
17. ADDITIONAL INFORMATION

17.1 SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares. As at the date of this Prospectus, there is only one class of shares in the Company namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) Save for the Public Issue Shares and as disclosed in Sections 5.3 and 5.4 of this Prospectus, no shares and debentures of the Company and its subsidiary companies have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (iv) Save for the Public Issue Shares and the ESOS Options granted to the eligible Directors and employees in conjunction with the listing exercise and the Public Issue Shares reserved for the eligible Directors, employees, suppliers, customers and business associates of the KIB Group as disclosed in Sections 3.6 and 5.2.5 of this Prospectus, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company and its subsidiary companies.
- (v) Save for the ESOS, as at the date of this Prospectus, none of the share capital of the Company or any of its subsidiary companies has been put under option or agreed conditionally or unconditionally to be put under option.
- (vi) As at the date of this Prospectus, the KIB Group does not have any outstanding convertible debt securities.

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17. ADDITIONAL INFORMATION (Cont'd)

17.2 ARTICLES OF ASSOCIATION

The provision in the Articles of Association of the Company (The words and expressions appearing in the following provisions shall bear the same meanings used in the Company's Articles of Association), the Listing Requirements, the Act and the Rules of the Depository in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows: -

17.2.1 Transfer of Securities and Transmission of Securities

The provisions in the Company's Articles of Association in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows: -

(i) Articles of Association of the Company**Article 41**

The transfer of securities of the Company, which have been deposited with the Depository, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

Article 42

Subject to these Articles, the Act, the Rules, the Central Depositories Act, the Listing Requirements and Rules of the Stock Exchange, any member may transfer all or any of his securities by instrument in writing in the form prescribed and approved by the Stock Exchange, the Act, and/or the Central Depositories Act as the case may be. Subject to the Central Depositories Act and the Rules, the instrument of transfer of any securities shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the securities until the name of the transferee is entered in the Register and/or the Record of Depositors as the case may be.

Article 43

There shall be no restriction on the transfer of fully paid securities except where required by law.

Article 44

- (1) The Directors may in their absolute discretion decline to register any transfer of shares not fully paid up and may also decline to register the transfer of any share by a registered member on which the Company has a lien.

17. **ADDITIONAL INFORMATION (Cont'd)**

- (2) The Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.

Article 45

No securities shall in any circumstances be transferred to any minor, bankrupt, person of unsound mind, any partnership, or unincorporated association or body.

Article 46

The Register may be closed at such time and for such period as the Directors may from time to time determine. Provided Always that they shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefore shall be published in a daily newspaper circulating in Malaysia if required under the Listing Requirements or by the Stock Exchange, and such notice shall be given to the Stock Exchange, such notice shall state the books closing date, which shall be at least twelve (12) clear market days after the date of notification to the Stock Exchange, and the address of the share registrar at which documents will be accepted for registration. In relation to such closure, the Company shall give notice, in accordance with the Rules to enable the Depository to issue the appropriate Record of Depositors as at a date not less than three (3) market days before the occurrence of the related event.

Article 47

Subject to the provisions of these Articles, the Director may recognise a renunciation of any share by the allottee thereof in favour of some other person.

Article 48

- (1) The Company may establish and cause to be kept in any other place outside Malaysia a branch register of its members in accordance with the provisions of Section 164 of the Act.
- (2) Subject to the provisions of the Act and of these regulations, any such register ("Branch Register") shall be established and kept in such a manner as the Directors may from time to time prescribe.
- (3) For the purpose of any such branch register the Directors may empower any officer of the Company or other person or persons or committee ("the local authority") to keep the registers in such manner and subject to such regulations as the Directors may from time to time prescribed or allow, and may delegate to any such local authority the duty of examining and passing or refusing transfers and transmission and giving certificates of securities.

17. ADDITIONAL INFORMATION (*Cont'd*)

- (4) The local authority shall from time to time transmit to the registered office copies of every entry on any branch register as required by Section 164 of the Act. The transfers of securities on any branch register may be kept at the local office or to be transmitted to the registered office of the Company as the Directors may from time to time direct; and the Company may require such transfers to be executed in duplicate.

Article 49

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of securities apparently made by sufficient parties, although the same may, by reasons of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the securities transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognized as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Article 54

The executors or administrators of a deceased member shall be entitled at any time to pay up in full all the moneys due upon the securities held by such member alone beyond the amount called up thereon, unless within two (2) calendar months after being requested in writing so to do, the Directors shall procure some person or persons to purchase such securities at a price equal to the amount paid up or credited as paid up thereon.

