow; and
- Application of innovative and new technologies.

R&D in optimising our manufacturing process is important to the success of our Group's operation and sustaining our competitive advantages.

7.10.6 R&D Expenditure

Whilst we do not have a separate R&D expense account and have not capitalised any R&D expenses in the audited financial statements of our subsidiary companies for the past three financial years up to FYE 30 June 2007, our Group has spent, based on our management's estimation, an aggregate of approximately RM0.24 million on product design and development activities. These product design and development expenses include salary of our R&D personnel, the material costs of sample materials and the travelling cost to exhibitions in Europe.

7.11 DISTRIBUTION NETWORK AND MARKETING STRATEGIES

7.11.1 Marketing Strategies

The sales and marketing team of our Group utilises the following marketing strategies:

- Position ourselves as an established integrated operator of Kitchen Systems with in-house design, manufacturing and retailing capabilities;
- Continue to provide excellence in product quality and customer service with the aim of developing long-term business relationship with customers;
- Continue to promote our "Signature Kitchen" brand with the aim of increasing consumer awareness and building strong brand equity; and
- Expand our market presence overseas and develop new business opportunities by working closely with business partners and existing customers.

As part of our strategy to promote our products, as well as identify new areas of opportunities, our Group also actively participates in trade shows and exhibitions by setting up a display booth to exhibit our Group's products.

7. BUSINESS OVERVIEW (Cont'd)

Our Group has participated in the following trade shows and exhibitions:

Exhibitions/Trade Participated	Shows	Location	Date of Exhibitions
Local			
Archidex 07		Kuala Lumpur Convention Centre	5 to 8 July 2007
IPEX 2007 and Ideal Home Show		Sabah Trade Centre, Likas, Kota Kinabalu	5 to 8 April 2007
Export Exhibition		Malaysia Export Exhibition Centre	2007
Home's Harmony		One Utama Shopping Centre	20 to 24 September 2006
Home and Furnishing Fair		Mid-Valley Megamall	13 to 24 September 2006
Home's Harmony		IOI Mall, Puchong	6 to 11 September 2006
Home's Harmony		Penang Gurney Plaza	11 to 16 July 2006
DEX06 (Interior Design and Building Exhibition)		Kuala Lumpur Convention Centre	6 to 9 July 2006
HOMEDECO6		Mid-Valley Exhibition Centre	3 to 7 May 2006
Ekspo Melaka 05		Melaka International Trade Centre	29 October 2005 to 6 November 2005
DEX05 (Interior Design and Building Exhibition)		Putra World Trade Centre ("PWTC")	13 to 16 October 2005
Mistral's "Cool to be Back"		The Curve	9 to 11 September 2005
Jaya Jusco Home Improvement Fair		One Utama Shopping Centre	14 to 26 June 2005
DEX04 (Interior Design and Building Exhibition)		PWTC	30 September 2004 to 3 October 2004
Samsung Side-by-side Refrigerator Event		Carcosa Seri Negara	12 August 2004
Expo Organisation of the Islamic Conference (OIC) 2003		Putrajaya Convention Centre	14 to 19 October 2003
DEX03 (Interior Design and Building Exhibition)		PWTC	9 to 12 October 2003
Overseas			
Home & Fashion Fair		Brunei	26 March to 8 April 2007
The Big 5 Exhibition		Dubai	28 October 2006 to 1 November 2006
Inside Outside Mega Show		Bangalore, India	5 to 8 October 2006
International Furniture Fair Tokyo 2004		Tokyo, Japan	24 to 27 November 2004

As part of the marketing and promotions programme, our Group has previously advertised in local magazines such as Anjung Seri, 98 Home, Home Pride and Trends. At present, our Group is advertising in Anjung Seri and IDS Mag.

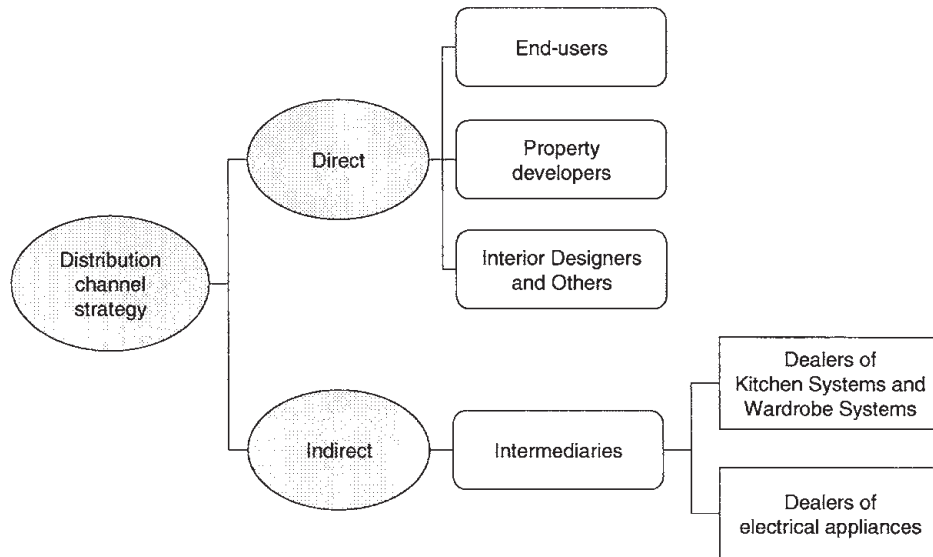
As at 20 November 2007, our Group has 41 sales and marketing personnel in our sales and marketing division focusing on cultivating new business development.

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7. BUSINESS OVERVIEW (Cont'd)

7.11.2 Distribution Channel Strategy

Our Group utilises the following types of distribution channel strategy:



Our Group utilises a combination of direct and indirect distribution channel strategy to market to customers. For the direct distribution strategy, we utilise our own sales and marketing resources to approach property developers and other companies for project-based work. As for end-users who are mainly consumers, our Group utilises our retail outlets to market our Kitchen Systems.

The direct distribution strategy also has its advantages in enabling our Group to work closely with our customers to evaluate and attain a better understanding of their requirements, which serves as a feedback mechanism for continuous product and service improvements.

As for indirect distribution strategy, we utilise the following intermediaries to market to consumers:

- Dealers of Kitchen Systems and Wardrobe Systems who also operates retail showrooms under the “Signature Kitchen” brand. These retail showrooms are fully owned by the dealers.
- Electrical appliance retail outlets.

This strategy of adopting indirect distribution channels enables our Group to utilise the existing network of electrical appliance retail outlets to expand our market coverage for White Goods and Built-In Kitchen Appliances without the need for significant investment.

This is a similar strategy for Kitchen Systems and Wardrobe Systems whereby the use of indirect channels through dealers also enable our Group to penetrate other markets, particularly overseas countries without the need for investment in retail showrooms.

For most of our overseas project, our Group uses dealers as a channel of distribution. However, for certain overseas projects, our Group also utilises a direct distribution method with the property developers.

7. BUSINESS OVERVIEW (Cont'd)

7.12 MAJOR CUSTOMERS

Set out below is the major customer of our Group which contributed to more than 10% to our Group's total revenue for each of the last 3 financial years up to FYE 30 June 2007:

Customer	<-----FYE 30 June ----->			Length of relationship (years)
	2005	2006	2007	
	Percentage of our total Group revenue (%)			
Duamas	17.1	20.4	13.3	7

Duamas has been a customer of our Group for approximately 7 years indicating a long-term and stable business relationship. In order to further strengthen our business relationship with Duamas, Cabinet Industries and Duamas had on 26 April 2007 entered into a Product Supply Agreement, whereby Cabinet Industries has been appointed as the sole and exclusive supplier of Duamas, to supply Kitchen Systems, Wardrobe Systems and Interior Fit-Out services to all projects and contracts awarded to or secured by Duamas from government institutions, agencies or other corporations. Whilst Cabinet Industries is appointed as the sole and exclusive supplier for Duamas, Cabinet Industries is not obliged to accept all or any of the letters of award granted to it by Duamas and Cabinet Industries reserves its right for first refusal for any letter of award granted or to be granted by Duamas.

Our Directors (save for Encik Nik Mohd Iskandar bin Nik Hassan who has interests in Duamas) would have an option to consider and assess the terms and conditions of each of the letters of award independently and in the event Cabinet Industries declines or rejects any of the letter of award granted to it by Duamas, Duamas may appoint or engage other third party supplier to supply such products to Duamas provided always that the offer to the said third party supplier must not be on terms and conditions which are more favourable than those offered to Cabinet Industries. The Product Supply Agreement is valid for a period of 5 years from 26 April 2007 with an option to renew for an additional period of 5 years thereafter.

In addition, for the FYE 30 June 2007, our Group has served approximately 1,300 customers (including the Group's direct end-customers) spread across 12 countries, including Malaysia. The diversity of our customer base in both local and overseas markets, will further provide a platform for our Group to continue to attract new customers. Further, out of our top 20 customers for FYE 30 June 2007, 55% of them have been dealing with us for 3 years or more. Hence, we believe our stable relationship with our customers will ensure business continuity of our Group moving forward.

In view of the above mitigating factors, we believe that our dependency on Duamas is minimised.

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7. BUSINESS OVERVIEW (Cont'd)**7.13 MAJOR SUPPLIERS**

Set out below are the major suppliers of our Group which individually accounted for 10% or more of our Group's total purchases for each of the last 3 financial years up to FYE 30 June 2007:

Supplier	<-----FYE 30 June ----->			Length of relationship (years)
	2005	2006	2007	
	Percentage of our total Group purchases (%)			
Indesit International	11.2	9.8	8.5	4
Mieco	12.1	7.3	6.8	9

Indesit International has been dealing with our Group for the last 4 years. This reinforces the supplier's stable relationship with the Group, which will provide the basis for a continuing business relationship. Furthermore, Obicorp, our subsidiary company, is appointed by Indesit Singapore as the exclusive distributor for the complete range of "Ariston" and "Indesit" brands of kitchen appliances in Malaysia. Our Board believes that this creates a certain level of dependency on our Group as the sole revenue generator for Indesit International for the Malaysian market.

Our next major supplier, Mieco, accounted for 6.8% of our Group's total purchases for the FYE 30 June 2007. We have been dealing with Mieco since 1998 for the purchase of chipboard used for the manufacturing of our Kitchen Systems and Wardrobe Systems. We believe that we have established good working relationship and mutual trust with Mieco.

As part of our philosophy of cultivating long term relations with our suppliers, approximately 70% of our top 20 suppliers for the FYE 30 June 2007 have been supplying raw materials to us for 3 years or more.

Based on the above, we are of the view that our Group is not dependent on any single major supplier and the management believes that the risk of over-dependency on any of the major suppliers is reduced due to the availability of a large pool of local and overseas suppliers in the market which also supply the same raw materials.

