
XII. OTHER INFORMATION

1. Share Capital

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, there is only one class of shares in the Company, namely, ordinary shares of RM0.25 each, all of which rank pari passu with one another.
- (iii) Save for as disclosed in Section III(4) 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 or its subsidiary.
- (iv) Save for as disclosed in Sections III(2), III(4), V(1) and V(2) of this Prospectus, no shares, stocks or debentures of the Company and its subsidiary have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the two (2) years preceding the date of registration of this Prospectus.
- (v) Save for as disclosed in Section III(4) of this Prospectus, there is currently no other scheme for or involving the Directors and employees of the Kurnia Group in the share capital of the Company or its subsidiary.
- (vi) As at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, the Company does not have any outstanding convertible debt securities.

2. Articles of Association

The following provisions are reproduced from the Company's Articles of Association and it is qualified in its entirety by the provisions of the Articles of Association of the Company:

(i) Transfer of Securities

Article 34

With respect to the Deposited Security, subject to the provisions of the Act, the Central Depositories Act, the Rules, and the Bursa Securities LR or any other relevant authorities, the Bursa Depository or an Authorised Depository Agent shall make an entry in the Securities Account in respect of direct business or other transactions and the transferor shall be deemed to remain the holder of the Deposited Security until the name of the transferee is entered in the Record of Depositors in respect thereof.

Article 35

Subject to the restrictions imposed by these Articles, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any shares or security or class of security of the Company shall be by way of book entry by the Bursa Depository in accordance with the Rules 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 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the shares or securities.

XII. OTHER INFORMATION (CONT'D)

Article 36

With respect to any Non-Deposited Security, subject to these Articles, the Act, the Central Depositories Act, the Rules and the Bursa Securities LR or any other relevant authorities, the instrument of transfer of any Non-Deposited Security shall be in writing in the form prescribed and approved from time to time by the Bursa Securities and Companies Commission of Malaysia.

Article 37

The Bursa Depository may refuse to register any transfer of Deposited Securities if it does not comply with the Central Depositories Act or the Rules.

Article 38

Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the shares. The instrument of transfer shall, unless the Directors decline to register it, be retained by the Company.

Article 39

The registration of transfers may be suspended at such times and for such reasons and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in any calendar year. At least eighteen (18) market days notice of such books closing stating the period and the reasons therefor shall be given to the Bursa Securities and advertised in a local daily newspaper circulating in Malaysia. In relation to the closure, the Company shall give written notice in accordance with the Rules, and the Bursa Securities LR or any other relevant authorities to the Bursa Depository to prepare the appropriate Record of Depositors.

Article 40

Subject to the Act, the Central Depositories Act, the Rules, the Bursa Securities LR or any other relevant authorities, with respect to any Non-Deposited Security, a fee not exceeding RM3/- may be charged for the registration of each transfer and shall, if required by the Directors, be paid before registration. With respect to any Deposited Security, the fee chargeable shall be in accordance with the Act, the Central Depositories Act, the Bursa Securities LR or any other authorities.

Article 41

Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of share apparently made by sufficient parties, although the same may, by reason 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 shares 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 of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

XII. OTHER INFORMATION (CONT'D)

Article 42

Subject to the Act, the Central Depositories Act, the Rules, the Bursa Securities LR, or any other authorities with respect to any Non-Deposited Security, the Directors may in their absolute discretion and without assigning any reason, therefore decline to register any such transfer of Non-Deposited Security not fully paid up. If the Directors shall decline to register any such transfer of Non-Deposited Security, they shall give notice to both the transferor and the transferee of their refusal to register the transfer within ten (10) market days of the date when the transfer was lodged with the Company.

Article 43

Subject to the Act, the Central Depositories Act, the Rules, the Bursa Securities LR or any other authorities, there shall be no restriction on the transfer of fully paid Deposited Security which is quoted or is to be quoted, except where required by law.

(ii) Remuneration of Directors

Article 111

The remuneration payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in General Meeting. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting when notice of the proposed increase has been given in the notice convening the meeting. The Directors shall also be paid such travelling hotel and other expenses as may reasonably be incurred by them in the execution of their duties including any such expenses incurred in connection with their attendance at meetings of Directors. The fees payable to non-executive directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover. The salaries payable to executive directors may not include a commission on or percentage of turnover.

Article 112

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 member of a Committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or (only if an executive Director) by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors provided that no Executive Director shall be remunerated by a commission on or percentage of turnover.

Article 115

The remuneration of a Managing Director may be by way of salary or commission or participation in profits, or by any or all of these modes or otherwise as may be thought expedient provided that no remuneration shall be by way of commission or percentage on turnover.

XII. OTHER INFORMATION (CONT'D)

(iii) Voting and Borrowing Powers of Directors

Article 107

The Company in General Meeting may, subject to the provisions of these Articles, from time to time appoint new Directors, and may increase or reduce the number of Directors in office, and may alter their qualifications. Until otherwise determined by a General Meeting, the number of Directors shall not be less than two (2) and not more than twelve (12). No person, not being a retiring director, shall be eligible for election to the office of Directors at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the registered office of the company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days notice only shall be necessary and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.