Article 55

Subject to the Act, the Central Depositories Act and the Rules, fees may be charged by the Company or the Depository in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or a stop notice or power of attorney or other document relating to or affecting the title to any securities or otherwise for making an entry in the Register of Members or Record of Depositors affecting the title to any securities but only to the extent permitted by law.

17. ADDITIONAL INFORMATION (Cont'd)

(ii) Companies Act, 1965

The provisions within the Companies Act, 1965 on the transferability of securities are as follows: -

Section 103 – Instrument of Transfer

- (1) Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.
- (1A) Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

Section 107C – Transfer of Securities is by way of book entry

- (1) On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.
- (2) Subsection (1) shall not apply to a transfer of securities to a central depository or its nominees company.

(iii) Rules of the Depository

The rules within the Depository on the transferability of securities are as follows: -

17. ADDITIONAL INFORMATION (Cont'd)

Rule 8.01 (2) – Rejection of transfer

The Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

Rule 8.05A – Transfer from the principal or nominee account

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this Chapter.

Rule 9.03(2) – Documents to lodge

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows: -

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:-
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Take-over and Mergers 1987;
 - (v) any other circumstances as deemed fit by the Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Depository may from time to time determine in its Procedures Manual.

17. ADDITIONAL INFORMATION (Cont'd)

(iv) Listing Requirements

The provisions of the Listing Requirements on the transferability of securities are as follows: -

Clause 7.13 – Transfers of securities

The transfer of any securities or class of securities of the company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of securities.

Clause 7.14– Transmission of securities from Foreign Register

(1) Where: -

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.

(2) For the avoidance of doubt, no company which fulfils the requirements of subparagraphs (1)(a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

17. ADDITIONAL INFORMATION (Cont'd)

17.2.2 Remuneration of Directors

The provisions of the Company's Articles of Association dealing with the remuneration of the Directors are as follows: -

Article 113

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine. Provided Always that:-

- (a) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, Provided Always that such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (b) save as provided in Article 113 (a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article 113 (a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in general meeting;
- (c) fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;
- (d) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
- (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the director nominating him and shall be paid out of the remuneration of the latter.

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17. ADDITIONAL INFORMATION (Cont'd)

Article 114

- (1) The Directors shall be paid all their traveling and other expenses properly and necessarily expended by them respectively in and about the business of the Company including their traveling, hotel and other incidental expenses incurred in attending meetings of the Board or of committees of the Board or general meetings of the Company in the course of the performance of their duties as Directors.

- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a Committee of Directors, the Company may pay the Director remuneration and expenses therefore either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration and expenses from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

17.2.3 Voting and Borrowing Powers of Directors

The provisions in the Company's Articles of Association ("Articles") dealing with voting powers of the Directors in relation to proposals, arrangements or contracts in which they are interested in and their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows: -

Article 116

The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not, by the Act or by these Articles required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles or the provisions of the Act as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

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17. ADDITIONAL INFORMATION (Cont'd)

Article 117

The Directors shall not without the prior approval of the Company in general meeting:

- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act; and
- (c) Subject to Section 132E of the Act, enter into any arrangement or transaction with a director of the company or its holding company or with a person connected with such a director to acquire from or dispose to such a director or person any non-cash assets of the requisite value.

Article 118

- (1) Subject to the provisions in the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to borrow or to raise money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries or its related or associated corporations.
- (2) The Directors may borrow or raise any such moneys as aforesaid, upon such terms and conditions in all respects as the Directors may think fit, upon or by the issue or sale of any bonds, perpetual or redeemable debentures, debenture stocks or securities. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stocks or securities to exchange the same for shares in the Company or any class authorised to be issued. The Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company, both present and future and upon any capital remaining unpaid upon the shares of the Company, whether called up or not or by any other security and the Directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

17. ADDITIONAL INFORMATION (Cont'd)

- (3) Except as permitted by the Listing Requirements, the Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (4) The Directors shall cause a proper register to be kept, in accordance with the requirements of the Act, of all mortgages and charges specifically affecting the property of the Company.

Article 119

The Directors may establish or arrange any contributory or non-contributory pension super-annuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependents of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such persons as aforesaid and make payments for or towards any hospital or scholastic expenses, and make payments for or towards any hospital or any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclose to the members and the approval of the Company in general meeting.

Article 120

The Directors may exercise all the powers of the Company conferred by the Act in relation to any official seal for use outside Malaysia and in relation to branch registers.

Article 121

The Directors may from time to time, by power of attorney under the Seal, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such person and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

Article 122

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time by resolution determine.