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7. BUSINESS OVERVIEW (Cont'd)

7.14 MAJOR LICENCES, PERMITS AND REGISTRATIONS

The major licences, permits and registrations of our Group together with the conditions attached and status of compliance are as follows:

Approving Authority/ Licensor	Type of Licence/ Registration/	Permits/ Date of Issue	Date of Expiry	Equity, Employment and/or other Major Conditions Imposed	Status of Compliance
Cabinet Industries					
Construction Industry Development Board	Registration under Grade 7 (with unlimited tender capacity) classified under the Interior Decoration category of Building Construction	31 May 2007	30 May 2010	The contractor has to comply with the provisions of the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994, the regulations made under it and any terms, conditions or restrictions imposed by the Construction Industry Development Board from time to time.	Will continue to comply
Department of Occupational Safety and Health ("DOSH")	Certificate of Fitness (No. 929232) pursuant to the Factories and Machinery Act 1967 for vertical air receiver installed at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	7 November 2006	24 December 2007 <i>(please refer to Note (1) below)</i>	The contractor shall furnish information on any construction works or contracts within one month from the award. Company must comply with the provisions of the Factories and Machinery Act 1967 and the relevant regulations in relation to the machinery installed	Complied

7. BUSINESS OVERVIEW (Cont'd)

Approving Authority/ Licensor	Type of Licence/ Registration/	Permits/ Permits/	Date of Issue	Date of Expiry	Equity, Employment and/or other Major Conditions Imposed	Status of Compliance
MITI	Approval to export specified list of approved products to the Association of Southeast Asian Nations ("ASEAN") countries under Common Effective Preferential Tariff ("CEPT") Scheme		28 May 2004	Not applicable	The approval is subject to the rules of origin under the ASEAN CEPT Scheme and as long as there are no changes to the cost analysis of the said products. Any changes to the information on cost analysis will result in the automatic cancellation of the approval and Cabinet Industries will be required to submit a new 'costing' form for re-consideration. When Cabinet Industries submits the application to certify the Certificate of Origin Form D, Cabinet Industries will be required to ensure that the form has been completed with the Harmonisation Systems Code details of the importer country's products at column 7 of the Certificate of Origin, executed by the exporter or its authorized representative and including a copy of the invoice, a copy of the bill of lading and packing list, a copy of the Customs Declaration Form No.2 Pin 8/89, CEPT Form 3 on the issued CEPT Form D Certificate of Origin Record and a copy of the approval letter.	Will continue to comply
Signature Manufacturing						
MITI	Manufacturing Licence (No. A 015670) at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan for products specified under "Wooden Furniture Parts" and "Wooden Furniture Parts"		9 August 2006	Not applicable	(a) The site, Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan is subject to the approval from the state government concerned and the Department of Environment. (b) The MITI has to be informed of any sale of shares in Signature Manufacturing.	Complied (please refer to Note (2) below) Complied. Approval from MITI for the Flotation Scheme was obtained <i>vide</i> its letter dated 30 October 2007.

7. BUSINESS OVERVIEW (Cont'd)

Approving Authority/ Licensor	Type of Licence/ Registration/ Permits/	Date of Issue	Date of Expiry	Equity, Employment and/or other Major Conditions Imposed	Status of Compliance
MITI	Certificate of Pioneer Status (No. 2458) which exempts up to 70% tax on statutory income for a period of five years (1 February 2006 to 31 January 2011) with pioneer activity in manufacturing wooden furniture and wooden furniture parts at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	16 August 2006	Not applicable	(c) Signature Manufacturing is not allowed to use logs in its manufacturing without first having obtained the permission from the Forestry Department of the state concerned. (d) Signature Manufacturing has to train Malaysians in order to transfer technology and expertise through various levels of job positions. (e) Signature Manufacturing has to implement its project as has been approved and to abide by the other laws and regulations of Malaysia.	Not applicable Complied Complied
MITI	Approval to export the approved products to the ASEAN countries under CEPT Scheme	26 January 2006	Not applicable	The value of Signature Manufacturing's output must increase by at least 50% by 31 January 2011. The approval is subject to the rules of origin under the ASEAN CEPT Scheme. Any changes to the information on cost analysis will result in the automatic cancellation of the approval and Signature Manufacturing will be required to submit a new 'costing' form for re-consideration. Signature Manufacturing will be required to obtain Certificate of Origin before exporting the products by submitting a completed and executed Form D including a copy of the invoice, a copy of the bill of lading and packing list, a copy of the Customs Declaration Form No.2 Pin 8/89, CEPT Form 3 on the issued CEPT Form D Certificate of Origin Record and a copy of the approval letter.	To be complied Will continue to comply

7. BUSINESS OVERVIEW (Cont'd)

Approving Authority/ Licensor	Type of Licence/ Registration/ Permits/	Date of Issue	Date of Expiry	Equity, Employment and/or other Major Conditions Imposed	Status of Compliance
Royal Customs and Excise Malaysia	Manufacturer's Licence under the Sales Tax Act 1972 (No. W10-05000219/2005) at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan to manufacture wooden kitchen cabinets, wooden bedroom cabinets, tables, drawers and other wooden furniture parts	30 November 2006	Not applicable	Not applicable.	Not applicable.
Signature Aluminium					
Royal Customs and Excise Malaysia	Manufacturer's Licence under the Sales Tax Act 1972 (No. W10-05000143/2005) at No. 23, Jalan BP 6/2, Bandar Bukit Puchong, 47100 Puchong, Selangor to manufacture casement window, sliding window, sliding door, swing door, louvers door, shopfront, curtain wall, frameless, shower screen, composite panel, ceiling, partition, plaster ceiling (please refer to Note (3) below).	29 July 2005	Not applicable	Not applicable.	Not applicable.

Notes:

- (1) Cabinet Industries will apply to DOSH for a new Certificate of Fitness pursuant to the Factories and Machinery Act 1967 for vertical air receiver installed at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan prior to the expiry of the existing Certificate of Fitness.

7. BUSINESS OVERVIEW (Cont'd)

- (2) *Based on a letter dated 14 July 2006 (ref. no. (02)/dlm. IPK. Sel. 01.03.7/2133) from the State Secretary Office of Selangor Darul Ehsan to Signature Manufacturing in relation to the application to obtain manufacturing licence under the Industrial Co-Ordination Act 1975 to carry on the activity of 'Wooden Furniture' and 'Wooden Furniture Parts' production at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, the administration does not have any objections against Signature Manufacturing's application to produce the said products on conditions that the following matters are complied with:*
- (i) *Seeking approval from the Department of Environment ("DOE") and comply with any regulations set by the DOE, the status of which is set out below.*
 - (ii) *Seeking approval from the local authority and comply with any regulations set by the local authority. Signature Manufacturing has obtained its business license and will continue to comply with the relevant local regulations.*
 - (iii) *Comply with any regulations set by the technical department concerned, which Signature Manufacturing will continue to comply.*
 - (iv) *Ensure the safety of the public/surrounding area, which Signature Manufacturing will continue to comply.*
- Further, the DOE had vide its letter dated 13 November 2007 indicated that DOE is satisfied that Cabinet Industries has complied with all relevant environmental laws and requirements.*
- (3) *In a letter dated 30 November 2007, Signature Aluminium had written to the Royal Customs and Excise Malaysia, informing them of the change in business address from No. 23, Jalan BP 6/2, Bandar Bukit Puchong, 47100 Puchong, Selangor to No. 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.*

Save as disclosed above, we have no other major licences, permits or registrations as at the date of this Prospectus.

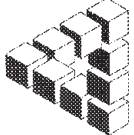
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7. BUSINESS OVERVIEW (Cont'd)

7.15 INTELLECTUAL PROPERTY

7.15.1 Patents, Trademarks and Brand Names

Our Group has taken steps to protect our trademarks as set out below in Malaysia and in other jurisdictions:

 CABINET INDUSTRIES SDN. BHD. (300330-A)	<i>Ideal transformation begins here...</i>
<i>SignatureKitchen®</i>	SASAKi
<i>SignatureWardrobe</i>	

The trademarks for “CABINET INDUSTRIES SDN. BHD. (300330-A)” and “SignatureKitchen” logos/ trademarks have been registered in Malaysia under Class 20 by Cabinet Industries on 29 February 2000 and 15 October 2001 respectively.

The trademark for “SASAKi” logo/trademark has been registered in Malaysia under Class 9 and Class 11 by Obicorp both on 10 February 2004.

Applications for the registration of “SignatureWardrobe” and “Ideal transformation begins here...” logos/ trademarks have been made in Malaysia under Class 20 by Cabinet Industries on 4 October 2006. At present, these applications made in Malaysia are still pending approval and/or registration.

The trademark for “SignatureKitchen” logo/ trademark has been registered in Singapore, Vietnam, Thailand and Indonesia under Class 20 by Cabinet Industries and take effect from 6 May 2003, 13 May 2003, 17 July 2003 and 5 February 2004 respectively.

Applications for the registration of “SignatureKitchen” logo/ trademark have also been made in Philippines, Pakistan, Sri Lanka, India and China, all under Class 20 by Cabinet Industries. At present, these applications are still pending approval and/or registration in their respective jurisdictions.

In relation to the logos/trademarks which have been registered, the registration is for a period of ten years and may be renewed thereafter.

7.15.2 Licensed Software

Cabinet Industries had on 18 August 2004 entered into a system customisation contract with TS Exim Sdn Bhd for the use of a computer aided design software named “DesignCAD” within our Group and our appointed dealers operating the “Signature Kitchen” retail showrooms, both in Malaysia as well as overseas. The “DesignCAD” software has been deployed for use within our Group and our appointed dealers since April 2006.

7. BUSINESS OVERVIEW (Cont'd)

7.15.3 Domain names

Our domain names "www.signaturekitchen.com.my", "www.cabinetindustries.com" and "www.signature-kitchen.com" are registered under Cabinet Industries and our domain name "www.obicorp.com" is registered under Obicorp.

7.16 INTERRUPTIONS TO BUSINESS OPERATIONS

We have not experienced any major disruption in our business, which had significant and adverse effects on the operations of our Company and our Group for the past 12 months prior to the date of this Prospectus.

7.17 DEPENDENCY ON PATENTS, LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS

7.17.1 Dependency on Patents and Intellectual Property Rights

Save as disclosed in Section 7.15 of this Prospectus, our Group is not dependent on any patents or intellectual property rights for our business operations.

7.17.2 Dependency on Major Licenses

Save as disclosed in Section 7.14 of this Prospectus, our Group is not dependent on any other major licenses, permits and registrations for our business operations.

7.17.3 Dependency on Industrial, Commercial and Financial Contracts

Save as disclosed in Sections 7.12 and 7.13 of this Prospectus, our Group is not dependent on any other material contracts or agreements that are subsisting and which our Group is highly dependent on.

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8. INDUSTRY OVERVIEW AND PROSPECTS

THE FOLLOWING SECTION ON THE MALAYSIAN ECONOMY AND THE KITCHEN SYSTEMS INDUSTRY IS NOT INTENDED TO BE EXHAUSTIVE BUT REFLECTS SOME OF THE FACTORS THAT WE CONSIDERED RELEVANT TO THE UNDERSTANDING OF THE BUSINESS AND PROFITABILITY OF OUR GROUP BASED ON PREVAILING REGULATIONS, ECONOMIC TRENDS AND DEVELOPMENTS.

8.1 OVERVIEW OF THE WORLD ECONOMY

The world economy is expected to continue expanding for the fifth consecutive year in 2007, albeit at a more moderate pace, amidst high crude oil prices and uncertainties in the economy of the US. Global inflation remains at manageable levels although it has edged upwards due to high crude oil prices.

