

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT

6.1 PROMOTER

6.1.1 PARTICULARS AND SHAREHOLDINGS

The details of the promoter of the Group and his shareholdings in LDB after the Public Offering are as follows: -

Name	Designation	Nationality	No. of Ordinary Shares Held			
			Direct	%	Indirect	%
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Non-Independent Non-Executive Director	Malaysian	⁽¹⁾ 85,049,989	71.78	⁽²⁾ 1,625,011	1.37

Notes: -

(1) Prior to full conversion of LDB ICULS and assuming full subscription of his entitlement for the pink form share allocation pursuant to the Public Offering.

(2) Deemed interest by virtue of his spouse, Datin Nor Hayati Binti Abd Malik's and his brothers, Norazmi bin Mohamed Nurdin and Norazlan bin Mohamad Nordin's direct shareholdings

6.1.2 PROFILE

The profile of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is set out in Section 6.3.2 of this Prospectus.

6.2 SUBSTANTIAL SHAREHOLDERS

6.2.1 PARTICULARS AND SHAREHOLDINGS

The details of the substantial shareholders of the Group and their shareholdings in LDB after the Public Offering are as follows: -

Name	Designation	Nationality	No. of Ordinary Shares Held			
			Direct	%	Indirect	%
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Non-Independent Non-Executive Director	Malaysian	⁽¹⁾ 85,049,989	71.78	⁽²⁾ 1,625,011	1.37
Datin Nor Hayati Binti Abd Malik	-	Malaysian	11	*	⁽³⁾ 85,049,989	71.78

Notes: -

* Negligible

(1) Prior to full conversion of LDB ICULS and assuming full subscription of his entitlement for the pink form share allocation pursuant to the Public Offering

(2) Deemed interest by virtue of his spouse, Datin Nor Hayati Binti Abd Malik's and his brothers, Norazmi bin Mohamed Nurdin and Norazlan bin Mohamad Nordin's direct shareholdings

(3) Deemed interest by virtue of her spouse, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's, direct shareholdings

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

6.2.2 PROFILES OF SUBSTANTIAL SHAREHOLDERS

The profile of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin (the Promoter of LDB), is set out in Section 6.3.2 of this Prospectus.

6.3 DIRECTORS

6.3.1 PARTICULARS AND SHAREHOLDINGS

The details of the substantial shareholders of the Group and their shareholdings in LDB after the Public Offering are as follows: -

Name	Designation / Functions	No. of Ordinary Shares Held**			
		Direct	%	Indirect	%
Norazmi bin Mohamed Nurdin	Chairman / Managing Director	1,581,000	1.33	⁽¹⁾ 85,093,989	71.82
Datuk Mohd Hashim bin Hassan	Independent Non-Executive Director	50,000	0.04	-	-
Prof Dr. Hamzah Ismail	Independent Non-Executive Director	50,000	0.04	-	-
Dato' Nik Ismail bin Nik Yusoff	Independent Non-Executive Director	50,000	0.04	-	-
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Non-Independent Non-Executive Director	85,049,989	71.78	⁽²⁾ 1,625,011	1.37

Notes: -

* Negligible

** Prior to full conversion of LDB ICULS and assuming full subscription of their respective entitlements for the pink form share allocation pursuant to the Public Offering

(1) Deemed interested by virtue of his brothers, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's and Norazlan bin Mohamad Nordin's direct shareholdings

(2) Deemed interested by virtue of his spouse, Datin Nor Hayati bt. Abd Malik's and his brothers, Norazmi bin Mohamed Nurdin and Norazlan bin Mohamad Nordin's direct shareholdings

6.3.2 PROFILES OF DIRECTORS

Norazmi bin Mohamed Nurdin, aged 39, was appointed to the Board of LDB on 7 January 2004. He holds a Degree in Civil Engineering Management and also a degree in Civil Engineering from Portland University, USA. Encik Norazmi started his career with Petronas Berhad in November 1992 as Senior Executive, Tender and Contract Division. He was with the company until 1996. Prior to joining the LDB Group, he was the General Manager of Putrajaya Holdings Sdn Bhd and also served in various senior positions in several other private companies under Putrajaya Holdings Sdn Bhd. Encik Norazmi is the key personnel in the management team that runs the day-to-day operations of LDCSB. Encik Norazmi also sits on the Board of two private companies.

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

Datuk Mohd Hashim bin Hassan, aged 59, was appointed to the Board of LDB on 7 January 2004. Datuk Mohd Hashim holds a Master in Business Administration from Ohio University, USA and also a Master of Science (Food Science) from Michigan State University, USA. Datuk Mohd Hashim served as Director/Chief Executive Officer from June 1996 to June 2002 and as Deputy Chairman from June 2002 to March 2003 before assuming his current position as Chairman of Putrajaya Holdings Sdn Bhd. Besides being a director in several other private companies, Datuk Mohd Hashim also serves as Deputy Chairman of KUB Malaysia Berhad and as a director of Padiberas Nasional Berhad and Bank Kerjasama Rakyat Malaysia Berhad.

Prof Dr. Hamzah Ismail, aged 58, was appointed to the Board of LDB on 7 January 2004. He holds a Doctorate in Business Administration (Major in Accounting) from Indiana University, Bloomington, USA. Besides being a director of Eastern Pacific Industrial Corporation Berhad (since 1 June 1995), he is also a director of PTB Unit Trust Berhad (since 28 November 1994) and the Tun Hussein Onn National Eye Hospital (since 21 November 2001). He is also a member of the Audit Committee and the Nominations Committee of Eastern Pacific Industrial Corporation Berhad.

Dato' Nik Ismail bin Nik Yusoff, aged 58 was appointed to the Board of LDB on 7 January 2004. He obtained a Diploma in Police Science from University Kebangsaan Malaysia. Dato' Nik began his career with the Royal Malaysia Police in 1965, which he served in numerous senior positions within the Royal Malaysia Police such as the Head of Special Branch, Terengganu (1982-1983), Commandant Special Branch Training School (1989-1992), Deputy Director Special Branch 1 (1995-1997), and Chief Police Officer of Terengganu (1997), Kedah (1997-1999), Selangor (1999-2001). Dato' Nik retired from the force as the Deputy Commissioner of Police in 2001. He also sits in the Board of Malaysia AE Models Holdings Berhad and several other private companies.

Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, aged 42, was appointed to the Board of LDB on 7 January 2004. He graduated with an Honours in Business Management degree from University Kebangsaan Malaysia. He began his career as a Corporate and Retail Banking Executive with MUI Bank Berhad in 1985. He left MUI Bank Berhad in 1988 to set up Lebar Daun Construction Sdn Bhd.

