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## 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

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### 13.1 Share Capital

1. No shares will be allotted or sold on the basis of this Prospectus later than 12 months after the date of this Prospectus.
2. There are no founder, management or deferred shares in the Company. As at the date of this Prospectus there is only one class of shares in the Company, namely ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
3. Save for the 2,000,000 Shares reserved for the eligible employees and customers of the Group as disclosed in Section 2.2 (ii), no other person has been or is entitled to be given an option to subscribe for or purchase any shares, stocks or debentures of the Company or its subsidiaries. Save for the above, there are no other schemes involving the employees of the Group in the shares of the Company.
4. Save for the 36,000,000 Shares that are under moratorium as disclosed in Section 6.2 of this Prospectus, there are no restrictions on the transfer of the other shares of the Company, except as otherwise required by law.
5. Save as disclosed in Section 4 of this Prospectus, no shares, stocks or debentures in the Company or its subsidiaries have been issued or are proposed to be issued as partly or fully paid-up in cash or otherwise than in cash within the two years preceding the date of this Prospectus.

### 13.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association:-

#### (i) Transfer and Transmission of shares

The provisions in the Company's Article of Association, the Listing Requirements of MSEB, the Act and Rules of the MCD in respect of the arrangements for transfer and transmission of the securities and restrictions on their free transferability are as follows:-

#### Articles of Association of the Company

##### Article 40 – Transfer of securities

The transfer of any listed securities or class of listed 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 Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

##### Article 42 – Refusal to register transfer

The Central Depository may in its absolute discretion, refuse to register any transfer that does not comply with the Central Depository Act and the Rules.

##### Article 45 – Deposited Securities

All transfer of securities deposited with a Central Depository, including but not limited to the Deposited Security, shall be in compliance with the relevant laws and rules.

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 46- Death of holder of securities**

In the case of death of a member, the legal personal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the securities; but nothing herein contained shall release the estate of a deceased share holder from any liability in respect of any share which had been held by him.

**Article 47- Rights on death or bankruptcy**

Any person becoming entitled to securities in consequence of the death or bankruptcy of any member may upon such evidence of title being produced as may from time to time be required by the Central Depository and the Rules (but subject to the provisions hereinafter contained) elect either to be registered himself as a member in respect of such securities or to have some person nominated by him registered as transferee thereof but the Central Depository and the Rules shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence. Provided Always that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled, subject to the Rules.

**Article 48- Election with regard to registration**

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company and the Central Depository a notice in writing signed by him stating that he so elects Provided Always that where the shares is a Deposited Security and the person so becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of transfer were a transfer signed by that member.

**Article 49- Person entitled to receive and give discharge for dividends**

A person entitled to securities in consequence of the death or bankruptcy of a member shall be entitled upon the production of such evidence as may from time to time be properly required by the Central Depository in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall, subject to the Company's Articles, not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the securities.

**Listing Requirements of MSEB**

The provisions of the Listing Requirements of MSEB on the transferability of securities and restrictions on their free transferability are as follows:-

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Transfers of Securities Paragraph 7.13**

The transfer of any listed security or class of listed security 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 Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the company shall be precluded from registering and effecting any transfer of the listed securities.

**Transmission of securities from Foreign Register Paragraph 7.14**

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

**Companies Act, 1965**

The provisions within the Act on the transferability of securities and the restrictions on their transferability 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 right to any shares in or debentures of the company has been transmitted by operation of law.

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**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 purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

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

**Section 107C(1)**

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited.

**Section 107C(2)**

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

**Rules of the MCD**

The rules within the MCD on the transferability of securities and restrictions on their free transferability are as follows:-

**Section 8.01(2)**

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

**Section 8.05A**

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

**Section 9.03(2)**

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

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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- (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 of 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 of securities arising from the provisions of any written law or an order of the court of competent jurisdiction;
    - (ii) rectification of errors;
    - (iii) pledge, charge or mortgage;
    - (iv) mandatory offer pursuant to the provisions of the Malaysian Code on Takeovers and Mergers, 1987; and
    - (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.
- (ii) **Remuneration of Directors**

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

**Article 103 – Remuneration of Directors**

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that—

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) 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; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 104 – Reimbursements and special remuneration**

- (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (2) If by arrangement with the Director, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

**Article 109 – Establishment of pension fund**

The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Company or any associate companies or to any persons who are or have been a Director or other officer of and holds or have held salaried employment in the Company or any associate companies, or the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object. Provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only where the Act requires, to proper disclosure to the members of the Company in general meeting. In this Article the expression "the associate companies" shall include any company which is the holding company of the Company or a subsidiary of the Company or of any such holding company or which in the opinion of the Directors can properly be regarded as being connected with the Company or with any such company as aforesaid.