17. **ADDITIONAL INFORMATION (Cont'd)**

Article 123

A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

Article 124

Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

Article 125

- (1) Subject always to Sections 131, 132E, 132F and 132G of the Act, a director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract, or arrangement entered into by or on behalf of the Company in which any director is in any way whether directly or indirectly, interested, be liable to avoid, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established but the nature of his interest must be disclosed by him at the meeting of the directors at which the contract or arrangement is determined, if the interest then exists or in any other case at the first meeting of the directors after the acquisition of the interest. A Director shall vote in respect of any contract or arrangement or proposed contract or arrangement, in which he may be interested as a Director, officer or shareholder of another company, or in which he has directly or indirectly any personal interest.
- (2) A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Article 126

Any Director may act by himself or by his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he was not a Director, provided that nothing herein contained shall authorise Director or his firm to act as Auditor of the Company.

17. ADDITIONAL INFORMATION (Cont'd)

17.2.4 Changes in Share Capital and Variation of Class Rights

The provisions in the Articles of Association of the Company as to changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows: -

Article 8

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, either with the consent in writing of the holders of three-fourths (3/4) of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate general meeting the provisions of these Articles relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) in the nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those persons who are present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one (1) vote for every share of the class held by them respectively.

Article 9

The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not unless otherwise expressly provided by the terms of issue of such shares be deemed to be modified by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith. The Company shall have the power to issue further preference capital ranking equally with or in priority to preference shares already issued.

Article 10

In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers of paying commissions conferred by the Act, provided that the rate of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

17. ADDITIONAL INFORMATION (Cont'd)

Article 11

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital as is for the time being paid up the period and subject to the conditions and restriction mentioned in Section 69 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant.

Article 12

Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of share or (except only as by these Articles, the Rules or by law otherwise provided) any other rights in respect of any share except in an absolute right to the entirety thereof in the registered holder.

Article 65

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by sub-division of its existing shares or any of them subject nevertheless to the provisions of Section 62(1)(d) of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and reduce the amount of its share capital by the amount of the shares so cancelled.

Article 66

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by law.

17. ADDITIONAL INFORMATION (Cont'd)

Article 67

- (1) The Company shall have the power, subject to and in accordance with the Act, the rules, regulations and guidelines thereunder issued by the Exchange and any other relevant authorities in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act and any rules, regulations and guidelines thereunder issued by the Exchange and any other relevant authorities in respect thereof.
- (2) The Company may, with the sanction of an ordinary resolution of the members in general meeting, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their absolute discretion, deem fit provided that the purchase of such shares shall not exceed ten per cent (10%) of the issued share capital of the Company for the time being unless prior approval of the Stock Exchange has been obtained.

17.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company at general meeting.
- (iii) Refer to Section 9.2.1 of this Prospectus for details on the direct and indirect interest of substantial shareholders (holding 5% or more of the issued and paid-up share capital) of KIB before and after the Public Issue and assuming full exercise of ESOS Options.
- (iv) Refer to 9.3.2 of this Prospectus for details on the direct and indirect interests of the Directors in the shares of the KIB Group before and after the Public Issue and assuming full exercise of ESOS Options.
- (v) There are no existing or proposed service contracts between KIB or its subsidiary companies, and its Directors or key management.
- (vi) None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies.
- (vii) Save as disclosed in Section 10.1 and 17.6 of this Prospectus, none of the Directors have any interest in any contract or arrangement, which is significant in relation to the business of the Company and its subsidiary companies taken as a whole subsisting at the date of this Prospectus.

17. ADDITIONAL INFORMATION (Cont'd)

17.4 GENERAL

- (i) The nature of KIB's business is described in Section 6 of this Prospectus. Other than mentioned in Section 5.4 of this Prospectus, there is no corporation which is deemed to be related to KIB by virtue of Section 6 of the Companies Act, 1965.
- (ii) Save as disclosed in Section 3.11 of this Prospectus, no commissions, discounts, brokerages or other special terms were granted by the Company within the two (2) years immediately preceding the publication of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiary companies.
- (iii) During the last financial year and the current financial year, there was no: -
 - (a) public take-over offers by third parties in respect of the Company's shares; and
 - (b) public take-over offers by the Company in respect of other companies' shares.
- (iv) The name and address of the Auditors and Reporting Accountants of the Company are set out in Section 1 of this Prospectus.
- (v) Save for the remuneration of the respective Directors, no amount or benefit has been paid or given within the two (2) preceding years from the date of this Prospectus nor is intended to be paid or given, to any Promoter or substantial shareholders.
- (vi) The Company and its subsidiary companies have not established a place of business outside Malaysia.
- (vii) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 18 of this Prospectus.
- (viii) The date and time of the opening of the Application Lists of the Public Issue is set out in Section 18 of this Prospectus.
- (ix) The amount payable in full on application is RM0.18 per Issue Share.
- (x) Save as disclosed in Sections 9.1 and 9.2 of this Prospectus, the Directors of KIB are not aware of any persons who directly or indirectly, jointly or severally, exercise control over the Company and its subsidiary companies.
- (xi) The Directors' and substantial shareholders' direct and indirect shareholdings in KIB before and after the Public Issue is as disclosed in Section 2.2 of this Prospectus.