6.3.3 DIRECTORS' REMUNERATION AND BENEFITS

The aggregate remuneration and benefits paid to the Directors and Chief Executive Officer of LDB for services rendered in all capacities to the Group for the financial year ended 31 December 2002 and proposed for the current financial year ending 31 December 2004 are as follows: -

Remuneration Band (RM'000)	Financial Year Ended 31 December 2002		Financial Year Ended 31 December 2003		Financial Year Ending 31 December 2004	
	Aggregate Remuneration (RM'000)	Number of Directors	Aggregate Remuneration (RM'000)	Number of Directors	Aggregate Remuneration (RM'000)	Number of Directors
Up to 50,000	-	-	-	-	90	3
50,001 – 100,000	-	-	-	-	-	-
100,001 – 200,000	-	-	-	-	-	-
200,001 – 500,000	-	-	-	-	600	2
Above 500,000	-	-	-	-	-	-
Total	-	-	-	-	690	5

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

6.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors. The Audit Committee comprises of the following individuals: -

Name	Designation	Directorship
Prof Dr. Hamzah Ismail	Chairman of Audit Committee	Independent Non-Executive Director
Norazmi bin Mohamed Nurdin	Member of Audit Committee	Managing Director
Dato' Nik Ismail bin Nik Yusoff	Member of Audit Committee	Independent Non-Executive Director

6.5 KEY MANAGEMENT

6.5.1 PARTICULARS AND SHAREHOLDINGS OF THE KEY MANAGEMENT TEAM

The details of the key management of the Group and their shareholdings in LDB after the Public Offering are as follows: -

Name	Designation / Functions	No. of Ordinary Shares Held [^]			
		Direct	%	Indirect	%
Mohd Aroff bin Suratman	Executive Director of LDCSB	123,000	0.10	-	-
Norazlan bin Mohamad Nordin	Procurement Director	44,000	0.04	⁽¹⁾ 86,674,989	73.15
Norizamshah bin Zainal	General Manager, Special Project	60,000	0.05	-	-
Razali bin Hassan	Company Secretary	80,000	0.06	-	-
See Thoo Su Jean	Accountant	60,000	0.05	-	-
Rattan Kumar a/l Chunilall	Internal Auditor	20,000	0.02	-	-
Fatmawati binti Kasbin	Contract And Merchandising Manager	44,000	0.04	⁽²⁾ 44,000	0.04
Yazit bin Yeop Arbi	Senior Quantity Surveyor	10,000	0.01	-	-

Notes: -

[^] Including their entitlements for the pink form share allocation pursuant to the Public Offering.

(1) Deemed interested by virtue of his spouse Fatmawati Binti Kasbin and his brothers, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's and Norazmi bin Mohamad Nurdin's direct shareholdings

(2) Deemed interested by virtue of her spouse, Norazlan bin Mohamad Nordin's direct shareholding

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)**6.5.2 PROFILES OF THE KEY MANAGEMENT**

Mohd Aroff Suratman, aged 39, obtained a degree in Civil Engineering from University of Tasmania, Australia in 1989. He began his career in 1990 when he joined Pembinaan Emas Jaya Sdn Bhd as Site Engineer. In 1995, he was engaged as a Project Manager by Worldwide Glomac Development Sdn Bhd and in March 2000, he joined the LDB Group as Project Manager. He was subsequently promoted to the position of Executive Director of LDCSB in 2002.

Norazlan bin Mohamad Nordin, aged 41, is the Procurement Director of LDB. He holds a Diploma in teaching profession and served as a teacher in a local school prior to joining the LDB Group in June 2000. He also managed a chain of supermarkets in Klang under Pasaraya Utama from July 1997 to July 2002. However, since June 2000, he has gradually relegated his responsibilities in Pasaraya Utama and devoted all this time and energy instead to the LDB Group. His comprehensive business insight and experience has allowed him to manage LDB's procurement and merchandizing matters. He is also a member of the Group Executive Committee.

Norizamshah bin Zainal, aged 39, is the General Manager, Special Project of the Group. Encik Norizam holds a degree in Business Administration from Wilfred Laurier University, Canada. He started his career in 1988 with Sime Darby Berhad as an Audit Executive and in 1990 he joined Malaysian Tobacco Company Berhad as an Accounting Officer. In 1998, he was attached to Sistem Iridium Malaysia Sdn Bhd as Finance and Administrative Manager. Subsequently he joined NCK Berhad in July 1999 as the Corporate Planner and Vice-President. He was with the company until August 2001, whereupon he joined the LDB Group. Encik Norizam is responsible for corporate planning of LDB where he develops strategic business plans toward providing strategic directions of the Group. He is also a member of the Group Executive Committee.

Razali bin Hassan, aged 36, is the Group Company Secretary and Legal Adviser. He graduated with Honours from International Islamic University in 1992 and was admitted to the Malaysian Bar in 1993 whereupon he joined the legal firm, Harun, Idris, Yeoh & Partners, Kuala Lumpur. Prior to joining the LDB Group, Encik Razali served as the Company Secretary for KAF-Seagroatt & Campbell Berhad from September 1997 to March 2002 and Mohaiyani Securities Sdn Bhd from April 1994 to October 1995. With extensive experience in the legal field, Encik Razali undertakes all legal, secretarial, corporate and human resource matters of the Group. He is also a member of the Group Executive Committee.

See Thoo Su Jean, aged 40, is the Group Accountant. She graduated from University Malaya in 1989 and is also a member of the Malaysian Institute of Accountants. She started her career in 1989 as an Audit Senior with Lim Tay & Co. In 1995, she joined Kimseah & Jade San Goup of Companies as its Group Finance and Accounts Manager. Subsequently, she was recruited by Golden Plus Builders Sdn Bhd as its Head of Finance and Accounts department from March 2002 to June 2003. This proactive and articulate lady is also a member of the Group Executive Committee. With her wide experience in accounting and taxation, Ms See Thoo is responsible for over-seeing the Group's finance related and taxation matters.

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6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

Rattan Kumar a/l Chunilall, aged 47, is the Group Internal Auditor. Mr. Rattan is an Associate Member of Chartered Institute of Management Accountants. He started his career as an Account Officer in Davidsam Holdings Sdn Bhd from 1980 to 1982. Subsequently he joined Bena Holdings Sdn Bhd as an Internal Auditor until 1987. In 1991, he served as a Group Internal Auditor for Sitt Tatt Berhad. Prior to joining the LDB Group in January 2002, Mr. Rattan was the Chief Internal Auditor of Sime Finance Berhad. He is also a member of the Malaysian Institute of Accountants and Malaysian Institute of Internal Auditors. Mr. Rattan is responsible for the Group's internal auditing and reviewing of the Group's standard operating procedures and manual. He is also a member of the Group Executive Committee.

Fatmawati binti Kasbin, aged 37, is the Merchandizing Manager of the Group. She graduated with a Diploma in Building from University Teknologi MARA in 1991. Ms Fatmawati has more than 10 years of experience in quantity surveying and construction under her belt. She started her career in 1991 with YTL Corporation Berhad as an Assistant Quantity Surveyor. In 1993, she joined General Lumber Sdn Bhd as a Quantity Surveyor. Prior to joining the LDB Group in July 2000, she was attached to Cahaya Kelang Construction Sdn Bhd. As the Group Merchandizing Manager, Cik Fatmawati is responsible for merchandizing and quantity surveying matters of the Group. She is also a member of the Group Executive Committee.

Yazit bin Yeop Arbi, aged 35, is the Senior Quantity Surveyor of the Group. Encik Yazit graduated with a degree in Quantity Surveying from University Teknologi MARA in 1994. He started his career in 1990 as an Assistant Quantity Surveyor with Jub Padu Sdn Bhd. In 1994, Encik Yazit was attached to Perunding NFL Sdn Bhd and in 1997, with HA Associates as a Quantity Surveyor. Encik Yazit joined Kuala Lumpur City Centre Berhad as a Senior Quantity Surveyor in 1998 prior to joining the LDB Group in May 2001 as a Senior Quantity Surveyor.

6.6 INVOLVEMENT OF EXECUTIVE DIRECTORS / SUBSTANTIAL SHAREHOLDER / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS

None of the Executive Directors, substantial shareholder and key management of the LDB Group are involved in any other businesses/corporations which may give rise to a potential conflict of interest save for the following:

- Norazmi bin Mohamed Nurdin is a Non-Executive Director of LDDSB and Lebar Daun Plantations Sdn Bhd ("LDPlantation"). Encik Norazmi is not involved in the day-to-day operations of LDDSB and LDPlantation. Furthermore, LDPlantation is currently a dormant company.
- Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a non-independent non-executive director of LDB and is not involved full time in LDB Group. He is a director of LDDSB, LDPlantation and Vendorich Sdn Bhd. LDPlantation and Vendorich Sdn Bhd are currently dormant.

