
16. **DIRECTORS' REPORT**

KUMPULAN POWERNET BERHAD

(Company No. 419227-X)

Incorporated in Malaysia

No. 21 & 23, Jalan PJU 3/49, Sunway Damansara Industrial Park, 47810 Petaling
Jaya, Selangor Darul Ehsan

Tel: 03-78062868 Fax: 03-78032898

Registered Office :-

Lot 4.100, Tingkat 4,
Wisma Central
Jalan Ampang
50450 Kuala Lumpur

18 January 2002

The Shareholders
Kumpulan Powernet Berhad

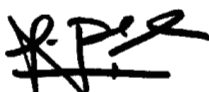
Dear Sirs

On behalf of the Board of Directors of Kumpulan Powernet Berhad ("Company"), I wish to report after due enquiry that during the period from 31 October 2001 (being the date to which the last audited accounts of the Company and its subsidiary companies have been made up) to 18 January 2002 (being the date not earlier than fourteen days before the issue of this Prospectus), that:

- (a) the business of the Company and its subsidiaries have, in the opinion of the Board of Directors, been satisfactorily maintained;
- (b) in the opinion of the Board of Directors, no circumstances have arisen subsequent to the last audited accounts of the Company and its subsidiaries which have adversely affected the trading or the values of the assets of the Company and its subsidiaries;
- (c) the current assets of the Company and its subsidiaries, appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) no contingent liability has arisen by reason of any guarantee or indemnities given by the Company or its subsidiaries; and
- (e) save as disclosed in the Proforma Consolidated Balance Sheets in Section 14.9 of this Prospectus, there have been no changes in published reserves nor any unusual factor affecting the profit of the Company or its subsidiaries since the last audited accounts of the Company and its subsidiaries.

Yours faithfully

For and on behalf of the Board of
KUMPULAN POWERNET BERHAD



LOO PAK SOON
Executive Director

17. VALUATION CERTIFICATE

This certificate is to be read in conjunction with Section 6.6 of this Prospectus



No. 25, Jalan Yap Ah Shak, Off Jalan Dang Wangi, 50300 Kuala Lumpur, Malaysia.
Fax: 03-26925771 (Marketing), 03-26943484 (Valuation), 03-26941261 (Agency), 03-26945543 (Admin)
Tel: 03-26942212 Email: hblmal@po.jaring.my Website: www.henrybutchermalaysia.com

INTERNATIONAL, REAL ESTATE AND PLANT & MACHINERY
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,
PROJECT AND PROPERTY MANAGERS.

Date: 25 January 2002

Kumpulan Powernet Bhd
9A, Jalan Setiawan
Off Jalan Damai Complex
50400 Kuala Lumpur

Dear Sirs,

**VALUATION OF PROPERTIES LOCATED WITHIN THE DISTRICT OF PETALING
AND BENTONG STATE OF SELANGOR AND PAHANG RESPECTIVELY.**

This letter has been prepared for inclusion in the Prospectus of Kumpulan Powernet Bhd. ("KPB") to be dated 31 January 2002 in relation to the offer for sale of 3,700,000 ordinary shares of RM 1.00 each in KPB and the Public Issue of 6,500,000 new ordinary shares of RM 1.00 each at an offer/issue price of RM1.60 per share.

We have been instructed by Kumpulan Powernet Bhd to value the properties set out below and we have adopted the Comparison and Investment methods of valuation. The Comparison Method is the market approach of comparing the subject property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing properties, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at our opinion of value. The Investment Method of valuation involves the computation of the estimated Market Rental which the subject property can reasonably be let for. Outgoings, such as property tax, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is then capitalized at an appropriate current market yield to arrive at its indicative capital value.

We confirm that we have valued the properties based on the valuation methods as stated above. The valuation reports have been prepared in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission issued by the Securities Commission and are in compliance with the Manual of Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and other professional bodies.

THE INTERNATIONAL NETWORK

• Hong Kong • Singapore • Manila • London • Birmingham • Leeds • Bristol • Cardiff • Edinburgh • Glasgow • Aberdeen
• Dublin • Belfast • Leicester • Southampton • Warsaw • Associates throughout Europe Australasia, North and South America

17. VALUATION CERTIFICATE *(Cont'd)*




Pursuant to the instructions, we inspected the subject properties on 13 March 2000 and 14 March 2000 and have taken the date of inspection as the date of valuation, details of which are attached overleaf.

The details of the titles were extracted from private random searches carried out at the Registry of Land Titles, Shah Alam, Selangor and Land Office, Bentong, Pahang, and are assumed to be correct for the purpose of the abovementioned exercise.

Our opinion of the Market Values of the subject properties, based on our Valuation Reports, are attached below.

Yours faithfully,
HENRY BUTCHER, Lim & Long Sdn. Bhd.


LONG TIAN CHEK
B.Sc, MRICS, MIS(M)
Registered Valuer (V-241)

17. VALUATION CERTIFICATE (Cont'd)

**A. Property held as investment**

Date Of Valuation/ Ref No.	Property Description	Market Value for the Existing Use
March 13, 2000 V/B03-00/0355	<p>1) Factory located at Bandar Puchong Jaya.</p> <p>The subject property is located within Bandar Puchong Jaya which is located approximately 15 km south west of Kuala Lumpur City Centre and about 8 km due southeast of Shah Alam Town Centre.</p> <p>The subject property comprises a double storey link light industrial factory bearing postal address No. 32, Jalan Rajawali 3, Bandar Puchong Jaya, 47200 Puchong, Selangor Darul Ehsan.</p> <p>The total gross floor area is estimated at 4,327 sq. ft.</p> <p>At the time of our inspections, the subject property was rented out to Ladyworld Marketing (M) Sdn. Bhd. for RM2,500.00 per month by Fuwai Manufacturing Sdn. Bhd.</p> <p>Title Particulars are as follows :-</p> <ul style="list-style-type: none"> - Title/Lot No : HS(D) 79586/P.T 17087 - Land Area : 201 sq.m - Mukim : Petaling - District : Petaling - State : Selangor Darul Ehsan - Tenure : Freehold - Category of Land Use : Building - Registered Owner : Fuwai Manufacturing Sdn Bhd. - Express Condition : i) Tanah yang diberimilik ini hendaklah digunakan untuk perusahaan ringan <li style="padding-left: 20px;">ii) Bangunan perusahaan hendaklah didirikan dalam tempoh tiga tahun dan perusahaan ringan hendaklah bermula dalam tempoh yang sama. - Restriction In Interest : Nil - Endorsement : Nil - Encumbrances : Nil <p>- Valuation Method : Comparison and Investment methods.</p>	RM 510,000

17. VALUATION CERTIFICATE (Cont'd)

**B. Property held for owner occupation**

Date Of Valuation/ Ref No.	Property Description	Market Value for the Existing Use
March 13, 2000 V/B03-00/0356	<p>2) Vacant agricultural land located in Mukim & District of Ulu Langat, Selangor.</p> <p>The subject property is located 1 km to the south-east of Pekan Ulu Langat, which is approximately 30 km due south of Kuala Lumpur City Centre and 8 km from Kajang Town.</p> <p>The subject property comprises a parcel of vacant agricultural land identified as Lot 636, Mukim and District of Ulu Langat, State of Selangor Darul Ehsan.</p> <p>Title Particulars are as follows :-</p> <ul style="list-style-type: none"> - Title No. : EMR 2338 - Lot No. : 636 - Mukim : Ulu Langat - District : Ulu Langat - State : Selangor Darul Ehsan - Unit Land Area : 2a 3r 05p (121,151.25 sq.ft) - Quit Rent : RM 29.00 p.a - Tenure : Freehold - Category of Land Use : General - Registered Owner : Fuwai Manufacturing Sdn Bhd - Express Condition : Nil - Restriction In Interest : Nil - Endorsement: Nil - Encumbrances : 2 charges to United Overseas Bank (Malaysia) Berhad <p style="margin-left: 40px;">i) Vide Presentation no. 382/95, Jilid 550, Folio 26 dated January 20, 1995.</p> <p style="margin-left: 40px;">ii) Vide Presentation no. 383/95, Jilid 550, Folio 27 dated January</p> <p>Valuation Method : Comparison method</p>	RM 380,000

