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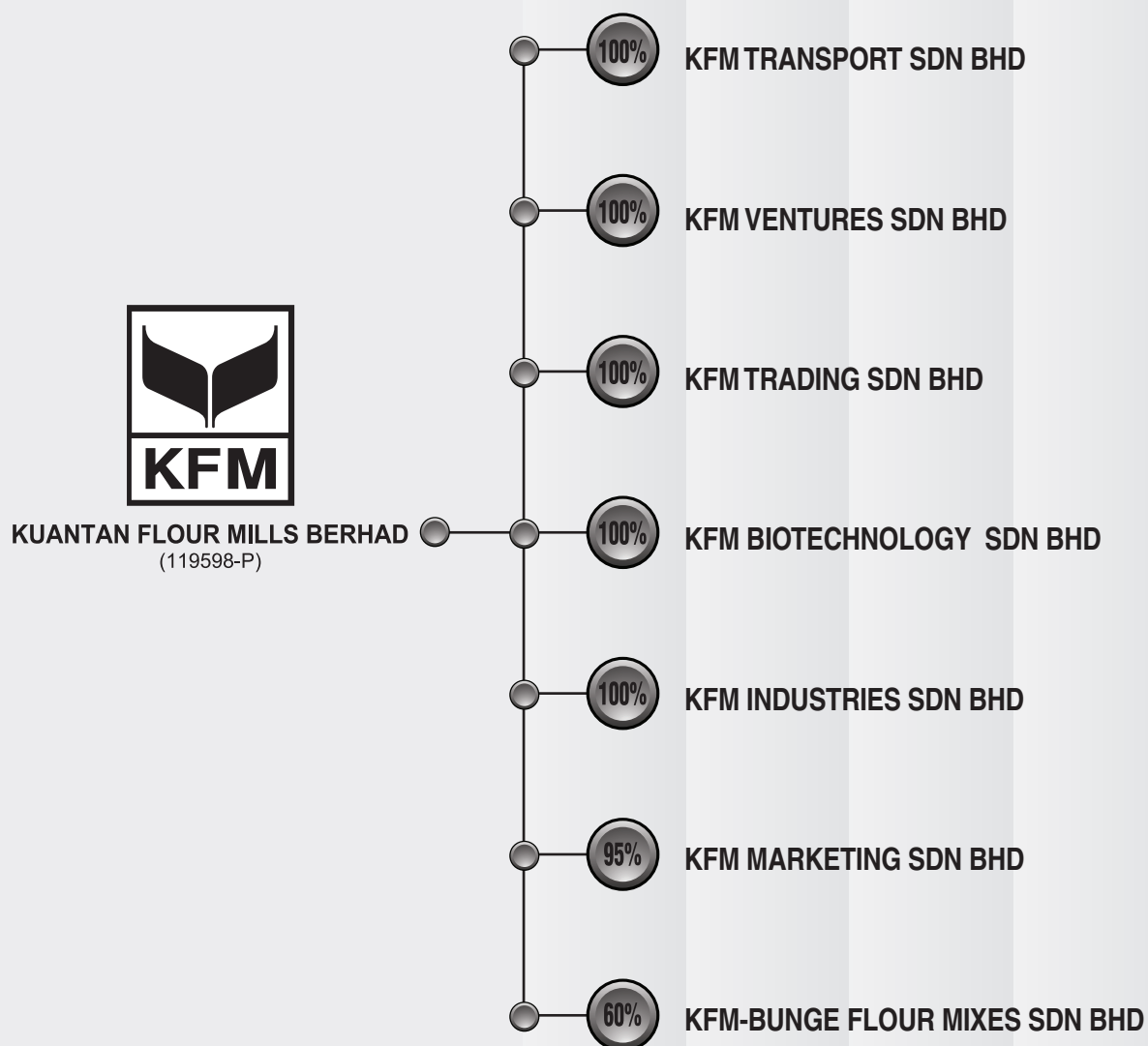
**KUANTAN FLOUR MILLS BERHAD**  
(119598-P)