Article 108

The Directors shall have power from time to time and at any time to appoint Directors either to fill a casual vacancy or as an addition to the Board. A Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.

Article 108A

The Company may by ordinary resolution of which special notice is given remove any Director before the expiration of his period of office, and may if thought fit, by ordinary resolution appoint another Director in his stead. The person so appointed shall hold office so long only as the Director in whose place he is appointed would have held the same if he had not been removed.

Article 109

A Director shall not be required to hold any share qualification in the Company.

Article 110

Any Director may from time to time and at any time appoint any person (not disapproved by a majority of the other Directors for the time being) to be an alternate Director of the Company, and may at any time remove the alternate Director so appointed by him from office. An alternate Director so appointed shall not be entitled to receive any remuneration from the Company, but if the alternate Director is paid a fee by the Company, the same shall be deducted from the director's remuneration and shall be entitled to receive notices of and attend all meetings of the Directors, and to vote as a Director at any such meeting at which the Director appointing him is not present, and generally in the absence of his appointor to perform all the functions of his appointor as a Director. An alternate Director may be removed from office by resolution of the Board, and shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director. All appointments and removals of alternate Directors made by any Director in pursuance of the provisions of this Article shall be in writing under the hand of the Director making the same and left at the office. The nomination of an alternate Director shall be valid if made by cable or telegram, provided that such nomination shall be confirmed within three (3) months from the date of such cable or telegram by a written nomination complying with the above mentioned requirements, and any act done by the alternate Director nominated in such cable or telegram between the date thereof and the date of the receipt within the prescribed period by the Company of the written nomination shall be as valid and effectual as if such alternate Director had been duly appointed in the first instance, whether such written nomination shall be received by the Company within the prescribed period or not.

XII. OTHER INFORMATION (CONT'D)

Article 113

Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated:

- (a) If a receiving order is made against him or he makes any arrangement or composition with his creditors or becomes a bankrupt;
- (b) If he is found lunatic or becomes of unsound mind;
- (c) If he is absent from more than fifty per cent of the total board of directors' meetings held during a financial year;
- (d) If he is removed by a resolution of the Company in general meeting of which special notice has been given;
- (e) If he is prohibited from being a Director by any order made under any provision of the Act;
- (f) If by notice in writing given to the Company he resigns his office; or
- (g) Subject to the provisions of the Act at the conclusion of the Annual General Meeting commencing next after he attains the age of 70 years.

Article 114

The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors of the Company and may vest in such Managing Director or Managing Directors such of the powers hereby vested in the Directors generally as they may think fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions, and generally upon such terms as to remuneration and otherwise as they may determine. A Managing Director shall be subject to the control of the board of directors. Where such appointment is for a fixed term such term shall not exceed the maximum period as shall be permitted by the rules and regulations prescribed by Bursa Securities.

Article 116

A Managing Director shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.

(iv) Changes in Capital or Variation of Class Rights

The provisions in the Company's Articles of Association as to the changes in capital or variation of class rights which are as stringent as those provided in the Companies Act, 1965 are as follows:

Article 3

Subject to the provisions of the Act and to Article 68, the shares in the Company shall be under the control of the Directors who may issue, allot, place under option or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions as they think proper but so that no shares shall be issued at a discount except in accordance with the provisions of the Act.

XII. OTHER INFORMATION (CONT'D)

Provided that:

- (a) The Company shall not issue shares so as to transfer a controlling interest in the Company without the prior approval of the members duly signified at a general meeting called for that purpose;
- (b) No director shall participate in an issue of shares to employees unless shareholders in general meeting have approved of the specific allotment to be made to such director. A director not holding office in an executive capacity may participate in an issue of shares pursuant to a public offer or public issue;
- (c) The total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time;
- (d) The rights attaching to shares of a class other than ordinary shares shall be expressed in these Articles;
- (e) In the event of the Company at any time issuing preference capital it shall at the same time indicate whether it reserves the right to issue further preference capital ranking equally with or in priority to the preference capital already issued;
- (f) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall have the right to vote at any meeting convened in each of the following circumstances:
 - (i) when any dividend or part of a dividend on the preference shares is in arrears for more than six (6) months;
 - (ii) on a proposal to reduce the Company's share capital;
 - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (iv) on a proposal that affects rights attached to the preference share;
 - (v) on a proposal to wind up the Company; and
 - (vi) during the winding up of the Company.
- (g) Upon the winding up of the Company, the preference shareholder shall be entitled to a return of capital in preference to the holder of an ordinary shares.
- (h) Subject to the Act, the Central Depositories Act, the Rules and the Bursa Securities LR or any other authority, the Company shall ensure that any new issue of shares for which listing is sought is made by way of crediting the Securities Account(s) of the allottee(s) with such shares save and except for the Non-Deposited Security. The Company shall notify the Bursa Depository of the name(s) of the allottee(s) and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the Securities Account(s) of such allottee(s) and shall deliver to the Bursa Depository the appropriate scrip(s) or jumbo certificate(s) registered in the name of the Bursa Depository or its nominee.
- (i) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

XII. OTHER INFORMATION (CONT'D)

Article 4

Subject as provided in Article 3, the Company shall have power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company and the Company may, subject to the provisions of the Act redeem such shares on such terms and in such manner and either at par or at a premium as it may think fit.