For the advanced countries, growth is more balanced across regions with the steady recovery in Europe and Japan partially offsetting the moderation in the US. Developing countries, primarily driven by investment and robust trade, are expected to outperform advanced countries and increasingly contribute to global growth. In this context, China, India and Russia are anticipated to account for more than half of this year's growth. Rapid growth has also led several large developing countries to significantly contribute outward foreign direct investment (FDI), an area where traditionally, developed countries were the main sources.

The global economy is expected to expand at 5.2% in 2007, mainly driven by robust growth in China, India as well as Russia, which is envisaged to offset the impact of moderation in the US economy arising from the housing market slump and dampened consumer spending. Although global growth remains strong, inflation is still at a manageable level.

The US economy grew at 4.0% during the second quarter of 2007 (January-March 2007: 0.6%) as economic activity rebounded, largely due to consumer spending, non-residential fixed investment and exports. Since the beginning of the year, however, persistent weaknesses in the housing sector, exacerbated by delinquencies in subprime mortgages, precipitated a credit crisis over the July-August period and caused greater volatility in the world financial markets. Consequently, the US economy is expected to moderate in the second half, resulting in lower real GDP growth of 2.0% in 2007 (2006: 3.3%).

Growth in emerging East Asia is expected to moderate slightly to 8.1% in 2007 (2006: 8.4%). Exports remain the main driver of regional growth, while domestic demand continues to improve in most economies. Apart from the strong global demand for the region's exports, the buoyant Chinese economy also continues to gain importance as an export destination for other economies in the region, including members of the Association of Southeast Asian Nations ("ASEAN").

In the ASEAN region, GDP growth for the year is expected to range from 4.5% in Thailand to 7.0% in Singapore, mainly driven by exports and domestic investment. Among the emerging markets in ASEAN, VietNam notched 7.9% in the first half of 2007, primarily due to surging investments and robust non-oil exports.

Inflation has been generally well contained despite strong global growth, although some emerging market and developing countries face inflationary pressures, especially from rising energy and food prices. Crude oil prices remain high due to production capacity constraints and rising demand, whilst food prices have edged up following weather-related supply shortfalls and increasing use of biofuels. Inflation for the year is projected to be 2.0% for the advanced countries and 5.7% for emerging market and developing countries.

Global growth in 2008, expected to be generally more broad-based both across regions and within countries, will continue to spur world trade and investment flows. Growth in world trade volume is projected at 7.4% in 2008 (2007: 7.1%), supported by steady demand-driven expansion in global high-technology industries, commodities and services.

8. INDUSTRY OVERVIEW AND PROSPECTS (*Cont'd*)

The positive outlook, however, could be affected by a fallout of the US subprime mortgage crisis, impacting on the real economy in the US and the global economy. The ensuing credit crunch prompted central bank intervention in early August to ease pressures on the global financial system, but the effectiveness of the measures has yet to be determined.

Notwithstanding these risks, the global economy is anticipated to continue expanding at 5.2% in 2008 (2007: 5.2%) with Japan, Europe and emerging Asia, in particular China and India, counterbalancing a possible moderation of the US economy.

(Source: *Economic Report 2007/2008*)

8.2 OVERVIEW OF THE MALAYSIAN ECONOMY

Growth prospects for the Malaysian economy remain favourable in 2007, despite uncertainty in the global economic environment. Strong domestic economic fundamentals will enable the economy to grow at 6.0% in 2007 (2006: 5.9%). On the supply side, output growth is supported by expansion in all sectors of the economy. The services sector is envisaged to contribute significantly to real GDP growth, led by robust household spending and buoyant business activity. The manufacturing sector is expected to pick up in the second half of the year on the back of an anticipated recovery in global electronics demand. The agriculture sector will continue to expand, supported by higher output of food commodities. The scheduled implementation of Ninth Malaysia Plan ("9MP") projects and improvement in the property market will further boost the construction sector. Output growth of the mining sector is envisaged to turn positive, with increased crude oil production in the second half of the year. On the demand side, growth will be driven by resilient domestic demand of both private and public sectors, largely due to stronger consumer sentiment and business confidence as well as higher Government spending.

The manufacturing sector is expected to grow 3.1% in 2007 (2006: 7.1%) supported by domestic-oriented industries, particularly chemicals and chemical products, food and construction-related industries. Output of the construction-related industry, continued to expand significantly by 30.8% (January-June 2006: 4.3%) due to strong growth in basic iron and steel structural metal products. Production of both products surged by 29.5% and 62.1%, respectively, led by an upturn in construction activity following the implementation of projects under the 9MP.

Value added of the construction sector increased significantly by 4.4% in the first half of 2007 (January-June 2006: -1.2%), after recording a turnaround in the fourth quarter of 2006. The expansion was largely led by increased civil engineering activity, following the implementation of 9MP projects. For the whole year, the sector is envisaged to register a growth of 5.2% (2006: -0.5%).

Activity in the residential sub-sector moderated after housing developers responded to the cautious buying sentiments following the higher inflation and interest rates in 2006. As a result, low-and-medium property developers have largely deferred their new launches, resulting in lower housing starts of 65,045 units (January-June: 85,025 units) during the first half of 2007. However, with stable interest rate and lower inflation, purchasing sentiment picked up in second quarter of 2007 as reflected by the take-up rate of newly launched residential units which improved to 30.8% (April-June 2006: 11.0%). The high-end property market (more than RM250,000) performed better, as seen in the newly launched detached houses and high-end condominium segments which registered higher take-up rates of 57.1% and 42.8% respectively (April-June 2006: 3.6%; 33.6%). Government proactive measures such as the exemption of Real Property Gains Tax, the removal of the limitation on the number of loans given to non-residents and the lifting of Foreign Investment Committee approval on foreign ownership of residential properties above RM250,000 are expected to support the sub-section.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

On the supply side, developers' optimism was boosted by the establishment of the one-stop-centre to expedite approvals for development of housing projects and incentives offered to developers who undertake the build-then-sell concept. Loans by the banking system for residential property rose by 7.4% to RM167,549 million (end-June 2006: RM156,044 million). Reflecting the improvement in demand and consumer sentiment, the Malaysian All House Price Index trended upwards by 3.6% during the first half of 2007 (January-June 2006: 1.9%), with higher-than-average prices recorded in Klang Valley and Penang.

The construction sector is poised to strengthen further with a growth of 6.3% in 2008 (2007: 5.2%) on the back of ongoing infrastructure projects and newly launched infrastructure projects under 9MP, in particular the development of growth corridors. Growth is also expected to emanate from the implementation of major transport-related projects, such as the Second Penang Bridge, Penang Monorail, Ipoh-Padang Besar Double Tracking Rail project and extension of Ampang and Kelana Jaya Light Rail Transit lines. Efforts to develop Southern Johor as one of the world's largest integrated petroleum logistics hub and the ongoing NCER will further add impetus to the growth of this sector. In addition, the non-residential sub-sector is envisaged to pick up strongly supported by rising demand for office space in tandem with increasing business activity, especially in major urban and industrial areas. The residential sub-sector is also expected to strengthen on account of bullish consumer sentiment and increasing foreign demand due to various liberalisation measures and incentives introduced in the property market.

The Malaysian economy is anticipated to strengthen further to 6.0%-6.5% in 2008 (2007: 6.0%) with positive contribution from all sectors of the economy. Domestic demand will be the main driver of the economy, while external demand is expected to pick up in tandem with improved prospects in world trade. Private investment and consumption spending are expected to remain robust, while public expenditure continues to expand. Inflation is anticipated to remain low despite strong expansion in the economy as output growth is still below potential level. Coupled with increased productivity, the economy would be able to absorb higher demand expenditure.

(Source: Economic Report 2007/2008)

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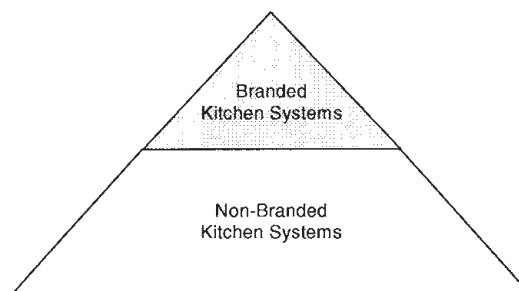
8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

The overview of Kitchen Systems industry and the prospects and outlook of the Kitchen Systems industry as set out in Sections 8.3 and 8.4 below are extracted and summarised from the "Independent Assessment of the Kitchen Systems Industry" report prepared by Vital Factor. This information has not been independently verified by our Company, the Promoters, the Offerors and/or the Adviser. Some of the statistical data are provided by various third parties and third-party estimate/forecast regarding growth and performance of the industry in which we operate and should therefore be regarded as indicative only and be treated with appropriate caution.

8.3 OVERVIEW OF THE KITCHEN SYSTEMS INDUSTRY

8.3.1 Industry Structure

The Kitchen Systems industry in Malaysia is structured based on two segments as depicted in the diagram below:



Non-Branded Kitchen Systems: This comprises the largest category of operators within the Kitchen Systems industry. Operators in this category are commonly individuals such as carpenters, sub-contractors, sole proprietors and tradesperson, all of whom may also work in conjunction with renovation and interior fit-out contractors. Some of these operators may have small workshops but they usually do not have any manufacturing facilities or retail showrooms. Most significantly is that this category of operators do not focus on their brand names and undertake virtually no marketing and promotions for their products and services or brand names.

Branded Kitchen Systems: This is a significantly smaller group of operators comprising larger corporations in terms of turnover and number of employees. The key difference is that operators in this category invest significantly on their brands. They have manufacturing facilities, supported by design centres using sophisticated Computer Aided Design Software and retail showrooms where potential customers are able to see and feel the actual Kitchen Systems they have available for sale.

The relatively lower number of operators in this category is due to the significantly higher investment costs in building brand equity, undertaking continuous advertising and promotions, as well as operating manufacturing and retail showrooms.

(Source: Independent Assessment of the Kitchen Systems Industry undertaken by Vital Factor)

Our Group operates within the Branded Kitchen Systems sector of the market with 21 local retail showrooms in major cities and towns in Malaysia operating under the 'Signature Kitchen' brand name as at 20 November 2007. Of these local retail showrooms, 7 are fully owned by our Group and the remaining 14 are managed and fully owned by appointed dealers. In addition, our Group has another 7 retail showrooms overseas operating under the 'Signature Kitchen' brand name, all of which are managed and fully owned by appointed dealers.

8. INDUSTRY OVERVIEW AND PROSPECTS (*Cont'd*)

8.3.2 Industry Players and Competition

(i) Competitive Intensity

There are two broad categories of operators of Kitchen Systems in Malaysia and each category experience different levels of competitive intensity:

- Non-Branded Kitchen Systems
- Branded Kitchen Systems.

Non-Branded Kitchen Systems

Competitive intensity within the Non-Branded Kitchen Systems is **high**.

This is mainly substantiated by the following:

- There are many operators within this segment, thus contributing to the overall competitive intensity;
- Barriers to entry are relatively low and new entrants are constantly coming into the market, creating increased competition;
- There are less product and service differentiations, thus most operators compete on price.

Branded Kitchen Systems

Competitive intensity within the Branded Kitchen Systems is **moderate**.