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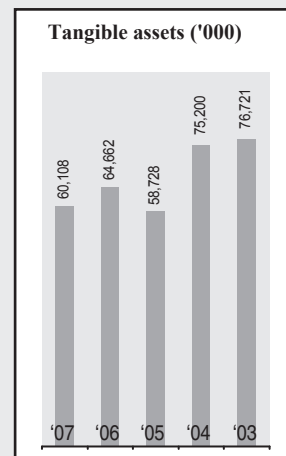
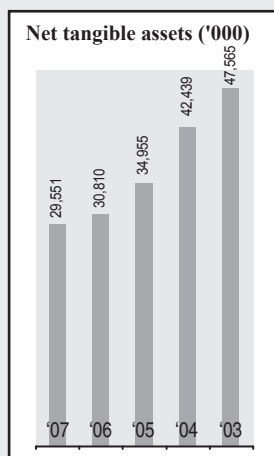
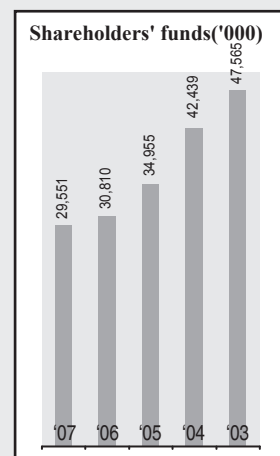
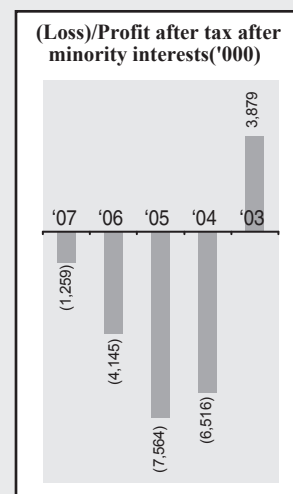
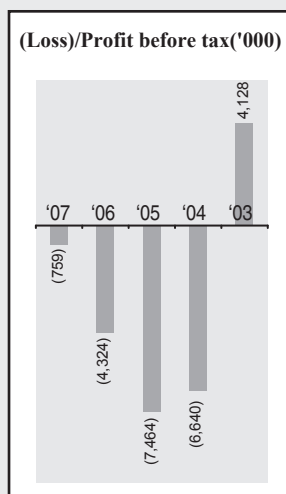
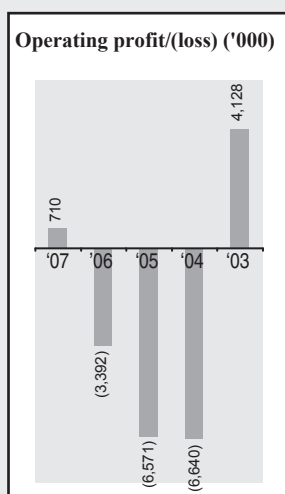
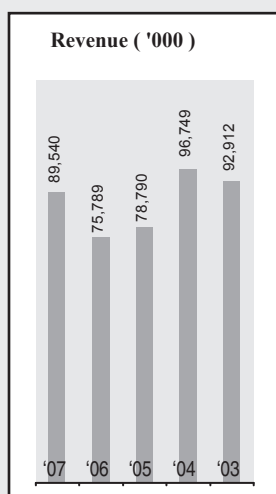
# CORPORATE STRUCTURE



# GROUP FINANCIAL HIGHLIGHTS

## GROUP FINANCIAL HIGHLIGHTS

Group	2007 ' 000	2006 ' 000	2005 ' 000	2004 ' 000	2003 ' 000
Revenue	89,540	75,789	78,790	96,749	92,912
Operating profit /(loss)	710	(3,392)	(6,571)	(6,640)	4,128
(Loss)/Profit before tax	(759)	(4,324)	(7,464)	(6,640)	4,128
(Loss)/Profit after tax after minority interests	(1,259)	(4,145)	(7,564)	(6,516)	3,879
Shareholders' funds	29,551	30,810	34,955	42,439	47,565
Net tangible assets	29,551	30,810	34,955	42,439	47,565
Tangible assets	60,108	64,662	58,728	75,200	76,721
Basic earnings per share (sen)	(2.80)	(9.20)	(16.79)	(14.37)	8.97



# CORPORATE INFORMATION

## Board of Directors

Dato' Abdul Halim bin Dato' Haji Abdul Rauf  
(Non Independent, Non Executive Chairman)

Dato' Krishna Kumar a/l Sivasubramaniam  
(Non Independent, Executive Director)

Dato' Dr. Shanmughanathan a/l Vellanthurai  
(Independent, Non-Executive Director)

Ng Kay Eng  
(Independent, Non-Executive Director)

Michael Camillus Fernandez  
(Non Independent, Executive Director)  
(Retired on 29 September 2006)