17. VALUATION CERTIFICATE (Cont'd)

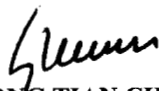


Date Of Valuation/ Ref No.	Property Description	Market Value for the Existing Use
March 14, 2000 V/C03-00/0357	<p>3) Flats located at Taman Benus Jaya, Bentong Pahang</p> <p>The subject property is situated within Taman Benus Jaya, Bentong, Pahang which is approximately 7 km due east of Bentong Town. It is accessible from Bentong Town via Jalan Ketari passing the MIEL Industrial Area, Bentong.</p> <p>The subject property comprises 7 units on the second floor and 6 units on the third floor of four storey walk-up blocks of flats known as Block D and A respectively. The units are as follows;</p> <p>a) Parcel Nos. 15, 16, 20 to 24, Second Floor, Block D, Taman Benus Jaya, Bentong, Pahang b) Parcel Nos.9 to 14, Third Floor, Block A, Taman Benus Jaya, Bentong, Pahang</p> <p>-The gross floor area per unit is estimated at 494 sq. ft. each.</p> <p>Title Particulars are as follows :-</p> <ul style="list-style-type: none"> - Master Title No. : HS(M) 3440 & HS(M) 3152 - Master Lot No. : PT 12385 & PT 11980 Respectively - Master Land Area : 59,067 sq.ft. (5,487.5 sq.m.) & 127,955 sq.ft. (11,887.403 sq.m.) Respectively - Mukim : Bentong - District : Bentong - State : Pahang Darul Makmur - Unit Built-Up Are : 494 sq.ft. (45.85 sq.m.) each - Tenure : N/A - Category of Land Use : N/A - Beneficial Owners : Powernet Industries Sdn Bhd <ul style="list-style-type: none"> - Express Condition : N/A - Restriction In Interest : N/A - Encumbrances : N/A <p>- Valuation Method : Comparison and Investment method</p>	RM 440,000

17. VALUATION CERTIFICATE (Cont'd)



Date Of Valuation/ Ref No.	Property Description	Market Value for the Existing Use
March 14, 2000 V/C03-00/0358	<p>4) Factory located at 3 ¾ Mile, Jalan Bentong-Kuala Lumpur, Bentong, Pahang.</p> <p>The subject property is located along the 3 ¾ milestone Jalan Bentong-Kuala Lumpur, approximately 7 km due south of Bentong Town.</p> <p>The subject property comprises a two storey office building annexed to a factory, an extended single storey factory, single storey storage building, single storey warehouse building, canteen, pump house, one and a half storey pump house, staff quarters building, guard house and parking shed.</p> <p>The total gross built-up floor area is estimated at 62,303 sq. ft.</p> <p>It bears postal address No. 53, 3 ¾ Mile, Jalan Bentong-Kuala Lumpur, 28700 Bentong, Pahang.</p> <p>Title Particulars are as follows :-</p> <ul style="list-style-type: none"> - Title No. : HSM 4170 (Formerly known as GM 289 & GM 290) - Lot No. : PT 15660 (Formerly known as Lot 2120 & Lot 2121) - Land Area : 255,274.5 sq.ft. (23,715 sq.m.) - Mukim : Bentong - District : Bentong - Locality : 3 ¾ Mile, Jalan Kuala Lumpur-Bentong - State : Pahang Darul Makmur - Tenure : Freehold - Category of Land Use : Industrial - Registered Owner : Powernet Industries Sdn. Bhd. - Express Condition : Tanah ini hendaklah digunakan untuk Tapak Industri sahaja. - Restriction In Interest : Nil - Endorsement : Nil - Encumbrances : Charged to Malaysian French Bank Berhad vide presentation 492/1996 Jil. 53 Fol. 9 on April 2, 1997. <p>Valuation Method : Comparison Method</p>	RM 5,300,000


LONG TIAN CHEK
 B.Sc, MRICS, MIS(M)
 Registered Valuer (V-241)

18. ADDITIONAL INFORMATION

18.1 Share Capital

1. No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
2. There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
3. Other than the 837,000 Public Issue Shares reserved for eligible employees of the KPB Group under the Public Issue, no person including Directors has been or is entitled to be given or has exercised any option to subscribe for any share, stock or debenture of the Company or its subsidiaries.
4. Other than the 837,000 Public Issue Shares reserved for eligible employees of the KPB Group under the Public Issue and the new shares to be issued under the ESOS, there is at present no other scheme involving the Directors and employees of the Group in the share capital of the Company or its subsidiaries.
5. Save as disclosed in of this Prospectus, no share, stock, debenture, warrant, option, convertible security or uncalled capital of the KPB Group has been issued or has been proposed to be issued as fully or partly paid-up for cash or otherwise within the two (2) years preceding the date of this Prospectus.

18.2 Articles of Association**1. Transfer of Securities**

The provisions in the Company's Articles of Association, the Listing Requirements of the KLSE, the Companies Act, 1965 and the Rules of the MCD in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:

(a) Articles of Association of the Company

The provision in the Articles of Association of the Company dealing with the transfer of securities are as follows:

Article 22

Subject to the provisions of the Act and the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), all transfers of shares shall be effected by transfer in writing in the usual common forms approved by the Stock Exchange upon which the Company is listed.

Article 23

The transfer of any shares or class of shares of the Company which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules. Notwithstanding Section 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 shares.

18. ADDITIONAL INFORMATION (Cont'd)

Article 24

The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine, PROVIDED that it shall not be suspended for more than thirty (30) days in any year and at least twelve (12) market days' notice of books closure shall be given to each Stock Exchange upon which the Company is listed, and advertised in a daily newspaper circulating in Malaysia and that the notice shall state the period for which the books will be closed and the purpose(s) for such closure. The Company shall give notice in accordance with the Rules of the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

Article 28

(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 Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules 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") subject to the following conditions:-

- (i) there shall be no change in the ownership of such securities; and
 - (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.
- (2) For the avoidance of doubt, no Company which fulfils the requirements of paragraphs (a) and (b) of Article 28 shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

Article 36

The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstance admit, but the Directors may from time to time fix the minimum amount of stock transferable PROVIDED that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

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18. ADDITIONAL INFORMATION (Cont'd)**(b) Listing Requirements of the KLSE**

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

Paragraph 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 Central Depository in accordance with the Rules of the Central 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.

Paragraph 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 Central 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 fulfills the requirements of paragraphs (a) and (b) of Paragraph 7.14 part (1) shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

(c) Companies Act, 1965

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

Section 103(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 rights to any shares in or debentures of the company has been transmitted by operation of law.

18. ADDITIONAL INFORMATION (Cont'd)

Section 103(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 purposed 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 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(1)

On or after the coming into operation of this section, the transfer if 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.

Section 107C(2)

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominees company.