**Article 113 – Right to payment for professional services**

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

**Article 138 – Remuneration of Managing Director**

The remuneration of the Managing Director and the Deputy Managing Director may subject to the terms of any agreement entered into any particular case, be by way of salary but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**(iii) Voting and Borrowing Powers of Directors**

The provisions in the Company's Articles of Association dealing with voting and borrowing powers of the Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested, are as follows:-

**Article 106 – Powers and duties of Directors**

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company, and do on behalf of the Company all such acts as are within the scope of the Memorandum and Articles of Association of the Company and as are not by the Act or by these Articles required to be exercised or done by the Company in general meeting, subject nevertheless to these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

**Article 107 – Approval of the Company required**

Subject to the Act, the Directors shall not without the prior approval of the Company in general meeting:-

- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company, as defined in the Act; or
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
- (c) enter into any arrangement or transaction with a Director or a Director of the holding company of the Company, or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of a requisite value as defined in the Act.

**Article 108 – Directors' borrowing powers**

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party Provided Always that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's 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.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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**(iv) Changes in the share capital and variation of rights**

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

**Article 4 – Issue of shares**

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 the written law and to the conditions, restrictions and limitations expressed in these Articles and to the provisions of any resolution of the Company, and subject to the prior approval of the members of the Company, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights as they think proper, PROVIDED ALWAYS THAT:-

- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
- (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) every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and –
  - (i) such approval shall specifically detail the number of shares or options to be issued to such employees and/or Directors; and
  - (ii) only Directors holding office in an executive capacity shall participate in such an issue of shares or options Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue; and
- (e) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than the nominal amount of the share.

**Article 5 – Issue of preference shares**

Without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that:-

- (a) the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time;
- (b) the holders of preference shares shall have the same rights as the holders of ordinary shares and must be entitled to a right to vote in each of the following circumstances:-
  - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;



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**13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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- (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects rights attached to the share;
  - (v) on a proposal to wind up the Company;
  - (vi) during the winding up of the Company; and
- (c) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 18 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. A holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up. A holder of a preference share must be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited accounts and attending meetings.

**Article 18 – Alteration of preferential shareholders' rights**

Notwithstanding Article 19 hereof, the repayment of preference share capital other than redeemable preference, or any other alteration of preference shareholder rights, shall 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 19 – Alteration of class rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-tenth (1/10) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

**Article 20 – No alteration of rights by issuance of new shares**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

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13. **FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 50 – Conversion of securities into stocks**

The Company may by ordinary resolution convert any paid up securities into stock, and reconvert any stock into paid up securities of any denomination.

**Article 54 – Increase of share capital**

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

**Article 55 – Issue of new shares to existing members**

Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The 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 that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by person entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

**Article 56 – New capital to be considered as part of the current share capital**

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

**Article 57 – Consolidation, subdivision and cancellation of shares**

- (1) The Company may from time to time by ordinary resolution—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares; or

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### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

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- (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (2) The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by the law.

#### 13.3 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors of KRB are set out in the Corporate Directory Section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) There are no existing or proposed service contracts (other than employment contracts) between the Directors and the Company or its subsidiary companies.
- (iv) Save as disclosed in Section 5.5, no Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events: -
  - a. a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
  - b. a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
  - c. the subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.
- (v) For the FYE 31 December 2002, the remuneration paid to the Directors of KRB for services rendered in all capacities in the Company and its subsidiaries was RM254,400. For the FYE 31 December 2003 and 31 December 2004, the amount payable to the Directors of KRB is estimated and forecasted to be RM300,000 and RM350,000 respectively.
- (vi) None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies and which is not quoted on a recognised stock exchange.
- (vii) The substantial shareholders of KRB and their respective interests in the shares of the Company based on the Register of Substantial Shareholders of KRB as at 31 December 2003 (being the latest practicable date prior to the printing of this Prospectus) before and after the Public Issue are as follows:-

