

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

The extraction rates of CPO, PK, PKO and PKE of KLPO and its subsidiaries vis-à-vis the industry average are as follows:-

**Table 5: Comparison of CPO, PK, PKO and PKE Extraction Rates with the Malaysian Industry Average**

		Year ended 31 December 1995	13 months ended 31 January 1997	Year ended 31 January		
				1998	1999	2000
<b>CPO Extraction rate</b>						
KLPOM	(%)	19.09	18.45	18.84	18.75	18.15
Industry Average	(%)	18.51	18.71	19.03	18.91	18.60
<b>PK Extraction rate</b>						
KLPOM	(%)	6.94	6.53	6.57	7.08	7.06
Industry Average	(%)	5.72	5.62	5.57	5.32	5.36
<b>PKO Extraction rate</b>						
SESB	(%)	42.89	42.98	42.23	42.89	43.36
Industry Average	(%)	43.08	43.34	43.55	43.69	43.80
<b>PKE Extraction rate</b>						
SESB	(%)	59.36	65.68	63.86	57.71	55.84
Industry Average	(%)	54.33	54.50	54.03	53.40	53.25

Source : PORLA Homepage

**Table 6: Comparison of CPO Extraction Rate with the Industry Average in Johor, Peninsular Malaysia and Malaysia**

		Year ended 31 December 1995	13 months ended 31 January 1997	Year ended 31 January		
				1998	1999	2000
<b>CPO Extraction rate</b>						
KLPOM	(%)	19.09	18.45	18.84	18.75	18.15
<b>Industry Average</b>						
Johor	(%)	18.08	18.53	18.60	18.23	18.13
Peninsular Malaysia	(%)	18.30	18.60	18.69	18.36	18.12
Malaysia	(%)	18.51	18.71	19.03	18.91	18.60

Source : PORLA homepage

CPO extraction rate ("OER") for Malaysia is an average OER of all plantation mills and commercial mills in Peninsular and East Malaysia. OER of some plantation mills in Peninsular Malaysia and most mills in East Malaysia are generally higher probably because of better quality FFB. Commercial mills in Peninsular Malaysia, such as KLR's mill, have lower OER because they have less control over the quality of the FFB received, especially from smallholders and FFB dealers.

### 5.3.17 Principal assets

The list of landed properties of the Company is set out in Section 9 of this Prospectus.

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

### 5.4 Changes In Share Capital

The authorised share capital of KLR is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of KLR is RM74,112,000 comprising 74,112,000 ordinary shares of RM1.00 each.

Details of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-Up Share Capital RM
20.04.1975	2	1.00	Subscribers' shares	2
01.03.1990	9,998	1.00	Cash	10,000
19.07.2000	32,371,000	1.00	Bonus Issue	32,381,000
19.07.2000	13,619,000	1.00	Rights Issue	46,000,000
20.07.2000	28,112,000	1.00	Acquisitions	74,112,000

### 5.5 Restructuring And Listing Scheme

In conjunction with and as an integral part of listing KLR on the Main Board of the KLSE, the Company has undertaken a restructuring exercise which was approved by the FIC, MITI and SC on 9 October 1999, 20 October 1999 and 23 February 2000 respectively.

#### 5.5.1 Revaluations

##### (i) Revaluations of Landed Properties

On 18 June 1999, Messrs. Jones Lang Wootton valued the ten (10) parcels of agricultural land belonging to KLR at RM31,662,000 using the comparison and profits methods of valuation. The valuation gives rise to a total revaluation surplus of RM17,329,818 based on the NBV as at 31 January 1999 of RM14,332,182. Details of the computation of the revaluation surplus are as follows:-

Owner/Landed Properties	Open Market Value As At Date of Valuation on 18 June 1999 * RM	(A) Open Market Value As Approved by the SC RM	(B) Audited NBV As At 31 January 1999 RM	(C) = (A) - (B) Revaluation Surplus RM
KLR				
CL 095310428	1,513,000	1,513,000	891,754	621,246
CL 085311253	1,509,000	1,509,000	881,625	627,375
CL 095316957	1,509,000	1,509,000	1,817,618	(308,618)
CL 095310777	7,387,000	7,387,000	3,815,641	3,571,359
CL 085313079	7,172,000	7,172,000	2,496,224	4,675,776
CL 095315049	6,419,000	6,419,000	2,886,053	3,532,947
CL 095315058	5,663,000	5,663,000	1,218,458	4,444,542
CL 095317436	266,000	266,000	151,145	114,855
CL 095317561	111,000	111,000	85,837	25,163
CL 095317552	113,000	113,000	87,827	25,173
	<b>31,662,000</b>	<b>31,662,000</b>	<b>14,332,182</b>	<b>17,329,818</b>

\* The open market values of the respective landed properties have been allocated on an arbitrary break-up value basis.