This is mainly substantiated by the following:

- Operators within this sector are highly differentiated through the strengths of their brand equity. As such, operators with high brand equity would face lesser competitive intensity compared to those with lower brand equity;
- Operators with significant presence in the consumer market through their network of retail showrooms would place competitive pressure on operators with a small number of retail showrooms;
- Operators who export their products would not have to rely entirely on the local market. This will reduce the competitive pressure from them. In addition, serving more markets provide such operators with higher volume of work to obtain economies of scale to increase profit margin;
- Within the local Kitchen System Industry, there were approximately 80 operators that are able to manufacture and retail Branded Kitchen Systems in 2006. This somewhat reduces the intensity of competition in the industry. By comparison, the Non-branded Kitchen Systems sector has significantly more operators.

(Source: Independent Assessment of the Kitchen Systems Industry undertaken by Vital Factor)

Our Group operates within the Branded Kitchen Systems sector, which experience lower competitive intensity compared to the Non-Branded Kitchen Systems sector.

8. INDUSTRY OVERVIEW AND PROSPECTS (*Cont'd*)

(ii) Industry Players

Some of the operators within the Branded Kitchen Systems sector include the following:

- Signature Group
- Orakit Sdn Bhd (formerly known as Beauty Kitchen Sdn Bhd)
- Winsco Design and Décor Sdn Bhd
- J.S. Cabinet Industry Sdn Bhd
- Equapac Sdn Bhd
- Kian Classic Sdn Bhd
- Bofi (Malaysia) Sdn Bhd
- Chang Hsin Group*
- The One Kitchen Studio Sdn Bhd
- Chan Kitchen
- Ebac Kitchen Sdn Bhd
- Magic Kitchen
- Twin Wood Kitchen Sdn Bhd
- KJSB Industrial Corporation Sdn Bhd
- Zeyco Marketing Sdn Bhd
- Hosana Kitchen
- SCI Cabinet Industries Sdn Bhd

** Incorporates Chang Hsin Enterprise Sdn Bhd and Chang Hsin Industry (M) Sdn Bhd*

The above is not an exhaustive list of all the operators of Branded Kitchen Systems in Malaysia.

(Source: Independent Assessment of the Kitchen Systems Industry undertaken by Vital Factor)

8.3.3 Market Ranking

Based on Number of Retail Showrooms

As at 20 November 2007, Signature Group ranked **first** among operators within the Kitchen Systems industry in Malaysia based on 21 local retail showrooms in major cities and towns operating under the 'Signature Kitchen' brand name in Malaysia. Of these local retail showrooms, 7 are fully owned by our Group and the remaining 14 are managed and fully owned by appointed dealers.

Market Positioning

Our Group is one of the leading operators of Branded Kitchen Systems in Malaysia.

(Source: Independent Assessment of the Kitchen Systems Industry undertaken by Vital Factor)

8.3.4 Government Laws and Regulations

(i) Registration with Construction Industry Development Board ("CIDB")

With effect from 20 July 1995, it is mandatory under the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 for all builders, contractors and sub-contractors, whether local or foreign, to register with the CIDB and comply with the provisions of the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994, before undertaking or executing any construction work in Malaysia. Operators who are involved in undertaking Kitchen System works is classified under the interior decoration, including design, planning, decoration, and built-in fitments must be registered with CIDB.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

The Certification of Registration issued by the CIDB is valid for a minimum period of 1 year and a maximum term not exceeding 3 years, unless cancelled, suspended or revoked earlier by the CIDB.

Cabinet Industries, our subsidiary company, is registered with the CIDB under Grade 7 in the Interior Decoration category of Building Construction. As a Grade 7 contractor, Cabinet Industries will be permitted to carry out works with no limitations as to the size of project. The registration is due for renewal 30 May 2010.

(ii) Manufacturing Licence

Application of a manufacturing licence under the Industrial Co-ordination Act, 1975 is mandatory for companies, who engage in manufacturing activities with shareholders' funds of RM2.5 million or above, or 75 or more full-time employees.

Signature Manufacturing, our subsidiary company, has obtained a manufacturing licence to manufacture 'Wooden Furniture' and 'Wooden Furniture Parts' from the MITI, which was issued on 9 August 2006.

(iii) Government Incentives

Generally, the Malaysian Government provides incentives for companies listed as promoted activities or products under the Promotion of Investments Act 1986 including:

- Pioneer Status;
- Investment Tax Allowance;
- Reinvestment Allowance.

Eligibility for either the Pioneer Status or Investment Tax Allowance will be determined according to the priorities termed as "promoted activities" or "promoted products". In addition, the level of value-added, technology and industrial linkages will also be taken into consideration.

The production of wood and wood products including wooden furniture and parts, is listed as a promoted activity/product eligible for consideration of Pioneer Status and Investment Tax Allowance under the Promotion of Investment Act 1986. Some of the benefits of the respective incentives include:

Pioneer Status

- A company eligible for Pioneer Status will enjoy a 5-year full or partial exemption from the payment of income tax;

Investment Tax Allowance

- A company eligible for Investment Tax Allowance gets an allowance of 60% on its qualifying capital expenditure (such as factory, plant, machinery or other equipment used for approved project), which are incurred within five years from the date on that the first qualifying capital expenditure is incurred.

Reinvestment Allowance

- All manufacturing companies that have been in operation for at least 12 months and incur qualifying capital expenditure to expand production capacity, modernise and upgrade production facilities, diversify into related products, and automate its production facilities can obtain a Reinvestment Allowance.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

Signature Manufacturing, our subsidiary company, has been granted pioneer status on 1 February 2006 by Malaysian Industrial Development Authority.

(iv) **Common Effective Preferential Scheme (“CEPT”) for Association of Southeast Asian Nations (“ASEAN”) Free Trade Area (“AFTA”)**

AFTA was established in 1992 resulting in reduction of import duties among ASEAN member countries. The full implementation of AFTA is realised through the CEPT scheme.

CEPT is the mechanism by which tariffs on goods traded within the ASEAN region, which meet a 40% ASEAN content, is reduced to a range between 0% and 5% since 2003 (2006 for Vietnam, 2008 for Laos and Myanmar and Cambodia by 2010).

An organisation or exporter is required to obtain approval from the MITI for its application of the CEPT scheme.

Our Group has obtained approval for the CEPT scheme from the MITI for the following subsidiary companies:

Companies	Date of approval	Effective rate	Type of products	Export countries
Cabinet Industries	28 May 2004	5%	Kitchen Systems	Brunei, Indonesia, Philippines, Singapore, Thailand, Vietnam, and Cambodia
		5%	Wardrobe Systems	Brunei, Indonesia, Philippines, Singapore, Thailand, and Vietnam
Signature Manufacturing	26 January 2006	0%	Kitchen Systems	Brunei, Indonesia, Philippines, Singapore, Thailand, Vietnam, Laos, and Myanmar.
		0%	Wardrobe Systems	Brunei, Indonesia, Philippines, Singapore, Thailand, Vietnam, Laos and Myanmar.

8.3.5 Environmental Issues

As part of the process of manufacturing Kitchen Systems, our Group creates certain wastes such as paint sludge during the process of painting the cabinet doors. The disposal of paint sludge falls under “sludges of inks, paints, pigments, lacquer, dye or varnish” of wastes which may contain either inorganic or organic constituents under the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Waste) Regulations 2005.

Further, the disposal of used paint containers falls under “disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes” under the Environmental Quality (Scheduled Waste) Regulations 2005.

At present, we have engaged Kualiti Alam Sdn Bhd to collect the paint sludge and used paint containers from our factory. Further, our Group’s spray booth chimney for the water curtain spray booth has been approved by the Department of Environment.

During the manufacturing process, sawdust is also created from sawing, sanding and boring of laminated boards. Accordingly, our Group is also subject to Environmental Quality (Clean Air) Regulation 1978. To ensure a clean working environment in the factory, our Group has installed a dust collection system in our factory. This system serves to minimise air pollution arising from the sawdust created during the manufacturing process.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

8.3.6 Demand and Supply Dependencies

(i) Demand Dependencies

Demand for the Kitchen Systems industry is ultimately dependent upon the consumers and their expenditure on household products and services such as Kitchen Systems. As such, some of the following factors that will impact on consumer demand and expenditure on Kitchen Systems include:

- increasing affluence of the population;
- the growing sophistication in lifestyles;
- growth in disposable income;
- general population growth.

The following section is an analysis of some of the demand dependencies of Kitchen Systems.

Monthly Household Income

- Between 1999 and 2004, the mean monthly household grew at an average annual rate of 5.6%. In 2004, the mean monthly household income reached RM3,249.

Average Monthly Household Expenditure

- Between 1998/1999 and 2004/2005, the average monthly expenditure per household increased at an average annual rate of 3.7% amounting to RM1,953 per household.

Population Growth

- Between 2002 and 2006, the population in Malaysia increased at an average annual rate of 2.1%. In 2006, the population in Malaysia grew by 1.9% to reach 26.6 million.

(ii) Supply Dependencies

Generally, the major raw materials and finished products used in the manufacture of Kitchen Systems are:

- wood and wood-based panel products including plywood, veneer sheets, MDF, particleboard and laminated board;
- kitchen appliances;
- countertops;
- fittings such as cabinet door handles, hinges, metal-based mechanisms;
- others including paints and coatings, glass, aluminium, glue and other minor materials.

The bulk of the wood-based panel products are available from local producers. Following are the estimated number of local producers of various wood-based panels in Malaysia in 2006:

- 176 plywood/veneer mills;
- 7 particle board/chipboard plants;
- 8 MDF plants;
- 41 laminated board plants.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

The availability of supply is further reflected in the following:

- In 2006, sales value of the manufacture of veneer sheets and plywood increased by 27.6% to approximately RM7.8 billion.
- Between January and July 2007, sales value of the manufacture of veneer sheets and plywood grew by 11.2% compared to the same period in 2006.
- In 2006, sales value of the manufacture of laminated board, particleboard and other panels and board increased by 22.6% to approximately RM1.8 billion.
- Between January and July 2007, sales value of the manufacture of laminated board, particleboard and other panels and board increased by 11.8% compared to the same period in 2006.

Kitchen appliances represent the next largest component of Kitchen Systems and this could include built-in ovens, microwave ovens, extractor hoods, cooking hobs, dishwasher and others. It is common industry practice to source these finished products from external manufacturers and installed them as part and parcel of the complete Kitchen System.

These kitchen appliances are available from local manufacturers. In 2006, the local manufacture of domestic appliances, not elsewhere classified (including refrigerators, washing machines, food grinders, rice cookers, electric ovens, irons, coffee/tea makers and other household appliances) reached approximately RM2.0 billion, an increased of 206.1% compared to the previous year.

Between January and July 2007, the local manufacture of domestic appliances, not elsewhere classified, grew by 24.1% compared to the same period in 2006.

Countertops come in different types of materials including marble, granite, laminated solid surface materials, tiles, silestone, solid wood, stainless steel and others depending on the requirements of customers. Depending on the type of materials, most of the countertops are available locally. However there is also amply supply from overseas sources.

According to the Royal Customs and Excise Department of Malaysia, the import of countertops is classified under Particle Board and Similar Board of Other Ligneous Material.

Between 2002 and 2006, the import value of Particle Board and Similar Board of Other Ligneous Material increased at an average annual rate of 135.7%. In 2006, the import value of Particle Board and Similar Board of Other Ligneous Material amounted to approximately RM6.9 million.

Between January and July 2007, the import value of Particle Board and Similar Board of Other Ligneous Material reached approximately RM1.5 million, a decline of 66.2% compared to the same period in 2006.