17.5 MATERIAL LITIGATION

Neither KIB nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant which has a material effect on the financial position of KIB or its subsidiary companies, and the Directors of the Company have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company or its subsidiary companies.

17. ADDITIONAL INFORMATION (Cont'd)

17.6 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by the Company and its subsidiary companies during the two (2) years preceding the date of this Prospectus.

- (i) Sale and purchase agreement dated 28 January 2003 between TCS Sofa Industries Sdn Bhd and HLSB for the purchase of a piece of industrial land held under H.S.(D) 212193, PTD 111291, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim, together with a renovated 1½ storey detached factory erected thereon, for a purchase consideration of RM2,400,000.
- (ii) Share sale agreement dated 18 August 2003 between the vendors of HLSB and KIB for the acquisition of 100% equity interest in HLSB comprising 4,733,750 ordinary shares of RM1.00 each in HLSB for RM5,207,125 satisfied by the issuance of 5,207,125 ordinary shares of RM1.00 each in KIB.
- (iii) Share sale agreement dated 18 August 2003 between vendors of AISB and KIB for the acquisition of 100% equity interest in AISB comprising 500,000 ordinary shares of RM1.00 each in AISB for RM500,000 satisfied by issuance of 500,000 ordinary shares of RM1.00 each in KIB.
- (iv) Share sale agreement dated 18 August 2003 between vendors of KMSB and KIB for the acquisition of 100% equity interest in KMSB comprising 1,031,470 ordinary shares of RM1.00 each in KMSB for RM1,547,205 satisfied by issuance of 1,547,205 ordinary shares of RM1.00 each in KIB.
- (v) Underwriting Agreement dated 4 August 2004 between KIB and PMBB for the underwriting of 10,000,000 Shares. Underwriting commission is payable by the Company at the rate of 2% of the Issue Price of RM0.18 per Share.
- (vi) Placement Agreement dated 3 June 2004 between KIB and PMBB for the placement of 20,000,000 Shares. The placement fee is payable by KIB at the rate of 2.0% on the value of the Placement Shares for Placees.

17.7 MATERIAL AGREEMENTS

There are no other subsisting material agreements which have been entered into by the Company and its subsidiary companies as at the date of this Prospectus.

17.8 CONSENTS

- (i) The written consents of the Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Principal Bankers, Share Registrar, Company Secretaries and Issuing House to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and the Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report and letters relating to the proforma consolidated balance sheets as at 31 March 2004 in the manner and form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

17. ADDITIONAL INFORMATION (Cont'd)

- (iii) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of its name, extractions from and executive summary of the Independent Market Researcher Report and letter relating to the executive summary of the Independent Market Research Report in the form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

17.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of KIB at the registered office of KIB during office hours for a period of twelve (12) months from the date of this Prospectus: -

- (i) Memorandum and Articles of Association of KIB;
- (ii) The audited financial statements of of KIB for the financial year ended 31 March 2004;
- (iii) The audited financial statements of HLSB for the five (5) financial years ended 31 March 2004;
- (iv) The audited financial statements of KMSB for the five (5) financial years/period ended 31 March 2004;
- (v) The audited financial statements of AISB for the five (5) financial years/period ended 31 March 2004;
- (vi) The Reporting Accountants' letters relating to the proforma consolidated balance sheets as at 31 March 2004 as set out in Section 12.7 of this Prospectus;
- (vii) The Accountants' Report and Directors' Report as included in Sections 13 and 15 respectively of this Prospectus;
- (viii) The material contracts referred to in Section 17.6 of this Prospectus; and
- (ix) The letters of consent referred to in Section 17.8 of this Prospectus.
- (x) The Independent Market Research Report prepared by RAMCS dated 21 August 2003 and a copy of the letter of consent for the inclusion of information from the Independent Market Research Report.

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17. **ADDITIONAL INFORMATION (Cont'd)**

17.10 RESPONSIBILITY STATEMENTS

- (i) PMBB acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue.

- (ii) This Prospectus has been seen and approved by the Directors and Promoters of KIB, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

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