## 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Substantial shareholder	←-----Before the Public Issue-----→				←-----After the Public Issue-----→			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Ang Cho Teing	29,360,172 <sup>4</sup>	43.18	10,739,922 <sup>1</sup>	15.79	29,360,172 <sup>4</sup>	36.70	10,749,922 <sup>1</sup>	13.44
Tai Chok Ping	7,340,038	10.79	32,760,056 <sup>2</sup>	48.18	7,340,038	9.18	32,770,056 <sup>2</sup>	40.96
Ang Chor Teng	3,399,884	5.00	36,700,210 <sup>3</sup>	53.97	3,399,884	4.25	36,700,210 <sup>3</sup>	45.88
BPIMB	13,600,000	20.00	-	-	13,600,000	17.00	-	-
MOF	-	-	13,600,000 <sup>5</sup>	20.00	-	-	13,600,000 <sup>5</sup>	17.00
Ang Lay Seang	-	-	36,700,210 <sup>7</sup>	53.97	10,000 <sup>6</sup>	0.013	36,700,210 <sup>7</sup>	45.88
Saffie bin Bakar	3,597,072	5.29	-	-	3,597,072	4.50	-	-

## Notes:

1. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping, Ang Chor Teng and Ang Lay Seang.
2. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing, Ang Chor Teng and Ang Lay Seang.
3. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping and Ang Cho Teing.
4. Inclusive of 3,457,798 Shares held through Maju Nominees (Tempatan) Sdn Bhd.
5. Deemed interested by virtue of Section 6A of the Act via its shareholdings in BPIMB.
6. Being the Public Issue Shares allocated as part of the pink form allocation to eligible employees of KRB and its subsidiaries and assuming that she subscribes in full for her allocation.
7. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing and Tai Chok Ping.

- (viii) The Directors of KRB and their respective interests in the shares of the Company based on the Register of Directors' Shareholdings as at 31 December 2003 (being the latest practicable date prior to the printing of this Prospectus) before and after the Public Issue are as follows:-

Directors	←-----Before the Public Issue-----→				←-----After the Public Issue-----→			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Md Kamal bin Bilal	-	-	-	-	-	-	-	-
Ang Cho Teing	29,360,172 <sup>4</sup>	43.18	10,739,922 <sup>1</sup>	15.79	29,360,172 <sup>4</sup>	36.70	10,749,922 <sup>1</sup>	13.44
Tai Chok Ping	7,340,038	10.79	32,760,056 <sup>2</sup>	48.18	7,340,038	9.18	32,770,056 <sup>2</sup>	40.96
Ang Chor Teng	3,399,884	5.00	36,700,210 <sup>3</sup>	53.97	3,399,884	4.25	36,700,210 <sup>3</sup>	45.88
Aladdin bin Mohamed Lip	-	-	-	-	-	-	-	-
Ong Wee Meng	-	-	-	-	-	-	-	-

## Notes:

1. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping, Ang Chor Teng and Ang Lay Seang.
2. Deemed interested by virtue of Section 6A of the Act via her relationship to Ang Cho Teing, Ang Chor Teng and Ang Lay Seang.
3. Deemed interested by virtue of Section 6A of the Act via his relationship to Tai Chok Ping and Ang Cho Teing.
4. Inclusive of 3,457,798 Shares held through Maju Nominees (Tempatan) Sdn Bhd.

- (ix) Other than salary, Directors' fees and employment related benefits, no amount or benefit has been paid or given within the two years immediately preceding the date hereof, nor is it intended to be so paid or given, to any Promoter.

### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

- (x) Save as disclosed in Section 7.1.2 of this Prospectus, none of the other Directors and/or substantial shareholders of KRB has interest in any subsisting contract or arrangement, which is significant to the business of the KRB Group, as at the date of the Prospectus.
- (xi) Save as disclosed in Sections 3(xii), 13.3(vii) and 13.3(viii) of this Prospectus, the Directors and substantial shareholders are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Company and its subsidiaries.
- (xii) Save as disclosed in Sections 4.3, 7.1.1 and 7.1.2 of this Prospectus, none of the Director or substantial shareholder has any interest, direct or indirect, in the promotion of or in any assets which have, within the two years immediately preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries taken as a whole.

