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KKB ENGINEERING BERHAD

(Company No: 26495-D)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS
in relation to the :-

PROPOSED ACQUISITION OF A PARCEL OF PROVISIONAL LEASEHOLD LAND OF APPROXIMATELY 27.6 HECTARES TOGETHER WITH BUILDINGS THEREON FROM CMS STEEL BERHAD, A SUBSIDIARY OF CAHYA MATA SARAWAK BERHAD, FOR A TOTAL PURCHASE CONSIDERATION OF RM32,000,000 TO BE SATISFIED BY THE ISSUANCE OF 16,000,000 NEW ORDINARY SHARES OF RM1.00 EACH ("SHARES") IN KKB AT AN ISSUE PRICE OF RM2.00 PER SHARE

Advised by

AmInvestment Bank Berhad

(Company No. 23742-V)

A member of



AmInvestment Bank
Group

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of an Extraordinary General Meeting to be held at Ballroom III, Lobby Floor, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Monday, 24 March 2008 at 11:00 a.m. or any adjournment is set out in this Circular.

Shareholders are advised to refer to the enclosed Notice of the Extraordinary General Meeting and the Form of Proxy. The Form of Proxy should be lodged at the Registered Office of the Company at Lot 865, Section 66, Jalan Kilang, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than 48 hours before the time stipulated for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated 25 February 2008

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions will apply: -

Act	- Companies Act, 1965, as amended from time to time and any re-enactment thereof
AmInvestment Bank	- AmInvestment Bank Berhad (23742-V), a member of AmInvestment Bank Group
Board of Directors or the Board	- The Board of Directors of KKB
Bursa Securities	- Bursa Malaysia Securities Berhad (635998-W)
CMSB	- Cahya Mata Sarawak Berhad (21076-T)
CMS Steel or Vendor	- CMS Steel Berhad (22916-D), a subsidiary of CMSB
Consideration Shares	- The 16,000,000 Shares in KKB to be issued as settlement for Proposed Acquisition pursuant to the CSPA at an issue price of RM2.00 per Share
CSPA	- Conditional Sale and Purchase Agreement dated 7 November 2007 between KKB and CMS Steel in relation to Proposed Acquisition
EGM	- Extraordinary General Meeting
EPS	- Earnings per share
ESOS	- KKB Employees' Share Option Scheme (2003/2008)
ESOS Options	- Share options under the ESOS
FYE	- Financial year(s) end/ ended/ ending
HA	- Hectares
KKB or the Company	- KKB Engineering Berhad (26495-D), a public limited company incorporated in Malaysia under the Act
KKB Group or the Group	- KKB and its subsidiaries
Land	- The parcel of land situate at Kampong Goebilt, Kuching containing an area of 27.6 Ha, more or less and held as Provisional Lease Lot 777, Block 5, Muara Tebas Land District, Kuching
Latest Practicable Date	- 21 February 2008, being the latest practicable date prior to the printing of this Circular
Listing Requirements	- The Listing Requirements of Bursa Securities and practice notes issued thereunder including any amendments thereto that may be made from time to time

DEFINITIONS (CONT'D)

Major Shareholder(s)	<ul style="list-style-type: none">- A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-<ul style="list-style-type: none">(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the Company.
Maximum Scenario	<ul style="list-style-type: none">- Representing a scenario where it is assumed that all the outstanding ESOS Options are exercised prior to the issuance of the Consideration Shares
Minimum Scenario	<ul style="list-style-type: none">- Representing a scenario where it is assumed that none of the outstanding ESOS Options are exercised prior to the issuance of the Consideration Shares
MITI	<ul style="list-style-type: none">- Ministry of International Trade and Industry
NA	<ul style="list-style-type: none">- Net Assets
Property	<ul style="list-style-type: none">- The Land together with the buildings and appurtenance thereon
Proposed Acquisition	<ul style="list-style-type: none">- Proposed acquisition of Property from CMS Steel for a total purchase consideration of RM32,000,000 to be satisfied via the issuance of Consideration Shares
RM and sen	<ul style="list-style-type: none">- Ringgit Malaysia and sen respectively
SC	<ul style="list-style-type: none">- Securities Commission
Share(s)	<ul style="list-style-type: none">- Ordinary share(s) of RM1.00 each in KKB
Substantial Shareholders	<ul style="list-style-type: none">- A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the Company. For the purpose of this definition, interest in shares" shall have the meaning given in Section 6A of the Act

Except where the context requires otherwise, in this Circular, "we", "us" and "our" refer to KKB, and, where appropriate, its subsidiaries. All references to "you" in this Circular are to the shareholders of KKB.

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TABLE OF CONTENTS

	Page
LETTER TO OUR SHAREHOLDERS CONTAINING: -	
1. INTRODUCTION	1
2. THE PROPOSED ACQUISITION	2
2.1 Details of the Property	2
2.2 Information on the Vendor	3
2.3 Basis of arriving at the Purchase Consideration	3
2.4 Basis of determining the issue price	3
2.5 Salient terms of the CSPA	4
2.6 Original cost and date of investment to the Vendor	5
2.7 Rights and ranking of the Consideration Shares	6
2.8 Risk factors in relation to the Proposed Acquisition	6
2.9 Our Future Plan and Additional Financial Commitment	8
2.10 Estimated Time Frame for completion of Purchase Acquisition	8
3. RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION	8
4. EFFECTS OF THE PROPOSED ACQUISITION	9
4.1 Share capital	9
4.2 Substantial Shareholders' Interest	10
4.3 NA and Gearing	12
4.4 Earnings	14
4.5 Dividends	14
5. CONDITIONS TO THE PROPOSED ACQUISITION	14
6. OTHER CORPORATE EXERCISES ANNOUNCED BUT NOT YET COMPLETED	14
7. SHARE PRICES	15
8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	15
9. DIRECTORS' RECOMMENDATION	15
10. EGM	16
11. FURTHER INFORMATION	16
 APPENDICES	
I VALUATION CERTIFICATE ON THE PROPERTY	17
II FURTHER INFORMATION	20
NOTICE OF EGM	Enclosed
FORM OF PROXY	Enclosed