(d) Rules of the MCD

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

Rule 8.01 (2)

The Central 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

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

18. ADDITIONAL INFORMATION (Cont'd)

Rule 9.03(2)

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 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 general offer pursuant to the provisions of the Malaysian Code On Takeover and Mergers 1987;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer;
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

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18. ADDITIONAL INFORMATION (Cont'd)

2. Remuneration of Directors

The provisions in the Articles of Association of the Company dealing with the remuneration of the Directors are as follows:

Article 81

- (A) The fees of the Directors, who hold no executive office with the Company, for their services as Directors shall be determined by the Company by ordinary resolution at a general meeting. If the fees of each such non-executive Director is not specifically fixed by the Company in general meeting then the quantum of fees to be paid to each non-executive Director, within the overall limits fixed by the Company in general meeting, shall be decided by resolution of the full Board of Directors. In default of any decision being made in this respect by the full Board of Directors, the fees payable to the non-executive Directors shall be divided equally amongst them and such a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or a percentage of profits on turnover.
- (B) Fees payable to Directors 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.
- (C) Executive Directors of the Company shall be remunerated in the manner referred to in Article 98 but such remuneration shall not include a commission on or a percentage of turnover.

Article 82

Any Director who by request of the Board serves on any committee or performs special services for any purposes of the Company may be paid such extra remuneration by way of salary or otherwise (subject to any other provisions of these presents) as the Board may determine. Any extra remuneration payable to a non-executive director shall not include a commission on or a percentage of profits or turnover whilst the extra remuneration to an executive director shall not include a commission on or a percentage of turnover. All the Directors shall also be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of the Board or of committees of the Board or general meetings or otherwise in or about the business of the Company.

Article 98

Subject to any other provisions of these presents, the remuneration of any Managing Director or Executive Director for his services as such shall be determined by the Directors and may be of any description.

18. ADDITIONAL INFORMATION (Cont'd)

3. Voting and Borrowing Powers of Directors

The provisions in the Articles of Association of the Company in respect of the powers of Directors, in particular the voting powers of Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Article 88

The business of the Company shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Company and may exercise all such powers of the Company as are not by the Act or by these presents required to be exercised by the Company in general meeting, subject nevertheless to these presents, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles or such provisions, as may be prescribed by ordinary resolution of 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 the regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article. Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to ratification by shareholders in general meeting.

Article 90

The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension, provident or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or its predecessors in business or of any company which is a subsidiary or associate company of the Company or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and holding or who held any salaried employment or office in the Company or such predecessors or other company and the wives, widows, families and dependents of any such persons, and may make payments for or towards the insurance of any such persons as aforesaid, and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject always, if the Act shall so require, to particulars with respect thereto being disclosed to the members and to the proposal being approved by the Company by ordinary resolution, a Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emoluments. A Director may be counted in the quorum present at a meeting upon the consideration of a motion in respect of any matter referred to in this Article and may vote as a Director upon any resolution in respect of any such matter notwithstanding that he is personally interested in such matter but only where such matter is intended to be for the benefit generally of all, or any class or classes, of such employees and servants or former employees or servants (including Directors or other officers) and/or their respective wives, widows, families and dependents.

18. ADDITIONAL INFORMATION (Cont'd)

Article 93

- (A) The Directors may borrow or raise money from time to time for the Company and its subsidiaries or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company (both present and future) including its uncalled capital for the time being or by the issue of bonds, notes or debentures (whether at par or at a discount or premium) or otherwise as they may think fit.
- (B) The Directors may exercise all the powers of the Company to guarantee the payment of money payable under contracts or obligations of any related company with or without securities.
- (C) The Directors shall not borrow any money or mortgage or charge any of the Company or the 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. Changes in Capital and Variations of Class Rights

The provisions in the Articles of Associations of the Company as to the changes in capital or variation of class rights which are no less stringent than these required by law are as follows:

Article 6

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any 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 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 meeting all the provisions of these presents 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 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.

The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 7

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 *pari passu* therewith.

18. ADDITIONAL INFORMATION (Cont'd)*Article 8*

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these presents, the Act and the provisions of any resolution of the Company, shares in the Company shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of such shares to such persons on such terms and conditions and at such times as the Directors may determine, but the Directors in making any such allotment or disposal or granting any such option of shares shall comply with the following conditions:-

- (A) No shares to be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (B) In the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five (5%) per cent of the nominal amount of the share;
- (C) In the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
- (D) No issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the members of the Company in general meeting;
- (E) No Director shall participate in an issue of shares to employees of the Company unless the members in general meeting have approved of the specific allotment to be made to such Director and he holds office in the Company in an executive capacity;
- (F) Notwithstanding Article 8(E) hereof, any non-executive director may so subscribe and participate in an issue of shares of the Company pursuant to a public issue or public offer PROVIDED ALWAYS that no special allotment or options shall be granted to him;
- (G) (1) Unless otherwise determined by the Company in General Meeting any original shares for the time being unissued and any new shares from time to time to be created shall before they are issued be offered to the members who are as at the date of the offer entitled to receive notices of general meetings of the Company in proportion as nearly as the circumstances admit to the number of existing shares held by them. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to the Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares as aforesaid, which by reason of the proportion borne by them to the number of shares held by persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in the manner hereinbefore provided.

18. ADDITIONAL INFORMATION (Cont'd)

- (G) (2) Notwithstanding sub-paragraph (1) above the Company may apply to the Kuala Lumpur Stock Exchange for waiver of convening Extraordinary General Meetings to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where:
- (a) in accordance with the provisions of Section 132(D) of the Act, there is still in effect a resolution approving the issuance of shares by the Company; and
 - (b) the aggregate of the shares issued in any one financial year (other than by way of bonus or rights issues) does not exceed ten (10%) per cent of the issued share capital of the Company; and
- (H) Notwithstanding any provisions in these Articles to the contrary and subject to the Rules, the Act, the Central Depositories Act and KLSE Listing Requirements, all new issues of securities for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees with such securities save and except where it is specifically exempted from compliance with section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this Requirement. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make appropriate entries in the Securities Accounts of such allottees.

Article 39

The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such nominal amounts, as the resolution shall prescribe.

Article 41(A)

The Company in general meeting may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (2) subdivide its shares, or any of them, into shares of smaller nominal amount than is specified in the Memorandum of Association (subject nevertheless to the provisions of Section 62(1)(d) of the Act), and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has the power to attach to unissued shares or new shares;
- (3) cancel any shares which, at the date of passing of the resolution have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its capital by the amount of the shares so cancelled;
- (4) subject to the provisions of the Act, convert any class of shares into any other class of shares.