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

The revaluation surplus will be incorporated in the accounts of KLR in the financial year ending 31 January 2001.

On 18 June 1999, Messrs Jones Lang Wootton also valued five (5) parcels of agricultural land belonging to the subsidiaries of KLR, namely SSB, SuESB, Sykt KFS, LDSB and DKLPSB at RM23,238,000 using the comparison and profits methods of valuation. These revaluations gave rise to a total revaluation surplus of RM18,711,517 based on the NBV of the respective lands as at 31 January 1999. Details of the computation of the revaluation surplus are as follows:-

Owner/Landed Properties	Open Market Value As At Date of Valuation on 18 June 1999 RM	(A) Open Market Value As Approved by the SC RM	(B) Audited NBV As At 31 January 1999 RM	(C) = (A) - (B) Revaluation Surplus RM
LDSB				
CL 095310526	4,550,000	4,550,000	24,398	4,525,602
SuESB				
CL 085311315	1,913,000	1,913,000	10,603	1,902,397
SSB				
CL 085311306	2,267,000	2,267,000	9,609	2,257,391
Sykt KFS				
CL 085311244	3,108,000	3,108,000	18,823	3,089,177
DKLPSB				
CL 095317123	11,400,000	11,400,000	4,463,050	6,936,950
	23,238,000	23,238,000	4,526,483	18,711,517

The revaluation was made to determine the revaluation surplus of the investment in the subsidiary companies and will not be incorporated in the accounts of the respective companies.

### (ii) Revaluations of Investments in Subsidiary Companies

KLR also carried out revaluation of the investments in its subsidiary companies, namely LDSB, SuESB, SSB, Sykt KFS and DKLPSB. The valuation gives rise to a total revaluation surplus of RM15,143,860 based on the cost of investment as at 31 January 1999. Details of the computation of the revaluation surplus arising from the revaluation of investment in subsidiary companies are as follows:-

	LDSB RM	SuESB RM	SSB RM	Sykt KFS RM	DKLPSB RM	Total RM
Adjusted Net Asset Value <sup>(i)</sup>	4,525,605	1,912,955	2,257,398	3,089,180	4,852,396	16,637,534
Less:						
Cost of investment as at 31 January 1999	(577,735)	(250,307)	(249,667)	(415,895)	(70)	(1,493,674)
Revaluation surplus of KLR arising from investment in subsidiary companies	3,947,870	1,662,648	2,007,731	2,673,285	4,852,326	15,143,860

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

The revaluation surplus of RM15,143,860 will be incorporated in the accounts of KLR in the financial year ending 31 January 2001.

Note (1) – calculation of Adjusted Net Asset Value:-

	<i>LDSB</i>	<i>SuESB</i>	<i>SSB</i>	<i>Sykt KFS</i>	<i>DKLPSB</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
<i>Net Asset Value as at 31 January 1999</i>	3	10,558	7	3	(4,956)	5,615
<b>Add:</b>						
<i>Revaluation surplus as set out in Section 5.5.1(i) above</i>	4,525,602	1,902,397	2,257,391	3,089,177	6,936,950	18,711,517
<b>Adjusted Net Asset Value</b>	<b>4,525,605</b>	<b>1,912,955</b>	<b>2,257,398</b>	<b>3,089,180</b>	<b>6,931,994</b>	<b>18,717,132</b>
<b>KLR's share of investment</b>	<b>4,525,605</b>	<b>1,912,955</b>	<b>2,257,398</b>	<b>3,089,180</b>	<b>4,852,396</b>	<b>16,637,534</b>

### 5.5.2 Bonus Issue

#### (i) Terms Of The Bonus Issue

On 19 July 2000, KLR implemented a Bonus Issue, which entails the issuance of 32,371,000 new ordinary shares of RM1.00 each to the existing shareholders of the Company to be credited as fully paid-up on the basis of thirty two thousand three hundred and seventy one (32,371) new ordinary shares for every ten (10) existing ordinary shares held by the shareholders of the Company via the capitalisation of RM32,371,000 from the revaluation reserves.