6.7 DECLARATION OF DIRECTORS AND KEY MANAGEMENT TEAM/TECHNICAL PERSONNEL

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

- (a) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)

- (b) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

6.8 FAMILY RELATIONSHIPS

- (a) Datin Nor Hayati binti Abd Malik is the spouse of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin;
- (b) Norazlan bin Mohamad Nordin and Norazmi bin Mohamed Nurdin are the brothers of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin;
- (c) Fatmawati binti Kasbin is the spouse of Norazlan bin Mohamad Nordin; and
- (d) Anuar bin Abd Malik is the brother of Datin Nor Hayati binti Abd Malik, the brother-in-law of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin.

Save as disclose above, there is no family relationship (as defined in Section 122A of the Act) or association between the substantial shareholders, promoters, Directors, key management or key technical personnel.

6.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

There is no existing or proposed service agreements between the Group and its Directors and key management or key technical personnel which are not terminable by notice without payment of compensation.

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

The significant changes of the promoter/substantial shareholder's shareholdings in the Company for the past three (3) years preceding the date hereof are as follows: -

Date of Addition / (Disposal)	Substantial Shareholders	Number of Shares			
		Brought Forward	Addition	Disposal	Carried Forward
7 January 2004	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	-	112,999,989	-	112,999,989
Before Listing *	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	112,999,989		(9,000,000)	103,999,989

Notes:-

- * Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin will transfer the 9,000,000 LDB Shares to creditors' agent of HACB pursuant to the Debt Settlement

6. INFORMATION ON SHAREHOLDERS, PROMOTER, DIRECTORS AND SENIOR MANAGEMENT (Cont'd)**6.11 DIRECTORSHIPS AND SUBSTANTIAL SHAREHOLDINGS IN ALL OTHER PUBLIC CORPORATIONS FOR THE PAST TWO YEARS**

The directorships and substantial shareholdings of the directors in other public corporations for the past two years preceding the date of this Prospectus are as follows: -

Name	Name of Corporation Involved	Year of Appointment to the Board	Substantial Shareholdings (No. of Shares)	(%)
Directors				
Dato' Nik Ismail bin Nik Yusoff	Malaysia AE Models Holdings Berhad	27 December 2001	-	-
	Merces Holdings Berhad	29 January 2002	-	-
Datuk Mohd Hashim bin Hassan	KUB Malaysia Berhad	1 November 2002	-	-
	Bank Kerjasama Rakyat Malaysia Berhad	16 January 2003	-	-
	Padiberas Nasional Berhad	13 October 2003	-	-
Prof Dr. Hamzah Ismail	PTB Unit Trust Berhad	28 November 1994	-	-
	Eastern Pacific Industrial Corporation Berhad	1 June 1995	-	-
	Tun Hussein Onn National Eye Hospital	21 November 2001	-	-

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7. APPROVALS AND CONDITIONS**7.1 APPROVALS AND CONDITIONS**

The Public Issue and Offer for Sale were approved by the following authorities as follows:-

<u>Authorities</u>	<u>Date</u>
SC	25 July 2003, 7 August 2003, 3 October 2003, 9 October 2003 and 28 January 2004
FIC	30 December 2002

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

Conditions Imposed By SC	Status of Compliance						
Vide SC's letters dated 25 July 2003, 7 August 2003, 3 October 2003 and 9 October 2003							
1. The approval of HACB/LDB's shareholders is required for any changes to the utilisation of the proceeds, that deviate by 25% or more from the original utilisation of proceeds. Should the deviation be less than 25%, appropriate disclosure is required to be made to the shareholders of HACB/LDB	Will be complied, if applicable						
2. Any extension of time from the timeframe fixed by HACB/LDB for the utilisation of proceeds should be approved by a clear resolution of the Board of HACB/LDB and must be fully disclosed to the MSEB	Will be complied, if applicable						
3. Appropriate disclosure on the status of utilisation of proceeds is required to be made in the quarterly results and annual reports of HACB/LDB and should continue until the proceeds have been fully utilised	Will be complied, if applicable						
4. Compliance with the conditions in relation to the following properties prior to the completion of the Acquisition of LDCSB:							
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;">Properties HS(D) 151324 PT 896 and HS(D) 151325 PT 897</td> <td style="width: 50%; vertical-align: top;">Conditions • Approvals from the local authorities are required to be obtained for the building plans for the renovations on PT 897 and confirmation from the local authorities that the renovations done are in accordance to the approved building plans is required; and • The ownership is to be transferred and registered under LDCSB</td> </tr> </table>	Properties HS(D) 151324 PT 896 and HS(D) 151325 PT 897	Conditions • Approvals from the local authorities are required to be obtained for the building plans for the renovations on PT 897 and confirmation from the local authorities that the renovations done are in accordance to the approved building plans is required; and • The ownership is to be transferred and registered under LDCSB	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; vertical-align: top;">Complied</td> </tr> <tr> <td></td> <td style="vertical-align: top;">Complied</td> </tr> </table>		Complied		Complied
Properties HS(D) 151324 PT 896 and HS(D) 151325 PT 897	Conditions • Approvals from the local authorities are required to be obtained for the building plans for the renovations on PT 897 and confirmation from the local authorities that the renovations done are in accordance to the approved building plans is required; and • The ownership is to be transferred and registered under LDCSB						
	Complied						
	Complied						

7. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By SC	Status of Compliance
HS(M) 23146 PT 32404 and HS(M) 23075 PT 32460 <ul style="list-style-type: none"> • The disposal is to be completed; and • Relevant documents is to be furnished to the SC upon completion of the said disposal 	Complied
5. Prior to the issuance of the prospectus:	
(a) All non-trade debts owing to LDCSB by Dato' Noor Azman and his affiliated companies are to be fully settled;	Complied. A written confirmation from LDB has been furnished to the SC on 8 January 2004.
(b) All trade debts which has exceeded the credit limit and is owing by the affiliated companies of Dato' Noor Azman to LDCSB is to be fully settled; and	Complied. A written confirmation from LDB has been furnished to the SC on 8 January 2004.
(c) The third party first legal charge over the land belonging to LDCSB, HS(D) 48450 PT No 48607 and HS(D) 48451 PT 48608, which was charged to Malayan Banking Berhad as a security for a facility granted to Vendorich Sdn Bhd is to be fully discharged;	Complied. The said charge was discharged on 16 April 2003.
6. HACB/LDB is required to disclose:	
(a) In the information circular to the shareholders:	
<ul style="list-style-type: none"> • The basis of determining the purchase consideration of LDCSB and the justification for the said purchase consideration; and 	Complied. Disclosed in Section 2.4.1 of HACB's Information Circular dated 26 January 2004.
<ul style="list-style-type: none"> • The total amount due from Dato' Noor Azman and his affiliated companies 	Complied. Disclosed in Section 2.4.12 of HACB's Information Circular dated 26 January 2004..
(b) In the information circular to the shareholders and prospectus:	
<ul style="list-style-type: none"> • Financial connections between AmMerchant Bank and HACB/LDB as well as the justifications supporting AmMerchant Bank's view that the financial connection does not create a conflict of interest; 	Complied. Please refer to Section 8.9 of this Prospectus.
<ul style="list-style-type: none"> • Interest/Involvement of the prospective directors and substantial shareholders of LDB in other businesses which may give rise to a conflict-of-interest situation in the LDB Group and steps taken / to be taken to mitigate the said conflict; 	Complied. Please refer to Section 6.6 of this Prospectus.
<ul style="list-style-type: none"> • The total trade debts in LDCSB, ageing analysis of the said trade debts as well as the comments/statements from the directors of LDCSB on the recoverability of the outstanding trade debts which has no provisions made; 	Complied. Please refer to Section 4.2.15 of this Prospectus.
<ul style="list-style-type: none"> • Details of contracts from related parties and comments from the directors of LDCSB on whether the said contracts will continuously be awarded to LDCSB and are not damaging to LDCSB; 	Complied. Please refer to Section 8.1 and 8.2 of this Prospectus.

7. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By SC	Status of Compliance
<ul style="list-style-type: none"> • Details of the prospects and main risks in relation to the operations of the LDB Group as well as the plans and practice taken/to be taken to mitigate the said risks; 	Complied. Please refer to Section 3 of this Prospectus.
<ul style="list-style-type: none"> • Steps taken/to be taken to secure contracts from external parties and the effectiveness of doing so; 	Complied. Please refer to Section 3(a), 4.2.5 and 4.7.2 of this Prospectus.
<ul style="list-style-type: none"> • Terms of the stakeholder and profit guarantee agreement; and 	Complied. Please refer to Section 7.3 of this Prospectus.
<ul style="list-style-type: none"> • Conversion price of ICULS, justification for the conversion price as well as the effects of the conversion of ICULS to the structure of the shareholdings 	Complied. Please refer to Section 5.5 of this Prospectus.
7. Full provision is required to be made for trade debts which are in dispute, under legal action or remained outstanding for a period of more than six(6) months in the accounts/forecast/projection. In relation to this, the directors of LDB are required to provide the SC with a written confirmation that full provision has been made in the financial accounts as well as the financial forecast/projection	Complied. A written confirmation from the directors of LDB has been furnished to the SC on 8 January 2004.
8. The prospective directors of LDB are required to furnish the SC with a written declaration that all trade debtors who are not in dispute, not under any legal action or not exceeding a period of more than six(6) months, are fully recoverable. In the event that the amount is not recovered, LDCSB Vendors will be required to reimburse LDB, by way of cash, the amount not recovered from the debtors prior to the issuance of the information circular to the shareholders of HACB;	Complied. A written confirmation from the directors of LDB and LDCSB Vendors has been furnished to the SC on 8 January 2004.
9. In relation to the Placement, the requirements in relation to the placement of shares as stipulated in the SC's Policies and Guidelines on Issue/Offer of Securities is to be fully complied with. In relation to this, the adviser or an independent placement agent, where applicable, is required to furnish to the SC, for information, the final list of placees and a written confirmation that the placement exercise is in full compliance with the SC's guidelines upon completion of the placement exercise;	Will be complied
10. The prospective directors of LDB who are involved full time in LDB Group are not allowed to be involved full time in their own private businesses;	Complied. Please refer to Section 6.6 of this Prospectus. A letter of undertaking signed by Norazmi bin Mohamed Nurdin was furnished to the SC on 13 January 2004.
11. The prospective directors/substantial shareholders of LDB Group are not allowed to be involved in other businesses which compete directly or otherwise and are in conflict with the business of the LDB Group;	Complied. Please refer to Section 8.5 of this Prospectus and the Letter of Undertaking dated 8 January 2004 signed by the directors and substantial shareholders.
12. Any future business transactions between the LDB Group and the directors/substantial shareholders or companies of which the directors/substantial shareholders are related to the directors/substantial shareholders are to be conducted on arm's length basis and not on terms, which will be prejudicial to the LDB Group. In this respect, the Audit Committee of LDB is required to	Will be complied. A Letter of Undertaking dated 7 January 2004 signed by the directors and substantial shareholders has been furnished to the SC on 16

7. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By SC	Status of Compliance
monitor these transactions and the Directors of LDB are required to report such transactions, if any, in the annual report of the LDB Group each year;	January 2004.
<p>13. A moratorium shall be imposed on 74,500,000 new LDB Shares to be received by Dato' Noor Azman, one of the LDCSB Vendors pursuant to the Proposed Acquisition. In relation to this, Dato' Noor Azman will not be allowed to sell, transfer or assign his shares under moratorium for at least one(1) year from the date of listing of the said consideration shares on the MSEL.</p> <p>Thereafter, the said shares will not be under the moratorium in line with the final phase of the disclosure-based regulation.</p>	Complied. Please refer to Section 7.2 of this Prospectus.
14. LDCSB is to take steps to secure external contracts as well as reduce its dependence on contracts secured by the related parties	Complied. Please refer to Section 3(a), 4.2.5 and 4.7.2 of this Prospectus.
<p>15. In relation to the stakeholder and profit guarantee agreement:</p> <ul style="list-style-type: none"> • The value of the securities deposited by the vendors of LDCSB with a stakeholder must be at least 120% of the profits guaranteed for the duration of the said agreement • The stakeholder's and profit guarantee agreement must have a clause stipulating that the said agreement cannot be cancelled/discharged • The terms of the stakeholder's and profit guarantee agreement must not be to the detriment of LDB <p>In relation to the above, AmMerchant Bank is required to furnish a written confirmation to the SC that the profit guarantee and stakeholder's agreement may not be discharged and that the terms of the said agreement is not to the detriment of LDB;</p>	<p>Complied. Please refer to Section 7.3(g) of this Prospectus.</p> <p>Complied. Please refer to Section 7.3(i) of this Prospectus.</p> <p>Complied</p> <p>Complied. A letter dated 13 January 2004 has been furnished by AmMerchant Bank to the SC.</p>
16. The SC's approval is required for any changes to the terms and conditions of the LDB ICULS;	Will be complied if applicable
<p>17. Prior to the issuance of the LDB ICULS, the adviser is required to furnish to the SC the following:</p> <ul style="list-style-type: none"> • A certified true copy of the executed Trust Deed • The date of issuance and listing of the abovementioned ICULS 	<p>Complied. A copy of the required documents had been furnished to SC on 13 January 2004.</p> <p>Complied. A copy of the required documents had been furnished to SC on 13 January 2004.</p>
18. Prior to the listing of the ICULS, a declaration letter which had been furnished by LDB is to be ratified by the prospective directors of LDB upon appointment and an extract of the board of directors' resolution is to be furnished to the SC	Will be complied.
19. Written confirmation together with a complete checklist on the compliance with the terms and conditions imposed on the issuance of ICULS is required to be furnished to the SC upon the completion of the implementation of the ICULS	Will be complied.

7. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By SC	Status of Compliance
<p>20. LDB/HACB is required to appoint an independent audit firm (which is experienced in investigative audit and must not be the current nor the previous auditors of the HACB Group) within two months from the date of the letter of approval from the SC to conduct an investigative audit on HACB's previous business losses including taking the necessary/relevant steps to recover the said losses. Based on the findings of the investigative audit, HACB is to report to the relevant authorities if there are any breach of any laws, rules, guidelines and/or memorandum and articles of HACB involving members of the Board of HACB and/or any other party that has caused the said losses of HACB. The investigative audit is to be completed within six (6) months from the date of appointment of the independent audit firm and an appropriate announcement is to be made in respect of the findings of the investigative audit. Two copies of the said investigative audit report must be made available to the SC after the completion of the investigative audit;</p>	Will be complied. HACB had on 6 October 2003 appointed Messrs Horwath as the independent audit firm to carry out the investigative audit.
<p>21. AmMerchant and HACB/LDB are required to comply with the requirements in relation to the above proposals as provided under the SC's guidelines</p>	Will be complied.

Conditions Imposed By FIC	Status of Compliance
To inform the FIC upon completion of the Restructuring Scheme	Will be complied.