(Source: Independent Assessment of the Kitchen Systems Industry undertakend by Vital Factor)

8. INDUSTRY OVERVIEW AND PROSPECTS *(Cont'd)*

8.3.7 Threats of Substitutes

There are no threats of substitutes for Kitchen Systems. At the very basic, a Kitchen System would include storage areas and cabinets, countertop and sink. The only other consideration is the use of different types of materials, or a combination of materials used. These may include materials such as:

- Solid wood
- Panel boards
 - Plywood and veneer
 - Particleboard, chipboard and MDF
- Metal
- Plastics
- Glass

8.3.8 Industry's reliance on and vulnerability to imports

The Kitchen Systems industry is reliant on certain imported materials and finished components including kitchen countertops, sinks, taps and electrical appliances such as cooking hobs, extractor hoods, oven and others. This is more prevalent among larger scale manufacturers that provide premium Kitchen Systems.

As these types of materials and finished components are consumer products, it is relatively easy to source these types of materials from various countries overseas, therefore disruption in supply is not expected to be material.

8.4 PROSPECTS AND OUTLOOK OF THE KITCHEN SYSTEMS INDUSTRY

The outlook of the Kitchen Systems industry is dependent on the performance of its end-user market, which is the residential housing sector and the growing affluence of consumers.

(i) Performance of Residential Property Market

- Between 2001 and 2005, a total of 844,043 units of houses were completed. The total number of houses constructed surpasses the Eighth Malaysian Plan's target of 615,000. Of this, 77.6% were constructed by the private sector while the remaining 22.4% by the public sector.
- In the Ninth Malaysia Plan, the Government continues to focus on the provision of adequate, affordable and quality houses for Malaysians. During the Plan period, the requirement for new houses is estimated at 709,400 units. Of these, 19.2% will be in Selangor (includes Wilayah Persekutuan Putrajaya), followed by Johor at 12.9%, Sarawak at 9.4%, and Perak at 8.2%. The remainder of the units will be built among other states and the federal territory of Malaysia.
- According to the Ninth Malaysia Plan, the allocation for the development expenditure and allocation for housing and urban services has increased by 31.1% to RM18.4 billion compared to the expenditure of RM14.1 billion during the Eighth Malaysia Plan.
- Between 2002 and 2006, value of residential property transactions continue to register an average annual growth rate of 7.9%. In 2006, the value of residential property transactions grew by 1.0% to RM28.7 billion.
- Between 2002 and 2006, the Existing Residential Stock recorded an average annual growth rate of 6.0%. In 2006, the Existing Residential Stock grew by 4.6% to approximately 3.9 million units in Malaysia.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

- In the second quarter of 2007 alone, the Existing Residential Stock reached 3.9 million in Malaysia, an increase of 5.6% compared to the same quarter in 2006.
- Between 2002 and 2006, the Completion of Residential Units increased at an average annual rate of 2.3%. In 2006, the Completion of Residential Units declined by 5.3% to 170,962 units in Malaysia.
- For the first half of 2007, the Completion Residential Stock amounted to 92,912 units in Malaysia, an increase of 20.6% compared to the first half of 2006.
- In 2006, the Incoming Supply of Residential Units in Malaysia amounted to 608,840 units, a decline of 4.5% compared to the previous year. However, between 2002 and 2006, the Incoming Supply of Residential Units increased at an average annual rate of 0.1%.
- In the second quarter of 2007 alone, the Incoming Supply of Residential Units in Malaysia reached 590,667 units, a decline of 6.5% compared to the same quarter in 2006.
- Between 2002 and 2006, the Planned Supply of Residential Units increased at an average annual rate of 6.2%. In 2006, the Planned Supply of Residential Units grew by 1.8% to 648,174 units in Malaysia.
- In the second quarter of 2007 alone, the Planned Supply of Residential Units reached 644,452 units in Malaysia, an increase of 2.1% compared to the same quarter in 2006.
- The continuing increase in the supply and completion of residential units on-stream indicates growth opportunities for the manufacturing of Kitchen Systems.

Demand for the Kitchen Systems industry is ultimately dependent upon the consumers and their expenditure on household products and services such as Kitchen Systems. The following is an analysis of the factors that will impact on the demand and expenditure on Kitchen Systems.

(ii) Increasing Affluence of the Population and Growth in Disposable Income

- Between 1999 and 2004, the mean monthly household grew at an average annual rate of 5.6%. In 2004, the mean monthly household income reached RM3,249.
- Between 1998/1999 and 2004/2005, the average monthly expenditure per household increased at an average annual rate of 3.7% amounting to RM1,953 per household.

(iii) Population Growth

Between 2002 and 2006, the population of Malaysia increased at an average annual rate of 2.1%. In 2006, the population of Malaysia grew by 1.9% to 26.6 million.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)**(iv) Performance of Kitchen Systems**

As there are no direct data and statistics available on Kitchen Systems as a whole, data on the production, import and exports of Cabinets of a Kind Used in the Kitchen, which is a sub-set of Kitchen Systems, will be used as a proxy to provide an analysis of the performance of Kitchen Systems.

- Between 2002 and 2006, sales value of Manufacture of Cabinets of a Kind Used in the Kitchen (wood or mainly of wood) increased at an average annual rate of 18.7%. In 2006, the sales value of the Manufacture of Cabinets of a Kind Used in the Kitchen (wood or mainly of wood) reached approximately RM169.4 million, an increase of 37.8% compared to the same period in 2005.
- Between January and August 2007, the sales value of the Manufacture of Cabinets of a Kind Used in the Kitchen (wood or mainly wood) declined by 67.9% compared to the same period in 2006.
- Between 2002 and 2006, the import value of Wooden Furniture of a Kind Used in the Kitchen increased by an average annual growth rate of 13.7%. In 2006, the import value of Wooden Furniture of a Kind Used in the Kitchen amounted to RM17.0 million, a decline of 1.9% compared to the same period in 2005.
- Between January and July 2007, the import value of Wooden Furniture of Kind Used in the Kitchen grew by 95.3% to reach approximately RM14.5 million compared to the same period in 2006.
- Between 2002 and 2006, the export value of Wooden Furniture of a Kind Used in the Kitchen grew by 4.6%. In 2006, the export value of Wooden Furniture of a Kind Used in the Kitchen declined by 2.9% to RM586 million.
- Between January and July 2007, the export value of Wooden Furniture of a Kind Used in the Kitchen reached RM323.2 million, an increase of 28.1% compared to the same period in 2006.

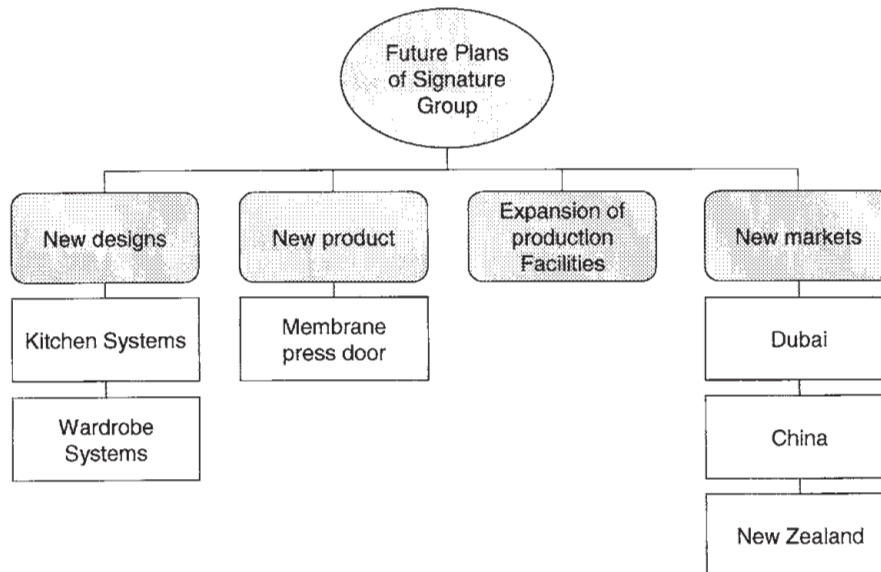
(Source: Independent Assessment of the Kitchen Systems Industry undertaken by Vital Factor)

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8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

8.5 PROSPECTS AND FUTURE PLANS OF OUR GROUP

Our future plans and growth strategies are focused in four key areas as depicted in the diagram below:



8.5.1 New Designs

(i) Kitchen Systems

Part of our Group's future plans is to expand on our existing series of Kitchen Systems by launching the following new designs:

- Lucenta Series, described as 'A clean and sleek contemporary kitchen' that is in tune with the lifestyle of stylish young professionals who are after design and technology';
- Grande Series, described as 'The essential kitchen that blends the beauty of classic style with today's sophisticated modern kitchen which will suit home owners of all cultures and tastes';
- Elpenco Series, described as 'The chic and practical kitchen that combines both style and function with a touch of European design'.

The launch of the new series of designs is in line with our intention to keep abreast of international trends in Kitchen Systems, which are then modified to meet the requirements of local customers. The new series of Kitchen Systems includes new kitchen layout design, design of different models or series of Kitchen Systems and profile design of cabinet door fronts.

We intend to launch the new series of Kitchen Systems in FYE 30 June 2008.

8. INDUSTRY OVERVIEW AND PROSPECTS *(Cont'd)*

(ii) Wardrobe Systems

In addition, we also plan to expand on our existing series of Wardrobe Systems by launching the following new designs:

- Sistema Wardrobe is a series of designs that uses high quality metal materials to provide an alternative to home owners;
- Santiano Wardrobe is a series of designs which are adaptable to all needs of space and convenience, and this series fulfils the need for space and habitability.

These new series of Wardrobe designs will provide customers with a wider range of choice and options. We intend to launch the new series of Wardrobe Systems in the FYE 30 June 2008.

8.5.2 New Product

Our Group intends to produce membrane press cabinet doors for our Kitchen Systems. This new product, which is going to be launched under the Membrane Door series of Kitchen Systems, uses membrane press technology for our cabinet doors fronts of the Kitchen System.

The membrane press cabinet doors are manufactured using a laminating process called membrane pressing whereby the overlays or veneers are laminated onto the wood surfaces under high pressure, forming a three-dimensional panel or profiled surface. The advantage of using this type of laminating process provides us with the ability to produce laminated cabinet doors for Kitchen Systems in various panel shapes and profiles.

We intend to introduce this new product in the FYE 30 June 2009.

8.5.3 Expansion of Production Facilities

Our Group intends to expand our existing production plant to cater to business expansion as well as to widen the range of products and services. This will include the leasing of an additional 145,360 square feet of land adjacent to our current office, construction of a new factory and purchase of machinery and equipment.

The expansion of our manufacturing plant is predominantly to cater to the production of new membrane press cabinet doors and a finishing line including veneer lamination. In addition, our Group intends to undertake partial assembly of Kitchen Systems in our extended manufacturing facilities prior to installation at the customers' premises. This will shorten the installation process and ensure consistency in quality of the final Kitchen Systems.