Jeyaraj a/l V. Ratnaswamy  
(Independent, Non-Executive Director)  
(Appointed on 27 July 2007)

## Audit Committee

Dato' Dr. Shanmughanathan a/l Vellanthurai  
(Chairman, Independent, Non-Executive Director)

Dato' Krishna Kumar a/l Sivasubramaniam  
(Member, Non Independent, Executive Director)

Ng Kay Eng  
(Member, Independent, Non-Executive Director)

Jeyaraj a/l V. Ratnaswamy  
(Member, Independent, Non-Executive Director)  
(Appointed on 27 July 2007)

## Company Secretary

Tan Yoke May (LS 0004299)

Inuri Management Sdn Bhd  
177, Floor 3, Jalan Sarjana  
Taman Connaught, Cheras  
56000 Kuala Lumpur

## Stock Exchange Listing

Bursa Malaysia Securities Berhad (Second Board)  
Code : 8303

## Registered Office

Kawasan Lembaga Pelabuhan Kuantan  
KM 25, Jalan Kuantan/Kemaman  
P. O. Box 387  
Tanjung Gelang  
25740 Kuantan  
Tel. No: 09-5833611  
Fax No: 09-5833618

## Auditors

Ernst & Young  
Chartered Accountants  
11th Floor, Kompleks Teruntum  
Jalan Mahkota  
25000 Kuantan,  
Pahang Darul Makmur

## Solicitor

Loke Chew & Zainal  
24, 1st Floor, Jalan Telok Sisek  
25000 Kuantan,  
Pahang Darul Makmur

## Bankers

CIMB Bank Berhad  
Bank Islam Malaysia Berhad  
Bank Muamalat Malaysia Berhad

## Share Registrar

Bina Management (M) Sdn Bhd  
Lot 10, The Highway Centre  
Jalan 51/205  
46050 Petaling Jaya,  
Selangor Darul Ehsan  
Tel No: 603-77843922  
Fax No: 603-77841988

# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report of Kuantan Flour Mills Berhad (KFM) and the Financial Statements of the Group and the Company for the financial year ended 31 March 2007.

## FINANCIAL REVIEW

For the financial year ended 31 March 2007, despite a profit after tax of RM 1.83 million recorded at the Company level, the Group recorded a loss of RM 1.26 million as compared to a loss of RM 4.14 million for the previous financial year. The loss recorded by the Group was mainly due to the prudent approach made to provide for additional allowances for certain debts. The Group's revenue for this financial year has increased by 18% to RM 89.54 million as compared to the previous year. This was mainly due to the adjustment of the price of flour other than the general purpose flour which is a price controlled item and subject to government's approval.

## REVIEW OF THE INDUSTRY

During the year under review, the world wheat prices and ocean freight rates had increased and remained at high levels. As a result of this, the flour milling industry in Malaysia faced a difficult period until the third quarter of the year, when all the flour millers agreed to increase the price of all types of flour other than the general purpose flour which is a controlled item. The prices of our by-products namely bran and pollard which are sold to the feed-millers and animal farms had increased as a result of a speedy recovery from the outbreak of the avian flu during the early part of the financial year. In addition, the streamlining of our operations during the year had proved to be effective and the Group shall continue with its effort to further improve its efficiency and productivity in the coming year.

## SUBSIDIARY COMPANIES

Apart from KFM Transport Sdn. Bhd (KFMT) and KFM Marketing Sdn. Bhd (KFMM), all other subsidiary companies are dormant. During the financial year under review, KFMT recorded a higher loss of RM 164,856 as compared to RM 157,915 for the previous financial year. This increase in losses was mainly attributed to higher fuel cost. In lieu thereof KFMT's operations had been streamlined and transferred to KFM.

For KFMM, the revenue recorded during the financial year under review was RM 79.36 million as compared to RM 53.79 million in the previous financial year. Despite recording a higher revenue, KFMM incurred a higher loss of RM 2.51 million as compared to a loss of RM 0.489 million in the previous financial year. This higher loss was incurred by KFMM due to the provision of additional allowances for certain debts. KFMM's operations had also been transferred to KFM with the objective of improving the overall efficiency and productivity.

## PROSPECTS

Prospects for the industry depend very much on the price of wheat. Bad weather and other adverse conditions had affected the world's commodity production including wheat. Invariably this has caused the wheat stocks to drop to its lowest level for the past two decades. Despite improved growing conditions in Australia the global wheat supply is expected to remain tight for the coming financial year. We believe that the world wheat prices will remain at current level barring any unforeseen circumstances. The Board expects the Group's performance to further improve.

