
13. ADDITIONAL INFORMATION

13.1 Share Capital

- (i) No shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one (1) class of shares in the Company, namely ordinary shares of 10 sen each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in Sections 4.1, 4.2 and 4.4 of this Prospectus, no shares or debentures of the Company or its subsidiaries have been issued or proposed to be issued as fully or partly paid-up, in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (iv) Other than the Public Issue Shares offered to the eligible employees of the MGB Group as disclosed in Section 2.4(a) of this Prospectus:
 - (a) no person or employee of the Group has been or is entitled to be given an option to subscribe for any shares or debentures of the Company or its subsidiaries; and
 - (b) there is no other scheme involving the employees of the Group in the shares of the Company or its subsidiaries.
- (v) No options to subscribe for any shares or debentures of the Company or its subsidiaries have been granted to or exercised by the Directors of the Company.

13.2 Articles of Association

The following provisions are extracted from the Company's Articles of Association. Terms defined in the Company's Articles of Association shall have the same meanings when used here unless the context otherwise requires.

13.2.1 Transfer of Securities

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

Article 36

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any securities of the Company shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act and any exemption that may be made from compliance with sub-Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the securities which have been deposited with the Central Depository. Subject to these Articles, there shall be no restriction on the transfer of fully paid securities except where required by law.

Article 37

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

13. ADDITIONAL INFORMATION (Cont'd)

Article 38

The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefore shall be given to the Exchange, such notice shall state the books closing date, which shall be at least twelve (12) market days (or such other period as prescribed by the Exchange or any relevant governing laws and/or guidelines) after the date of notification to the Exchange, and the address of share registry at which documents will be accepted for registration. At least three (3) market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

13.2.2 Remuneration of Directors

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

Article 80

The fee of the Directors shall from time to time be determined by the Company in General Meeting but the remuneration (other than fees) of the executive Directors shall from time to time be determined by the Board of Directors. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting where notice of the proposed increased has been given in the notice convening the meeting. The fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to executive Directors may not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration. Any Director holding office for a part of year shall be entitled to proportionate part of such remuneration.

Article 81

The Directors shall be paid by the Company such reasonable travelling, hotel and other expenses as they may incur in attending meetings of the Company or of Directors or of committees of Directors or which they may otherwise incur in or about the Company's business.

Article 82

Any Director who by request performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the board may determine.

Article 98

The remuneration of a Managing Director shall subject to any contract between him and the Company be fixed by the Directors and may be by way of fixed salary or commission or participation in profits or by all or any of these modes.

13. ADDITIONAL INFORMATION *(Cont'd)*

13.2.3 Voting and Borrowing Powers of Directors

The provisions of 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 111

The management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is, by its memorandum of association or otherwise authorised to exercise and do and are not hereby or by the Act directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and of these Articles and to any resolutions not being inconsistent with these Articles from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Article 113

Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to the prior approval of the shareholders in general meeting.

Article 114

The Directors may at any time and from time to time by power of attorney under the Seal appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these articles) and for such period and subject to such conditions as the Directors may from time to time think fit: and any such appointment may (if the Directors think fit) be made in favour of the members, or any of the members of any local board established as aforesaid or in favour of any company or of the members, discretions, nominees or managers of any company or firm or in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors: and any such power of attorney may contain such provision for the protection or convenience of persons dealing with such attorneys as the Directors think fit.

Article 116

The Directors may from time to time at their discretion raise or borrow any sum or sums of money for the purposes of the Company.

Article 117

The Directors may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, notes, perpetual or redeemable debentures or debenture stock or any mortgage charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Article 118

Any bonds, notes, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

13. ADDITIONAL INFORMATION *(Cont'd)*

Article 119

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

13.2.4 Changes in Capital and Variations of Class Rights

The provisions of 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 44

The Company may by ordinary resolution at the general meeting:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) cancel any shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its capital by the amount of the shares so cancelled.
- (c) reduce its issued share capital by the cancellation of shares purchased by the Company and the amount by which the Company's issued capital is diminished shall be transferred to the capital redemption reserve in accordance with Section 67A of the Act and the Listing Requirements.
- (d) sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum of association and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

Article 45

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

Article 48

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 the shares of that class) may whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the 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-third 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. Provided however that in the event of the necessary majority not having been obtained in the manner aforesaid consent in writing may be secured from members holding at least three-fourths of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate general meeting shall have the force and validity of a special resolution duly carried by a vote in person or by proxy.

13. ADDITIONAL INFORMATION (Cont'd)

Article 49

The rights conferred upon the holders of the shares of any class with preference 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 participation in the profits or assets of the Company in some or in all respects *pari passu* therewith but in no respect in priority thereto.

13.3 Promoter, Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors 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) Save as disclosed below and those in Section 7.2 of this Prospectus, the Promoter has not received any amounts or benefits paid or given by the Company within the two (2) years preceding the date of this Prospectus.