18. ADDITIONAL INFORMATION (Cont'd)*Article 41(B)*

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

18.3 Directors and Substantial Shareholders

1. A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
2. There are no existing or proposed service contracts between the Directors or proposed Directors of the Company or its subsidiaries which are not terminable without payment of compensation (other than statutory compensation) within 1 year.
3. Based on the latest consolidated audited accounts of the KPB Group for year ended 30 April 2001, the aggregate remuneration paid to the Directors for services in all capacities to the Company and its subsidiaries amounted to RM912,474. For the financial year ending 30 April 2002, the amount payable to the Directors is forecast to be RM1,200,000.
4. None of the Directors or substantial shareholders in the Company had or has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed of or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiaries within the two (2) years immediately preceding the date of this Prospectus which is significant in relation to the business of the Group taken as a whole.
5. None of the Directors or substantial shareholders has any interest, direct or indirect in any business carrying on a similar trade as the Company and its subsidiaries.
6. There are no contracts or arrangements subsisting at the date of this Prospectus in which a Director or substantial shareholder of the Company is materially interested and which is significant in relation to the business of the Group.
7. According to the Register of Directors' Shareholdings, as at 18 January 2002, the direct and indirect interests of the Directors in the issued and paid-up share capital of the Company are as set out below:

Name of Directors	Before the Offer and Public Issue				After the Offer and Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Ahmad Sebi bin Bakar	-	-	13,282,500 ¹	38.50	-	-	12,300,000 ¹	30.00
Kam Kin Foong	-	-	7,337,885 ²	21.27	-	-	7,018,940 ²	17.12
Oh Hock Lye	-	-	7,337,885 ²	21.27	-	-	7,018,940 ²	17.12
Loo Pak Soon	673,415	1.95	-	-	673,415	1.64	-	-
Hamidah binti Maktar	3,464,510	10.04	-	-	2,412,010	5.88	-	-
Lim Hong Liang	-	-	-	-	-	-	-	-

18. ADDITIONAL INFORMATION (Cont'd)

Name of Directors	Before the Offer and Public Issue				After the Offer and Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Abdul Azim bin Mohd Aras	-	-	-	-	-	-	-	-
Johari Low bin Abdullah @ Low Han Hing	-	-	-	-	-	-	-	-
Muhayuddin bin Musa	-	-	-	-	-	-	-	-

Notes:

1 Deemed interested by virtue of his substantial shareholding in BESB

2 Deemed interested by virtue of their respective substantial shareholdings in MASB

8. No option to subscribe for securities of the Company or its subsidiaries was granted to or exercised by any Director during the last financial year ended 30 April 2001.

9. According to the Register of Substantial Shareholders of KPB as at 18 January 2002, the major shareholders (with more than 5% shareholding), direct and indirect interest, in the enlarged issued and paid-up share capital of KPB are as follows:

Name of Substantial Shareholder	Before the Offer and Public Issue				After the Offer and Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
BESB	13,282,500	38.50	-	-	12,300,000	30.00	-	-
UMG	8,200,220	23.77	-	-	8,200,220	20.00	-	-
MASB	7,337,885	21.27	-	-	7,018,940	17.12	-	-
Hamidah binti Maktar	3,464,510	10.04	-	-	2,412,010	5.88	-	-
Dato' Ahmad Sebi bin Bakar	-	-	21,482,720 ¹	62.27	-	-	12,300,000 ¹	30.00
Advance Synergy Berhad	-	-	8,200,220 ²	23.77	-	-	8,200,220 ²	20.00
Kam Kin Foong	-	-	7,337,885 ³	21.27	-	-	7,018,940 ³	17.12
Oh Hock Lye	-	-	7,337,885 ³	21.27	-	-	7,018,940 ³	17.12
Chan Kwok	-	-	7,337,885 ³	21.27	-	-	7,018,940 ³	17.12

Notes:

1 Deemed interested by virtue of his substantial shareholding in BESB

2 Deemed interested by virtue of its substantial shareholding in UMG

3 Deemed interested by virtue of their respective substantial shareholdings in MASB

18. ADDITIONAL INFORMATION (Cont'd)

18.4 General

1. The nature of the KPB's business and the names of all the corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 is disclosed in Section 6 of this Prospectus.
2. The time of the opening and closing of the Application Lists is set out in Section 5 of this Prospectus.
3. The amount payable in full on application of the Offer and Public Issue is RM1.60 per share.
4. All the Offer Shares and the Public Issue Shares are being subject to the terms and conditions of this Prospectus.
5. As at the date of this Prospectus, neither the Company nor its subsidiaries has any outstanding convertible debt securities.
6. Estimated listing expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE amounting to approximately RM1.5 million shall be borne by the Company.
7. Save as disclosed in Section 5.8 of this Prospectus, no commissions, discounts, brokerages or other special terms have, within the two (2) years immediately preceding the date of this Prospectus been paid or granted by the Company in connection with the issue or sale of any capital of the Company or its subsidiaries.
8. Save for the benefits due to the Executive Directors, no amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
9. The name and address of the Company's Auditors are set out in the Corporate Information Section 2 of this Prospectus.
10.
 - Save for the KPB Shares which were issued as consideration for the Acquisition of PISB, no other KPB shares were issued as fully paid-up for consideration other than cash within the two (2) years preceding the date of this Prospectus.
 - Save for the KPB Shares which were issued pursuant to the Rights Issue, no other KPB Shares were issued as fully or partly paid-up in cash within the two (2) years preceding the date of this Prospectus
 - Save for the Public Issue Shares and new shares to be issued pursuant to the proposed ESOS which will be implemented for the benefit of the eligible employees and executive directors of the Group not earlier than one (1) year from the date of listing of the KPB Shares, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company as at the date of this Prospectus.

18. ADDITIONAL INFORMATION (Cont'd)

11. The Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiaries.

As far as the Directors are aware, KPB and its subsidiaries are not vulnerable to any specific factors of a particular nature other than normal commercial risks experienced during the normal course of business.

12. The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 19 of this Prospectus.
13. Save for the corporate guarantees to the subsidiaries of KPB for various banking facilities valued at RM2,139,807, the KPB Group does not have any loan capital or convertible debt securities outstanding or created but unissued nor any mortgages or charges or contingent liabilities outstanding.
14. 837,000 Public Issue Shares have been reserved for the eligible employees of the KPB Group under a share allocation scheme in conjunction with Offer and Public Issue. In addition, the Company proposes to implement an ESOS for the benefit of the eligible employees and executive directors of the Group not earlier than one (1) year from the date of listing of the KPB Shares.

18.5 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 or its subsidiary companies within the two (2) years immediately preceding the date of this Prospectus:

- (i) Underwriting Agreement dated 25 January 2002 between KPB and Alliance, for the underwriting of 1,500,000 Public Issue Shares for an underwriting commission of 2.5% of the Issue Price of RM1.60 per share;
- (ii) Sale and purchase agreement ("S&P") dated 10 January 2002 between KPB and BESB, PNS, MASB, Loo Pak Soon, Hamidah binti Maktar, UMG, Cheng Kim Tai@Chin Kim Thye and Tan Boon Kang for the acquisition of 33,000,000 ordinary shares of RM1.00 each representing the entire equity interest in PISB for a purchase consideration of RM39,940,400 satisfied by the issuance of a total of 34,297,395 new KPB Shares;
- (iii) S&P dated 10 January 2002 between KPB and PISB for the acquisition of two (2) ordinary shares of RM1.00 each representing the entire equity interest in PPSB for a purchase consideration of RM2.00 satisfied in cash; and
- (iv) S&P dated 23 March 2001 between PPSB and Kejuruteraan Trolka Sdn Bhd for the acquisition by PPSB of two (2) adjoining semi-detached factory buildings for a purchase consideration of RM1.8 million satisfied by cash.

18.6 Material Litigation

Neither the Company nor its subsidiary companies are engaged in any litigation either as plaintiff or defendant which has a material effect on the business/financial position of the Company or its subsidiary companies and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or its subsidiary companies.