Article 5

The minimum subscription upon which the Directors may proceed to a first allotment of shares in the capital of the Company is two (2) shares of RM1/- each and no such allotment shall be made unless the minimum subscription has been subscribed and the sum payable on application therefore has been paid and received by the Company. The amount payable on application on each of such shares shall not be less than ten per cent of the nominal amount of the share.

Article 6

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this article.

Article 7

The Company shall not, except as authorised by the Act give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).

Article 8

The Company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, provided that such commission shall not exceed ten per cent of the price at which such shares are issued, or an amount equivalent to such percentage and the requirements of the Act shall be observed. Any such commission may be satisfied in fully paid shares of the Company, in which case the provisions of the Act shall be duly complied with. The Company may also on any issue of shares pay such brokerage as may be lawful.

Article 9

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 lengthy period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act and may charge the same to capital as part of the cost of construction of the works building or plant.

XII. OTHER INFORMATION (CONT'D)

Article 10

Shares may be registered in the name of an incorporated company or other corporate body but not in the name of a minor or person of unsound mind or insolvent or in the name of any firm or partnership.

Article 11

Subject to the Act, the Central Depositories Act, the Rules and the Bursa Securities LR and any other authorities, every Securities Account opened with the Bursa Depository shall be in the name of the beneficial owner of the Deposited Security or in the name of an Authorised Nominee.

Article 12

With respect to any Non-Deposited Security, where two or more persons are registered as the holders of any Non-Deposited Security, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following:

- (a) Except in the case of Executors or Trustees of a deceased shareholder, the Company shall not be bound to register more than three (3) persons as the holders of any Non-Deposited Security.
- (b) The joint holders of a Non-Deposited Security shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Non-Deposited Security.
- (c) On the death of any one of such joint holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such Non-Deposited Security but the Directors may require such evidence of death as they may deem fit.
- (d) Any one of such joint holders may give effectual receipts for any dividend payable to such joint holders.
- (e) Only the person whose name stands first in the Register as one of the joint holders of any Non-Deposited Security shall be entitled to delivery of the certificate relating to such Non-Deposited Security or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

Article 13

The Company may by notice in writing, require any Member of the Company, within such reasonable time as is specified in the notice:

- (a) to inform the Company whether he holds any shares in the Company as beneficial owner, Authorised Nominee or as trustee; and
- (b) if he holds them as trustee or Authorised Nominee, to indicate so far as he can, the persons for whom he holds them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.

XII. OTHER INFORMATION (CONT'D)

Article 14

No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share other than an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provided or as by Act required or pursuant to any Order of Court or by the Central Depositories Act and the Rules.

Article 15

With respect to any Non-Deposited Security, subject to the provisions of the Act, the Central Depositories Act, the Rules and the Bursa Securities LR or any other relevant authorities, each Member shall be entitled, without payment, to receive within ten (10) market days after allotment up to a maximum of ten (10) share certificates in reasonable denominations in respect of his holding, or within fifteen (15) market days after lodgement of transfer one (1) certificate for his Non-Deposited Securities upon payment of RM 3/- or such other sum as may be permitted by the Bursa Securities or any other relevant authority, provided that in the case of joint holders the Company shall not be bound to issue more than one (1) certificate for the same shares and delivery of such certificate to any one of the joint holders shall be sufficient delivery to all. If any Member shall require more than ten (10) certificates in respect of the Non-Deposited Securities allotted to and subscribed by him, he shall pay such sum not exceeding RM3/- per certificate for every additional certificate or such other sum as may from time to time be permitted by the Bursa Securities or any other relevant authority. Where a Member transfers part only of the Non-Deposited Security comprised in a certificate the old certificate shall be cancelled and a new certificate in replacement thereof for the balance of such Non-Deposited Security will be issued without charge. Every certificate issued shall be under the seal of the Company and bear the signatures or the autographical signatures reproduced by mechanical, electronic and/or by any other means of one Director and the Secretary or a second Director or such other person as may be authorised by the Directors.