KKB ENGINEERING BERHAD

(Company No.: 26495-D)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Lot 865, Section 66
Jalan Kilang
Bintawa Industrial Estate
93450 Kuching, Sarawak

25 February 2008

Board of Directors

Dato Kho Kak Beng (Chairman and Group Managing Director)
Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah (Independent Non-Executive Director)
Dato' Anwarudin Bin Ahamad Osman (Non-Independent Non-Executive Director)
Dr Arjunan Subramaniam (Independent Non-Executive Director)
Tan Heong Ming (Executive Director)
Kho Pok Tong (Group Executive Director)
Kho Poh Lin (Executive Director)
Chai Woon Chew (Non-Independent Non-Executive Director)
Tan Jin Kok (Independent Non-Executive Director)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED ACQUISITION OF PROPERTY FROM CMS STEEL FOR A TOTAL PURCHASE CONSIDERATION OF RM32,000,000 TO BE SATISFIED VIA THE ISSUANCE OF CONSIDERATION SHARES

1. INTRODUCTION

On 30 July 2007, on behalf of our Board, AmlInvestment Bank announced that we are proposing to implement the Proposed Acquisition and subsequently on 7 November 2007, KKB and CMS Steel entered into the CSPA.

The SC and the Equity Compliance Unit ("**ECU**") (via the SC) had vide its letter dated 25 January 2008, approved the Proposed Acquisition, with, inter-alia, the condition that KKB and AmlInvestment Bank should inform the SC on MITI's decision on the waiver application. For information purpose, an application has been submitted to MITI to seek a waiver from complying with the bumiputera equity condition imposed on its manufacturing licence (No. A011780) for the production of steel drums, which states inter-alia, that at least 30% of our Shares must be held by Bumiputera parties ("**Waiver Application**").

MITI had vide its letter dated 21 February 2008, approved the Proposed Acquisition and rejected the Waiver Application. In addition, KKB is required to comply with its equity condition within a period of 2 years from the date of MITI's letter.

The purpose of this Circular is to provide you with the relevant information on the Proposed Acquisition and to seek your approval for the resolution pertaining to the same to be tabled at our forthcoming EGM. The Notice of the forthcoming EGM, together with the Form of Proxy, is enclosed in this Circular.

YOU ARE ADVISED TO READ THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION AT OUR FORTHCOMING EGM.

2. THE PROPOSED ACQUISITION

2.1 Details of the Property

The Property is described as Provisional Lease Lot 777, Block 5, Muara Tebas Land District, Kuching. It is located along Jalan Bako in the Kampung Goebilt neighbourhood, Kuching, Sarawak and about 25 kilometres from Kuching City Centre by road.

Under the Land Code (Cap. 81) of Sarawak, a land is usually alienated upon survey of the land but where immediate survey of any State land is impracticable, a provisional lease may be issued in favour of a person, in which case pursuant to the provisions of Section 28 of the Land Code, the provisional lease shall only specify the approximate extent and area of the land included therein but shall not entitle the holder to a grant or lease of the whole of the area specified.

The Property is presently accessible by Jalan Bako and alternatively, it can be reached by way of Sarawak River.

The Land is a mixed-zone land measuring approximately 27.6 Ha and is designated for industrial usage. The lease term is 60 years commencing from 21 February 1998 and expiring on 20 February 2058.

The buildings are approximately 9 years old and encompasses a 3-storey administrative /canteen building and related ancillary buildings ("**Buildings**"). Further details of the Buildings are set out as follows:-

Type of Building	Gross Floor Area (Square Metres)
Office Building	
1 block of 3-storey administrative office / canteen building	2,928.00
Related Ancillary Buildings	
Guard houses	55.75
Pump house	20.25
2-storey weighbridge office building,	288.00
Water treatment plant structure,	2,942.80
2 motorcycle sheds and 1 car shed	653.70
Substructure of rolling mill & central workshop / rollshop / store	31,347.00
	<hr/> 38,235.50 <hr/>

The Property was previously used by CMS Steel as a rolling mill but has ceased operations since March 2006 and hence the Property is presently not in use.

Based on the latest audited consolidated financial statements of CMS Steel as at 31 December 2006, the net book values of the Land and Buildings were RM6,410,122 and RM13,704,455 respectively. The net book value of the Buildings of RM13,704,455 includes a rolling mill and central workshop/ rollshop/ store structures which have since been dismantled and removed. However, KKB is proposing to acquire the substructure of the rolling mill and central workshop/ rollshop/ store.

The Property shall be acquired by us with vacant possession and free from all encumbrances. Although there are a few unlawful occupants on the Property, CMS Steel has received written confirmation from the occupants of their willingness to vacate the Property and it is anticipated that the occupants will do so prior to the completion of the sale and purchase of the Property. We will not be assuming any liabilities pursuant to the Proposed Acquisition other than the usual liabilities as the legal and beneficial owner of the Property.

2.2 Information on the Vendor

CMS Steel was incorporated in Malaysia on 14 April 1975 under the Act as a private limited company under the name of Steel Industry Sarawak Sdn Bhd. On 18 January 1997, it was converted to a public liability company under the name of Steel Industry Sarawak Berhad. The Company adopted its present name on 5 October 2000.

CMS Steel is principally an investment holding company whilst its subsidiary company is principally involved in the manufacture and sale of wire mesh, drawn wire and related products. CMS Steel ceased its operations in March 2006.

CMSB holds 80% of the issued and paid-up share capital of CMS Steel whilst Amsteel Corporation Berhad holds the remaining shares. The directors of CMS Steel are Haji Othman bin Abdul Rani, Ian Graham Sadler and Cheng Theng How.