We had on 21 March 2007 entered into a lease agreement with PKNS to lease a piece of land for our expansion. The lease price for the said land is approximately RM3.29 million and we had as at 20 November 2007 paid approximately RM1.29 million (being approximately 39% of the total lease price) to PKNS. Our Company is in the process of arranging for bridging finances to fund the balance lease price of RM2.00 million. Upon the receipt of the proceeds from the Public Issue, we intend to use RM2.00 million to fully repay the bridging finances.

The leasing of the land is expected to be concluded in the FYE 30 June 2008 and the new factory is expected to commence operation in the FYE 30 June 2009.

8. INDUSTRY OVERVIEW AND PROSPECTS (Cont'd)

8.5.4 New Markets

To address new markets and to create business growth, we intend to expand our export activities to the following markets:

- Dubai by FYE 30 June 2008;
- New Zealand by FYE 30 June 2008; and
- China by FYE 30 June 2009.

We intend to set-up retail showrooms and appoint business partners in these markets to target both project and retail markets. As our Group has limited operating experience in the new export markets, we may also consider entering into joint ventures with established local partners with good knowledge of local market and operating conditions or acquiring an existing operation with the necessary management expertise.

The following table indicates the estimated timing of implementation of our future plans:

Business Activities	<-----FYE 30 June----->	
	2008	2009
New Designs		
- <i>Kitchen Systems</i>	√	
- <i>Wardrobe Series</i>	√	
New Product		
- <i>Membrane Press Cabinet Doors</i>		√
Expansion of Production Facilities		
- <i>Construction and Set-up of New Production Facilities</i>	√	√
New Markets		
- <i>Dubai</i>	√	
- <i>New Zealand</i>	√	
- <i>China</i>		√

8.5.5 Prospects of our Group

Based on the industry outlook and prospects as set out in Section 8.4 of this Prospectus, our business strategy as set out in Section 7.1 of this Prospectus as well as our competitive strengths as outlined in Section 7.3 of this Prospectus, our Board foresees that our future plans will allow our Group to achieve revenue growth and provide a meaningful return of investment to our stakeholders. Nonetheless, our Group recognises that the market challenges of the Kitchen Systems industry and the various risk factors faced by our Group as outlined in Section 5.1 of this Prospectus, may pose a potential threat to our Group in implementing our growth strategies.

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Promoters' and Substantial Shareholders' Shareholdings

Our Promoters and substantial shareholders and their respective shareholdings in our Company before and after the IPO are as follows:

	Place of incorporation/ Nationality	<-----Before IPO----->		<-----After IPO----->	
		<-----Direct-----> No. of Shares	<-----Indirect-----> %	<-----Direct-----> No. of Shares	<-----Indirect-----> %
Promoters and substantial shareholders					
Tan Kee Choong	Malaysian	21,584,068	34.64	20,500,000	25.63
Chooi Yoey Sun	Malaysian	21,535,178	34.56	20,500,000	25.63
Substantial shareholders					
Dato' Hamzah bin Mohd Salleh	Malaysian	2,998,441	4.81	6,798,441	8.50
Nik Mohd Iskandar bin Nik Hassan	Malaysian	5,996,881	9.62	5,996,881	7.50

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.1.2 Background Information on Promoters and Substantial Shareholders**(a) Tan Kee Choong**

Tan Kee Choong, aged 45, is the Managing Director and a substantial shareholder of our Company. He started his career in 1990 when he was employed as a Sales Executive in Better Living Grand Sdn Bhd, a company in the trading of building materials and design of kitchen cabinets, handling retail sales of kitchen cabinets. In 1992, he joined Home Scene Sdn Bhd as a Project Executive handling project sales of kitchen cabinets. He left Home Scene Sdn Bhd in 1994 and founded Cabinet Industries with Chooi Yoey Sun. As the founder and Managing Director, his main responsibilities are in developing the strategic direction of the Signature Group. He is also in charge of product research and development on Kitchen Systems and Wardrobe Systems. He has approximately 17 years of experience in the Kitchen Systems industry, gaining his experience through a hands-on management style. He has contributed significantly to the production process improvements, product quality, brand recognition, research and development and more importantly, market penetration throughout Malaysia and business expansion overseas. He is currently a Director of Obicorp, Signature Aluminium and other subsidiary companies of Cabinet Industries.

(b) Chooi Yoey Sun

Chooi Yoey Sun, aged 44, is the Executive Director and a substantial shareholder of our Company. His career started in 1990, where he started his venture in MJKB Sdn Bhd, a company trading in home appliances and furniture. Since then, he has developed invaluable hands-on experience in merchandising and retail distribution outlet. In 1994, he joined his partner, Tan Kee Choong, in establishing Cabinet Industries. As the founder and Executive Director, he draws on the vast experience amassed from his earlier ventures and channels it towards spearheading a dynamic sales and marketing division within the Signature Group. He brings with him approximately 13 years of experience in the marketing and management of Kitchen Systems. He is entrusted with the main task of making kitchen and related products as a household necessity as well as making the brand Signature Kitchen a household brand. The current brand recognition and market penetration achieved by Signature Kitchen nationwide as well as overseas is a testament to his success. He is currently a Director of Obicorp, Signature Aluminium and other subsidiary companies of Cabinet Industries.

(c) Dato' Hamzah bin Mohd Salleh

Dato' Hamzah bin Mohd Salleh, aged 59, is a substantial shareholder of our Company. He graduated with a Diploma in Management from the Malaysian Institute of Management in 1980 and obtained a Masters Degree in Business Administration from the University of Bath, United Kingdom in 1989. He was an Audit Assistant with Price Waterhouse & Co. (now known as PricewaterhouseCoopers) from 1969 to 1975 and worked for 5 years as Finance and Administration Manager in Pillar Naco Malaysia Sdn Bhd, which deals with architectural metal fabrication. From 1980 to 1993, he held various senior management positions in Pernas Sime Darby Group and the Sime Darby Group of companies. Presently, he is the Chief Executive Officer of Spanco Sdn Bhd, a fleet management specialist. He has also been the Director of PDZ Holdings Berhad since 1996, Furniweb Industrial Products Berhad since 2003 and Bio Osmo Berhad since 2007. He has been appointed as a Director of Focus Dynamics Technologies Berhad in 2005 and he is currently the Independent Non-Executive Chairman of Focus Dynamics Technologies Berhad. He also holds directorship in various other private companies.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

(d) Nik Mohd Iskandar bin Nik Hassan

Nik Mohd Iskandar bin Nik Hassan, aged 47, is the Non-Independent Non-Executive Director and a substantial shareholder of our Company. He graduated in 1984 with a Bachelor of Science (Hons) in Civil Engineering from University of Strathclyde, United Kingdom. His career started in 1984 as project engineer with the Ministry of Federal Territory and he is responsible for projects coordination with the local authorities and private consultants. In 1987, he left the organisation and joined Jabatan Kerja Raya ("JKR") Wilayah Persekutuan as project engineer and he was involved in soil investigation and site survey mainly for projects in Kuala Lumpur. In 1991, he left JKR to join Jabatan Perumahan Negara as project engineer where he was involved in preparing tender document for the local authorities. Between 1996 and 1998, he was with the Development and Enforcement Division of Labuan Development Authority as Senior Manager. In 1999, he was appointed as Managing Director of Duamas. He is also a substantial shareholder of Duamas and an Executive Director of Ismafinie (M) Sdn Bhd.

9.1.3 Promoters' and Substantial Shareholders' Directorships and Substantial Shareholdings in All Other Public Corporations for the Past 2 Years

Based on the declarations by our Promoters and our substantial shareholders and save as disclosed below, none of our Promoters or substantial shareholders have any directorships and/or substantial shareholdings (holding 5% or more equity interest in the shares) in any other public corporation for the past 2 years preceding 20 November 2007.

Director	Name of company	Nature of interest	Date of appointment / (resignation) as Director	<-----Direct---->		<--Indirect-->		Principal activities
				No. of shares	%	No. of shares	%	
Dato' Hamzah bin Mohd Salleh	BSL Corporation Berhad	Director	28.04.2005/ (01.06.2006)	-	-	-	-	Stamping and manufacturing of precision metal parts and fabrication of tools and dies
	Furniweb Industrial Products Berhad	Director	21.07.2003	200,000	*	-	-	Manufacturing of upholstery webbing, covered elastic yarn and rigid webbing
	Focus Dynamics Technologies Berhad	Chairman	07.09.2005	-	-	-	-	Manufacturing of energy saving products, electrical control products and the provision of energy management services
	PDZ Holdings Berhad	Director	09.04.1996	-	-	-	-	Shipping
	Bio Osmo Berhad	Director	16.07.2007	4,265,317	2.13			Processing, manufacturing and selling of drinking water

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Note:

* Less than 0.01%

9.1.4 Changes in the Shareholdings of Promoters and Substantial Shareholders since Incorporation

Save as disclosed below, there has been no change in the shareholdings of our Promoters and substantial shareholders since the incorporation of our Company:

Promoter/ Substantial Shareholder	Date of acquisition / disposal	< -----Direct----- >		Cumulative no. of Shares held after acquisition/ disposal
		No. of Shares held before acquisition/ (disposal)	Total no. of Shares acquired/ (disposed)	
Che Kim Weng	23.11.2006	-	1 ^(a)	1 ^(a)
	04.01.2007	1	1 ^(b)	2
	20.11.2007	2	(2)	-
Jayson Wong Chien Wei	23.11.2006	-	1 ^(a)	1 ^(a)
	04. 01.2007	1	1	2
	20.11.2007	2	(2)	-
Tan Kee Choong	20.11.2007	-	21,584,066	21,584,066
	20.11.2007	21,584,066	2	21,584,068
Chooi Yoey Sun	20.11.2007	-	21,535,176	21,535,176
	20.11.2007	21,535,176	2	21,535,178
Nik Mohd Iskandar bin Nik Hassan	20.11.2007	-	5,996,881	5,996,881
Dato' Hamzah bin Mohd Salleh	20.11.2007	-	2,998,441	2,998,441

Notes:

- (a) The two subscribers' shares are ordinary shares of RM1.00 each in Signature International.
- (b) Pursuant to the subdivision of par value of Signature International, where the par value of ordinary shares in Signature International has been reduced from RM1.00 to RM0.50.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL
(Cont'd)

9.2 DIRECTORS

9.2.1 Directors' Shareholdings

Our Directors and their respective shareholdings in our Company before and after the IPO are as follows:

Directors	Designation	Nationality	-----Before IPO-----		-----After IPO-----	
			<-----Direct-----> No. of Shares	<-----Indirect-----> %	<-----Direct-----> No. of Shares	<-----Indirect-----> %
Dato' Anuar bin Othman	Independent Non-Executive Chairman	Malaysian	2,998,441	4.81	2,998,441	3.75
Tan Kee Choong	Managing Director	Malaysian	21,584,068	34.64	20,500,000	25.63
Chooi Yoey Sun	Executive Director	Malaysian	21,535,178	34.56	20,500,000	25.63
Nik Mohd Iskandar bin Nik Hassan	Non-Independent Non-Executive Director	Malaysian	5,996,881	9.62	5,996,881	7.50
Yap Khong	Independent Non-Executive Director	Malaysian	-	-	-	-
Wong Maw Chuan	Independent Non-Executive Director	Malaysian	-	-	-	-

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.2.2 Profiles

The profiles Mr. Tan Kee Choong, Mr. Chooi Yoey Sun and Encik Nik Mohd Iskandar bin Nik Hassan are set out in Section 9.1.2 above. The profiles of the remaining member of our Board of Directors are as follows:

(a) Dato' Anuar bin Othman

Dato' Anuar bin Othman, aged 54, is the Independent Non-Executive Chairman of Signature International. In 1974, he obtained Part I & II of the external ICMA (Institute of Cost and Management Accounts) qualifications from Institute of Technology, MARA. In 1975, he completed Parts III & IV of the external ICMA in the United Kingdom and received training as a Cost Accountant in the United Kingdom on a Harrisons & Crosfield scholarship under a joint program with Luton College of Technology and the London School of Accountancy.