18. ADDITIONAL INFORMATION (Cont'd)

18.7 Material Agreements

Save as disclosed below, there are no material agreements which have been entered into by the Company or its subsidiary companies as at the date of this Prospectus:

- (i) Fire insurance with Malaysian Assurance Alliance Berhad by FMSB for the period between 30 April 2001 and 29 April 2002. This coverage is against losses or damages arising from fire on factory building, machinery and stock in trade. The total amount insured is RM1,500,000;
- (ii) Fire insurance with Malaysian Assurance Alliance Berhad by PISB for the period between 1 May 2001 and 30 April 2002. This coverage is against losses or damages arising from fire on building, fixtures and fittings, gates and fences, signages and letterings, towers, underground electricity system, tanks, office equipment, office furniture, renovations and all other contents, plant and machinery, equipment, air-conditioners and stock in trade. The total amount insured is RM23,160,000;
- (iii) Fire consequential loss insurance with Malaysian Assurance Alliance Berhad by PISB for the period between 1 May 2001 and 30 April 2002. This coverage is against losses or damages arising from fire on building, fixtures and fittings, gates and fences, signages and letterings, towers, underground electricity system, tanks, office equipment, office furniture, renovations and all other contents, plant and machinery, equipment, air conditioning system and stock in trade. The total amount insured is RM12,000,000;
- (iv) Equipment All Risks insurance with Malaysian Assurance Alliance Berhad by PISB for the period between 12 May 2001 and 30 April 2002. This coverage is against accidental loss or damages on the equipment and machinery located at its factory in Bentong. The total amount insured is RM7,858,495;
- (v) Boiler and pressure insurance with Malaysian Assurance Alliance Berhad by PISB for the period between 30 April 2001 and 29 April 2002. This coverage is against loss or damage on 3 units of boilers and indemnity on the insured's surrounding property, property damage and bodily injury of third parties. The total amount insured is RM1,000,000;
- (vi) Fire insurance with Malaysian Assurance Alliance Berhad by LMSB for the period between 15 November 2000 and 14 November 2001. This coverage is against losses or damages arising from fire on stock in trade and other goods related to the insured's business, furniture and fittings and machineries which are located at five (5) different locations. The total amount insured is RM4,160,000;
- (vii) Fire insurance with The Pacific Insurance Berhad by GSB for the period between 1 May 2001 and 30 April 2002. This coverage is against losses or damages arising from fire on plant and machinery, equipment, sewing machines, utensils, electrical wiring, installations and switchboard, office equipment, furniture and fittings, air-conditioners, renovations and stock in trade. The total amount insured is RM2,660,000; and
- (viii) Fire consequential loss insurance with The Pacific Insurance Berhad by GSB for the period between 1 May 2001 and 30 April 2002. This insurance is issued in conjunction with the Fire Insurance described in (vii) above and the total amount insured is RM2,010,000.

18. ADDITIONAL INFORMATION (Cont'd)

18.8 Public Take-Over Offer

None of the following has occurred in the last financial year and/or during the current financial year up to the date of this Prospectus:

- (a) public take-over offer by third parties in respect of the Company's Shares; or
- (b) public take-over offer by the Company in respect of other companies' shares.

18.9 Consents

- 1. The written consents of Alliance as the Adviser, Managing Underwriter and Placement Agent, Placement Agent, Principal Bankers, Solicitors, Share Registrars, Company Secretaries and the Issuing House to the inclusion in this Prospectus of their names, in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- 2. The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and their letters relating to the Consolidated Profit Forecast and Proforma Consolidated Balance Sheets 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.
- 3. The written consent of the Valuers to the inclusion in this Prospectus of their name and Valuers' Letters on the landed properties 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.

18.10 Documents for Inspection

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

- (a) Memorandum and Articles of Association of the Company and its subsidiaries;
- (b) Auditors' Letters relating to the Consolidated Profit Forecast for the financial year ending 30 April 2002;
- (c) Auditors' Letter on the Proforma Consolidated Balance Sheet as at 31 October 2001;
- (d) Accountants' Report and Directors' Report as included herein;
- (e) Consolidated audited accounts of the KPB Group and the audited accounts of its subsidiaries for the past five (5) financial years/periods (as the case may be) ended 30 April 2001 and the six (6) months period ended 31 October 2001;
- (f) Letters of consent referred to under Section 18.9 of this Prospectus;
- (g) Material contracts referred to under Section 18.5 of this Prospectus;
- (h) Material agreements referred to under Section 18.7 of this Prospectus; and
- (i) Valuation Report referred to under Section 17 of this Prospectus.

18. ADDITIONAL INFORMATION (Cont'd)

18.11 Responsibility

1. Alliance acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offer and Public Issue, the Company and its subsidiaries and have satisfied itself that the Consolidated Profit Forecast for the financial year ending 30 April 2002 has been stated by the Directors of the Company after due and careful inquiry.
2. This Prospectus has been seen and approved by the Directors of the Company 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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19. PROCEDURE FOR APPLICATION AND ACCEPTANCE

19.1 Opening and Closing of Application Lists

The Application lists will open at 10.00 a.m on 14 February 2002 and will remain open until 8.00 p.m on the same day or for such further period or periods as the Directors of the Company in their absolute discretion may decide.

19.2 Methods of Application

Application for the Public Issue Shares may be made using either of the following ways:-

- (a) Application Forms; or
- (b) Electronic Share Application.

19.3 General Conditions for Applications

(a) Application by the eligible employees of the KPB Group

Applications for the 837,000 Public Issue Shares reserved for the eligible employees of the KPB Group must be made on the **Pink** Application Forms provided or by way of Electronic Share Application.

(b) Application by Malaysian public for allocation via balloting

Applications for the 1,500,000 Public Issue Shares made available for application by the Malaysian public must be made on the **White** Application Forms provided or by way of Electronic Share Application.

However, a corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application.

Only one Application Form from each applicant will be considered and applications must be for 1,000 ordinary shares of RM1.00 each or multiples thereof. **Multiple applications will not be accepted.** The amount payable in full on application is RM1.60 per share.

Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications and vice versa.

The applications shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of KPB.

IN THE CASE OF AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME, NATIONAL REGISTRATION IDENTITY CARD NUMBER AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) THE APPLICANT'S IDENTITY CARD ("NRIC");
- (b) CHANGE OF ADDRESS CARD (RESIT PENUKARAN KAD PENGENALAN "JPN 1/22"); OR
- (c) THE APPLICANT'S RESIT PENGENALAN SEMENTERA ("JPN 1/9") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (ii) THE RECORDS OF MCD, IF ANY.

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN HIS/HER AUTHORITY CARD AND THE ADDRESS OF THE APPLICANT MUST BE THE ADDRESS OF THE APPLICANT'S RESPECTIVE CAMP/BASE/STATION.

IN THE CASE OF CORPORATE/INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN THE APPLICANT'S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE REGISTERED ADDRESS.

No acknowledgement of the receipt of applications or application monies will be made by KPB.

19.4 Application using Application Forms

19.4.1 Types of Application Forms

The following Application Forms are enclosed with this Prospectus and are deemed to form part hereof:

- (a) **Pink** Application Forms for application by the eligible employees of the KPB Group; and
- (b) **White** Application Forms for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from Alliance, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIDFCCS.