2.3 Basis of arriving at the Purchase Consideration

The purchase consideration for the Property of RM32,000,000 was arrived at based on a willing buyer-willing seller basis after taking into consideration the open market value of the Property as appraised by Messrs. VPC Alliance (Sarawak) Sdn Bhd (“**VPC**”), an independent firm of registered valuers, as set out in their valuation report dated 14 September 2007.

The valuation certificate from VPC is annexed as Appendix I of this Circular.

2.4 Basis of determining the issue price

The issue price of RM2.00 per Consideration Share was arrived at after taking into consideration, amongst others, the following:-

- (a) the five (5) days Weighted Average Market Price (“**WAMP**”) of our Shares from 31 October 2007 to 6 November 2007, being the market day immediately preceding the date of the signing of the CSPA of RM1.94 per Share;
- (b) the thirty (30) days WAMP of our Shares from 8 October 2007 to 6 November 2007, being the market day immediately preceding the date of the signing of the CSPA of RM2.02 per Share;

- (c) our audited consolidated NA per Share of RM1.84 as at 31 December 2006;
- (d) our adjusted audited consolidated NA per Share of RM1.47 as at 31 December 2006 after adjusting for the bonus issue which was completed on 12 June 2007; and
- (e) our future earnings potential.

The issue price of RM2.00 per Consideration Share represents a premium of RM0.53 or 36.05% over our adjusted consolidated NA per Share as at 31 December 2006 of RM1.47. The issue price of RM2.00 per Consideration Share represents the five (5) days WAMP of our Shares from 15 February 2008 to 21 February 2008, being the Latest Practicable Date.

2.5 Salient terms of the CSPA

2.5.1 Conditions Precedent

The sale and purchase of the Property is conditional upon, inter-alia, the following conditions precedent ("**Conditions Precedent**") being fulfilled:-

(a) Satisfactory Due Diligence Report

- (i) We having completed and being satisfied with the due diligence audit and review on the legal and commercial position of the Property to be conducted by us and our advisers; and
- (ii) The Vendor having completed and being satisfied with the due diligence audit and review on us to be conducted by the Vendor and its advisers.

(b) SC's Approval

Approval by the SC for purchase of the Property by way of issuance of securities pursuant to the provisions of the Capital Markets and Services Act 2007 and for the Consideration Shares to be listed on the Main Board of Bursa Securities.

(c) Resolutions, etc

- (i) A resolution being passed at our EGM approving the purchase of the Property and the payment by way of allotment and issuance of the Consideration Shares; and
- (ii) The Vendor obtaining a resolution at an EGM of the Vendor approving the sale of the Property and the acceptance of the Consideration Shares as the purchase consideration.

(d) Bursa Securities' Approval

Approval in principle being given by Bursa Securities for the listing of and quotation for the Consideration Shares to be issued to CMSB pursuant to the CSPA on the Main Board of Bursa Securities.

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(e) Other Authorities' Approval

Where required, the approval, consent or authorisation of any other authorities not specifically mentioned in the CSPA, including but not limited to the Director of Lands and Surveys, MITI and the FIC.

(f) Bankers' Consents

Where required, the Vendor and CMSB shall have obtained the consents and approvals of the bankers or lenders of the Vendor and CMSB for the Proposed Acquisition and we shall have obtained the consents and approvals of their bankers or lenders for the issuance of the Consideration Shares

2.5.2 Settlement of Purchase Consideration

Within a period of seven (7) business days (or such other longer date as the Vendor and we may agree in writing) from the date of confirmation from Messrs. Reddi & Company, Advocates that (i) the duly adjudicated and stamped transfer form of the Property together with the original copies of all necessary approvals and consents, the original land title of the Property, the requisite quit rent booklets and the original receipts of the assessment rates for the last preceding year and the current year have been delivered to them and are in their custody (ii) that they have conducted a search on the Property (such search must be conducted as soon as practicable after the date when the last of all the Conditions Precedent becomes fulfilled or is satisfied) and that the Property is free from all encumbrances; (iii) the requisite stamp duties, stamping fees and registration fees have been deposited with them by the Vendor; and (iv) Form L evidencing that the memorandum of transfer of the Property has been accepted by the relevant land registry for registration has been issued:-

- (a) We shall allot and issue to the Vendor's nominee, namely CMSB, the Consideration Shares each credited as fully paid-up in KKB; and
- (b) We shall deliver or cause to be deposited into CMSB's Central Depository System Account the Consideration Shares.

On the date the Consideration Shares are deposited into CMSB's Central Depository Account, we shall be deemed to have fully paid and discharged our obligations to pay the purchase consideration to the Vendor.

2.6 Original cost and date of investment to the Vendor

The original cost and date of investment in the Property by CMS Steel are as follow:-

	Cost of Investment (RM)	Date of Investment (year)
Land	6,936,546	} 1995 to 1998
Buildings	* 44,544,837	
	<u><u>51,481,383</u></u>	

Note:-

- * *The cost of the Buildings includes a rolling mill and central workshop / rollshop / store structures which have since been dismantled and removed. However, KKB is proposing to acquire the substructure of the rolling mill and central workshop / rollshop / store.*

2.7 Rights and ranking of the Consideration Shares

The Consideration Shares, upon allotment and issuance, shall rank pari passu in all respects with the existing Shares in KKB except that they shall not be entitled to receive dividends declared, made or paid in relation to our profits for the FYE 31 December 2007 as well as any rights, allotments or other distributions in respect of which the entitlement date precedes the date of allotment of the new Consideration Shares.

2.8 Risk factors in relation to the Proposed Acquisition

The followings are the salient risk factors (which are not exhaustive) in relation to the Proposed Acquisition:-

2.8.1 Emergence of a New Substantial Shareholder

Upon completion of the Proposed Acquisition, CMSB will emerge as our new substantial corporate shareholder, with equity interests of approximately 20% of our enlarged issued and paid-up capital. CMSB might also be appointing representative(s) to the Board.

Notwithstanding the above, Dato Kho Kak Beng and parties acting in concert with him will remain as our dominant shareholder, with equity holdings of approximately 42% in KKB post acquisition. In addition, our core business activities, operations and/or business directions are expected to remain the same.