Article 16

With respect to any Deposited Security, subject to the provisions of the Act, the Central Depositories Act, the Rules and the rules and regulations prescribed by the Bursa Securities or any other relevant authorities,

- (a) any Deposited Security issued by the Company whether by virtue of bonus issue, rights issue, conversion of debt securities, exercise of any right or option to acquire shares, the Company shall notify the Bursa Depository of the names of all allottees or entitled persons together with such particulars as may be required by the Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective allottees or entitled persons and shall deliver to the Bursa Depository the appropriate scrips or jumbo certificates registered in the name of the Bursa Depository or its nominee; and
- (b) the Company shall allot the Deposited Security and despatch notices of allotment to the allottee, within twenty (20) market days of the final application closing date or the date of exercise of any right or option or conversion for an issue of the Deposited Security or such other period as may be prescribed by the Bursa Securities.

The Company shall not issue any share certificate nor scrips to the allottee or entitled person with respect to the Deposited Security.

XII. OTHER INFORMATION (CONT'D)

Article 17

With respect to any Non-Deposited Security subject to the provisions of the Act, the Central Depositories Act, the Rules, the rules and regulation prescribed by the Bursa Securities or any other relevant authorities, if any share certificate shall be defaced, worn out, destroyed, stolen or lost, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser member company of Bursa Securities or on behalf of its/their client(s) as the Directors of the Company shall require, and (in the case of defacement or wearing out) on surrender of the old certificate, and in any case on payment of such sum not exceeding RM 3/- per certificate as the Directors may from time to time require plus any stamp duty payable under the law for the time being in force. In the case of destruction, theft or loss, a member to whom such renewed certificate is to be given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

Article 18

When any Non-Deposited Security under the powers in these Articles herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the Non-Deposited Security, the Directors may issue a new certificate for such Non-Deposited Security distinguishing it in such manner as they may think fit from the certificate not so delivered up.

Article 19

Subject to the provisions of the Act, the Central Depositories Act, the Rules and the rules and regulations prescribed by Bursa Securities or any other relevant authorities, the Company shall not cause or authorise its Registrars to cause the Securities Account of the allottee to be credited with any new Deposited Security until after the Company has filed with the Bursa Securities an application for listing of such new Deposited Security and have been notified by the Bursa Securities that the new Deposited Security have received approval for listing.

3. Directors and Substantial Shareholders

- (i) The names, addresses and profession of the Directors of KAB are set out in the Corporate Directory section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors of the Company or key management of the Kurnia Group has any existing or proposed service contracts with the Company or its subsidiary.
- (iv) Save as disclosed in Section VIII of this Prospectus, none of the Directors or substantial shareholders of KAB has any interest in any contract or arrangement which is significant in relation to the business of the Group subsisting as at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus.

XII. OTHER INFORMATION (CONT'D)

- (v) None of the Directors of the Company or key management of the Kurnia Group is or was involved in the following events (whether in or outside Malaysia);
- a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or key management;
 - conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (vi) As at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, the substantial shareholders and their respective beneficial interests in KAB Shares, before and after the Offer for Sale are as follows:

Name	← Before the Offer for Sale →				← After the Offer for Sale →			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
	No. of KAB Shares held	%	No. of KAB Shares held	%	No. of KAB Shares held	%	No. of KAB Shares held	%
DKSK	1,095,679,764	73.045	-	-	751,647,224	50.110	-	-
DKCS	117,221,292	7.815	-	-	11,722,000	0.781	-	-
DTTL	190,975,163	12.732	-	-	120,194,918*	8.013	-	-
DOA	34,908,068	2.327	-	-	34,908,068	2.327	150,000,000*	10.000
D.O.A. Entrepreneur Sdn Bhd	-	-	-	-	150,000,000	10.000	-	-

Notes:

* Deemed interested by virtue of his interest in D.O.A. Entrepreneur Sdn Bhd pursuant to Section 6A of the Act.

* To be held through CIMSEC Nominees (Tempatan) Sdn. Bhd.

XII. OTHER INFORMATION (CONT'D)

- (vii) As at 21 December 2004, being latest practicable date prior to the issuance of this Prospectus, the direct and indirect interests of the Directors in KAB, before and after the Offer for Sale are as follows:

Name	← Before the Offer for Sale →				← After the Offer for Sale →			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
	No. of KAB Shares held	%	No. of KAB Shares held	%	No. of KAB Shares held	%	No. of KAB Shares held	%
DKSK	1,095,679,764	73.045	-	-	751,647,224	50.110	-	-
DKCS	117,221,292	7.815	-	-	11,722,000	0.781	-	-
Dato' Low Heong Chow @ Loh Heong Chow	-	-	-	-	1,000,000	0.067	-	-
DOA	34,908,068	2.327	-	-	34,908,068	2.327	150,000,000*	10.000
DQTM	-	-	-	-	1,000,000	0.068	-	-
DYCH	61,215,241	4.081	-	-	38,527,318	2.568	-	-
Yuen Choong Lai	-	-	-	-	500,000	0.033	-	-
Datuk Mohd Saufi bin Abdullah	-	-	-	-	14,500,000 [^]	0.967	-	-

Notes:

- * Deemed interested by virtue of his interest in D.O.A. Entrepreneur Sdn Bhd pursuant to Section 6A of the Act.
- [^] Pending MoF's recognition of him as an approved Bumiputera investor.