On 20 October 2003, MESB disposed of two (2) ordinary shares of RM1.00 each, representing the entire equity interest in Metronic Building Services Sdn Bhd to its substantial shareholder, namely MCSB for a cash consideration of RM2.

- (iv) Based on the Register of Directors' Shareholdings as at 12 April 2004, the Directors' beneficial interests, direct and indirect, in the shares of the Company before and after the Public Issue, are as follows:

	<u>Before the Public Issue</u>				<u>After the Public Issue</u>			
	Direct		Indirect		Direct		Indirect	
Directors	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Kamaruzzaman Bin Shariff	-	-	-	-	-	-	-	-
Dato' Abd. Gani Bin Yusof	-	-	212,539,980	*100	-	-	212,539,980	*74.96
Dr Ng Tek Che	-	-	212,539,980	*100	-	-	212,539,980	*74.96
Liew Chiap Hong	-	-	212,539,980	*100	-	-	212,539,980	*74.96
Lee Fok Chong	-	-	-	-	-	-	-	-
Subhi Bin Hj Dziyauddin	-	-	-	-	-	-	-	-

Note:

* Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through MCSB

13. ADDITIONAL INFORMATION (Cont'd)

- (v) Based on the Register of Substantial Shareholders as at 12 April 2004, the substantial shareholders and their respective direct and indirect interests in the shares of the Company before and after the Public Issue are tabulated below:

Substantial shareholders	Before the Public Issue				After the Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
MCSB	212,539,980	100	-	-	212,539,980	74.96	-	-
Dato' Abd. Gani Bin Yusof	-	-	212,539,980	*100	-	-	212,539,980	*74.96
Dr Ng Tek Che	-	-	212,539,980	*100	-	-	212,539,980	*74.96
Liew Chiap Hong	-	-	212,539,980	*100	-	-	212,539,980	*74.96

Note:

* Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through MCSB

- (vi) Save as disclosed in Section 7.1 of this Prospectus, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any businesses or companies carrying on a similar trade as the Company and its subsidiaries.
- (vii) Save as disclosed in Section 7.2 and 13.3(iii) of this Prospectus, none of the other Directors or substantial shareholders of the Company has any interest, direct or indirect, in the promotion of or in any material assets which have been acquired or proposed to be acquired or assets disposed of or proposed to be disposed of by or leased to or proposed to be leased to the Company or any of its subsidiaries, within the two (2) years preceding the date of this Prospectus.
- (viii) Save as disclosed in Section 7.2 of this Prospectus, none of the Directors or substantial shareholders of the Company has any interest in any contract or arrangement subsisting as at 12 April 2004 which is significant in relation to the business of the Company and its subsidiaries, taken as a whole.

13.4 Material Litigation

Save as disclosed below, neither the Company nor its subsidiaries are engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors of the Company have no knowledge of any proceedings pending or threatened against the Company and its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company or its subsidiaries:

MESB had on 26 September 2003 vide Civil Suit No MT3-22-833-2003 made a claim against United Engineers (Malaysia) Bhd ("UEM") for RM939,365.14 being the non-settlement of the third payment for the provision of BAS Control System for Telekom Malaysia Berhad Headquarters Project pursuant to an agreement between MESB and UEM dated 2 May 2002. The Defendant had filed its defence on 16 January 2004. MESB had filed its reply to the defence on 29 January 2004. The matter is being fixed for trial.

13. ADDITIONAL INFORMATION *(Cont'd)*

13.5 Material Contracts

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries within two (2) years immediately preceding the date of this Prospectus:

- (i) Share Sale Agreement dated 17 March 2004 between MGB and MCSB, the vendor of MESB, to acquire the entire issued and paid-up share capital of MESB comprising 3,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM21,253,998 based on its adjusted audited NTA as at 31 August 2003 after taking into account the dividend payout of RM4,925,599 to MCSB, to be satisfied by the issuance of 212,539,980 new MGB Shares at par.
- (ii) Underwriting Agreement dated 8 April 2004 between MGB and Hwang-DBS for the underwriting of the Public Issue Shares which are available for application by the eligible employees and business associates of the MGB Group, and the Malaysian public. Underwriting commission is payable at the rate of 2.0% of the Issue Price.
- (iii) Sponsor Agreement dated 8 April 2004 between MGB and Hwang-DBS whereby MGB appointed Hwang-DBS as the sponsor for the Company for a period of one (1) year after listing for sponsor fee of RM30,000.
- (iv) Placement Agreement dated 8 April 2004 between MGB and Hwang-DBS for the placement of 54,500,000 Public Issue Shares for a placement commission of 2.0%.
- (v) Sale and Purchase Agreement dated 12 April 2004 between MESB and MHP to acquire a parcel of land measuring approximately 16,947.54 sq. ft. together with a three (3)-storey semi-detached factory erected thereon with a built-up area of approximately 18,621 sq. ft., bearing the postal address of No. 4 Jalan Astaka U8/83, Bukit Jelutong, Seksyen U8, Shah Alam, Selangor Darul Ehsan for a cash consideration of RM2,600,000.