The Proposed Acquisition is seen as a formation of a strategic alliance between CMSB and KKB which will facilitate our Group's participation in the growth of the engineering and steel fabrication industry in Sarawak.

2.8.2 Potential Dilution in EPS

The Proposed Acquisition is not expected to have any material effect on our earnings for the FYE 31 December 2008 save for the immediate dilution on our Group's EPS upon issuance of the Consideration Shares.

Our Board views the dilution in EPS as temporary and is of the opinion that future contributions from the additional steel fabrication works in view of the increased production capacity, new businesses such as shipbuilding activities as well as the diversification into steel fabrication for the oil and gas sector are expected to increase our earnings. However, there can be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Company will be able to generate sufficient future revenue stream and profit from the Proposed Acquisition to offset the dilutive effect on the EPS.

2.8.3 Setting up of the New Plant

Barring any unforeseen circumstances, we anticipate the first phase of the new plant would be completed within a year after the completion of the Proposed Acquisition and to be fully operational by the middle of 2009 whilst the second phase of the new plant to be completed sometime in 2010.

The completion of the new plants on time and with costs estimation of RM10 million for the first phase is dependent on many external factors which may be beyond the control of our Board and our Group. These include obtaining approvals from various regulatory authorities on a timely basis, sourcing and securing quality construction materials in adequate amounts and at competitive prices, favourable credit terms and satisfactory performance of contractors who are contracted to complete the construction project.

Our directors and management will monitor the projects schedules closely to minimise any delay in the completion of the new plants. Nevertheless, there can be no assurance that the abovementioned factors will not lead to delays in the completion of the new plants nor completion of the new plants within costs estimation, which may affect the profitability of our Group.

2.8.4 Diversification into New Activities

One of the utilisation of the Property would be for shipbuilding, marine and steel fabrication work for the oil and gas sector. At present, the demand for building of small craft or vessels is high. The continued demand for the shipbuilding activities and steel fabrication activities, to a large extent, will depend on the future outlook of the oil and gas industries, which is dependent on global sustainable oil prices.

Whilst the shipbuilding activity may be relatively new to our Group, our management and Board are confident that with our extensive experiences, know-hows and resources (including an existing pool of qualified skill-force) in steel fabrication and our involvement in the oil and gas industries over the past many years, we would be able to embark on the new activities when the shipbuilding facilities are in place.

2.8.5 Non-Completion of the Proposed Acquisition

In the event the Conditions Precedent in the CSPA are not met, the Proposed Acquisition will not be completed. The non-completion will result in our Group not being able to acquire the Property, forgo its strategic tie-up with CMSB and the non-achievement of the overall objectives and benefits of the Proposed Acquisition as disclosed in Section 3 of this Circular.

2.8.6 Provisional Lease

It is to be noted that the Property to be acquired is a Provisional Lease.

In accordance with Section 28 of the Land Code, every Provisional Lease shall specify the approximate extent and area of the land included therein but shall not entitle the holder to a grant or lease of the whole of the area specified. This is also one of the special conditions as stated in the documents of title of the Property. Besides, the area stipulated in the Provisional Lease is subject to change upon completion of the survey of the land as required by section 28(1) of the Land Code.

However, CMS Steel has warranted to us that to the best of their knowledge and belief, there are no known facts or circumstances which would render any part of the Land not available to be alienated to the registered holder thereof and there are no reasons to believe that the holder of the provisional lease over the Land shall not be entitled to a lease over the whole of the area of the Land in the CSPA.

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2.9 Our Future Plan and Additional Financial Commitment

Upon completion of the Proposed Acquisition, we are proposing to invest approximately RM10 million, under the first phase of capital expenditure, for land improvements and to set up a steel factory. The proposed investments and capital expenditure for the aforementioned plans are expected to be funded via internally generated funds and/ or borrowings.

The proposed construction of the new plant and facilities on the Property and thereafter the relocation by us to the new premise is expected to be by first half of 2009 assuming the Proposed Acquisition will complete by the second quarter of calendar year 2008.

With a larger land area together with a new plant equipped with modern facilities and higher production capacity, as well as the strategic location of the Property, our Group, post acquisition, is able to embark on additional steel fabrication activities, diversifying its income base to include shipbuilding and steel fabrication for oil and gas sector.

2.10 Estimated Time Frame for completion of Purchase Acquisition

The Purchase Consideration is expected to be completed in the second quarter of calendar year 2008.

3. RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION

In line with our Group's corporate strategies to expand our operations and improve shareholders' values in the coming years, our Board has identified the Proposed Acquisition as an appropriate investment which will enhance our future earnings potential, as well as forming a strategic tie-up with CMSB.

The relocation of our steel fabrication operation to the land will provide us with a larger land area from 11 acres to approximately 68 acres to carry out and expand our business activities. The larger land area coupled with new and modern facilities to be built on the Property as well as the strategic location of the Property (i.e. which has a river frontage), will enable us to embark on new activities such as shipbuilding and steel fabrication for the oil and gas sector, undertake larger and more complex steel fabrication structures and to potentially increase our production capacity from 10,000 Metric Tonnes ("**MT**") per annum to 40,000 MT per annum under two phases to position our Group for the new projects earmarked under the 9th Malaysia Plan.

Under the first phase on the 30 acres site, the Property is expected to be operational by the middle of 2009 which will increase our Group's steel fabrication capacity from its present 10,000 MT to 20,000 MT per annum. The second phase will involve the clearing, filling and development of the remaining 38 acres site. When this development is expected to be completed sometime in 2010, our Group's total steel fabrication capacity is expected to reach 40,000 MT per annum.

The Proposed Acquisition and the ensuing strategic partnership between our Group and CMSB, a leading conglomerate in Sarawak whose operations ranging from, amongst others, civil engineering, construction and infrastructure works, will facilitate our Group's participation in the growth of the engineering and steel fabrication industry in Sarawak, particularly in the shipbuilding, marine and oil & gas sector.