7.2 MORATORIUM ON SHARES

The SC, in approving, amongst others, the Public Issue and Offer for Sale has imposed a moratorium of 74,500,000 LDB Shares representing 62.9% of the consideration shares to be received by the vendors of LDCSB ("Moratorium Shares").

Accordingly, as listed in the table below, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin will not be allowed to sell, transfer or assign the Moratorium Shares amounting to 62.9% of the enlarged issued and paid-up capital of LDB for one (1) year from the date of admission of LDB to the Official List of the Second Board of the MSEP.

Name of shareholder	No. of shares held after Public Offering*	% of enlarged issued and paid-up capital (%)	No. of shares held under moratorium	% of enlarged issued and paid-up capital (%)
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	85,049,989	71.8	74,500,000	62.9

Notes: -

* Including his pink form entitlement

Computed based on enlarged issued and paid up share capital of 118,483,675 Shares

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7. APPROVALS AND CONDITIONS (Cont'd)

The restriction, which is fully accepted by the shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the shareholders which are under moratorium to ensure that LDB's registrars do not register any transfer not in compliance with the restriction imposed by the SC. The shareholders have provided an undertaking that they shall not sell, transfer or assign their respective shareholdings under moratorium in accordance with the SC Guidelines.

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

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

7.3 PROFIT GUARANTEE

Pursuant to the Restructuring Scheme, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin ("Guarantor") being the major shareholder of LDCSB voluntarily proposed to provide a guarantee that the annual audited consolidated after tax profit of the LDB Group shall not be less than RM14.5 million for each of the financial years ending 31 December 2004 and 2005 ("Guaranteed Profit"). The Guaranteed Profit amount is arrived at after taking into consideration the audited consolidated after tax profit of LDCSB of RM14.7 million for the financial year ended 31 December 2002.

The Guaranteed Profit shall be secured by inter alia, the ordinary shares issued by LDB to the Guarantor pursuant to the Acquisition of LDCSB, which are under moratorium in compliance with the requirements of the SC ("Security Shares"). The Guarantor shall deposit with a stakeholder to be appointed by the Company ("Stakeholder") such number of Security Shares, the value of which shall not be less than 120% of the Guaranteed Profit.

The salient terms of the Profit Guarantee set out in the Profit Guarantee and Stakeholder Agreement are as follows:

- (a) The Group shall have a consolidated profit after tax equivalent to at least RM14.5 million for each of the financial years ending 31 December 2004 and 2005;
- (b) The actual PAT of the proposed LDB Group for the financial years in which the profit guarantee is provided shall not be lower than the Guaranteed Profit for that financial year;
- (c) In the event that the Group fails to achieve the Guaranteed Profit, the Guarantor shall, on demand from the Company, make payment within thirty (30) market days from the date the accounts are certified by the auditor, of the shortfall between and the actual audited after tax profits of the Group for the relevant financial year end and the Guaranteed Profit in immediately available funds and payment of such shortfall shall be in full satisfaction of the Guarantor's obligations in respect of the Guaranteed Profit PROVIDED ALWAYS that the Company shall not make such a demand until and unless the certificate shall have first been issued (which certificate shall be issued within 30 market days from the date on which the auditors sign-off their responsibilities in respect of the audited accounts for the financial years ending 31 December 2004 or 31 December 2005, as the case may be);
- (d) A Profit Guarantee and Stakeholder Agreement will be executed to give effect to the Proposed Profit Guarantee;

7. APPROVALS AND CONDITIONS (Cont'd)

- (e) The Profit Guarantee and Stakeholder Agreement may not be amended, varied or modified in any manner unless made in writing and duly signed by the Guarantor, LDB and the Stakeholder. Such amendment, variation or modification is subject to the approval of the SC and the other shareholders of LDB (excluding the Guarantor and parties connected with him).
- (f) The Guarantor expressly warrants, represents and undertakes with LDB and the Stakeholder that he will continue to control the management of LDB for the period until the completion or satisfaction of the Guaranteed Profit.
- (g) The Guarantor agrees and covenants to maintain that the actual market value of the deposited Security Shares shall be at a level of no less than one hundred twenty per cent (120%) of the Guaranteed Profit ("Permitted Margin") at all times during the continuance of the Profit Guarantee and Stakeholder Agreement.
- (h) In the event that the actual market value of the deposited Security Shares falls below the Permitted Margin on any date on which the Stakeholder shall carry out a valuation of the Security Shares ("Valuation Date"), the Guarantor shall within fourteen (14) market days upon receiving notification from the Stakeholder, deposit with the Stakeholder such further number of shares as is required such that the value of the deposited Security Shares shall be at the Permitted Margin.
- (i) In the event that the actual market value of the deposited Security Shares exceeds the Permitted Margin on any Valuation Date, the Stakeholder may, upon written request by the Guarantor, release such part of the deposited Security Share which is in excess to the Guarantor provided always that the market value of the deposited Security Share on that Valuation Date is maintained at the Permitted Margin.
- (j) The Guarantor shall within fourteen (14) days from the date of a written notice of demand given by the Stakeholder, deposit and deliver such number of Security Shares, the value of which shall not be less than 120% of the Guaranteed Profit, into the securities account, to maintain the profits guaranteed for the relevant financial years.
- (k) In the event the Group fails to achieve the Guaranteed Profit and the Guarantor fails to make payment to LDB an amount to cover the shortfall, the Guarantor expressly, irrevocably and unconditionally authorize and empower the Stakeholder to deal with the deposited Security Shares at any time thereafter, in the following manner without further reference or notice to the Guarantor to dispose of all or any of the deposited Security Shares as may be determined by the Stakeholder in order to achieve the amount of the relevant shortfall and the costs and expenses of the disposal thereof:-
- (i) either by way of private treaty, placement or in the open market or such other manner whatsoever;
 - (ii) either with or without any special conditions or stipulations as to title, time or mode of payment (with or without security); and
 - (iii) upon such terms and conditions as the Stakeholder may agree with the consent of LDB and failing such agreement and consent, as the Stakeholder may deem expedient acting on the advice of a reputable firm of stockbrokers, without being responsible for any losses nor answerable for any omission or delay or for any voluntary or involuntary losses or irregularities which may happen in or about the exercise or non-exercise of any of the powers or duties of the Stakeholder expressed or implied in the Profit Guarantee and Stakeholder Agreement.

7. APPROVALS AND CONDITIONS (Cont'd)

- (j) The proceeds of any disposal of the deposited Security Shares shall be applied by the Stakeholder in the following manner:-
- (i) firstly, in payment of all necessary, incidental and/or ancillary costs, expenses and fees incurred in respect of or arising from the disposal of the deposited Security Shares;
 - (ii) secondly, in payment of all monies (including fees and expenses) due to the Stakeholder pursuant to the Profit Guarantee and Stakeholder Agreement;
 - (iii) thirdly, in payment to the Group to meet the relevant shortfall;
- and the balance remaining thereafter (if any) shall be paid to the Guarantor.
- (k) In the event that the aggregate amount of the net proceeds from the disposal of the deposited Security Shares shall, after deducting all monies referred to in sub-item (j)(i), (ii) and (iii), be insufficient to cover the relevant shortfall, LDB shall be entitled take such action as it deems fit or necessary to recover such shortfall. The Stakeholder shall not be under any obligations to recover such shortfall and shall be fully discharged and released from its obligations upon completion of the disposal of the deposited Security Shares and release of the net amount recovered to LDB.
- (l) The Profit Guarantee and Stakeholder Agreement will subsist until LDB's auditors have issued a written certificate stating that:-
- (i) all payments due and payable to LDB, by reason of the shortfall for the financial years in which the Guaranteed Profit is provided including any fees, charges and expenses in relation have been paid by the Guarantor to LDB; and/or
 - (ii) there is no shortfall for the financial years in which the Guaranteed Profit is provided; and/or
 - (iii) the Guaranteed Profit have been achieved at any time during any of the guaranteed financial years;

after which time and provided the Stakeholder shall have received all amounts due or otherwise payable to it, the Stakeholder shall return to the Guarantor the deposited Security Shares or such remaining portion thereof after the disposal of the deposited Security Shares, and all relevant documents in respect thereof and shall thereafter cease to act as Stakeholder under the Profit Guarantee and Stakeholder Agreement.