#### 13.4 General

- (i) The nature of the Group's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Act are disclosed in Sections 1.1 and 4.1 of this Prospectus.
- (ii) The date and time of the opening and closing of the applications for the Public Issue Shares are set out in Section 2.4 of this Prospectus.
- (iii) The amount payable in full on application is RM0.90 per Share.
- (iv) Except as disclosed in Section 3 of this Prospectus, the Directors are not aware of any other material information including trading factors or risks not mentioned elsewhere in this Prospectus which are unlikely to be known or anticipated by the general public and which would materially affect the profits of the Group.
- (v) Except as disclosed in Sections 3 and 9 of this Prospectus, the financial conditions and operations of the Group are not affected by any of the following:-
  - (a) any known trends or demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the KRB Group;
  - (b) any material commitments for capital expenditure;
  - (c) any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the KRB Group; and
  - (d) any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position of the Group.

As far as the Directors are aware and except as disclosed in this Prospectus, the Group is not vulnerable to any specific factors or events of a particular nature other than those normal commercial risks experienced during the course of business.

### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

- (vi) As at the date of this Prospectus, the Company and its subsidiaries have not issued any convertible debt securities.
- (vii) The name and address of the Auditors and Reporting Accountants of the Company are as set out in the Corporate Directory Section of this Prospectus.
- (viii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 14 of this Prospectus.
- (ix) No property has been acquired or is proposed to be acquired by the Company or its subsidiaries in contemplation of the Public Issue.
- (x) Save as disclosed in Section 4.3 of this Prospectus, there is no present intention on the part of the Directors of the Company and its subsidiaries to issue any part of the authorised but unissued share capital of the Company and its subsidiaries.

#### 13.5 Expenses and Commission

- (i) The total commission payable by the Company to the Underwriter and Placement Agent mentioned in Section 2.8 of this Prospectus is RM216,000 amounting to 2% of the Issue Price of RM0.90 per Share on the 12,000,000 Public Issue Shares underwritten.
- (ii) Brokerage at the rate of 1% of the Issue Price of RM0.90 per Share is payable by the Company in respect of successful applications bearing the stamp of RHB Sakura, member companies of MSEB, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIDFCCS.
- (iii) Save as disclosed in Section 13.5(i) and (ii) of this Prospectus, no commission, discounts, brokerages or other special terms have been paid, granted or are payable by the Company or its subsidiaries within the two years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or its subsidiaries or in connection with the issue or sale of any capital of the Company or any of its subsidiaries and no Directors, promoters or experts is or are entitled to receive any such payment.
- (iv) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on MSEB amounting to approximately RM1,500,000 will be borne by the Company.

#### 13.6 Material Contracts

Save as disclosed hereunder, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries within the two years immediately preceding the date of this Prospectus: -

- i) Sale and Purchase Agreement dated 8 February 2002 between F & NCC Beverages Sdn Bhd as the vendor and KBBEM as the purchaser for the purchase of the property known as Lease of state land Lot 1178, Block 19, Seduan Land District, Sarawak for the term expiring on 16 September 2051 measuring approximately 4,073 square metres in area together with one unit of fixed water tank 24" x 16" x 12", four units of air-conditioner general for a cash consideration of RM1,400,000.

### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- ii) Shares Sale Cum Subscription Agreement dated 29 March 2002 between BPIMB, Ang Cho Teing, Tai Chok Ping and KBB wherein BPIMB agreed to subscribe for a total of 2,441,860 ordinary shares of RM1.00 each in KBB for a cash consideration of RM4,685,929 and to purchase from Ang Cho Teing and Tai Chok Ping a total of 1,046,512 ordinary shares of RM1.00 each in KBB for a consideration of RM2,011,511.
- iii) Sale and Purchase Agreement for Building dated 15 June 2002 between KBB as vendor and Ang Cho Teing as purchaser wherein KBB sold to Ang Cho Teing the building bearing address No. 2471, Tingkat Selamat 2, Kampung Selamat, 13300 Tasek Gelugor erected on that piece of land held under HS(M) 1334, PT 715, Mukim 12, Seberang Perai Utara, Tempat Kampung Selamat, Tasek Gelugor, Pulau Pinang for a cash consideration of RM2,900,000.
- iv) Sales Contract dated 13 June 2003 between Fan Seng Engineering Works ("FSEW") as vendor and KBB as purchaser wherein FSEW sold to KBB machinery and equipment for a vermicelli production plant for a cash consideration of S\$390,000.
- v) A Memorandum of Intent dated 1 July 2003 between KRB and KBB for the acquisition of the entire equity interests in KBBEM and BBFM by KRB for a cash consideration of RM292,957.
- vi) A Sale and Purchase Agreement dated 1 July 2003 between KRB and Ang Cho Teing, Ang Chor Teng, Tai Chok Ping, Azlin bin Khalid, Rithauddin Hussein Jamalattiff bin Jamaluddin, Ahmad Kamarudin bin Ismail, Saffie bin Bakar, So Lie Jong, BPIMB and Maju Nominees (Tempatan) Sdn Bhd for the acquisition of the entire issued and paid-up share capital of KBB comprising 17,441,860 shares of RM1.00 each by KRB for a purchase consideration of RM31,660,658 to be satisfied by an issue of 30,155,209 new shares of RM1.00 each in KRB at an issue price of approximately RM1.05 per ordinary share of RM1.00 each.
- vii) A Sale and Purchase Agreement dated 30 October 2003 between KRB and KBB for the acquisition of the entire equity interests in KBBEM and BBFM by KRB for a cash consideration of RM292,957.
- viii) A Placement and Underwriting Agreement dated 17 November 2003 between KRB and RHB Sakura (as supplemented by letters dated 18 December 2003 and 15 January 2004) for RHB Sakura to act as the Placement Agent for 4,000,000 Public Issue Shares and underwrite up to 12,000,000 Public Issue Shares (comprising 6,000,000 Public Issue Shares plus up to 6,000,000 Public Issue Shares not taken-up by the identified investors, eligible employees and customers of the KRB Group) for a total commission of RM216,000 amounting to 2% of the Issue Price of RM0.90 per Share.