19.4.2 Terms and Conditions for Application using Application Forms

Application by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:

- (a) The Application Form must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Forms. In accordance with Section 41(2) of the Securities Commission Act, 1993 ("SCA") the Application Form together with the Notes and Instructions printed thereon shall constitute an integral part of this Prospectus. Applications which do not **strictly** conform to the terms of this Prospectus or Application Form or Notes and Instructions printed thereon or which are illegible may not be accepted.
- (b) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY A REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE EITHER BY:
 - BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applications); OR
 - CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA AND DRAWN ON A BANK IN KUALA LUMPUR (differentiated by a special red band for Bumiputera applicants); OR

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- MONEY ORDER OR POSTAL ORDER (for applicants from Sabah and Sarawak only); OR
- GUARANTEED GIRO ORDER (“GGO”) from Bank Simpanan Nasional (differentiated by a special red band for Bumiputera applicants); OR
- ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING:
 - Alliance Bank Berhad (88103-W);
 - Arab-Malaysian Bank Berhad (295576-U);
 - Arab-Malaysian Finance Berhad (5493-X);
 - Affin-ACF Finance (M) Berhad (6521-U);
 - Bank Utama (M) Berhad (27714-A);
 - Bumiputera-Commerce Bank Berhad (13491-P);
 - EON Bank Berhad (92351-V);
 - EON Finance Berhad (9692-K);
 - Hong Leong Bank Berhad (97141-X);
 - Hong Leong Finance Berhad (7797-U);
 - Malayan Banking Berhad (3813-K);
 - Mayban Finance Berhad (3905-T);
 - MBf Finance Berhad (8315-D);
 - Public Bank Berhad (6471-U);
 - Public Finance Berhad (6463-H);
 - RHB Bank Berhad (6171-M);
 - Southern Bank Berhad (5303-W); and
 - Southern Finance Berhad (3838-T).

MADE OUT IN FAVOUR OF

“MIDF SHARE ISSUE ACCOUNT NO. 518”

AND CROSSED “A/C PAYEE ONLY” (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM).

APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE OR INAPPROPRIATE BANKER’S DRAFTS/CASHIER’S ORDERS/MONEY ORDERS/GGO WILL NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) AN APPLICANT SHOULD STATE HIS/HER CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM IF HE/SHE PRESENTLY HAS SUCH AN ACCOUNT. WHERE AN APPLICANT DOES NOT PRESENTLY HAVE A CDS ACCOUNT, HE/SHE SHOULD STATE IN HIS/HER APPLICATION FORM HIS/HER PREFERRED ADA CODE.
- (d) THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM) MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, POSTAL ORDER, CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES OR GGO FROM BANK SIMPANAN NASIONAL.
- (e) The Directors of KPB reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS within fourteen (14) days of the date of the notice issued to him/her to ascertain the regularity or propriety of the application. The Directors of KPB shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (f) The Directors of KPB reserve the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (g) The Directors of KPB reserve the right not to accept any application or to accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allocating the shares to a reasonable number of applicants with a view of establishing an adequate market for the shares.
- (h) Where an application is not accepted, the full amount of the application monies, without interest, will be returned and shall be despatched to the applicant within twenty-one (21) days from the date of the final ballot of the application lists by ordinary post at the address shown on the Application Form at the applicant's own risks.
- (i) MIDFCCS reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partially successful applicants, which would subsequently be refunded without interest by registered post.
- (j) Each completed Application Form must be despatched by ORDINARY POST in the official envelopes provided to the following address:

MIDF Consultancy and Corporate Services Sendirian Berhad
195A, Jalan Tun Razak,
P.O. Box 11122
50736 Kuala Lumpur

OR DELIVERED BY HAND so as to arrive not later than 8.00 p.m. on 14 February 2002, or such further period or periods as the Directors of KPB in their absolute discretion may decide.

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (k) Directors and employees of MIDFCCS and their immediate families are strictly prohibited from applying for the Issue Shares.
- (l) Copies of this Prospectus together with the Application Forms, and the official envelopes may be obtained, subject to availability from:

Alliance Merchant Bank Berhad
19th Floor, Menara Multi-Purpose
Capital Square
No 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

or from member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.

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19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

19.5 Applications via Electronic Share Applications

19.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (a) Applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) Applicant must have a CDS account; and
- (c) Applicant is to apply for the Public Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out on Section 19.5.3 of the terms and conditions for Electronic Share Applications. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:-
 - Personal Identification Number ("PIN");
 - MIDF Share Issue Account Number 518;
 - CDS account number;
 - Number of Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

19.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches: -

- ARAB-MALAYSIAN BANK BERHAD; or
- ARAB-MALAYSIAN FINANCE BERHAD; or
- BUMIPUTRA COMMERCE BANK BERHAD (at selected branches in Klang Valley only); or
- HSBC BANK MALAYSIA BERHAD; or
- MALAYAN BANKING BERHAD; or
- MAYBAN FINANCE BERHAD; or
- OCBC BANK (MALAYSIA) BERHAD; or
- STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

19.5.3 Terms and Conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 19.5.1 of this prospectus. The steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to the "applicant" in the terms and conditions for Electronic Share Applications and the steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the case of Electronic Share Applications, only an applicant who is an individual with a CDS account is eligible to utilise the facility.

The applicant must have an existing account with, and be an ATM cardholder of, one of the participating Financial Institutions before he/she can make an Electronic Share Application at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his/her Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by KPBB or MIDFCCS. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of offer for the application for the Public Issue Shares on 14 February 2002 at 8.00 p.m. ("Closing Date and Time"), the Participating Financial Institution shall submit a magnetic tape containing its' respective customer' applications for the Public Issue Shares to MIDFCCS as soon as practicable but not later than 12.00 p.m. of the 2nd Business Day after the Closing Date and Time.

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he/she has an account and its branches, subject to the applicant making only one application.

AN APPLICANT MUST ENSURE THAT HE/SHE USES HIS/HER OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE/SHE ENTERS HIS/HER OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS/HER APPLICATION WILL BE REJECTED IF HE/SHE FAILS TO COMPLY WITH THE FOREGOING.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of KPBB.
- (b) The applicant is required to confirm the following statements (by depressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:-
 - He has attained 18 years of age as at the closing date of the share application;
 - He is a Malaysian citizen residing in Malaysia;
 - He has read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - He thereby gives consent to the Participating Financial Institution and MCD to disclose information pertaining to him/herself and his/her account with the Participating Financial Institution and MCD to MIDFCCS and other relevant authorities.

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

The application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institutions. By doing so, the applicant shall be treated as signifying his/her confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or MCD, as the case may be, of any of the applicant's particulars to MIDFCCS, or any relevant regulatory bodies.

- (c) THE APPLICANT CONFIRMS THAT HE/SHE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE/SHE MAKES IS MADE BY HIM/HER AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE PUBLIC ISSUE SHARES, WHETHER AT THE ATMs OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institutions at the time he/she makes his/her Electronic Share Application, failing which his/her Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform, to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that KPB decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to the applicants, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his/her confirmation (by his/her action of pressing the designated key on the ATM) of the number of shares applied for shall signify, and shall be treated as, his acceptance of the number of shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of Association of KPB.
- (f) KPB reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institutions will be informed of the non-successful or partially successful applications. Where an Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIDFCCS. MIDFCCS shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. The applicants may check their accounts on the fifth (5th) Market Day from the balloting day.

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIDFCCS. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by MIDFCCS by way of cheques issued by MIDFCCS. The cheques will be issued to the applicants not later than twenty-one (21) days from the day of the final allotment of the application list.

Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.