4. General

- (i) The nature of KAB's business is described in Section V(3) of this Prospectus. Save as disclosed in Section V(4) of this Prospectus, as at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, there are no other corporations which are deemed to be related to KAB by virtue of Section 6 of the Act.
- (ii) The times of the opening and closing of the applications of the Offer for Sale are set out in Sections III(3) and XIII(1) of this Prospectus.
- (iii) The amount payable in full on application in respect of the Retail Offering pursuant to the Offer for Sale is RM1.00 per Offer Share.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section XIII of this Prospectus.
- (v) Save as disclosed in Section VI(1.4) of this Prospectus, no amount or benefit has been paid or given within the two (2) years preceding the date of this Prospectus, nor it is intended to be paid or given, to any promoter, Director and substantial shareholder.
- (vi) Save as disclosed in Section IV of this Prospectus, the financial conditions and operations of KAB and its subsidiary are not affected by any of the following:
- Known trends, demands, commitments, events or uncertainties that have had or that KAB and its subsidiary reasonably expect to have, a material favourable or unfavourable impact on financial performance, position and operations of the Group;
 - Capital expenditure commitments;

XII. OTHER INFORMATION (CONT'D)

- (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group and the extent to which the financial performance, position and operations of the Group was so affected;
- (d) Substantial increase in revenue and the extent to which the increase is attributable to prices, volume of goods or services being sold, the introduction of new products or services or any other factors; and
- (e) Known events, circumstances, trends, uncertainties and commitments that will result in or are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

Save as disclosed in Section IV of this Prospectus, as far as the Directors are aware, the Group is not vulnerable to any specific factor or event of a particular nature other than normal commercial risks experienced during the normal course of business.

- (vii) Save as disclosed in Section IV of this Prospectus, the Directors are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.
- (viii) There are no loan capital outstanding or mortgages and charges in relation to the Group.
- (ix) The names and addresses of the Auditors and Reporting Accountants of the Company are set out in the Corporate Directory of this Prospectus.
- (x) Save as disclosed in Section XII(3) of this Prospectus, the Directors and/or substantial shareholders are not aware of any person who is able, directly or indirectly, jointly or severally, to exercise control over the Company and its subsidiary.

5. Expenses and Commissions

Save as disclosed in Sections III(9) and III(10) of this Prospectus, no commissions, discounts, brokerages or other special terms were granted by the Company within the two (2) years immediately preceding as at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, in connection with the issue or sale of any capital of the Company or its subsidiary.

6. Public Take-overs

During the last financial year and the current financial year up to 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, there were no:

- (i) public take-over offers by third parties in respect of the Company's shares; and
- (ii) public take-over offers by the Company in respect of other companies' shares.

7. Material Litigation

As at 21 December 2004, being the latest practicable date prior to the issuance of this Prospectus, the Company and its subsidiary are not engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material and adverse effect on the financial position or business of KAB and its subsidiary and the Directors of the Company do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of KAB and its subsidiary.

XII. OTHER INFORMATION (CONT'D)

8. Material Contracts

Save as disclosed for the Underwriting Agreement in Section III(10) of this Prospectus and 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 KAB or its subsidiary during the two (2) years preceding the date of this Prospectus:

- (i) A Share Sale Purchase Agreement dated 2 August 2004 as amended by the Supplemental Agreement dated 5 November 2004 was entered into between KDSB and DKSK (collectively, the "Vendors") and KAB, pursuant to which the Vendors agreed to sell to KAB 199,999,928 ordinary shares in KIMB (constituting approximately 99.99% of the issued and fully paid-up share capital of KIMB) of RM1.00 each, for a purchase consideration to the Vendors of RM328,006,882.00 only to be satisfied by the issuance of 1,312,027,528 new ordinary shares of RM0.25 each in KAB to be issued at its par value.

9. Material Agreements

Saved as disclosed below, there are no other subsisting material agreements which have been entered into by KAB and its subsidiary:

(A) Business Agreements

- (1) A Visa/ MasterCard Merchant Agreement for a credit card facility and a supplement agreement was entered into between KIMB and Hong Leong Bank Berhad ("HLBB") dated 19 May 1999. The agreement is valid until termination by any parties as stated therein. The said facility enables the person whose name is embossed on the credit card and whose signature appears thereon as the authorised user to make payment for the purchasing of services at KIMB's premises or from KIMB through the use of the credit card.

The supplement agreement relates to KIMB's use of a point-of-sales charge computer terminal which would be installed and connected to HLBB's computer at its card centre. The computer terminal would be supplied by HLBB of any person ("Supplier") who may supply a terminal for the use of KIMB at KIMB's premises at which a terminal is installed by the Supplier. The terminal would enable charges to be communicated to HLBB and for KIMB to obtain authorisations from HLBB.