## ACKNOWLEDGEMENT

Despite operating in very difficult and challenging conditions, we have done reasonably well mainly due to the dedication and commitment of our staff. I would like to express my sincere appreciation to the Directors, management and staff for their dedication and hard work. I also wish to convey the Board's appreciation to all customers, bankers, business associates and shareholders for their support and trust in the company.

Thank you.

**Dato' Abdul Halim bin Dato' Haji Abdul Rauf**  
Chairman

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“the Board”) is committed to achieve best practices in corporate governance by ensuring that the recommendation of the Malaysian Code of Corporate Governance (“the Code”) is practised throughout the Group as a means of managing the business and affairs of the Group with honesty, integrity and professionalism in order to protect the interest of shareholders.

Steps are currently being undertaken to evaluate the status of the Group’s corporate governance with a view to implementing the Code’s best practices.

## BOARD OF DIRECTORS

An experienced Board comprising members with a wide range of business, financial and technical background, leads the Company. The Board as a whole serves as the Remuneration and Nomination Committee. No sub-committees are recommended as the Board believes that all members must be equally responsible.

## BOARD BALANCE

The Board currently has five (5) Directors, comprising one (1) Executive and four (4) Non-Executives. The Executive Director implements the policies and decisions of the Board, oversees the operations and initiates business development efforts for the Group whilst the Non-Executive Directors bring a wide range of business experience and expertise to the Board’s discussions and decision making. A brief profile of each Director is presented on page 14 of this Annual Report.

## BOARD MEETINGS

During the financial year ended 31 March 2007, the Board met on 5 occasions.

The number of Directors’ meetings and attendance of Directors for the financial year in view are set out below:

Directors	Number Of Board Meetings held during Tenure in office	Attendance
Dato’ Abdul Halim bin Dato’ Haji Abdul Rauf	5	5
Dato’ Krishna Kumar a/l Sivasubramaniam	5	3
Dato’ Dr. Shanmughanathan a/l Vellanthurai	5	3
Ng Kay Eng	5	5
Michael Camillus Fernandez (Retired on 29 September 2006)	3	3
Jeyaraj a/l V. Ratnaswamy (Appointed on 27 July 2007)	-	-

## SUPPLY OF INFORMATION

All Directors review a Board Report prior to the Board meeting. This is issued in sufficient time (at least 7 days prior to the meeting) to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board Report includes -

- Progress report of the company
- Major operational and financial issues

All Directors have access to the advice and services of the Company Secretary.

# CORPORATE GOVERNANCE STATEMENT

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

The appointment of any additional Director will be made as and when it is deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for an effective Board. In accordance with the Company's Articles of Association, one-third of the Board members (except the Managing Director) shall retire from office at each Annual General Meeting and they can offer themselves for re-election. Newly appointed Directors by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments. The Articles of Association of the Company also provide that all Directors shall retire from office once every three (3) years.

## REMUNERATION PROCEDURE

The Board as a whole will serve as the Remuneration Committee for the Company. The directors' fees are approved at the Annual General Meeting by the shareholders, based on the recommendation of the Board. All directors are provided with directors' fees except for the Executive Directors who are provided with a remuneration package based on their duties and responsibilities.

The aggregate directors' remuneration paid or payable or otherwise made available to all directors of the Company during the financial year ended 31 March 2007 are as follows :-

	Executive	Non –Executive	Total
Salary and other emoluments	255,910	-	255,910
Pension costs – defined Contribution plans	31,200	-	31,200
Fees	-	108,000	108,000
	<u>287,110</u>	<u>108,000</u>	<u>395,110</u>

The number of directors of the Company whose income from the Company falling within the following bands are:

-

	Executives	Non Executive
Below RM 50,000	-	3
RM 50,001 to RM 100,000	-	-
RM 100,001 to RM 150,000	-	-
RM 150,001 to RM 200,000	2	-
RM 200,001 to RM 250,000	-	-
RM 250,001 to RM 300,000	-	-
RM 300,001 to RM 350,000	-	-
RM 350,001 to RM 400,000	-	-

## AUDIT COMMITTEE

The Board of Directors has established an Audit Committee. The membership of this Committee, the Terms of Reference and its activities are set out on pages 10, 11 and 12.