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8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST**8.1 Existing and Proposed Related-Party Transactions and Conflict Of Interest**

The Group has ongoing trade transactions with companies, which the promoters, directors and/or substantial shareholders of LDB are substantial shareholders and/or directors. Details of the related party transactions are as follows: -

Related Parties	Nature of transaction	Interested promoter/ director/ substantial shareholder	Nature of Interest	Transaction Value (RM Million)
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	By a Sale and Purchase Agreement dated 14 October 2002 entered between Dato Noor Azman @ Noor Hizam bin Mohd Nurdin ("Vendor") and LDCSB ("Purchaser"), the Vendor agreed to sell and the Purchaser agreed to purchase the properties held under H.S.(D) 151324, P.T. No. 896, Mukim Bandar Shah Alam Daerah Petaling, Selangor and H.S.(D) 151325, P.T. No. 897, Mukim Bandar Shah Alam, Daerah Petaling, Selangor	-	-	RM3.5 million to be satisfied by 3,500,000 new ordinary shares of RM1.00 only each of the issued and paid up share
LDDSB	Letter of Award dated 1 September 2001, between LDDSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina dan Menyiapkan 2 Buah Bangalow di Jalan Paip Meru, Klang"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	1.760
LDDSB	Letter of Award dated 19 November 2001, between LDDSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Pembangunan Pusat Latihan Budaya Melayu Baru di Kampung Kemensah, Hulu Kelang, Daerah Gombak Selangor"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	7.328
LDDSB	Letter of Award dated 1 December 2001, between LDDSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina dan Menyiapkan Rekabentuk Dalam dan Pengubahsuaian Ruang Pejabat Institut Perkembangan Minda di Aras 15, Menara Yayasan Selangor, Jalan 18A, Persiaran Barat, Petaling Jaya"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	714.226 Thousand

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Related Parties	Nature of transaction	Interested promoter/ director/ substantial shareholder	Nature of interest	Transaction Value (RM Million)
LDDSB	Letter of Offer dated 17 December 2001, between LDDSB and LDCSB, for the construction and completion of the project known as "Cadangan pembangunan di atas penempatan Orang Asli Air Kuning dibahagian tanah seluas 273 ekar, di Bukit Cerakah, Sekyen U11, Shah Alam, Selangor"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	476.599
LDDSB	Letter of Award dated 22 April 2002, between LDDSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning, Sebahagian Tanah Seluas 273 ekar, Bukit Cerakah, Sekyen U11, Shah Alam, Daerah Petaling, Selangor" for the construction and completion of bulk earthwork and ancillary works of supplying material, equipment and labour for the construction and completion of Main Drain No. 1 & 2 (size 3650mm x 2700mm) and Box Culvert Incl Headwall & Wingwall (size 3650mm x2700mm)"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	5.123
LDDSB	Letter of Award dated 30 April 2002 between LDDSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina Dan Menyiapkan 350 Unit Rumah Teres Setingkat 20' X 65' dan 22 Unit Rumah Kedai 2 Tingkat 20' x 70' Di atas Lot 2685 dan 2688, Mukim Telok Panglima Garang, Daerah Kuala Langat, Selangor Darul Ehsan"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	2.750
LDDSB	Letter of Award dated 2 May 2002 between LDDSB and LDCSB for the project known as "Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning, Sebahagian Tanah Seluas 273 ekar, Bukit Cerakah, Sekyen U11, Shah Alam, Daerah Petaling, Selangor" for the construction and completion of Overall Panelling System Mould Package for Phases 1A (163 units), 1B (106 units) and 1C (201 units)	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	1.500

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Related Parties	Nature of transaction	Interested promoter/ director/ substantial shareholder	Nature of Interest	Transaction Value (RM Million)
LDDSB	Letter of Offer dated 2 May 2002 between LDDSB and LDCSB for the construction and development of all that piece of land held under HS(D) 132963 PT No. 445 in Section 13, Shah Alam, Selangor	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	613.145
LDDSB	Letter of Award dated 24 May 2002 between LDDSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning, Sebahagian Tanah Seluas 273 ekar, Bukit Cerakah, Sekyen U11, Shah Alam, Daerah Petaling, Selangor" for the construction and completion of Main Road – "Road A"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	6.704
LDDSB	Letter of Award dated 1 July 2002 between LDDSB and LDCSB for the project known as "Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning, Sebahagian Tanah Seluas 273 ekar, Bukit Cerakah, Sekyen U11, Shah Alam, Daerah Petaling, Selangor" for the construction and completion of RC Piling Works 150mm x 150mm	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	2.917
LDDSB	Letter of Award dated 1 July 2002 between LDDSB and LDCSB for the project known as "Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning, Sebahagian Tanah Seluas 273 ekar, Bukit Cerakah, Sekyen U11, Shah Alam, Daerah Petaling, Selangor" for the construction and completion of 163 units of Double Storey Terrace House (20' x 70') including Infra within Boundary	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	16.616
LDDSB	Variation Order 01 dated 4 January 2003, between LDDSB and LDCSB, for the additional piling works on the construction and completion of the project known as "Cadangan membina dan menyiapkan 350 unit rumah teres satu tingkat 20' x 60', 182 unit rumah teres satu tingkat 20' x 65', 22 unit rumah kedai dua tingkat 20' x 70' di atas Lot 2685 (Lot Baru 3384) dan 2688 (Lot Baru 3945) Mukim Telok Panglima Garang, Daerah Kuala Langat, Selangor"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	1.010

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Related Parties	Nature of transaction	Interested promoter/ director/ substantial shareholder	Nature of Interest	Transaction Value (RM Million)
LDDSB	Letter of Award dated 1 April 2003 between LDDSB and LDCSB, for the construction and completion of the project known as "Proposed Construction and Completion of 36 unit double storey terrace – Phase 1A (Discordia) di atas penempatan Orang Asli, Air Kuning, sebahagian tanah seluas 273 ekar, Bukit Cerakah, Seksyen U11, Shah Alam, Daerah Petaling, Selangor, for sub-contract construction of double storey terrace house (18' x 65') including infra within boundary"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	3.381
LDDSB	Letter of Award dated 12 May 2003 between LDDSB and LDCSB, for the construction and completion of the project known as "Design and Build for Sewage Treatment Plant for Cadangan Pembangunan di atas penempatan Orang Asli, Air Kuning, sebahagian tanah seluas 273 ekar, Bukit Cerakah, Seksyen U11, Shah Alam, Daerah Petaling, Selangor, for sub-contract construction for the Proposed Design and Build for the Sequential Batch Reactor System (SBR System) for Maximum capacity 20,000PE Sewage Treatment Plant"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	3.590
LDDSB	Letter of Award dated 3 June 2003 between LDDSB and LDCSB, for the construction and completion of the project known as "Construction and Completion of Infra Works for Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning sebahagian tanah seluas 273 ekar, Bukit Cerakah, Seksyen U11, Shah Alam, Daerah Petaling, Selangor, for the sub-contract construction of Sewerage Reticulation Works for Phase 1A & 1B"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	687.137(Thousand)