In 1975, he joined Wilkinson Process Rubber Co. Bhd, a subsidiary of Harrisons & Crosfield Plc, United Kingdom, as a Cost Accountant and in 1982, he left and joined Jurudata Sdn Bhd as Business Manager. In 1985, he left Jurudata Sdn Bhd and joined TJ Holdings Sdn Bhd as General Manager. In 1986, he was appointed as Executive Director of Hatibudi Sdn Bhd, a company in which he was also a shareholder. He later joined United Engineers (M) Bhd as its Executive Director in 1987 and as its Managing Director in 1990. In 1994, he was appointed Managing Director and Chief Executive Officer of Kumpulan Pinang Holdings Sdn Bhd, a position he held until 1999. In 2000, he concentrated his efforts on his own business under General & Global Holdings Sdn Bhd and its group of companies where he is currently the Executive Chairman.

(b) Yap Khong

Yap Khong, aged 62, is the Independent Non-Executive Director of Signature International. He graduated in 1970 from University of Malaya with a Bachelor of Economics (Honours) and he is an Associate Member of the Chartered Institute of Bankers (United Kingdom). He started his career with United Malayan Banking Corporation ("UMBC") in 1970 and he has since gained more than 30 years of experience in the banking and financial sector. He has held various senior management positions in two local financial institutions, namely UMBC and Alliance Bank Berhad. His banking experience includes branch management (both locally and internationally) as well as retail and commercial banking.

He held the position of Senior Banker in Alliance Bank Berhad prior to his retirement in 2006, where he was responsible for marketing and soliciting commercial and corporate businesses. Yap Khong is currently a Director of SKB Shutters Corporation Berhad and he is also a business advisor to a few private companies.

(c) Wong Maw Chuan

Wong Maw Chuan, aged 43, is the Independent Non-Executive Director of Signature International. He graduated in 1987 from Tunku Abdul Rahman College with a Diploma In Financial Accounting. He subsequently obtained his professional qualification from The Association of Chartered Certified Accountants and he is currently a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants (FCCA) as well as a Certified Financial Planner (CFP).

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

He started his career in 1988 as an Audit Assistant in Roger, Yue, Tan & Associate. In 1994, he took up the post of Audit Manager at KPMG Peat Marwick where he was involved in numerous audit assignments, due diligence and mergers and acquisitions exercises. He left KPMG Peat Marwick in 1997 and joined Analabs Resources Berhad as Chief Financial Officer. He was actively involved in the restructuring of the company as well as the listing of Analabs Resources Berhad on the Second Board of Securities Exchange.

Upon the listing of Analabs Resources Berhad on the Second Board of Bursa Malaysia, he was appointed as the Executive Director, mainly in charge of corporate finance and business development of the company. He resigned as the Executive Director of Analabs Resources Berhad on 31 October 2002. In 2002, he set up a consulting firm which provides professional and consultancy services such as accounting and payroll outsourcing, taxation, company secretarial, internal audits for public listed companies, due diligences and other business consulting work.

9.2.3 Directors' Directorships and Substantial Shareholdings in All Other Public Corporations for the Past 2 Years

Please refer to Section 9.1.3 of this Prospectus for Mr. Tan Kee Choong's, Mr. Chooi Yoey Sun's and Encik Nik Mohd Iskandar bin Nik Hassan's directorships and/or substantial shareholdings in the public corporation.

In addition, based on the declarations by our other Directors and save as disclosed below, none of our Directors have any directorships and/or substantial shareholdings (holding 5% or more equity interest in the shares) in any other public corporation for the past 2 years preceding 20 November 2007:

Director	Name of company	Nature of interest	Date of appointment / (resignation) as Director	<-----Direct--->		<--Indirect-->		Principal activities
				No. of shares	%	No. of shares	%	
Yap Khong	SKB Shutters Corporation Berhad	Director	13.02.2007	-	-	-	-	Manufacturing and trading of roller shutters, racking systems, storage systems and related steel products

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.2.4 Directors' Remuneration and Material Benefits-In-Kind

The total amount paid to our Directors for their services rendered in all capacities to our Group amounted to RM0.6 million to RM0.7 million for the FYE 30 June 2007. The amount payable to our Directors for their services rendered in all capacities to our Group is forecast to be approximately RM1.0 million to RM1.3 million for the FYE 30 June 2008, the breakdown of which is as follows:

Director	←-----Compensation Band -----→	
	FYE 30 June 2007 (Actual)	FYE 30 June 2008 (Forecast)
Dato' Anuar bin Othman	-	< RM50,000
Tan Kee Choong	RM300,000 to RM350,000	RM500,000 to RM550,000
Chooi Yoey Sun	RM300,000 to RM350,000	RM500,000 to RM550,000
Nik Mohd Iskandar bin Nik Hassan	-	< RM50,000
Yap Khong	-	< RM50,000
Wong Maw Chuan	-	< RM50,000

The above remuneration which comprises our Directors' fee and allowances as well as the benefits of our Directors must be considered and recommended by the Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' fee must be further approved or endorsed by our shareholders at a general meeting.

Save for the above and as disclosed in Sections 6.4.1 (Acquisitions) and 11.1.1 (Related Party Transactions and Conflict of Interest), no other amount or benefit has been paid or intended to be paid or given to our Directors within the 2 years preceding the date of this Prospectus.

9.2.5 Details of Board Practices

(a) Director's Term of Office

Our Board is entrusted with the responsibility for the overall direction, strategy, performance and management of our Group. Our Board comprises of 2 Executive Directors, 1 Non-Independent Non-Executive Director and 3 Independent Non-Executive Directors and their respective term of office are set forth below:

Director	Designation	Date of Appointment	Expiry date of office term
Dato' Anuar bin Othman	Independent Non-Executive Chairman	20.11.2007	*
Tan Kee Choong	Managing Director	20.11.2007	*
Chooi Yoey Sun	Executive Director	20.11.2007	*
Nik Mohd Iskandar bin Nik Hassan	Non-Independent Non-Executive Director	20.11.2007	*

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

Director	Designation	Date of Appointment	Expiry date of office term
Yap Khong	Independent Non-Executive Director	20.11.2007	*
Wong Maw Chuan	Independent Non-Executive Director	20.11.2007	*

Note:

* Pursuant to Article 129 of our Company, an election of Directors shall take place each year during the annual general meeting. At every annual general meeting, one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years or, if their number is not three (3) or a multiple of three (3), the number nearest to one-third (1/3) shall retire from office such that each Director shall retire from office once in every three (3) years, and if there is only one (1) Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election.

(b) Audit Committee

Our Audit Committee was established on 20 November 2007 and comprises the following members:

Name of Director	Designation	Directorship
Wong Maw Chuan	Chairman	Independent Non-Executive Director
Dato' Anuar bin Othman	Member	Independent Non-Executive Chairman
Yap Khong	Member	Independent Non-Executive Director

The duties of our Audit Committee shall include the following:

- To assist our Board in discharging its statutory responsibilities on financial and accounting matters;
- To consider the appointment of external auditors, the audit fee and any other terms of engagement and questions of resignation or dismissal;
- To discuss with the external auditors on the audit plan before the commencement of the annual audit and co-ordination with other audit firms (if any) for any other services provided by these external auditors;
- To discuss with external auditors on any major audit findings and our management's response and problems and reservations arising from the audit;
- To review the quarterly and annual financial statements of our Group before submission to our Board;

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

- To review and evaluate the effectiveness of our Group's internal audit and control systems and procedures including:
 - (a) review on adequacy of scope, functions and resources of internal audit function and the necessary authority to carry out its functions;
 - (b) review the internal audit programme and results of the internal audit process and, where necessary, ensure appropriate actions are taken on recommendation of the internal audit function;
 - (c) review appraisal or assessment of performance of internal audit function;
 - (d) approve appointment or termination of senior staff members of the internal audit function;
 - (e) take cognisance of resignation of internal audit staff and provide resigning staff an opportunity to submit reason for resignation; and
- To consider and assess the financial risk and matters relating to related party transactions that may arise within our Group and potential conflict of interests.

(c) **Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee was established on 20 November 2007 and comprises the following members:

Name of Director	Designation	Directorship
Dato' Anuar bin Othman	Chairman	Independent Non-Executive Chairman
Yap Khong	Member	Independent Non-Executive Director
Chooi Yoey Sun	Member	Non-Independent Executive Director

The primary functions of our Nomination and Remuneration Committee are as follows:

- To review the required mix of skills, experience and other qualifications which our Directors (including Independent Directors) should bring to our Board in order for our Board to function efficiently and effectively;
- To annually review and assess the contribution of each individual Director and to recommend to our Board new candidates for appointment as Director if there is a need for additional Board members;
- To recommend to our Board a framework of remuneration for our Board and each Executive Director, which include but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind; and
- To establish objective performance criteria and measurement to evaluate the performance and effectiveness of our Board as a whole and to assess the contribution by each individual Director.

9.2.6 **Articles Governing Our Directors**

The relevant Articles of Association relating to remuneration, voting powers and borrowing powers of our Directors, as reproduced from our Articles of Associations, are set out in Sections 20.2.2 and 20.2.3 of this Prospectus.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.2.7 Service Contracts with Directors

Save as disclosed below, none of our Directors or Directors of our subsidiary companies has any existing or proposed service agreement with our Company or our subsidiary companies, which is not expiring or not determinable by the employing company without payment of compensation as at 20 November 2007:

- (a) The service agreement entered into between Cabinet Industries and Tan Kee Choong dated 15 March 2007 for the employment of Tan Kee Choong as the Managing Director of the Cabinet Industries and its group of companies, namely Obicorp, Signature Aluminium, Signature Kitchen, Signature Kitchen Industries, Signature Manufacturing and Fabriano, at a basic salary of RM30,000 per month commencing from 15 March 2007. The salient terms of the service agreement, among others, are as follows:
- (i) Cabinet Industries would pay Tan Kee Choong an annual bonus which is entirely at the discretion of the Nomination and Remuneration Committee or such other committee that may be decided by the Board of Directors of Cabinet Industries;
 - (ii) Cabinet Industries would pay Tan Kee Choong 3 months of his last drawn salary for each of the past completed year of employment calculated from the date he first joined the company (ie. 14 May 1994), in the event of an unlawful dismissal of his employment by the company;
 - (iii) His benefits include, among others, the use of a company car, medical and hospitalisation up to RM15,000 per year for his immediate family, leave passage for his family up to RM20,000 per year and the maintenance of up to 2 club memberships of his choice; and
 - (iv) His retirement age shall be on attaining the age of 55 years unless otherwise extended by the Company. If either Tan Kee Choong or the Company wishes to terminate the service agreement, 3 months' prior notice must be given in writing by either party to the other party.
- (b) The service agreement entered into between Cabinet Industries and Chooi Yoey Sun dated 15 March 2007 for the employment of Chooi Yoey Sun as the Executive Director of the Cabinet Industries and its group of companies, namely Obicorp, Signature Aluminium, Signature Kitchen, Signature Kitchen Industries, Signature Manufacturing and Fabriano, at a basic salary of RM30,000 per month commencing from 15 March 2007. The salient terms of the service agreement, among others, are as follows:
- (i) Cabinet Industries would pay Chooi Yoey Sun an annual bonus which is entirely at the discretion of the Nomination and Remuneration Committee or such other committee that may be decided by the Board of Directors of Cabinet Industries;
 - (ii) Cabinet Industries would pay Chooi Yoey Sun 3 months of his last drawn salary for each of the past completed year of employment calculated from the date he first joined the company (ie. 14 May 1994), in the event of an unlawful dismissal of his employment by the company;
 - (iii) His benefits include, among others, the use of a company car, medical and hospitalisation up to RM15,000 per year for his immediate family, leave passage for his family up to RM20,000 per year and the maintenance of up to 2 club memberships of his choice; and

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

- (iv) His retirement age shall be on attaining the age of 55 years unless otherwise extended by the Company. If either Chooi Yoey Sun or the Company wishes to terminate the service agreement, 3 months' prior notice must be given in writing by either party to the other party.