Details on the movement in the revaluation surplus account are as follows:

<b>Revaluation Surplus Account</b>	<b>RM</b>
Revaluation surplus arising from:-	
- Revaluations of landed properties	17,329,818
- Revaluations of investment in subsidiaries	15,143,860
	<u>32,473,678</u>
Less : Amount capitalised for the Bonus Issue	(32,371,000)
Outstanding Balance as at KLR's Accounts	<u>102,678</u>
<i>Outstanding Balance @ KLR Group's Level:-</i>	
<i>Outstanding balance @ Company's accounts</i>	102,678
<i>Add: Post acquisition loss taken up on consolidation</i>	4,831
<i>Outstanding Balance @ KLR Group's level</i>	<u>107,509</u>

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**5. INFORMATION ON THE KLR GROUP (Cont'd)**

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**(ii) Status Of The New Ordinary Shares**

All the new ordinary shares of RM1.00 each issued pursuant to the Bonus Issue rank pari passu in all respects with the then existing ordinary shares of KLR, save and except that they were not entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the new ordinary shares.

**5.5.3 Rights Issue**

**(i) Terms Of The Rights Issue**

Upon the completion of the Bonus Issue, KLR undertook the Rights Issue of 13,619,000 new ordinary shares of RM1.00 each in the Company at par on the basis of thirteen thousand six hundred and nineteen (13,619) new ordinary shares for every ten (10) existing ordinary shares held before the Bonus Issue. The Rights Issue was completed on 19 July 2000.

**(ii) Status Of The New Ordinary Shares**

The 13,619,000 new ordinary shares of RM1.00 each issued pursuant to the Rights Issue rank pari passu in all respects with the then existing ordinary shares of KLR, save and except that they were not entitled to any dividends, rights, allotments or other distributions declared prior to the allotment of the new ordinary shares.

**5.5.4 Acquisitions**

After the implementation of the Rights Issue, KLR undertook the following Acquisitions:-

**(i) Acquisition of KLC**

KLR entered into a Sale and Purchase Agreement on 12 August 1999 and Supplemental Agreements on 27 May 2000 and 10 July 2000 for the acquisition of the entire issued and paid-up share capital of KLC comprising of 100,000 ordinary shares of RM1.00 each from SKL, for a total purchase consideration of RM33,247,656 to be satisfied partly by the issuance of 11,910,000 new ordinary shares of RM1.00 each in KLR at an issue price of RM1.20 per new share and the balance of RM18,955,656 in cash.

KLC shares were acquired free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto and all dividends, rights and distributions declared, paid or made in respect thereof as from the date of completion of the sale and purchase transactions in accordance with the terms of the Sale and Purchase Agreement and the Supplemental Agreements.

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

**Basis of the Purchase Consideration**

The purchase consideration for the Acquisition of KLC was arrived at after taking into consideration the adjusted audited NTA of KLC as at 31 January 1999 calculated as follows:-

	<b>RM</b>
Audited shareholders' funds as at 31 January 1999	(9,947)
Less : Intangible Assets	-
NTA as at 31 January 1999	<u>(9,947)</u>
Adjustments made :	
- Revaluation deficit <sup>(1)</sup>	(3,586,295)
- Advances from SKL <sup>(2)</sup>	33,244,114
- Increase in share capital and share premium <sup>(3)</sup>	3,599,784
Adjusted NTA as at 31 January 1999	<u>33,247,656</u>
<b>Purchase consideration agreed on willing buyer willing seller basis</b>	<b>33,247,656</b>

Notes:

(1) The revaluation deficit in KLC arose from the revaluations of its subsidiaries' landed properties by Messrs Jones Lang Wootton on 17 June 1999 using the comparison and profit methods of valuation, as follows:-