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Related Parties	Nature of transaction	Interested promoter/ director/ substantial shareholder	Nature of Interest	Transaction Value (RM Million)
LDDSB	Letter of Award dated 4 June 2003 between LDDSB and LDCSB, for the construction and completion of the project known as "Proposed Construction and Completion of 106 unit double storey terrace – phase 1B (Salacia) di atas Penempatan Orang Asli, Air Kuning, sebahagian tanah seluas 273 ekar, Bukit Cerakah, Seksyen U11, Shah Alam, Daerah Petaling, Selangor, for the sub-contract construction of TNB Sub-Station (Single Chamber)"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	65.000 (Thousand)
LDDSB	Letter of Award dated 23 June 2003 between LDDSB and LDCSB, for the project known as "Construction and Completion of infra works for Cadangan Pembangunan di atas Penempatan Orang Asli, Air Kuning sebahagian tanah seluas 273 ekar, Bukit Cerakah, Seksyen U11, Shah Alam, Daerah Petaling, Selangor, for the sub-contract of Supply of Labour, Material, Equipment and Tools for The Execution of 0.86MG Reservoir"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	3.241
LDDSB	Letter of Award dated 15 July 2003 between LDDSB and LDCSB, for the construction and completion of the project known as "Cadangan Pembangunan Perumahan dan Perniagaan di atas Lot PT 445, Seksyen 13, Shah Alam, Selangor, for the sub-contract of Supply of Labour, Tool, Equipment, Machineries and Workmanship For Execution of Demolition, Site Clearance and Earthworks"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin Norazmi bin Mohamed Nurdin	Director and substantial shareholder of LDDSB Director of LDDSB	3.785
LDPSB	Letter of Award dated 10 January 2000, between LDPSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina 48 unit rumah Teres Setingkat & 32 unit Rumah Teres 2 Tingkat di Lot Asal No. 1360, Jalan Sri Tanjung 3, Kaw 2, Klang, Selangor"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Director and substantial shareholder of LDPSB	4.709

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Related Parties	Nature of transaction	Interested promoter/ director/ substantial shareholder	Nature of Interest	Transaction Value (RM Million)
LDPBSB	Letter of Award dated 10 May 2000, between LDPBSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina 3 Block 5 Tingkat 5 Pangsapuri Kos Sederhana di Lot 2633, Mukim Bukit Raja, Daerah Petaling, Shah Alam, Selangor"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Director and substantial shareholder of LDPBSB	9.838
LDPBSB	Letter of Award dated 15 May 2000, between LDPBSB and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina 180 unit Rumah Teres 1 Tingkat di Lot 2573, 2574, 2575, Taman Dato' Bandar, Meru, Mukim Kapar, Klang, Selangor"	Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Director and substantial shareholder of LDPBSB	7.671
Basco Sdn Bhd	Letter of Award dated 9 July 2000, between Basco Sdn Bhd and LDCSB for the construction and completion of the whole works for the project known as "Cadangan Membina 50 unit Rumah Teres 1 Tingkat di Lot Asal 2580, di Jalan Jabar, Mukim Kapar, Klang, Selangor"	Norazlan bin Mohamed Nurdin Fatmawati binti Kasbin	Directors and Substantial shareholders of Basco Sdn Bhd	2.775
Basco Sdn Bhd	Letter of Offer dated 11 February 2002, between Basco Sdn Bhd and LDCSB, for the construction and completion of the project known as " Cadangan pembangunan bercampur di atas tanah pemberian seluas 36 ekar, Mukim Petaling, Selangor"	Norazlan bin Mohamed Nurdin Fatmawati binti Kasbin	Directors and substantial shareholders of Basco Sdn Bhd	46.2
Basco Sdn Bhd	Letter of Award dated 30 April 2002 between Basco Sdn Bhd and LDCSB for the construction and completion of the whole works for the project know as "Cadangan Pembangunan Bercampur Di Atas Tanah Pembermilikkan Seluas 36 Ekar Mukim Petaling, Daerah Petaling, Selangor"	Norazlan bin Mohamed Nurdin Fatmawati binti Kasbin	Directors and substantial shareholders of Basco Sdn Bhd	5.524
Basco Sdn Bhd	Variation Order 01 dated 16 March 2003 between Basco Sdn Bhd and LDCSB, for the additional bulk earthworks on the construction and completion of the project known as "Cadangan Pembangunan Bercampur di atas tanah pemberian seluas 36 ekar Mukim Petaling, Daerah Petaling, Selangor"	Norazlan bin Mohamed Nurdin Fatmawati binti Kasbin	Directors and Substantial shareholders of Basco Sdn Bhd	3.762

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

The Directors and the substantial shareholders of LDB have provided an undertaking that all the business transactions between the Group the Directors and substantial shareholders and persons connected to them and the key management of LDB, shall be based on the arms length basis and on commercial terms and shall not be disadvantages to the Group.

The Board of Directors of LDB are of the opinion that the above contracts from the related parties are not damaging to LDCSB as the LDB Group are currently continuously seeking further opportunities to tender for external state and federal projects. The Board of Directors of LDB is confident of securing such external state and federal projects in the future with the aforementioned current contracts from the related parties acting as a supporting income to the LDB Group. Contracts from the related parties may still occur and arise at any time and from time to time. However, with the establishment of a tender committee, the risk of related party transactions will be mitigated. The aforementioned tender committee acts to review the competitiveness of the tenders received from related companies and to ensure that the business conducted is at arm's length transactions and in the ordinary course of business, and the terms are consistent with the Group's business practices and policies.

8.2 TENDER COMMITTEE

In addressing the related party transactions, LDB has set up a Tender Committee on 15 March 2003 to ensure that tenders received and made with affiliated companies are undertaken on an arm's length basis and on normal commercial terms consistent with LDCSB's usual business practices and policies.

- a) The Tender Committee shall includes external experts (not related to the directors or substantial shareholders of LDCSB), including a qualified quantity surveyor / architect;
- b) A list of the related parties of LDCSB will be circulated within the Tender Committee and at the same time, the related party will be notified that all Related Party Contracts are required to be undertaken on an arm's length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;
- c) If a member of the Tender Committee has an interest, as the case may be, he will abstain from any decision making by the Tender Committee in respect of the said transaction;
- d) Proper records will be maintained by LDCSB to document all Related Party Contracts entered into for onward transmission to the internal and external auditors, Tender Committee and Audit Committee for their review;
- e) A strict payment policy is implemented by the management of LDCSB and the Audit Committee whereby payments from the Property Companies are monitored closely to ensure promptness and an interest payment will be charged on late payments by the Property Companies.
- f) The internal auditors will review and report on all the Related Party Contracts in their audit exercise to ensure the review procedures in respect of such transactions are strictly adhered to. This includes timely payments made by the Property Companies;
- g) The Audit Committee shall have the overall responsibility for determining the review guidelines and procedures and has the authority to delegate such responsibility to individuals within the Company as they deem appropriate.
- h) All approvals of the Related Party Contracts by the Tender Committee and the Board of Directors of LDCSB will be tabled before the Audit Committee for its review and to satisfy itself that the established guidelines and procedures are sufficient to ensure that the Related Party Contracts are carried out on an arm's length basis and on normal commercial terms consistent with the Company's usual business practices and policies,

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

which are no more favourable to the related parties than those extended to third parties or those generally available to the public and are not to the detriment of the minority shareholders.

Such review methods and procedures as mentioned above may be modified, supplemented or replaced from time to time by the Audit Committee.

- i) Disclosure of the Related Party Contracts entered into during the financial years shall be made in the respective annual reports.