- (2) A credit card / debit card / recurring payment transaction agreement was entered into between KIMB and Southern Bank Berhad on 9 April 2003. KIMB accepts the above mentioned cards presented to it for purchases of services under such business or any such premises or outlet of KIMB.
- (3) An E-Cover Notes Gateway Provider Agreement dated 10 September 2004 was entered into between KIMB and Reward-Link.com Sdn Bhd ("RL"), pursuant to which RL agreed to provide access to the Gateway System and supply Gateway Services to KIMB for a period commencing 10 September 2004 and expiring 9 September 2005 for a fee of RM0.50 per single e-Cover Note or RM0.25 per JPJ USED Cover Note transaction. The agreement is for a fixed term of twelve (12) months and shall be deemed automatically renewed at the expiration of the term for subsequent terms of twelve (12) months each until the agreement is terminated by notice in writing.

XII. OTHER INFORMATION (CONT'D)

- (4) A Collective Agreement was entered into between the general insurers registered under the IA, Takaful and Retakaful companies and Reinsurers and Brokers as defined therein on 12 October 1995. Under the agreement, the intention of the parties to establish a Central Administration Bureau ("CAB") was formalised. The CAB functions as a computerised central clearing house for facultative reinsurance transactions which includes inter alia the handling of processing and settlement of facultative reinsurance premiums and claims transactions. Malaysian National Reinsurance Bhd and/or any other person appointed by the Supervisory Board ("Administration Manager") is responsible for the establishment and the administration of the CAB.

Malaysian National Reinsurance Berhad and the participants to the Collective Agreement including all future participants subsequently entered into an administration agreement to formalise the terms and conditions for the appointment of Malaysian National Reinsurance Berhad as the Administration Manager to the CAB.

- (5) A Citibank Merchant Agreement dated 25 September 2003 (the "Agreement") was entered into between KIMB and Citibank Bhd ("Citibank"), pursuant to which KIMB agreed to accept VISA and MasterCard credit cards in payment for purchases of and charges relating to goods and/or services offered on the websites of KIMB and sub-merchants (as stated in the Agreement) approved by Citibank.
- (6) KIMB has, in its ordinary course of business, granted secured term loan facilities to third parties in accordance with the IA and BNM guidelines and circulars. The facility agreements contain confidential provisions.

(B) Panel Workshop Letters of Appointment

Under the various panel workshop letters of appointment, KIMB appoints workshops as authorised members of KIMB's panel for the year 2004. The appointments are made strictly for the period as stated in the individual letters of appointment and on a year to year basis. Further, they are granted by KIMB as part of its ordinary course of business. The letters of appointment provide for standard terms and conditions such as term of appointment, proper conduct, standards of service, termination and consequence of termination.

As at 30 November 2004, being the latest practicable date prior to the issuance of this Prospectus, a total of 543 letters of appointment have been entered into by KIMB.

XII. OTHER INFORMATION (CONT'D)

The breakdown of the Kurnia Group's panel of workshops categorised by territory (state) as at 30 November 2004, being the latest practicable date prior to the issuance of this Prospectus is as follows:

State	Number of panel workshops
Johor	89
Kedah	38
Kelantan	12
Federal Territory of Kuala Lumpur	59
Melaka	18
Negeri Sembilan	25
Pulau Pinang	35
Pahang	40
Perak	53
Perlis	4
Sarawak	33
Sabah	31
Selangor	88
Terengganu	18
Total	543

(C) Agency Agreements

Under the agency agreements, KIMB appoints agents to transact insurance business on the terms and conditions stated therein. The agreements commence on the dates of commencements specified in the respective agreements and shall continue unless terminated in accordance with the same. Generally, the agreements entered into by KIMB with its agents contain similar terms and conditions.

The agents are authorised to canvass for and accept insurance business on behalf of KIMB in the classes of business and within the limits set out in the agreement. However, agents are not authorised to admit or settle or approve any claims. All coverage provided by the agent on behalf of KIMB shall be the sole liability of the agent and the agent is responsible to indemnify KIMB in the event of loss, damage, claims, cost and expenses related. Provided that all premiums and other sums due to KIMB have been received, KIMB will pay to the agent the commissions relative to the premiums received in accordance with the commission terms contained in the agency agreements, which is replicated from the guidelines issued by PIAM.

The breakdown of the Kurnia Group's active agents totalling 7,672 categorised by territory (state) as at 30 November 2004, being the latest practicable date prior to the issuance of this Prospectus is set out in Section V(3) of this Prospectus.