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4. EFFECTS OF THE PROPOSED ACQUISITION

4.1 Share capital

The effects of the Proposed Acquisition on our issued and paid-up share capital are set out in the table below:-

	MINIMUM SCENARIO		MAXIMUM SCENARIO	
	No. of Shares	%	No. of Shares	%
As at 25 January 2008	63,152,750	79.79	63,152,750	76.70
New Shares to be issued pursuant to the exercise of 3,181,375 options under KKB's ESOS (aggregate of outstanding and to be granted)	-	-	3,181,375	3.86
	63,152,750	79.79	66,334,125	80.57
Consideration Shares	16,000,000	20.21	16,000,000	19.43
Enlarged share capital	79,152,750	100.00	82,334,125	100.00

Note :-

We had on 14 October 2003 implemented an ESOS.

*As at 25 January 2008, a total of 1,449,125 ESOS Options ("**Remaining ESOS Options**") are still available under the ESOS for allocation to eligible employees and executive directors. In addition, there are 1,732,250 ESOS Options which have been granted but remain unexercised ("**Outstanding ESOS Options**").*

It is assumed in the Minimum scenario that none of the ESOS Options are exercised and in the Maximum scenario that the total of 3,181,375 ESOS Options (being the total of Remaining ESOS Options and Outstanding ESOS Options) are exercised prior to the issuance of the Consideration Shares.

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4.2 Substantial Shareholders' Interest

The effects of the Proposed Acquisition on the shareholdings of our substantial shareholders as at 25 January 2008 are set out in the tables below:-

Minimum Scenario

	As at 25 January 2008 ⁽¹⁾			After Proposed Acquisition ⁽²⁾		
	Direct	Indirect		Direct	Indirect	
	Shares	%	Shares	%	Shares	%
Kho Kak Beng Holding Company Sdn Bhd	31,570,825	49.99	-	31,570,825	39.89	-
Dato Kho Kak Beng	1,181,575	1.87	* 31,570,825	1,181,575	1.49	* 31,570,825
Datin Liew Moi Fah	82,500	0.13	* 31,570,825	82,500	0.10	* 31,570,825
Kho Pok Tong	92,500	0.15	* 31,570,825	92,500	0.12	* 31,570,825
Kho Poh Lin	92,500	0.15	* 31,570,825	92,500	0.12	* 31,570,825
Kho Poh Joo	57,150	0.09	* 31,570,825	57,150	0.07	* 31,570,825
Laman Satria Sdn Bhd	4,500,000	7.13	-	4,500,000	5.69	-
Chai Woon Chew	180,625	0.29	# 4,500,000	180,625	0.23	# 4,500,000
Hamzah bin Bakar	3,157,000	5.00	-	3,157,000	3.99	-
CMSB	-	-	-	16,000,000	20.21	-

Notes:-

(1) The percentage shareholding is calculated based on 63,152,750 Shares

(2) The percentage shareholding is calculated based on 79,152,750 Shares

* Deemed interested by virtue of his/her substantial interest in Kho Kak Beng Holding Company Sdn Bhd

Deemed interested by virtue of his substantial interest in Laman Satria Sdn Bhd

Maximum Scenario

	As at 25 January 2008 ⁽¹⁾				After full exercise of ESOS Options ⁽²⁾				After Proposed Acquisition ⁽³⁾			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Kho Kak Beng Holding Company Sdn Bhd	31,570,825	49.99	-	-	31,570,825	47.59	-	-	31,570,825	38.34	-	-
Dato Kho Kak Beng	1,181,575	1.87	* 31,570,825	49.99	1,431,575	2.16	* 31,570,825	47.59	1,431,575	1.74	* 31,570,825	38.34
Datin Liew Moi Fah	82,500	0.13	* 31,570,825	49.99	82,500	0.12	* 31,570,825	47.59	82,500	0.10	* 31,570,825	38.34
Kho Pok Tong	92,500	0.15	* 31,570,825	49.99	347,500	0.52	* 31,570,825	47.59	347,500	0.42	* 31,570,825	38.34
Kho Poh Lin	92,500	0.15	* 31,570,825	49.99	242,500	0.37	* 31,570,825	47.59	242,500	0.29	* 31,570,825	38.34
Kho Poh Joo	57,150	0.09	* 31,570,825	49.99	107,900	0.16	* 31,570,825	47.59	107,900	0.13	* 31,570,825	38.34
Laman Satria Sdn Bhd	4,500,000	7.13	-	-	4,500,000	6.78	-	-	4,500,000	5.47	-	-
Chai Woon Chew	180,625	0.29	# 4,500,000	7.13	180,625	0.27	# 4,500,000	6.78	180,625	0.22	# 4,500,000	5.47
Hamzah bin Bakar	3,157,000	5.00	-	-	3,157,000	4.76	-	-	3,157,000	3.83	-	-
CMSB	-	-	-	-	-	-	-	-	16,000,000	19.43	-	-

Notes:-

- (1) The percentage shareholding is calculated based on 63,152,750 Shares
- (2) The percentage shareholding is calculated based on 66,334,125 Shares. The number of ESOS Options assumed to be exercised by the substantial shareholders are as follow:-
- ☐ Dato Kho Kak Beng - 250,000 options
 - ☐ Kho Pok Tong - 255,000 options
 - ☐ Kho Poh Lin - 150,000 options
 - ☐ Kho Poh Joo - 50,750 options
- (3) The percentage shareholding is calculated based on 82,334,125 Shares
- * Deemed interested by virtue of his/her substantial interest in Kho Kak Beng Holding Company Sdn Bhd
- # Deemed interested by virtue of his substantial interest in Laman Satria Sdn Bhd

4.3 NA and Gearing

The proforma effects of the Proposed Acquisition on our adjusted audited consolidated NA and gearing as at 31 December 2006 are as follows:-