#### 13.7 Material Agreements

Save for the subsisting material contracts set out in Section 13.6 of this Prospectus and as disclosed below, there are no other subsisting material agreements which have been entered into by the Company and its subsidiaries as at the date of this Prospectus:-

- i) Lease Agreement dated 6 November 2000 between the Kedah State Development Corporation ("KSDC") as Lessor and KBB as Lessee wherein KSDC agreed to lease and KBB agreed to take from KSDC a lease of all that piece of land situated in Lot 208, Kawasan Perindustrian Kuala Ketil, Mukim Tawar, District of Baling, Kedah Darul Aman measuring approximately 25,264 square metres in area for a term of 60 years commencing from the date of issuance of the qualified title for a total cash consideration of RM1,278,141.88 with an option to renew for a further term of 39 years at a rent to be agreed upon by the parties.

### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

- ii) KBB has banking facilities with RHB Bank Berhad (pursuant to a letter dated 12 April 2002) for the facility amount of RM24,816,700 and foreign exchange contract limit of RM9,000,000 for the purposes of:
- a) part financing the purchase of a double storey intermediate shop house in Kajang, Selangor;
  - b) part financing up to 75% of the purchase price or RM2,000,000, whichever is the lower, of rice noodle machines equipment;
  - c) part financing 75% of the purchase price of leasehold industrial land known as Lot 208, Kawasan Perindustrian Kuala Ketil;
  - d) part financing 75% of the construction cost or up to RM6,000,000, whichever is the lower, on Lot 208, Kawasan Perindustrian Kuala Ketil;
  - e) for working capital;
  - f) for trade financing;
  - g) for clearance of goods at port pending the receipt of shipping documents;
  - h) for tender/security deposit and performance bond favouring various Government/statutory bodies and private companies acceptable to the bank; and
  - i) to hedge against foreign exchange rates fluctuation for trade related transactions and other transactions as approved by Bank Negara Malaysia.
- iii) KBB has banking facilities with Bank Muamalat Malaysia Berhad (pursuant to a letter dated 17 January 2001) for the facility amount of RM2,000,000 for the purposes of:
- a) purchase/importation of raw material; and
  - b) financing trade transaction.
- iv) KBB has banking facilities with Citibank Berhad (pursuant to an agreement dated 28 June 2002) for the facility amount of RM1,000,000 for export bills negotiation/discounting.
- v) KBBEM has banking facilities with RHB Bank Berhad (pursuant to a letter dated 25 March 2002) for the facility amount of RM2,200,000 to part finance the purchase of a detached warehouse building known as Lot 1178, Block 19, Seduan District and for trade financing requirement.
- vi) KBB has banking facilities with EON Bank Berhad (pursuant to a letter dated 1 July 2003) for the facility amount of RM9,200,000 for financing KBB's working capital requirement and for purchase and importation of goods.
- vii) KBB has hire purchase facilities with Hong Leong Finance Berhad (pursuant to agreements dated 31 January 2002 and 28 September 2002) for the facility amount of RM549,000 to purchase motor vehicles.
- viii) The insurance policies of the KRB Group (for insured sum of more than RM300,000) are as follows: -
- (a) KBB has purchased Fire insurance policy under Policy No. D99FFIN0505616KD/003 from RHB Insurance Berhad to insure KBB against fire risk on machinery, equipment tools, utensils therein (including 1 unit of boiler), stock of raw materials, semi-finished goods, finished goods and other stated in the policy for a total insured sum of RM2,600,000 from 1 July 2003 to 30 June 2004.
  - (b) KBB has purchased Fire insurance policy under Policy No. D01FFIN0507907KD/001 from RHB Insurance Berhad to insure KBB against fire risk on one unit of detached three storey office and one storey production area (excluding foundations) for a total insured sum of RM17,000,000 and on machinery and stock in trade for a total of RM14,000,000 from 1 October 2003 to 30 September 2004.