# CORPORATE GOVERNANCE STATEMENT

## SHAREHOLDERS

The Company values its dialogue with both institutional shareholders and private investors, and recognises the timely and equal dissemination of relevant information to be provided to them. In this regards, it strictly adheres to the disclosure requirement of BMSB. Among others, information is communicated through the following:

- Announcements made to BSMB including Quarterly Results and Annual Results
- The Annual Reports
- Press Interview
- Analyst briefing with fund managers and potential investors

Apart from the mandatory announcements of the Group's financial results and corporate developments to the BMSB, the Company also responds to members during the annual general meeting.

## ANNUAL GENERAL MEETING

The Annual General Meeting is the principle forum for dialogue and interaction with the shareholders wherein shareholders are given an opportunity to raise questions pertaining to the business activities and direction of the Group. Notice and annual reports are sent out to shareholders at least 21 days before the date of the meeting. The Board and management are available to provide response to questions from shareholders during the meeting.

Items of special business included in the notice of the meeting will be accompanied by an explanatory statement to facilitate full understanding and evaluation of the issues involved.

## RELATIONSHIP WITH EXTERNAL AUDITORS

The role of Audit Committee in relation to the external auditors is described on page 12. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

## FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcements to shareholders, the directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

## INTERNAL CONTROL

The Group's Internal Control Statement can be found on page 13.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flow of the Group and Company for the financial year.

# CORPORATE GOVERNANCE STATEMENT

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENT (CONT'D.)

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

## ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Bursa Securities Listing Requirements, the following additional information is provided:-

During the financial year under review, there were no:

- Utilisation of Proceeds;
- Share buybacks;
- Options, Warrants or Convertible Securities;
- American Depository Receipt ("ADR") / Global Depository Receipt ("GDR") Programme Sponsored by the Company;
- Sanctions and/or Penalties;
- Profit Estimate, Forecast or Projection;
- Profit Guarantee;
- Material Contracts except that
  - i) converted the LC Murabahah facilities with Bank Islam for the sum of RM8.0 million to a 5 year Cash Note Facility and commenced repayment since May 2006;
  - ii) restructured the working capital facilities with Bank Muamalat Malaysia Berhad for the sum of RM6.0 million Muamalat Inah Financing (MIF) facility repayable over a period of 5 years and commenced repayment since November 2006;
  - iii) revised with CIMB Bank Berhad (formerly known as Bumiputra-Commerce Bank Berhad) the Multi-Option Trade Finance Facilities (MOL) to a Term Loan of RM7.0 million for a tenor of 5 years and repayment commenced in May 2007
- Contracts Relating to Loan;
- Revaluation on Landed Properties;
- Recurrent Related Party Transaction of Revenue or Trading Nature.

# AUDIT COMMITTEE REPORT

The Board of Directors of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2007.

The present members of the Audit Committee comprise: -

**Dato' Dr. Shanmughanathan a/l Vellanthurai**  
(Chairman, Independent, Non Executive Director)

**Dato' Krishna Kumar a/l Sivasubramaniam**  
(Member, Non Independent, Executive Director)

**Ng Kay Eng**  
(Member, Independent, Non Executive Director)

**Jeyaraj a/l V. Ratnaswamy**  
(Member, Independent, Non Executive Director)  
(Appointed on 27 July 2007)

## MEETINGS

The Committee shall meet at least (4) times annually, or more frequently as circumstance dictate. As part of the duty to foster open communication, the internal auditors and a representative(s) of the external auditors (if required) will normally attend the meetings. Other Board members and senior management staff may attend upon invitation by the Committee. The Company Secretary or any other person appointed by the Committee for this purpose shall act as Secretary for the Committee and as a reporting procedure, the minutes shall be circulated to all members of the Committee and the Board.

The number of Audit Committee meetings and the attendance for the financial year are as set out below:

Member	Number Of Audit Committee Meetings held during Tenure in office	Attendance
Dato' Dr. Shanmughanathan a/l Vellanthurai	5	5
Dato' Krishna Kumar a/l Sivasubramaniam	5	5
Ng Kay Eng	5	5
Jeyaraj a/l V. Ratnaswamy (Appointed on 27 July 2007)	-	-

## SUMMARY OF ACTIVITIES

The Audit Committee carried out the following activities during the financial year ended 31 March 2007:

- Reviewed financial statements including quarterly financial announcements to Bursa Malaysia Securities Berhad.
- Reviewed the internal controls of the Company.