- (h) The applicant requests and authorises KPB:-
 - (i) to credit the same to MCD.
 - (ii) to issue share certificate(s) representing such share allocated in the name of MCD Nominees Sdn Bhd and sends the same to MCD.
- (i) The applicant, acknowledging that his/her Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of KPB, MIDFCCS or the Participating Financial Institution, irrevocably agrees that if:-
 - (i) KPB or MIDFCCS does not receive the applicant's Electronic Share Application; and
 - (ii) Data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to KPB or MIDFCCS,

the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against KPB, MIDFCCS or the Participating Financial Institution for the shares applied for or for any compensation, loss or damage.
- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he/she makes his/her Electronic Share Application shall be deemed to be true and correct and KPB, MIDFCCS and relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his/her personal particulars as recorded by both MCD and relevant Participating Financial Institutions are correct and identical. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allocation will be sent to his/her registered address last maintained with MCD.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:-
 - (i) In consideration of KPB agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institution at their respective ATMs, his Electronic Share Application is irrevocable;

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) KPB, the Participating Financial Institutions, MCD and MIDFCCS shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his/her Electronic Share Application to MIDFCCS due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of KPB, the acceptance of the offer made by the applicant to subscribe for and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said shares;
 - (iv) The applicant irrevocably authorises MCD to complete and sign on his/her behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allocated to the applicant; and
 - (v) KPB agrees that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the Electronic Share Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (m) The Directors of KPB reserve the right to require any successful applicant to appear in person at the registered office of MIDFCCS within fourteen (14) days of the date of the notice issued to him/her to ascertain the regularity or propriety of the application. The Directors of KPB shall not be responsible for any loss or non receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (n) The Directors of KPB reserve the right to reject applications, which do not conform to these instructions.
- (o) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

19.6 Applications and Acceptances

The Directors of KPB reserve the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

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19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the event of an over-subscription, acceptance of applications by the Malaysian public shall be subject to ballot to be conducted in a manner as approved by the Directors of KPB. Due consideration will be given to the desirability of distributing the Public Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the shares of the Company. Pursuant to the SC's Policies and Guidelines on Issue/ Offer of Securities, the Company needs to have at least 25% of the enlarged issued and paid-up capital in the hands of public shareholders and a minimum number of 750 shareholders holding not less than 1,000 shares upon listing. The Company is expected to achieve this at the point of listing. However, in the event that the above requirement is not met pursuant to this Offer and Public Issue, the Company may not be allowed to proceed with its listing plan. In the event thereof, monies paid in respect of all applications will be returned. The successful applicants will be selected in a manner to be determined by the Directors of the Company.

In the event of an under-subscription by the Malaysian public, all the Public Issue Shares not applied for will be made available for subscription by the Underwriter. Any Public Issue Share not subscribed for by the eligible employees of the KPB Group will be made available for application by the Malaysian citizens, companies, co-operatives, societies and institutions and will be underwritten by the Managing underwriter and the Underwriter.

Directors and employees of MIDFCCS and their immediate family are strictly prohibited from applying for the Public Issue Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY ORDINARY POST OR REGISTERED POST, RESPECTIVELY, TO THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL AND PARTIALLY SUCCESSFUL APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST TO THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

19.7 CDS Accounts

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed KPB as a Prescribed Security. In consequence thereof, the Public Issue and Offer Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and Rules of MCD. All Applicants are required to have CDS accounts when making their applications.

Following the above, in accordance to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the shares of KPB including the Public Issue Shares will be by book entries through CDS accounts. No share certificates will be issued to successful applicants.

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the case of an application by way of an Application Form, an applicant should state his/her CDS account number in the space provided on the Application Form if he/she presently has such an account. Where an applicant does not presently have a CDS account, he/she should state in the Application Form his preferred ADA Code. A list of the ADA Codes is set out in Section 19.10 of this Prospectus. Where an applicant already has a CDS account, he/she SHOULD NOT complete the preferred ADA Code. If a successful applicant fails to state either his/her CDS account number or his/her preferred ADA Code, the Company may, in the exercise of its absolute discretion, instruct MIDFCCS to insert a preferred ADA Code on the Application Form and further instruct MCD to open a CDS account on his/her behalf at the specified ADA and credit the shares allotted to him/her into his/her CDS account.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so.

Failure to comply with these specific instructions as the Electronic Share Application requires or inaccuracy in the CDS account number or the preferred ADA Code may result in the application being rejected. The Directors of the Company reserve the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application, differ from those in MCD's records such as the identity card number names and nationalities.

19.8 Notice of Allotment

Public Issue Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. Notice of successful allotment will be despatched to the successful or partially successful applicants at their addresses shown in the Application Form at the applicant's own risk within thirty (30) days after the final ballot of the application. For Electronic Share Applications, the notice of allotment will be despatched to the successful or partially successful applicant at his/her address last maintained with the MCD at the applicant's own risk within 30 days after the final ballot of the application list. This is the only acknowledgement of acceptance of the application.

19.9 Formalising of CDS Accounts

Successful applicants whose CDS accounts have been opened by MCD at their preferred ADA or the ADA caused to be inserted by, are required to formally open their accounts by submitting to the ADA the necessary documents and the account opening fee. No transaction of shares credited to the accounts can be effected until the accounts have been formally opened.

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19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**19.10 List of ADAs**

The list of the ADAs and their respective broker codes are as follows:

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
Allied Avenue Assets Securities Sdn Bhd <i>(formerly known as MGI Securities Sdn Bhd)</i>	Ground Floor & Level 1 THB Satu Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2551111	052 - 001	AFFIN-UOB Securities Sdn Bhd	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel no: 03-21438668	028- 001
Arab-Malaysian Securities Sdn Bhd	15th Floor, Bangunan Arab-Malaysian, 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel no: 03- 2078788/99	086-001	BIMB Securities Sdn Bhd	1st & 2nd Floor, Podium Block Bangunan AMDB No. 1, Jalan Lumut 50350 Kuala Lumpur Tel no: 03-40433533	024-001
BBMB Securities Sdn Bhd	Level 2, 3, 4 & 15, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel no: 03-2019900	099- 001	CIMB Securities Sdn Bhd	9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2532288	065- 001
FIMA Securities Sdn Bhd <i>(formerly known as Capitalcorp Securities Sdn Bhd)</i>	No. 45-14, Plaza Level & Level One Plaza Damansara Jalan Medan Setia Satu Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2549966	018- 001	Jupiter Securities Sdn Bhd	7th - 9th Floor Menara Olympia 8 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-20341888	055-001
HLG Securities Sdn Bhd	Level 5, Wisma Kia Peng No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel. No. : 03-21681168	066- 001	K&N Kenanga Berhad	8th Floor, Kenanga International Building 801, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No. 03-21649080	073- 001
Inter Pacific Securities Sdn Bhd	Level 7, Menara Shahzan Insas 30 Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-21441888	054- 001	Mayban Securities Sdn Bhd	5th-13th Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03-22978888	098- 001
Kuala Lumpur City Securities Sdn Bhd	No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-21667922	076- 001	MIDF SISMA Securities Sdn Bhd	17th & 18th Floor Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel. No: 03-21668888	026- 001

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
Leong & Company Sdn Bhd	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No: 03-26928899	061 - 001	PB Securities Sdn Bhd	27th Floor, Bangunan Public Bank 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No: 03-2013011	051- 001
OSK Securities Berhad	10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel NO: 03-21624388	056 - 001	Rashid Hussain Securities Sdn Bhd	Level 9, Tower One, RHB Centre Jalan Tun Razak, 50400 Kuala Lumpur Tel No: 03-9852233	087- 001
PM Securities Sdn Bhd	Ground Floor MUI Plaza Jalan P. Ramlee 50250 Kuala Lumpur Tel. No: 03-21463000	064 - 001	TA Securities Berhad	TA One Tower 22, Jalan P Ramlee 50250 Kuala Lumpur Tel No: 03-20721277	074-001
KAF-Seagroatt & Campbell Securities Sdn Bhd	26th-30th Floor The Weld Tower 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel No: 03-20201600	053 - 001	Sime Securities Sdn Bhd	21st Floor, Bangunan Sime Bank 4 Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-22749288	097 - 001
SELANGOR DARUL EHSAN					
Amsteel Securities (M) Sdn Bhd	2nd, 3rd & 4th Floors No 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No: 03-33439999	080 - 001	JF Apex Securities Berhad	3rd Floor, Wisma Apex 145A-C, Jalan Bukit 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079- 001
Mohaiyani Securities Sdn Bhd	1st, 2nd & 3rd Floors Wisma Amsteel Securities Plaza Damansara Utama No. 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77297345	095 - 001	Hwang-DBS Securities Berhad	16th, 18th –20th Floor, Plaza Masalam 2, Jalan Tengku Ampuan Zabedah E9/E, Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No: 03-55133288	068- 002
SJ Securities Sdn Bhd	Level 3, Holiday Villa 9, Jalan SS 12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel No: 03-56340202	096 - 001	JF Apex Securities Berhad	Level 15 & 16 Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-76201118	079 - 002