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### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

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- (c) KBBEM has purchased Fire Insurance policy under Policy No. D02FFIN5503516KU/001 from RHB Insurance Berhad to insure KBBEM against fire risk on building, fittings, plant, machinery, equipment and stock for a total insured sum of RM6,500,000 from 27 August 2003 to 26 August 2004.

#### 13.8 Public Take-Overs

During the last financial year and the current financial year, there were:-

- (i) No public take-over offers by third parties in respect of the Company and its subsidiaries' shares.
- (ii) No public take-over offers by the KRB Group in respect of other companies' shares.

#### 13.9 Material Litigation

As at 31 December 2003, KRB and its subsidiaries are not engaged in any material litigation or arbitration either as plaintiff or defendant which has a material effect on the financial position of KRB or its subsidiaries and the Directors of KRB do not have any knowledge of any proceedings pending or threatened against KRB or its subsidiaries or of any facts likely to give rise to any proceedings, which might materially and adversely affect the position or business of KRB or its subsidiaries.

#### 13.10 Consents

- (i) The written consents of the Adviser, Underwriter and Placement Agent, Solicitors, Tax Consultants, Company Secretary, Principal Bankers, Registrar and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report, and their letters relating to the consolidated profit estimate and forecast for the FYE 31 December 2003 and FYE 31 December 2004 respectively and proforma consolidated balance sheets as at 31 July 2003 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.
- (iii) The written consent of the Independent Market Research Consultant to the inclusion in this Prospectus of its name and the Executive Summary of the Independent Market Research Report in the context, manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

#### 13.11 Documents Available for Inspection

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

- (i) Memorandum and Articles of Association of KRB and its subsidiaries;
- (ii) Directors' Report and Accountants' Report as included herein;
- (iii) Reporting Accountants' letters relating to the consolidated profit estimate and forecast for the FYE 31 December 2003 and FYE 31 December 2004 respectively and proforma consolidated balance sheets as at 31 July 2003 as included herein;

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### 13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

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- (iv) Executive Summary of the Independent Market Research Report by ACNielsen as included in Section 12 of this Prospectus and the full Independent Market Research Report by ACNielsen;
- (v) The material contracts referred to in Section 13.6 of this Prospectus and the material agreements referred to in Section 13.7 of this Prospectus;
- (vi) The letters of consent referred to in Section 13.10 of this Prospectus;
- (vii) The trust deed referred to in Section 7.1.1 of this Prospectus;
- (viii) Audited financial statements of KRB for the financial period from 20 June 2002 (date of incorporation) to 31 December 2002 and the seven months financial period ended 31 July 2003;
- (ix) Audited financial statements of KBB for the past five FYE 31 December 2002 and the seven months financial period ended 31 July 2003;
- (x) Audited financial statements of KBBEM for the financial period from 18 April 2001 (date of incorporation) to 31 December 2001, FYE 31 December 2002 and the seven months financial period ended 31 July 2003; and
- (xi) Audited financial statements of BBFM for the financial period from 23 December 2000 (date of incorporation) to 31 December 2001, FYE 31 December 2002 and the seven months financial period ended 31 July 2003.

#### 13.12 Responsibility Statements

- (i) RHB Sakura as the Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue and is satisfied that the consolidated profit estimate and forecast of KRB for the FYE 31 December 2003 and FYE 31 December 2004 respectively (for which the Directors of the Company are fully responsible) prepared for inclusion in this Prospectus have been stated by the Directors of the Company after due and careful enquiry and have been duly reviewed by the Reporting Accountants.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or material facts the omission of which would make any statements herein false or misleading.

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