# AUDIT COMMITTEE REPORT

## TERMS OF REFERENCE

The Audit Committee is governed by the following terms of reference:

### 1) Membership

The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, majority of whom shall comprise Independent Directors. The members of the Audit Committee shall elect a Chairman from among themselves who shall be an Independent Director. No Alternate Director shall be appointed a member of the Audit Committee.

At least one member of the Audit Committee: -

- must be a member of the Malaysian Institute of Accountants or
- if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years working experience and:
  - he must passed the examination specified in Part I of the First Schedule of the Accountants Act, 1967 or:
  - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967: or
  - must have a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or
  - must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

In the event of any vacancy in the Audit Committee resulting in a breach in the Bursa Securities Listing Requirements, the vacancy must be filled within three (3) months.

### 2) Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

### 3) Duties

The duties of the Committee shall be:

- To recommend the appointment of external auditors and the audit fee.
- To discuss with the external auditors, prior to the commencement of audit, the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved.
- To review the quarterly announcements to Bursa Malaysia Securities Berhad and year end annual financial statements before submission to the Board, focusing on:
  - going concern assumption.
  - compliance with accounting standards and regulatory requirements.
  - any changes in accounting policies and practices.
  - significant issues arising from the audit.
  - major judgmental areas.

# AUDIT COMMITTEE REPORT

## TERMS OF REFERENCE (CONT'D.)

### 3) Duties (Cont'd.)

- To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary).
- To review the external auditors' management letter and management's response
- To do the following when the internal audit function is established:
  - review the adequacy of scope, functions and resources of the internal audit department and that it has the necessary authority to carry out its work
  - review internal audit programme.
  - ensure coordination of external audit with internal audit.
  - consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function.
- review any appraisal or assessment of the performance of the staff of the internal audit function.
- approve any appointment or termination of senior staff member of the internal audit function.
- inform itself of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation.
- To monitor related party transactions entered into by the Company and the Group, and to ensure that the Directors report such transactions annually to shareholders via annual reports.
- To review the effectiveness of internal control systems.

### 4) Access and relationship with External Auditors

The committee shall have unlimited access to all information and documents relevant to its activities, to the internal and external auditors, and to senior management of the Company and its subsidiaries. The committee is also authorized to take such independent professional advice as it considers necessary.

In the performance of its duties and fulfilling its fiduciary responsibilities as determined by the Board and at all times at the cost of the Company, the committee:-

- (i) have authority to investigate any matter within its Terms of Reference;
- (ii) have the resources which are required to perform its duties; have full and unrestricted access to any information pertaining to the Group;
- (iii) have direct communication channel with external auditors and person(s) carrying out the internal function or activity (if any);
- (iv) be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- (v) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Group, whenever deemed necessary ; and
- (vi) be able to report promptly to the BMSB on any matters reported by it to the Board of the Company, which has not been satisfactorily resolved in a breach of the Listing Requirements.

# STATEMENT OF INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Board is pleased to present this Statement on Internal Control which outlines the state, nature and scope of internal control of the Group during the year.

## RESPONSIBILITY

The Directors acknowledge their responsibilities for the Group's system of internal control to safeguard shareholders' investments and the Group's assets.

The Board of Directors recognises the importance of sound internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the principal risks to which it is exposed. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives.

## RISK MANAGEMENT FRAMEWORK AND INTERNAL AUDIT

The Board recognises that the management of principal risks plays an important and integral part of the Group's daily operations and that the identification and the management of such risk will affect the achievement of the Group's objectives. The Executive Director reports to the Board on significant changes in the business. The Group's financial status performance and other key business indicators are also reported quarterly to the Board. The Board regularly evaluates findings and recommendations of senior management and considers and approves various measures and policies necessary to address various risks. The Board shall continue to be committed to further develop risk management process in line with various guidelines issued by relevant authorities. The risk management process would be an ongoing process with the aim of identifying, evaluating and managing the risks associated with all business entities within the Group.

The Board also recognises the increasing importance of maintaining a sound system of internal control to safeguard the shareholders' investments and the Group's assets. The Internal Audit Department has been established since May 2004 and is independent of the activities or operations of the operating units. However as at 19 January 2007, the Company had appointed Lefis Consulting Sdn. Bhd. as its internal auditor. The Audit Committee will be responsible for reviewing and approving annual internal audit plans and resources to ensure that the internal auditor has the necessary resources to adequately perform its function.