XII. OTHER INFORMATION (CONT'D)**(D) Insurance Policies**

Details of the insurance policies of KAB and its subsidiary are as follows:

Policy Type	Insurer	Insured	Coverage Period	Sum Insured/ Gross Premium	Territorial Limit/Location of risk
Fire Policy (Policy no. H003H000081)	KIMB	KIMB	From 1 January 2004 to 31 December 2004, inclusive	Sum insured: RM4,921,000.00 Gross premium: RM10,481.73	Menara Kurnia
Fire Policy (Policy no. H003H000082)	KIMB	KIMB	From 1 January 2004 to 31 December 2004, inclusive	Sum insured: RM40,696,300.00 Gross premium: RM82,948.64	Within Malaysia
Fire Policy (Policy no. H003H000083)	KIMB	KIMB	From 1 January 2004 to 31 December 2004, inclusive	Sum insured: RM16,989,000.00 Gross premium: RM25,010.33	32 Jalan Yap Ah Shak, Kuala Lumpur
Group personal accident (Policy number: H503H000087)	KIMB	KIMB on the lives of their employees	From 1 January 2004 to midnight 31 December 2004, inclusive	Sum insured RM222,583,920.00 Gross premium: RM146,905.38	Worldwide
Public liability (Policy number: H603H000002)	KIMB	KIMB	From 1 January 2004 to midnight 31 December 2004, inclusive	Limit of indemnity: (a) Any one accident: RM2,000,000.00 (b) Any one period of indemnity: unlimited Gross premium: RM1000.00	Within Malaysia
Electronic equipment (Policy number: H803H000001)	KIMB	KIMB	From 1 January 2004 to 31 December 2004 plus months maintenance period	Sum insured: RM26,234,180.06 Gross premium: RM52,468.36	KIMB offices (Head Office and all branches) and any other locations selected by insured
Machines and equipment – branches (Policy number: H903H000034)	KIMB	KIMB	From 1 January 2004 to midnight 31 December 2004, inclusive	Sum insured: RM26,880,000.00 Gross premium: RM80,640.00	Within Malaysia
Machines and equipment – branches (Policy number: H903H000038)	KIMB	KIMB	From 1 January 2004 to midnight 31 December 2004, inclusive	Sum insured: RM484,029.00 Gross premium: RM2,420.15	Within Malaysia

XII. OTHER INFORMATION (CONT'D)

Policy Type	Insurer	Insured	Coverage Period	Sum Insured/ Gross Premium	Territorial Limit/Location of risk
Machines and equipment – Menara Kurnia (Policy number: H903H000039)	KIMB	KIMB	From 1 January 2004 to midnight 31 December 2004, inclusive	Sum insured RM18,877,000.00 Gross premium: RM56,631.00	Within Malaysia
Machines and Equipment – branches (Policy number: H903H000040)	KIMB	KIMB	From 1 January 2004 to midnight 31 December 2004, inclusive	Sum insured: RM1,397,522.00 Gross premium: RM4,193.40	Within Malaysia
Money policy (Policy number: H903H000036)	KIMB	KIMB	From 1 January 2004 to midnight 31 December 2004, inclusive	Sections A, B, C Rate: 0.025000 At any one event: RM340,000.00 Estimated annual carrying: RM35,000,000.00 Section D Rate: 1.000000 At any one event and in the aggregate: RM210,000.00 Gross premium: RM10,850.00	Sections A, B, C: within Malaysia Section D: all KIMB offices (head office and all branches) Sections A,B,C: money in transit Section D: money in premises, cash in locked safe/drawer/ cabinet
Fire Policy (Policy number: 46-0008866 FIR)	QBE-MBF Insurans Berhad	Leisure Commerce Square Sdn Bhd and Individual Unit Purchasers as Owners, Leisure Commerce Square Sdn Bhd as Building Manager and Various Financial Institutions. f.t.r.r & i.	From 9 September 2004 to 8 September 2005	Sum insured: Part of RM217,800,000.00 Gross premium: RM136,309.24 ^{1/} RM27,376.43 ²	Leisure Commerce Square, Pusat Dagang Setia Jaya No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan
Special Contingency (All Risks) Policy (Policy number: 46-0008863 SPC)	QBE-MBF Insurans Berhad	Leisure Commerce Square Sdn Bhd and Individual Unit Purchasers as Owners, Leisure Commerce Square Sdn Bhd as Building Manager and Various Financial Institutions. f.t.r.r & i.	From 9 September 2004 to 8 September 2005	Sum insured: Part of RM20,588,791.00 Gross premium: RM18,385.49 ^{1/} RM3,692.52 ²	Leisure Commerce Square, Pusat Dagang Setia Jaya No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan
Public Liability Policy (Policy number: 46-0009361 PUL)	QBE-MBF Insurans Berhad	Leisure Commerce Square Sdn Bhd and Individual Unit Purchasers as Owners, Leisure Commerce Square Sdn Bhd as Building Manager and Various Financial Institutions. f.t.r.r & i.	From 9 September 2004 to 8 September 2005	Limit of liability: (a) Any one accident: RM3,000,000.00 (b) Any one period: unlimited Gross premium: RM3,160.00 ¹	Leisure Commerce Square, Pusat Dagang Setia Jaya No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan

XII. OTHER INFORMATION (CONT'D)

Notes:

- ¹ Gross premium paid by Leisure Commerce Square Sdn Bhd as building manager of the property insured under the location of risk.
- ² Portion of gross premium paid by KIMB as owner of part of the property insured under the location of risk.