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
PM Securities Sdn Bhd	No. 157 & 159 Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No: 03-80700773	064 - 003			
MELAKA					
Malacca Securities Sdn Bhd	1,3 & 5, Jalan PPM 9, Plaza Pandan Malim (Business Park), Balai Panjang 75250 Melaka Tel No: 06-3371533	012 - 001	OSK Securities Berhad	579, 580-581A & B Taman Melaka Raya 75000 Melaka Tel No: 06-2825211	056- 003
Straits Securities Sdn Bhd	Lot 9 & 10, 1st Floor Bangunan Tabung Haji Jalan Bandar Kaba 75000 Melaka Tel No: 06-2833622	011 - 001			
PERAK DARUL RIDZUAN					
Botly Securities Sdn Bhd	1st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel No: 05-2531313	058 - 001	M&A Securities Sdn Bhd	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: 05-2419800	057- 001
Hwang-DBS Securities Berhad (<i>Taiping Branch</i>)	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8060888	068 - 003	SBB Securities Sdn Bhd	51-53 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No: 05-2530888	090- 001
Mayban Securities Sdn Bhd	63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No: 05-2558233	098 - 002	OSK Securities Berhad	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No: 05-2415100	056- 002
Kin Khoon & Co Sdn Bhd	A23-A29, Wisma Kota Emas Jalan Dato' Tahwil Azhar 30300 Ipoh Perak Darul Ridzuan Tel No: 05-2543311	017 - 001			

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
PULAU PINANG					
A.A. Anthony & Company Sdn Bhd	41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel No: 04-2299318	014 - 001	Hwang-DBS Securities Berhad	Levels 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No: 04-2636996	068- 001
OSK Securities Berhad	64, Bishop Street 20F & 20G, Penang Street 10200 Pulau Pinang Tel No: 04-2634222	056 - 004	Hwang-DBS Securities Berhad	Ground, 1 st & 2 nd Floor 1620 & 1621, Jalan Permatang Batu Taman Industri Permatang Batu 14000 Bukit Mertajam Pulau Pinang Tel No: 04-5372882	068- 006
OSK Securities Berhad	Level 19, Menara NB 5050, Jalan Bagan Luar 12000 Butterworth Pulau Pinang Tel No.: 04-3322299	056 - 005	Mercury Securities Sdn Bhd	Ground, 1st, 2nd & 3rd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Prai Pulau Pinang Tel No: 04-3322123	093- 001
Smith Zain Securities Sdn Bhd	6th, 7th & 8th Floors, PSCI Tower 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No: 04-2283355	016- 001	Soon Theam Securities Sdn Bhd	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No: 04-2281868	060- 001
Thong & Kay Hian Securities Sdn Bhd	Level 5 & 6, Wisma Sri Pinang 60 Green Hall 10200 Pulau Pinang Tel No: 04-2635481	070- 001	UT Securities Sdn Bhd <i>(formerly known as United Traders Securities Sdn Bhd)</i>	6th, 10th & 12th Floor, Bangunan Mayban Trust 3, Penang Street 10200 Pulau Pinang Tel No: 04-2626644	059-001
KEDAH DARUL AMAN			PERLIS INDRA KAYANGAN		
Kuala Lumpur City Securities Sdn Bhd	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No: 04-7317088	076-004	Kuala Lumpur City Securities Sdn Bhd	2nd Floor, Podium Block Bangunan KWSP 01000 Kangar Perlis Indra Kayangan Tel No: 04-9765200	076-003

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS					
Pan Malaysia Equities Sdn Bhd	9th & 10th Floor Bangunan Yayasan Negeri Sembilan Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No: 06-7638999	084- 001	Hwang-DBS Securities Berhad	Ground & 1 st Floor 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No: 06-7612288	068-007
PM Securities Sdn Bhd	1st, 2nd & 3rd Floors 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No: 06-7623131	064-002			
JOHOR DARUL TAKZIM					
Arab-Malaysian Securities Sdn Bhd	2 nd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No: 07-4342282	086-002	Hwang-DBS Securities Berhad	Podium 2A & 3 Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel No: 07-2222692	068-004
Eng Securities Sdn Bhd	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No: 07-2231211	081-001	JB Securities Sdn Bhd	Suite 8.2, Level 8 Menara Sarawak Enterprise 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No: 07-3332000	078-001
Kestrel Securities Sdn Bhd	57,59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No: 06-9532222	088-001	K & N Kenanga Berhad	Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No: 07-3333600	073-004
Kuala Lumpur City Securities Sdn Bhd	No. 46 & 48 Jalan Dato' Kapten Ahmad 86000 Kluang Johor Darul Takzim Tel No: 07-7717922	076-006	OSK Securities Berhad	Unit 27-01 to 27-08 Level 27, Menara Landmark No. 12, Jalan Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel No: 07-2212233	056-006

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR			KELANTAN DARUL NAIM		
Kuala Lumpur City Securities Sdn Bhd	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No: 09-5660800	076-002	Kota Bharu Securities Sdn Bhd	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No: 09-7433388	075-001
OSK Securities Berhad	A27 & A29, Lorong Tun Ismail 9 Seri Dagangan Kuantan Business Centre 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5163811	056-007			
TERENGGANU DARUL IMAN					
FA Securities Sdn Bhd	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terangganu Darul Iman Tel. No.: 09-6238128	021-001	PTB Securities Sdn Bd	1st, 2nd & 3rd Floors 61, Jalan Sultan Ismail PO Box 151 Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel No: 09-6235546	025-001
SARAWAK					
K & N Kenanga Berhad	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No: 082-338000	073-002	K & N Kenanga Berhad	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No: 085-435577	073-003
Borneo Securities Sdn Bhd	12G, Jalan Kampung Datu 96000 Sibul Sarawak Tel No.: 084-319998	030 - 001	Hwang-DBS Securities Berhad	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No: 082-236999	068-005
OSK Securities Berhad	Ground & 1 st Floor Wisma Chinese Chambers Lot 357, Section 47 KTLD Jalan Bukit Mata Kuching 93100 Kuching Tel No: 082-422252	056-008			

19. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code	Name	Address and telephone number	Broker code
SABAH					
Innosabah Securities Berhad	11, Equity House, Block K Kompleks Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel No: 088-234090	020-001	Kuala Lumpur City Securities Sdn Bhd	Suite 1-9-E1, 9 th Floor CPS Tower No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No: 088-253922	076-005
Hwang-DBS Securities Berhad	Room Nos 106-109 Mezzanine Floor Room Nos 207-212 2 nd Floor, Gaya Centre Jalan Tun Fuad Stephens 88400 Kota Kinabalu Tel No.: 087-311688	068-008			
WILAYAH PERSEKUTUAN LABUAN					
Sharetech Securities Sdn Bhd	Unit 7(A), Level 7 Main Office Tower Financial Park Labuah Jalan Merdeka 87000 Wilayah Persekutuan Labuan Tel. No: 087-451666	022-001			