8.3 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

As at 31 December 2003, there is no transaction that is unusual in its nature or conditions, involving goods, services, tangible or intangible assets, to which the corporation or any of its parent or subsidiaries was a party in respect of the past one (1) financial year and the subsequent financial period thereof, if any, immediately preceding the date of the Prospectus.

8.4 OUTSTANDING LOANS MADE BY CORPORATION OR ITS SUBSIDIARY TO/FOR THE BENEFIT OF RELATED PARTIES

As at 31 December 2003 (being the latest practicable date prior to the printing of the Prospectus), there is no outstanding loans (including guarantees of any kind) made by the corporation or its subsidiary to or for the benefit of the related parties.

8.5 INTEREST IN SIMILAR BUSINESS

To the best of knowledge and belief of the Directors and substantial shareholders of LDB, none of the Directors or substantial shareholders and/or Key Management of LDB are interested, directly or indirectly in any business carrying on a similar trade as the Company and its subsidiary.

To mitigate any potential conflict of interest, the Promoter, Director and/or Substantial shareholder have provided written undertakings not to be involved in any new business in the future, which will give rise to competition/conflict with the current business of the Group.

8.6 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO YEARS PRECEDING THE DATE OF THIS PROSPECTUS

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

- On 13 November 2002, LDB entered into a conditional Sale & Purchase Agreement with LDCSB to acquire the entire equity interest in LDCSB to comprise 17,000,000 Shares from LDCSB Vendors for a total consideration of RM74,500,000 to be satisfied via the issuance of 113,000,000 new LDB Shares and 18,000,000 LDB ICULS

Directors/Substantial Shareholders	Nature of Interest
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	Director and substantial shareholder of LDCSB
Datin Nor Hayati binti Abd Malik	Deemed substantial shareholder of LDCSB

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

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

Save as disclosed under Section 8.1, none of the other Directors and/or substantial shareholders of LDB has interest in any contract or arrangement, which is significant in relation to the business of the Group.

8.8 DECLARATION BY THE ADVISERS

AmMerchant Bank is the Secured Creditor of the HACB Group whose total debt due and owing will be treated in accordance with the terms under the Proposed Debt Settlement formulated by the special administrators of HACB. The amount owed by HACB to AmMerchant Bank represents 4.4% of the total known liabilities of HACB as at 31 March 2002, being the cut-off date of the SA Proposal.

Notwithstanding the above, AmMerchant Bank is of the view that there is no conflict of interest as Advisor for the implementation of the Restructuring Scheme as set out in Section 5.2 of this Prospectus. The Restructuring Scheme was prepared based on the LDCSB's tender proposal after LDCSB was selected as the white knight for HACB under a tender exercise conducted by the SA on 21 June 2002. Furthermore the recovery to the stakeholders including HACB's creditors is independently determined by the SA under the SA Proposal and has been independently reviewed by an independent adviser, appointed by Danaharta. As such, AmMerchant Bank hereby confirm that there is no conflict of interest with respect of their capacity as Adviser for the Public Offering and due diligence respectively.

Messrs. Lee Choon Wan & Co hereby confirms that they were appointed by the SA to render legal services and advise in respect of the Restructuring Scheme including to conduct the legal due diligence review in respect of the Restructuring Scheme. Messrs. Lee Choon Wan & Co therefore confirms that there is no conflict of interest with regards to their capacity as the Solicitor in the conduct of the legal due diligence relating to the Public Offering.

Messrs. KPMG hereby confirm that there is no conflict of interest with respect of their capacity as Reporting Accountants for the Public Offering.

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9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP (Cont'd)

9.1 INFORMATION ON LAND AND BUILDINGS

A summary of the land and buildings owned by the Group is as follows: -

Date of Valuation	Title Identification / Postal Address	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use	Name of Registered Owner	Land area / Built up area (square meter)	Restriction in Interest / Encumbrances	Date of Issuance of Certificate of Fitness	Prices Paid / Date of Transaction (RM)	Audited Net Book Value @ 31.08.03 (RM)	Open Market Value (RM)
(1) 26.09.2002	H.S. (D) 151324 PT 896 Bandar Shah Alam Daerah Petaling Negeri Selangor	2 years / Leasehold interest for 99 years expiring on 20 December 2100	Corner 3/1/2 storeys shop/office buildings	LDCSB	254 / 935	Tanah yang diberimilik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri	6 September 2001	RM3,500,000 /	*	2,000,000
	No. 2, Jalan Tengku Ampuan Zabedah J 9/J, Section 9, 40000 Shah Alam Selangor Darul Ehsan									
(2) 26.09.2002	H.S. (D) 151325 PT 897 Bandar Shah Alam Daerah Petaling Negeri Selangor	2 years / Leasehold interest for 99 years expiring on 20 December 2100	Intermediate 3/1/2 storeys shop/office buildings	LDCSB	153 / 599	Tanah yang diberimilik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri	6 September 2001	14 October 2002	*	1,500,000
	No 4, Jalan Tengku Ampuan Zabedah J 9/J, Section 9, 40000 Shah Alam, Selangor Darul Ehsan									

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9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP (Cont'd)

Date of Valuation	Title Identification / Postal Address	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use	Name of Registered Owner	Land area / Built up area (square meter)	Restriction in Interest / Encumbrances	Date of Issuance of Certificate of Fitness	Prices Paid / Date of Transaction	Audited Net Book Value @ 31.08.03 (RM)	Open Market Value (RM)
(3)	H.S. (M) 14041 PT 20521 Mukim Kapar Daerah Klang, Selangor Darul Ehsan Lot 9024 Jalan Mahang Satu, Taman Meru Utama, 41050 Klang, Selangor Darul Ehsan	11 years / Freehold	4 storeys shop office (end lot)	LDCSB	156 / 603	-	25 September 1997	250,000 / 09.12.1996	216,667	Not Applicable
(4)	H.S. (M) 14042 PT 20522 Mukim Kapar Daerah Klang Selangor Darul Ehsan	11 years / Freehold	Intermediate 4 storeys shop office	LDCSB	156 / 603	-	25 September 1997	250,000 / 09.12.1996	216,667	Not Applicable
(5)	Lot 9026 Jalan Mahang Satu, Taman Meru Utama, 41050 Klang, Selangor Darul Ehsan H.S. (M) 14043 PT 20523 Mukim Kapar Daerah Klang Selangor Darul Ehsan Lot 9028 Jalan Mahang Satu, Taman Meru Utama, 41050 Klang, Selangor Darul Ehsan	11 years / Freehold	Intermediate 4 storeys shop office	LDCSB	156 / 603	-	25 September 1997	250,000 / 09.12.1996	216,667	Not Applicable

9. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP

Consistent with the present accounting policies of the Group, there is no revaluation undertaken on the Group's properties in respect of the listing exercise. The values of the properties are based on audited net book values as at 31 August 2003, which would not incorporate the revaluation surplus in the books.

The valuation of the abovementioned properties (1) and (2), which has been carried out by Messrs Colliers, Jordan Lee & Jaafar, an independent registered valuer, is included in this Prospectus for disclosure purposes only. The aforementioned valuations do not require the approval of the SC.

Notes: -

* *The properties have been transferred and registered under LDCSB on 31 December 2003 and as such, were not reflected in the Group's audited accounts for the eight(8) month period ended 31 August 2003.*

9.2 ACQUISITIONS OF PROPERTIES DURING TWO (2) YEARS PRECEDING THE VALUATION

The properties (1) and (2) as set out in the table of Section 9.1 above were acquired by the LDB Group from Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin on 14 October 2002 for the purchase consideration of RM3,500,000.

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