Minimum Scenario

	Audited as at 31.12.2006	(I) After Bonus Issue ^(a)	(II) After (I) and ESOS exercised up to 25 January 2008 ^(b)	(III) After (II) and Proposed Acquisition
	RM	RM	RM	RM
<u>Group level</u>				
Share capital	48,280,000	60,541,000	63,152,750	79,152,750
Other reserves	6,599,583	6,599,583	7,408,605	23,408,605
Retained earnings	33,896,301	21,635,301	21,635,301	21,635,301
Shareholders' funds / NA	88,775,884	88,775,884	92,196,656	124,196,656
No. of Shares	48,280,000	60,541,000	63,152,750	79,152,750
NA per Share (RM)	1.84	1.47	1.46	1.57
Borrowings	25,018,118	25,018,118	25,018,118	25,018,118
Gearing (times)	0.28	0.28	0.27	0.20

Notes:-

- (a) On 12 June 2007, we implemented a bonus issue of 12,261,000 new Shares on the basis of one (1) for every four (4) existing Shares held ("**Bonus Issue**")
- (b) The following ESOS Options were exercised during the period from 1 January 2007 to 25 January 2008:-

No. of ESOS Options	Exercise Price (RM)	Share Premium (RM)
<input type="checkbox"/> 29,000	1.39	11,310
<input type="checkbox"/> 531,000	1.54	286,740
<input type="checkbox"/> 139,000	1.33	45,870
<input type="checkbox"/> 43,000	1.26	11,180
<input type="checkbox"/> 22,000	1.40	8,800
<input type="checkbox"/> 1,468,750	1.23	337,813
<input type="checkbox"/> 38,000	1.11	4,180
<input type="checkbox"/> 141,250	1.06	8,475
<input type="checkbox"/> 63,750	1.01	637
<input type="checkbox"/> 136,000	1.12	16,320
		731,325

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Maximum Scenario

		(I) After Bonus Issue ^(a)	(II) After (I) and ESOS exercised up to 25 January 2008 ^(b)	(III) After (II) and full exercise of ESOS Options ^(c)	(IV) After (III) and Proposed Acquisition
	Audited as at 31.12.2006				
	RM	RM	RM	RM	RM
Group level					
Share capital	48,280,000	60,541,000	63,152,750	66,334,125	82,334,125
Other reserves	6,599,583	6,599,583	7,408,605	9,647,454	25,647,454
Retained profit	33,896,301	21,635,301	21,635,301	21,635,301	21,635,301
Shareholders' funds / NA	88,775,884	88,775,884	92,196,656	97,616,880	129,616,880
No. of Shares	48,280,000	60,541,000	63,152,750	66,334,125	82,334,125
NA per Share (RM)	1.84	1.47	1.46	1.47	1.57
Borrowings	25,018,118	25,018,118	25,018,118	25,018,118	25,018,118
Gearing (times)	0.28	0.28	0.27	0.26	0.19

Notes:-

- (a) On 12 June 2007, we implemented the Bonus Issue
- (b) The following ESOS Options were exercised during the period from 1 January 2007 to 25 January 2008:-

No. of ESOS Options	Exercise Price (RM)	Share Premium (RM)
<input type="checkbox"/> 29,000	1.39	11,310
<input type="checkbox"/> 531,000	1.54	286,740
<input type="checkbox"/> 139,000	1.33	45,870
<input type="checkbox"/> 43,000	1.26	11,180
<input type="checkbox"/> 22,000	1.40	8,800
<input type="checkbox"/> 1,468,750	1.23	337,813
<input type="checkbox"/> 38,000	1.11	4,180
<input type="checkbox"/> 141,250	1.06	8,475
<input type="checkbox"/> 63,750	1.01	637
<input type="checkbox"/> 136,000	1.12	16,320
		731,325

- (c) Assuming the ESOS Options granted/ to be granted are exercised prior to the issuance of the Consideration Shares as follow:-

No. of ESOS Options	Exercise Price (RM)	Share Premium (RM)
Outstanding ESOS Options		
<input type="checkbox"/> 1,341,500	1.23	308,545
<input type="checkbox"/> 23,250	1.11	2,558
<input type="checkbox"/> 22,500	1.06	1,350
<input type="checkbox"/> 18,750	1.01	188
<input type="checkbox"/> 27,250	1.12	3,270
<input type="checkbox"/> 299,000	2.10	328,900
Remaining ESOS Options		
<input type="checkbox"/> 1,449,125	# 2.10	1,594,038
Total		2,238,849

#Estimated exercise price of RM2.10 per Share

4.4 Earnings

As the Proposed Acquisition is expected to be completed in the second quarter of calendar year 2008 and the construction of the new plant and facilities on the Property will only be completed by the first half of 2009, it is not expected to have any material impact on our earnings for the FYE 31 December 2007 and 2008 save for the immediate dilution in our EPS upon issuance of the Consideration Shares.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to our future earnings commencing from FYE 2009 onwards.

The estimated expenses for the Proposed Acquisition is approximately RM450,000.

4.5 Dividends

We have not declared/recommended/paid any dividends in respect of the FYE 31 December 2007.

The Proposed Acquisition will not have any effect on the dividends to be declared, if any, for the FYE 31 December 2007 as the consideration shares will not be entitled to these dividends. The level of dividends to be declared in future financial years would be determined by our Board after taking into consideration the performance and cashflow position, as well as the prevailing economic conditions.

5. CONDITIONS TO THE PROPOSED ACQUISITION

The Proposed Acquisition is subject to the following approvals being obtained:-

- (a) The approval of the SC and the ECU (via the SC), which was obtained on 25 January 2008 for:-
 - (i) the Proposed Acquisition, specially for the issuance of Consideration Shares; and
 - (ii) the listing of and quotation for the Consideration Shares on the Main Board of Bursa Securities.
- (b) The approval of MITI;
- (c) The approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Board of Bursa Securities;
- (d) The approval of our shareholders at the forthcoming EGM to be convened; and
- (e) Any other relevant authorities/parties, if required.

6. OTHER CORPORATE EXERCISES ANNOUNCED BUT NOT YET COMPLETED

Our Board confirms that as at the Latest Practicable Date, we do not have any other corporate proposals which have been announced but are pending completion.