	<b>RM</b>
(a) NBV of land held by OHSB	16,489,591
Market value of land as per valuation report note (i)	15,900,000
<b>Revaluation deficit on land held by OHSB</b>	<b>A (589,591)</b>
(b) NBV of land held by DKLPO	240,901
Market value of land as per valuation report note (i) (Parcel B)	186,000
<b>Revaluation deficit on land held by DKLPO</b>	<b>(54,901)</b>
Share of revaluation deficit as KLC owns effective 70% in DKLPO	<b>B (38,431)</b>
(c) NBV of land held by DOSB	25,814,536
Market value of land as per valuation report note (i) (Parcel A)	20,014,000
<b>Revaluation deficit on land held by DOSB</b>	<b>(5,800,536)</b>
Share of revaluation deficit ( 51% )	<b>C (2,958,273)</b>
<b>Total Revaluation Deficit (A+B+C)</b>	<b>(3,586,295)</b>

Note (i):

Registered Owner	Company/Title No.	Open Market Value RM
Desa Cattle (S) Sdn Bhd *	OHSB CL 135328782	15,900,000
Desa Cattle (S) Sdn Bhd **	DOSB CL 135345069 (Parcel A)	20,014,000
	DKLPO CL 135345069 (Parcel B)	186,000
	<b>Total</b>	<b>20,200,000</b>

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

- \* Until fully developed by year 2000, the title to the lands will be in the name of Desa Cattle (S) Sdn Bhd.
- \*\* Until fully developed by year 2003, the title to the lands will be in the name of Desa Cattle (S) Sdn Bhd.

- (2) As at 31/1/99, KLC still owed SKL, its holding company, a total of RM36,843,898, out of which RM3,599,784 was applied to subscribe for new shares in KLC by SKL as set out in note 3 below. Upon the Acquisition of KLC, the advances amounting to RM33,244,114 will be taken over by KLR and form part of the purchase consideration.
- (3) On 10 July 2000, KLC increased its issued and paid-up share capital by issuing 99,994 new ordinary shares of RM1.00 each at an issue price of RM36 per share to SKL.

The acquisition of KLC was completed on 20 July 2000.

### (ii) Acquisition of KLPO

KLR entered into a Sale and Purchase Agreement on 12 August 1999 and a Supplemental Agreement on 27 May 2000 for the acquisition of 1,750,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of KLPO for a total purchase consideration of RM34,822,135 to be satisfied partly by the issuance of 12,945,000 new ordinary shares of RM1.00 each in KLR at an issue price of RM1.20 per new share and the balance of RM19,288,135 in cash.

Details of the vendors of KLPO and the settlement of the purchase consideration are as follows:-

Name of Vendor	No. Of Ordinary Shares Of RM1.00 Each Held in KLPO	Purchase Consideration RM	Settlement		Cash RM
			New KLR Ordinary Shares To Be Issued @ RM1.20 Per Share No. of shares	RM	
SKL	910,000	18,107,510	6,732,000	8,078,400	10,029,110
HYSB	52,500	1,044,664	388,000	465,600	579,064
Chellam Investments Sdn Bhd	105,000	2,089,328	777,000	932,400	1,156,928
Dato' Haji Mohd Zamani Bin Samah	87,500	1,741,107	647,000	776,400	964,707
Che Zainah Binte Ibrahim (f)	280,000	5,571,542	2,071,000	2,485,200	3,086,342
Quek Sai Luang (f)	87,500	1,741,107	647,000	776,400	964,707
Mariam Binti Mahmood @ Kassim (f)	157,500	3,133,992	1,165,000	1,398,000	1,735,992
Hui Chee Wye	70,000	1,392,885	518,000	621,600	771,285
<b>Total</b>	<b>1,750,000</b>	<b>34,822,135</b>	<b>12,945,000</b>	<b>15,534,000</b>	<b>19,288,135</b>

KLPO shares were acquired free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto and all dividends, rights and distributions declared, paid or made in respect thereof as from the date of completion of the sale and purchase transactions in accordance with the terms of the Sale and Purchase Agreement and the Supplemental Agreement.