9.2.8 Involvement of Executive Directors in Other Businesses or Corporations

Based on the declaration by our Executive Directors, none of our Executive Directors is involved in the operations of other businesses or corporations.

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL
(Cont'd)

9.3 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

9.3.1 Key management's and key technical personnel's shareholdings

Our Company was incorporated as an investment holding company, for which majority of our key management and key technical personnel are under the direct employment of our subsidiary companies. The management of our Group is headed by our Executive Directors, namely Mr. Tan Kee Choong and Mr. Chooi Yoey Sun, who are assisted by our key management and key technical personnel as follows:

Key management and key technical personnel	Designation	<-----Before IPO----->		<-----After IPO----->	
		<-----Direct-----> No. of Shares	<-----Indirect-----> %	<-----Direct-----> No. of Shares	<-----Indirect-----> %
Leong Kin San	Director of Operations of Cabinet Industries	-	-	129,000 ⁽¹⁾	0.16
Mohd Anwar bin Hj. Abdul Wahab	Project Director of Cabinet Industries	999,498	1.60	2,009,544	2.51
Chang Chee Keong	Sales and Marketing Manager of Cabinet Industries	-	-	50,000 ⁽¹⁾	0.06
Kan Wing Hing	Corporate Finance Manager of Cabinet Industries	-	-	100,000 ⁽¹⁾	0.13
Ang Chek Peow	Director of Signature Aluminium	-	-	100,000 ⁽¹⁾	0.13

Note:

(1) Assuming full subscription of their respective allocations of pink form shares pursuant to the Public Issue.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.3.2 Profiles

Save for the profiles of Mr. Tan Kee Choong and Mr. Chooi Yoey Sun, which are as set out in Section 9.1.2 of this Prospectus, the profiles of our key management and key technical personnel are as follows:

(a) Leong Kin San

Leong Kin San, aged 35, a Malaysian, is the Director of Operations of Cabinet Industries. He started his career in 1995 with Cabinet Industries as Marketing Executive. He was promoted to become the Sales Manager in 1999 and later the Senior Sales Manager where he expanded the local and overseas markets in countries such as Thailand, Philippines and Indonesia by setting up an export division. In 2005, he was appointed as Director of Operations where he is mainly responsible for the improvement of the performance of various operating divisions within the company.

(b) Mohd Anwar bin Hj. Abdul Wahab

Mohd Anwar bin Hj. Abdul Wahab, aged 35, a Malaysian, is the Project Director of Cabinet Industries. He graduated in 1997 with a Diploma majoring in Business Studies from MARA Institute of Technology (UiTM). He also obtained a Diploma in Electrical Engineering from Federal Institute of Technology. His career started in 1992, as a Project Executive with Getex (M) Sdn Bhd. In 1997, he joined Cabinet Industries as a Project Executive to obtain development projects around Klang Valley. He was appointed Project Director in 2005 to oversee the overall operations of the Project Division and to further improve the performance of the division.

(c) Chang Chee Keong

Chang Chee Keong, aged 40, a Malaysian, is the Sales and Marketing Manager of Cabinet Industries. He graduated in 1990 in the field of Commercial Art and Graphic Design from the Malaysian Institute of Art. His career started in 1986 with Kamzai Craft Sdn Bhd as a Graphic Designer in the field of publishing. In 1994, he joined Cabinet Industries as a Designer for Kitchen Systems. His responsibilities were in designing, planning and marketing of Kitchen Systems for property developments. In 1995, he joined M Mart Sdn Bhd as a Project Executive. In 1999, he left and joined Homestead Shop (M) Sdn Bhd as General Manager, during which he was assigned the responsibility of venturing into various trades including kitchen systems showrooms. He was later offered the position of Sales and Marketing Manager in 2006 to lead our Group's Sales and Marketing Division. He is also currently a Director and substantial shareholder of Agensi Pekerjaan Career Medi (M) Sdn. Bhd.

(d) Kan Wing Hing

Kan Wing Hing, aged 47, a Malaysian, is the Corporate Finance Manager of Cabinet Industries. He became a certified Chartered Accountant in 1991. In the same year, he became a member of the Association of Chartered Certified Accountants of United Kingdom and also a member of the Malaysian Institute of Accountants. His career started in 1981 as a trainee in Lau & Co. In 1983, he worked in Richardson-Vicks Group as an Accounts Assistant. In 1986, he joined Fleet Group with his last position as an Management Accountant for its subsidiary companies, Web Printers Sdn Bhd and Times Packaging Co. Sdn Bhd. In 1991, he joined Hiroshige Malaysia Sdn Bhd as a Senior Accountant. Subsequently in 1992, he joined Heavalatics Sdn Bhd as an Accountant. In 1995, he worked with DRB-Hicom Group and became chief financial officer cum finance and administration manager of Hicom Engineering Sdn Bhd, a wholly-owned subsidiary company of DRB-Hicom Group.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

He joined Cabinet Industries in 2005 as the Corporate Finance Manager where he oversees the corporate finance functions of the company and related companies.

(e) Ang Chek Peow

Ang Chek Peow, aged 35, a Malaysian, is the Managing Director of Signature Aluminium. His career started in 1991, as a superintendent with Lam Hong Leong Private Ltd in Singapore. In 1996, he joined L&L Aluminium Glass Sdn Bhd as a Project Manager where he was responsible for managing the production and installation of aluminium and glass works. Subsequently he established his own partnership, Erson Aluminium and Glass Works in 2003 and he was the co-founder of Signature Aluminium when it was established in 2005.

9.3.3 Service Contracts with Key Management and Key Technical Personnel

Please refer to Section 9.2.7 of this Prospectus for details on the service agreements entered into between Cabinet Industries and Mr. Tan Kee Choong and Mr. Chooi Yoey Sun, both dated 15 March 2007.

Save as disclosed above, none of our key management and key technical personnel has any existing or proposed service agreement with our Company or our subsidiary companies, which is not expiring or not determinable by the employing company without payment of compensation as at 20 November 2007.

9.3.4 Involvement of Key Management and Key Technical Personnel in Other Businesses or Corporations

Based on the declaration by the key management and key technical personnel and save as disclosed below, none of our key management and key technical personnel is involved in other businesses or corporations:

Name	Name of company	Co. registration no.	Principal activities	Nature of interests (Director/ shareholder)	Date of appointment as Director	<---Direct--->		<--Indirect-->	
						No. of shares held	% held	No. of shares held	% held
Chang Chee Keong	Agensi Pekerjaan Career Medi (M) Sdn. Bhd.	550162-U	Recruitment	Director and shareholder	11.07.2001	210,000	70	-	-

Based on the declaration by Chang Chee Keong, he is not involved in the day-to-day activities and operations of the abovementioned business and accordingly, his directorship and shareholding in Agensi Pekerjaan Career Medi (M) Sdn. Bhd. do not affect his contribution to our Group or negatively impact his ability to act as a key management and key personnel of our Group.

9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.4 DECLARATIONS FROM OUR PROMOTERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

Based on the declaration by our Promoters, Directors, key management and key technical personnel, none of our Promoters, Directors and key management and technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) Disqualification from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) Charge and/or conviction in a criminal proceeding or is a named subject of a pending criminal proceeding save for Dato' Anuar bin Othman who has been charged under Section 174 of the Penal Code for non-attendance in obedience to an order from a public servant. This is in relation to an action taken by the Inland Revenue Board against Kumpulan Pinang Usahasama Sdn Bhd in which he is a director. As the requisite documents have since been submitted and the fine paid, no further action is being taken against him by the court with regard to the above charge;
- (iv) Any judgement was 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 of competent jurisdiction, government or regulatory body permanently or temporarily enjoining him from engaging in any type of business practice or activity.

9.5 FAMILY RELATIONSHIPS OR ASSOCIATIONS

Based on the declaration by our Promoters, substantial shareholders, Directors, key management and key technical personnel, there are no family relationships or associations between or amongst our Promoters, substantial shareholders, Directors, key management and key technical personnel.

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9. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

9.6 INFORMATION ON OUR EMPLOYEES

As at 20 November 2007, we have a total workforce of 286 employees, comprising 180 full-time employees and 106 contract employees. The breakdown of our Group's employees is as follows:

Employee classification	Years of employment			No. of staff	Local	Foreign
	Less than 1 year	1 to 5 years	More than 5 years			
Full-time Employees:						
Directors	-	-	2	2	2	-
Senior Management	-	4	2	6	6	-
Technical and R&D	-	-	2	2	2	-
Executive	26	37	3	66	66	-
Marketing and sales	19	18	4	41	40	1
Supervisory	2	8	3	13	13	-
Administrative and clerical	3	6	1	10	10	-
Production and general worker						
- Skilled	15	20	5	40	40	-
- Unskilled	-	-	-	-	-	-
Contract Employees:						
Supervisory	2	-	-	2	1	1
Production and general worker						
- Skilled	30	45	1	76	-	76
- Unskilled	28	-	-	28	-	28
Total	125	138	23	286	180	106

None of our employees are members of any labour union and enjoy a cordial relationship with the management. There have been no labour or industrial disputes between our employees and our management which could have a material adverse financial impact on our Group.

9.7 TRAINING AND DEVELOPMENT

We recognise the importance of our employees and place strong emphasis on human resource development to maintain a competent and dynamic workforce. Our training policies are geared towards ensuring that the knowledge and skills of our employees remain relevant in the rapidly changing environment.

For the FYE 30 June 2007, approximately RM0.18 million was spent for training and development purposes. Some of the past and current external training programmes undertaken by the employees of our Group are as follows:

- (a) ISO Quality Management Representative by NOVO Quality Services
- (b) Certified Sales Professional Programme by Institute of Global Management
- (c) Professional Selling Skills by Personal Development Leadership Management Corporation
- (d) Developing Key Performance Indices for Business Success by Global Advantage Consulting
- (e) Interviewing Skills by Global Advantage Consulting
- (f) Key Performance Indices by Global Advantage Consulting
- (g) Production Planning by Federation of Manufacturers of Malaysia