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7. SHARE PRICES

Our monthly highest and lowest share prices for the past twelve (12) months to January 2008 are as follows: -

	High (RM)	Low (RM)
2008		
January	2.24	1.76
2007		
December	2.27	2.02
November	2.11	1.78
October	2.13	1.92
September	2.13	2.05
August	2.42	1.65
July	2.61	1.80
June	1.90	1.59
May	1.80	1.54
April	1.66	1.34
March	1.37	1.12
February	1.35	1.10

(Source: Bloomberg)

The last transacted price on Bursa Securities on 7 November 2007, being the last transacted market price immediately prior to the announcement of the Proposed Acquisition, was RM1.90 per Share.

The last transacted price of our Shares on Bursa Securities on the Latest Practicable Date prior to the printing of this Circular was RM1.98 per Share whilst the five (5) days WAMP up to the Latest Practicable Date of our Shares is RM2.00 per Share.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of our Directors and/or Major Shareholders or persons connected to them (as defined in the Listing Requirements) have any interest, either direct or indirect, in the Proposed Acquisition.

9. DIRECTORS' RECOMMENDATION

Our Board, having considered all aspects of the Proposed Acquisition and after careful deliberation, is of the opinion that the Proposed Acquisition is in our best interest.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

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10. EGM

For the purpose of approving the Proposed Acquisition, an EGM, the notice of which is enclosed with this Circular, is to be held at Ballroom III, Lobby Floor, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Monday, 24 March 2008 at 11:00 a.m. or any adjournment thereof.

If you are unable to attend and vote in person at the forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at our Registered Office not less than 48 hours before the time set for the forthcoming EGM. The completion and return of the Form of Proxy does not preclude you from attending and voting in person should you subsequently wish to do so.

11. FURTHER INFORMATION

You are requested to refer to the Appendix II for further information.

Yours faithfully
For and on behalf of our Board
KKB ENGINEERING BERHAD

Tan Heong Ming
Executive Director

VPC Alliance (Sarawak) Sdn. Bhd. (101995-X)

Property Consultants, Valuers & Estate Agents
(formerly known as Jordan Lee, Jaafar & Chew Sdn Bhd)

Lots 216 & 217 (2nd Floor),
Jalan Haji Taha, P. O. Box 3019,
93758 Kuching, Sarawak

Tel : 082-419200 (6 lines)
Fax : 082-429315
Email : vpckc@streamyx.com
Website : www.vpc.com.my

VPC
MALAYSIA

Date: 20 February 2008

Ref : V/1553/07/BCJ/gn@L117-07/sl

The Board of Directors
KKB ENGINEERING BHD
Lot 865, Section 66, Jalan Kilang
Bintawa Industrial Estate
93450 Kuching,
Sarawak, Malaysia

Dear Sirs

**VALUATION CERTIFICATE -
VALUATION OF PROVISIONAL LEASE
LOT 777 BLOCK 5 MUARA TEBAS LAND DISTRICT**

This valuation certificate is prepared for inclusion in the circular of KKB to be dated
25 February 2008.

In accordance with your instructions, we have assessed the Market Value of the properties vide our Valuation Report under the reference as set out below. Further details of the aforesaid valuation are set out in our Valuation Report.

Our valuation is prepared in compliance with the Guidelines on Asset Valuations for submission to the Securities Commission issued by Suruhanjaya Sekuriti Malaysia and the Manual of Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The term Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Directors
Chew Kwong Cheong B Sc(Hons), MIS(M)
James Wong BA (Hons), MIS(M)
Tan Beng Sook ANSV, FISM
Kelvin Tan MIS(M), MRICS
Datuk Kenneth Yen FRICS, MIS(M)
Caroline Sebangkit B Sc, MRICS
Francis Loh FRICS
Tan Lee Kang B Sc, Land Admin
Zorrita Zainuddin B Sc Urban Land Adm

Malaysia Offices
Kuching
Kuala Lumpur
Johor Bharu
Penang
Alor Setar
Petaling Jaya
Kota Kinabalu
Sandakan

Affiliated Offices
Bangkok
Jakarta
Surabaya
Singapore
Seoul

In our opinion, the Market Value of the subject property, free from all legal encumbrances is as follows:-

Ref. No. Property (Title Details, Land Area, Location & Category) Registered Owner	Description/ Existing Use	Floor Area (M ²)	Tenure	Methods of Valuation	Date of Valuation	Market Value (RM)
V/1553/07/BCJ/gn Title: Provisional Lease Lot 777 Block 5 Muara Tebas Land District Land Area : 27.6 hectares (68.2 acres) Located along Jalan Bako, Kampung Goebilt, Kuching Category of Land Use: Industrial Registered Owner : CMS Steel Berhad	A disused steel mill comprising the followed approved structures/buildings:- <u>Building</u> 1) 3-storey Administrative Office/Canteen Building - Ground Floor - First Floor - Second Floor 2) Guard Houses - Guard House 1 - Guard House 2 - Guard House 3 3) Pump House 4) 2-storey Weighbridge Office Building - Ground Floor - First Floor 5) Water Treatment Plant Structure 6) - 2 Motorcycle Sheds & - 1 Car Shed (Open-Sided)	912 1,008 1,008 13.5 36.0 6.25 20.25 144 144 2,942.8 204.4 (each) 244.9	60 years lease expiring on 20/2/2058	Cost Method. Other valuation methods are not applicable because they are inappropriate.	14/09/2007	RM32,000,000

We certify that the above property, in its existing condition and free from all legal encumbrances, with the benefit of river frontage on Sarawak river but disregarding the two (2) buildings, namely Rolling Mill (in the midst of being dismantled and removed) and Central Workshop/Rollshop/Store (already been dismantled and removed), but including the substructures has a Market Value of **RM32,000,000/- (Ringgit : Thirty two million only)**.