## 5. INFORMATION ON THE KLR GROUP (Cont'd)

**Basis of the Purchase Consideration**

The purchase consideration for the Acquisition of KLPO was arrived at after taking into consideration the adjusted audited NTA of KLPO as at 31 January 1999 calculated as follows:-

	<b>KLPO RM</b>
Audited shareholders' funds at 31 January 1999	29,609,132
Less : Intangible Assets	-
NTA as at 31 January 1999	<u>29,609,132</u>
Adjustment made :	
- Revaluation surplus <sup>(1)</sup>	<u>5,213,003</u>
Adjusted NTA as at 31 January 1999	<u><u>34,822,135</u></u>
<b>Purchase consideration agreed on willing buyer willing seller basis</b>	<b>34,822,135</b>

Note:

(1) The revaluation surplus of KLPO was derived from the revaluations of its subsidiary's landed property by Messrs Jones Lang Wootton on 18 June 1999 using the comparison and profit methods of valuation, as follows:-

	<i>RM</i>
<i>NBV of land held by KLPOM</i>	<i>1,483,746</i>
<i>Market value of land as per valuation report</i>	<i>8,000,000</i>
<i>Revaluation surplus</i>	<u><i>6,516,254</i></u>
<i>80% share of revaluation surplus</i>	<u><i>5,213,003</i></u>

For the financial year ended 31 January 2000, KLPO declared dividends of 224% of the share capital of KLPO of 1,750,000 ordinary shares.

The acquisition of KLPO was completed on 20 July 2000.

**(iii) Acquisition of OMSB**

KLR entered into a Sale and Purchase Agreement on 12 August 1999 and a Supplemental Agreement on 27 May 2000 for the acquisition of 100,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of OMSB for a total purchase consideration of RM8,683,140 to be satisfied partly by the issuance of 3,257,000 new ordinary shares of RM1.00 each in KLR at an issue price of RM1.20 per new share and the balance of RM4,774,740 in cash.



## 5. INFORMATION ON THE KLR GROUP (Cont'd)

Details of the vendors of OMSB and the settlement of the purchase consideration are as follows:-

Name of Vendor	No. Of Ordinary Shares Of RM1.00 Each Held in OMSB	Purchase Consideration RM	Settlement		Cash RM
			New KLR Ordinary Shares To Be Issued @ RM1.20 Per Share No. of shares	RM	
Gooi Seong Lim	44,000	3,820,580	1,433,000	1,719,600	2,100,980
Gooi Seong Heen	14,000	1,215,640	456,000	547,200	668,440
Gooi Seong Chneh	14,000	1,215,640	456,000	547,200	668,440
Gooi Seong Gum	14,000	1,215,640	456,000	547,200	668,440
Gooi Seow Mee (f)	14,000	1,215,640	456,000	547,200	668,440
<b>Total</b>	<b>100,000</b>	<b>8,683,140</b>	<b>3,257,000</b>	<b>3,908,400</b>	<b>4,774,740</b>

OMSB shares were acquired free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto and all dividends, rights and distributions declared, paid or made in respect thereof as from the date of completion of the sale and purchase transactions in accordance with the terms of the Sale and Purchase Agreement and the Supplemental Agreement.

**Basis of the Purchase Consideration**

The purchase consideration for the Acquisition of OMSB was arrived at after taking into consideration the adjusted audited NTA of OMSB as at 31 January 1999 calculated as follows:-

	<b>RM</b>
Audited shareholders' funds at 31 January 1999	132,827
Less : Intangible Assets	-
NTA as at 31 January 1999	<u>132,827</u>
Adjustments made :	
- Revaluation surplus <sup>(1)</sup>	4,475,856
- Advances from the directors <sup>(2)</sup>	<u>4,068,415</u>
Adjusted NTA as at 31 January 1999	<u><u>8,677,098</u></u>
<b>Purchase consideration agreed on willing buyer willing seller basis</b>	<b>8,683,140</b>

Notes:

(1) The revaluation surplus of OMSB was derived from the revaluation of the investment in KLPOM, as follows:-

	<b>RM</b>
Original cost of investment (20%) in KLPOM	1,445,783
Share of NTA in KLPOM @ 31/1/99	4,618,388
20% share of revaluation surplus in KLPOM as set out in Section 5.5.4(ii) above	<u>1,303,251</u>
Revaluation surplus from investment in KLPOM	<u><u>4,475,856</u></u>

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- (2) As at 31/1/99, OMSB owed its directors a total of RM4,068,415. Upon the Acquisition of OMSB, the advances will be taken over by KLR and form part of the purchase consideration.