## SYSTEM OF INTERNAL CONTROL

The key elements of the Group's internal control system are –

- Clearly documented internal policies and procedures defining organizational responsibility and limits of authority.
- Review and approval of annual business plans and budgets by the Board.
- Regular review of performance of the Group by the Board.
- Management meetings held monthly to identify, discuss, evaluate and resolve operational and financial issues.
- Active participation by Executive Director in day-to-day running of the Group's operations.

The Statement of Internal Control is made in accordance with the resolution adopted by the Board of Directors at the meeting held on 17 August 2007.

## BOARD OF DIRECTORS

**Dato' Abdul Halim Bin Dato' Haji Abdul Rauf**, aged 69, holds a Bachelor of Arts degree from the University of Malaya and Master degree in Public and International Affairs from University of Pittsburgh, USA. Before joining the private sector, he held key positions in government authorities and agencies. Amongst key positions he held were Director General, Implementation Coordination Unit in the Prime Minister's Department, State Secretary of State Government of Selangor, Director-General of Immigration Department Malaysia, Deputy Director Bureau of Research and Consultancy, National Institute of Public Administration, Senior Deputy Director-General, Rubber Industry Smallholders Development Authority. He has vast experience in management and strategic business planning. Dato' Halim is the Executive Deputy Chairman of Hil Industries Berhad and A & M Realty Berhad and the Chairman of MIDF Consultancy and Corporate Service Sdn. Bhd. and Kontena Nasional Global Logistics Sdn. Bhd. and Chairman of Golden Plus Holdings Berhad.

Dato' Halim does not have any interest in the securities of the Company, neither does he have any family relationship with any Director and/or substantial shareholder of the Company, nor conflict of interest with the Company. He has not been convicted for any criminal offences within the past 10 years.

**Dato' Krishna Kumar a/l Sivasubramaniam**, aged 37, is an advocate and solicitor. He had graduated from the University of Wales, Aberystwyth. As an advocate and solicitor, he started his career with Sri Ram & Co., and thereafter set up his practice under the name and style of Krish Maniam & Co., Advocates and Solicitors. He is also the Executive Director of KKlub Berhad and Luxury Concepts Sdn. Bhd.

Dato' Krishna does not have any family relationship with any director and/or substantial shareholder of the Company, nor conflict of interest with the Company. He has not been convicted for any criminal offences within the past ten years.

**Dato' Dr. Shanmughanathan a/l Vellanthurai** (MIA11218), aged 41, obtained his Bachelor of Accountancy from University Utara Malaysia in 1993 and Masters in Business Administration from University Putra Malaysia in 1998. He is a member of Malaysian Institute of Accountants and Malaysian Institute of Taxation. He started his career with Messrs. Ernst & Young International in 1993. In 1997 he started his own Audit Firm known as Shan & Co..

Dato' Dr Shan does not have any family relationship with any director and/or substantial shareholder of the Company, nor conflict of interest with the Company. He has not been convicted for any criminal offences within the past ten years.

**Ng Kay Eng**, aged 43, was admitted as an Advocate and Solicitor in the High Court in New Zealand in 1990 and in the High Court of Malaya in 1991. Currently a partner with Messrs Shamiah K.E. Ng & Siva, he began his career in 1991 with various firms and in February 1995, set up his own legal practice under the name of Messrs K.E. Ng & Co., which in July 1996 merged into the current partnership.

Mr Ng does not have any family relationship with any director and/or substantial shareholder of the Company, nor conflict of interest with the Company. He has not been convicted for any criminal offences within the past ten years.

**Jeyaraj a/l Ratnaswamy**, a Malaysian, aged 52, has a Masters Degree in Finance from Royal Melbourne Institute of Technology, and is a Member of the Institute of Chartered Accountants in England and Wales, a Member of the Malaysian Institute of Accountants and the Association of Certified Fraud Examiners. He also qualified as a member of the Institute of Taxation England. He is a Chartered Accountant and has been in private practice for over twenty years. Prior to this, he served with Messrs KPMG for nine years working in their various offices in the UK, Singapore and Malaysia. He is currently a partner of the firm of Chartered Accountants, Messrs MustaphaRaj and also an Executive Director of a consulting firm specialising in insolvency. Currently he is a Director of Golden Plus Holdings Berhad.

Mr Jeyaraj has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any criminal offences within the past 10 years.