Yours faithfully
VPC ALLIANCE (SARAWAK) SDN BHD



CHEW KWONG CHEONG B.Surv.(Prop.Man.)(Hons.)MIS(M)
Registered Valuer (V-141)

APPENDIX II – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and we collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

To the best of our knowledge, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Directors have no knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which might materially and adversely affect the business or financial position of our Group.

3. MATERIAL CONTRACTS

Save for the CSPA, there are no other material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business which have been entered into by us and/ or our subsidiaries within the two (2) years preceding the date of this Circular.

4. CONSENT

AmlInvestment Bank, Messrs Reddi & Co. and Messrs VPC Alliance (Sarawak) Sdn Bhd have given and have not subsequently withdrawn their written consent to the inclusion of their names, letters and reports (where applicable) and all references thereto, in this Circular in the form and manner in which they appear.

AmlInvestment Bank has been appointed as our Adviser in relation to the Proposed Acquisition. AmlInvestment Bank is not aware of any conflict of interests situation which exists or is likely to exist in its role as our Adviser in relation to the Proposed Acquisition.

Messrs Reddi & Co. has been appointed as our Solicitor in relation to the Proposed Acquisition. Messrs Reddi & Co. is not aware of any conflict of interests situation which exists or is likely to exist in its role as the Solicitor to our Company in relation to the Proposed Acquisition.

Messrs VPC Alliance (Sarawak) Sdn Bhd has been appointed as our Valuer in relation to the Proposed Acquisition. Messrs VPC Alliance (Sarawak) Sdn Bhd is not aware of any conflict of interests situation which exists or is likely to exist in its role as the Valuer to our Company in relation to the Proposed Acquisition.

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5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office during business hours from 8:00 a.m. to 5:00 p.m. (Monday to Friday except Public Holidays) from the date of this Circular up to and including the date of the EGM: -

- (i) Memorandum and Articles of Association;
- (ii) Audited financial statements of our Group for the past two (2) FYE 31 December 2006 and the unaudited quarterly results for the nine (9) months' period ended 30 September 2007;
- (iii) the unaudited quarterly results for the twelve (12) months' period ended 31 December 2007 on or after 5:00 p.m. on the 26 February 2008;
- (iv) The valuation report and valuer's certificate as mentioned therein;
- (v) The CSPA; and
- (vi) The letters of consent referred to in Section 4 above.

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KKB ENGINEERING BERHAD

(Company No: 26495-D)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of KKB Engineering Berhad ("**KKB**" or the "**Company**") will be held at Ballroom III, Lobby Floor, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Monday, 24 March 2008 at 11:00 a.m. or any adjournment thereof, to consider and if thought fit, to pass the following resolution with or without modifications: -

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF A PARCEL OF PROVISIONAL LEASEHOLD LAND OF APPROXIMATELY 27.6 HECTARES TOGETHER WITH BUILDINGS ("PROPERTY") THEREON FROM CMS STEEL BERHAD ("CMS STEEL"), A SUBSIDIARY OF CAHYA MATA SARAWAK BERHAD, FOR A TOTAL PURCHASE CONSIDERATION OF RM32,000,000 TO BE SATISFIED BY THE ISSUANCE OF 16,000,000 NEW ORDINARY SHARES OF RM1.00 EACH ("SHARES") ("CONSIDERATION SHARES") IN KKB AT AN ISSUE PRICE OF RM2.00 PER SHARE ("PROPOSED ACQUISITION")

"THAT, subject to the approvals of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities being obtained, if any, KKB do hereby approve and adopt the conditional sale and purchase agreement ("**CSPA**") dated 7 November 2007, entered into between KKB and CMS Steel to undertake the Proposed Acquisition in accordance with the terms and conditions of the CSPA;

AND THAT the Directors be authorised to apply to Bursa Securities for the listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed Acquisition;

AND THAT the Directors be and are hereby authorised and empowered to allot and issue such number of Shares in KKB as may be necessary in satisfaction of the Proposed Acquisition and such Shares to be credited as fully paid-up and shall rank pari passu in all respects with the existing KKB Shares, except that they shall not be entitled to receive dividends declared, made or paid in relation to the profits of the Company for the financial year ending 31 December 2007 as well as any rights, allotments or other distributions in respect of which the entitlement date precedes the date of allotment of the new Consideration Shares; and

AND THAT the Directors be and are hereby authorised to give effect to the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient to give effect to the Proposed Acquisition."

By Order of the Board

VOON JAN MOI (MAICSA 7021367)

Company Secretary
Kuching, Sarawak

Dated : 25 February 2008

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy, otherwise the appointment shall be invalid.
3. In the case of the corporate member, the instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 865, Section 66, Bintawa Industrial Estate, Jalan Kilang, 93450 Kuching, Sarawak not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

KKB ENGINEERING BERHAD

(Company No: 26495-D)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

I/We _____ (Name in full) _____ (IC/Company No)
of _____ (Address)
being a member/members of KKB ENGINEERING BERHAD, hereby appoint _____
(Name in full) of _____ (Address)
or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the
Extraordinary General Meeting of the Company to be held at Ballroom III, Lobby Floor, Hilton Kuching, Jalan
Tunku Abdul Rahman, 93100 Kuching, Sarawak on Monday, 24 March 2008 at 11:00 a.m. or any adjournment
thereof.

My/our proxy is to vote as indicated below:-

	FOR	AGAINST
ORDINARY RESOLUTION Proposed Acquisition		

Please indicate "X" in the appropriate box against each resolution how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Shareholding Represented by Proxy	
-----------------------------------	--

Dated this _____ day of _____ 2008.

Signature of Shareholders(s)/ Common Seal

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy, otherwise the appointment shall be invalid.
3. In the case of the corporate member, the instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 865, Section 66, Bintawa Industrial Estate, Jalan Kilang, 93450 Kuching, Sarawak not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

STAMP

KKB ENGINEERING BERHAD (26495-D)

Lot 865, Section 66
Bintawa Industrial Estate
Jalan Kilang
93450 Kuching
Sarawak
Malaysia

1st fold here