The acquisition of OMSB was completed on 20 July 2000.

## (iv) Settlement Of The Purchase Considerations

The purchase considerations for the Acquisitions are satisfied in the following manner:-

Companies To Be Acquired	No. Of Ordinary Shares Of RM1.00 Each To Be Acquired	Purchase Consideration RM	Settlement				
			New KLR			Cash	
			Ordinary Shares To Be Issued @ RM1.20 Per Share			RM	%
			No. of shares	RM	%	RM	%
KLC	100,000	33,247,656	11,910,000	14,292,000	43	18,955,656	57
KLPO	1,750,000	34,822,135	12,945,000	15,534,000	45	19,288,135	55
OMSB	100,000	8,683,140	3,257,000	3,908,400	45	4,774,740	55
		76,752,931	28,112,000	33,734,400		43,018,531	

The particulars relating to the vendors and the share-swap arrangement for the Acquisitions of KLC, KLPO and OMSB are as follows:-

Vendors	Share-swap arrangement for the Acquisitions by KLR			
	Shares to KLC's shareholders	Shares to KLPO's shareholders	Shares to OMSB's shareholders	Total Shares held in KLR
	No. Of Shares	No. Of Shares	No. Of Shares	No. Of Shares
SKL	11,910,000	6,732,000	-	18,642,000
Heng Yuen Sdn Bhd	-	388,000	-	388,000
Chellam Investments Sdn Bhd	-	777,000	-	777,000
Datuk Haji Mohd Zamani Bin Samah	-	647,000	-	647,000
Zainah Binte Ibrahim (f)	-	2,071,000	-	2,071,000
Quek Sai Luang (f)	-	647,000	-	647,000
Mariam Binte Mahmood @ Kassim (f)	-	1,165,000	-	1,165,000
Hui Chee Wye	-	518,000	-	518,000
Gooi Seong Chneh	-	-	456,000	456,000
Gooi Seong Gum	-	-	456,000	456,000
Gooi Seong Lim	-	-	1,433,000	1,433,000
Gooi Seong Heen	-	-	456,000	456,000
Gooi Seow Mee (f)	-	-	456,000	456,000
<b>Total</b>	<b>11,910,000</b>	<b>12,945,000</b>	<b>3,257,000</b>	<b>28,112,000</b>

## 5. INFORMATION ON THE KLR GROUP *(Cont'd)*

The 28,112,000 new ordinary shares of RM1.00 each in KLR issued pursuant to the Acquisitions rank pari passu in all respects with the issued and paid-up share capital of 46,000,000 ordinary shares of RM1.00 each after the Bonus Issue and Rights Issue.

### 5.5.5 Restricted Issue

#### (i) Terms of the Restricted Issue

The Restricted Issue will entail the issuance of 28,142,000 new ordinary shares of RM1.00 at an issue price of RM1.80 per share to bumiputera individuals, companies, co-operatives and institutions (as approved by the MITI) to be credited as fully paid-up new ordinary shares.

#### (ii) Status Of The New Ordinary Shares

All the new ordinary shares of RM1.00 each to be issued pursuant to the Restricted Issue will, upon issue and allotment, rank pari passu in all respects with the then existing ordinary shares of KLR, save and except that they will not be entitled to any dividends, rights, allotments or other distributions which may be declared prior to the date of allotment of the new ordinary shares.

### 5.5.6 Public Issue

#### (i) Terms of the Public Issue

In conjunction with the flotation of KLR, the Company will undertake a Public Issue of 4,496,000 new ordinary shares of RM1.00 at an issue price of RM1.80 per share to the Malaysian public and eligible employees and suppliers of the KLR Group as follows :-

	No. of shares	% Of Enlarged Share Capital
Malaysian Public	3,802,000	3.56
Eligible Employees and suppliers of KLR Group	694,000	0.65
	4,496,000	4.21

All the new ordinary shares of RM1.00 each to be issued pursuant to the Public Issue will, upon issue and allotment, rank pari passu in all respects with the then existing ordinary shares of KLR, save and except that they will not be entitled to any dividends, rights, allotments or other distributions which may be declared prior to the date of allotment of the new ordinary shares.