(E) Reinsurance Treaties

KIMB has entered into several treaty agreements with various reinsurers. Reinsurance treaties regulate a continuing relationship between an insurer and reinsurer.

All reinsurance treaties take form whereby KIMB has the right to cede the risks to the treaty and if KIMB does so, the reinsurers will have obligation to accept the cessions in accordance with the terms of the treaties. The treaties can be classified as either proportional or non-proportional treaties.

(i) Proportional Treaties

Quota Share Treaties

KIMB has ceded a fixed proportion of the business within the scope of the treaty to the reinsurers. The reinsurer's liability on any one risk will be limited to a specified financial maximum. The ceding of risks is an automatic process. The insured Quota Share treaties do not usually permit KIMB any discretion over what is to be over the size of retention relative to the cession.

Surplus Treaties

Where KIMB seeks to underwrite more than the risks it is willing to accept on its own, the surplus above its retention (line) must be ceded to the reinsurers. The retention is the amount of which KIMB is willing to accept liability for. This is usually indicated in the form of lines. KIMB has the discretion to cede up to the number of lines to the reinsurers in accordance to the terms of the treaties.

(ii) Non-Proportional Treaties

Excess of Loss Treaties

The reinsurers agree to meet any individual claim or aggregation of claims relating to a relevant class of insurance business caused by an event, occurrence or some other aggregating factors. The reinsurers will indemnify KIMB against payments made on the original policies in excess of a specified amount and only becomes liable for larger losses above KIMB's underlying retention. The ceding of risks in Excess of Loss treaties is automatic and the reinsurer only involved at the loss stage rather than when the original insurance is granted.

The Excess of Loss treaties also do not cover a fixed proportion of liability and premium payable is therefore not directly connected to the original premium. KIMB is consequently able to retain a greater proportion of the direct premium payable.

The following reinsurance treaties have been arranged by Arthur J Gallagher Asia (L) Bhd ("AJGA") on behalf of KIMB:-

Quota Share Treaties

- Engineering Quota Share
- Personal Accident Quota Share

XII. OTHER INFORMATION (CONT'D)

Surplus Treaties

- Fire Surplus
- Engineering
- Personal Accident Surplus
- Marine Cargo Surplus
- Miscellaneous Accident Surplus
- Bond Surplus

Excess of Loss

- Fire Excess of Loss
- Marine Cargo Catastrophe Excess of Loss
- Personal Accident Excess of Loss
- Combined Liability Excess of Loss

The reinsurers who participate in the above treaties are as follows:

1. Munchener Ruckversicherungs – Gesellschaft Malaysia Branch
2. Malaysian National Reinsurance Berhad
3. Labuan Reinsurance (L) Ltd
4. Partner Reinsurance Co Ltd, Labuan Branch
5. China International Reinsurance Co Ltd, Labuan Branch
6. CCR Labuan Branch

10. Letters of Consent

The written consents of the Adviser, Sole Bookrunner, Managing Underwriter and Underwriters, Principal Banker, Solicitors, Registrar, Company Secretary 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.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report, letters relating to the consolidated profit forecast of the Kurnia Group for the financial year ending 30 June 2005 and the proforma consolidated balance sheets of KAB as at 30 June 2004 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

11. Documents for Inspection

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of KAB;
- (ii) The Accountants' Report and Directors' Report as included in Sections X and XI (of this Prospectus respectively;
- (iii) The Reporting Accountants' letter on the consolidated profit forecast of the Kurnia Group for the financial year ending 30 June 2005 referred to in Section IX(6) of this Prospectus;
- (iv) The Reporting Accountants' letter on the proforma consolidated balance sheets of KAB as at 30 June 2005 referred to in Section IX(10) of this Prospectus;
- (v) The audited financial statements of KAB for the financial period ended 30 June 2002 and the two (2) financial years ended 30 June 2003 to 2004;

XII. OTHER INFORMATION (CONT'D)

- (vi) The audited financial statements of KIMB for the past five (5) financial years ended 30 June 2004;
- (vii) The material contracts referred to in Section XII(8) of this Prospectus;
- (viii) The material agreements referred to in Section XII(9) of this Prospectus; and
- (ix) The consent letters referred to in Section XII(10) of this Prospectus.

12. Responsibility Statements

CIMB 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 concerning the Offer for Sale and is satisfied that consolidated profit forecast of KAB for the financial year ending 30 June 2005 (for which the Directors of KAB are solely responsible) prepared for inclusion in this Prospectus has been stated by the Directors of KAB after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

This Prospectus has been seen and approved by the Directors, promoters of KAB and the Offerors and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their 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.

The Directors of KAB hereby accept full responsibility for the consolidated profit forecast of KAB included in this Prospectus and confirm that the consolidated profit forecast has been prepared based on assumptions made.

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