13.6 Material Agreements

Save as disclosed below, there are no agreements subsisting as at 12 April 2004 which are material and have been entered into by the Company and its subsidiaries in the ordinary course of business:

- (i) MESB had on 24 June 1998 entered into an Agreement for the Design, Supply, Installation, Testing, Commissioning, Maintenance during the Defects Liability Period and Guarantee of the BAS, Security Management, Fire Alarm and Fireman Communication System at Berjaya Times Square Kuala Lumpur with Invescor-Dumez Jaya-Woh Hup JV whereby MESB agreed to complete the above works for the value of RM 14,600,000.
- (ii) MESB had on 15 April 1999, entered into an Agreement for Sub-Contract Works for Mechanical and Electrical Works for the Design, Construction, Equipping, Commissioning, and Maintenance of Pandan Hospital (704 Beds), Johor Bahru with Metro Health Sdn Bhd ("MHSB"), for RM83,056,221.
- (iii) MESB had, on 12 March 2000, entered into a Dealer Agreement with NexWatch (Fremont) whereby NexWatch appointed MESB as an authorised NexWatch Products Dealer and granted MESB the non-exclusive and non-assignable right to market, sell, install and service NexWatch products in Malaysia. NexWatch will assist MESB in the sale of its products by providing Corporate Development, Promotional and Advertising, Sales Literature and Artwork and Logo programs.

13. ADDITIONAL INFORMATION (Cont'd)

- (iv) MESB had on 4 September 2000 entered into an Agreement for Sub-Contract Works of Proposed Mixed Development for Energy Management Control System (“EMCS”) at Berjaya Star City, Jalan Imbi Kuala Lumpur with Sunline M & E Services Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM1,646,270.
- (v) MESB had on 5 September 2000, entered into an Agreement for Sub-Contract Works for Mechanical and Electrical Works for the Design, Construction, Equipping, Commissioning and Maintenance of Alor Setar Hospital (660 Beds) with MHSB whereby MESB agreed to complete the above works for RM86,500,000.
- (vi) MESB had, on 28 March 2001, entered into a Licence Agreement for the manufacture of Fire Protection Products with Firestem Limited (Scotland) whereby Firestem granted MESB the licence to manufacture within all Asian Countries except China and Hong Kong. The Licensed Products includes Firestem Pipe Collars, Firestem Firewraps and Firestem Coated Batts. The total minimum sales of licensed products necessary for MESB to maintain the exclusive rights for the first five years is £790,000.
- (vii) MESB had on 2 April 2001 entered into an Agreement for Sub-Contract Works for the Design, Supply, Delivery, Installation, Testing, Commissioning and Maintenance of the Fire Alarm System (“FAS”) for Package 3B1 of Universiti Teknologi Petronas at Bandar Seri Iskandar, Tronoh , Perak Darul Ridzuan with Ahmad Zaki Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM1,455,949.
- (viii) MESB had on 8 April 2001 entered into an Agreement for Sub-Contract Works for the Design, Supply, Delivery, Installation, Testing, Commissioning and Maintenance of the FAS for Package 3B2 of Universiti Teknologi Petronas at Bandar Seri Iskandar, Tronoh , Perak Darul Ridzuan with Ibai Bina Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM1,461,010.
- (ix) MESB had on 11 April 2001 entered into an Agreement for Sub-Contract Works for the Proposed Development consisting of 1 Block Office Building (22 Floors) and 3 Storey Basement Car Park at Lot 288, Section 63, Kuala Lumpur, Wilayah Persekutuan, (Package 2 – Main Structure Works) for the Installation Work of Automatic System for the Building with Hiap Aik Construction Berhad whereby MESB agreed to complete the works for the contract sum of RM1,539,447.
- (x) MESB had on 13 June 2001 entered into an Agreement for Sub-Contract Works for the Proposed Construction and Completion of Office Building and External Works at Lot 3G3 (Package 2), Precinct 3 (Phase 20 for Putrajaya Development) with Bina Goodyear Berhad (“BGB”) whereby MESB agreed to complete the works for the contract sum of RM1,900,000.
- (xi) MESB had on 23 August 2001 entered into an Agreement for Sub-Contract Works for the Supply, Delivery, Installation, Testing and Commissioning and Handing Over of Building Security System of the Proposed Office Building and External Works at Lot 3G3 (Phase 2) for Putrajaya Development with BGB whereby MESB agreed to complete the works for the contract sum of RM3,750,988.
- (xii) MESB had on 12 November 2001 entered into an Agreement for Sub-Contract Works for the Proposed Main Building Works and External Works for the Proposed Development consisting of 1 Block of Trading and Shopping Centre (2 Floors) with 2 Blocks of Car Park (7 Floors) on Sub-Parcel Z9 and on Plaza (Z11), Parcel Z, Precinct 1, Putrajaya with Ganda Imbuhan Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM3,400,000.

13. ADDITIONAL INFORMATION (Cont'd)

- (xiii) MESB had on 16 November 2001, entered into a Joint Venture Agreement with Loong Fuat Electrical Engineering Sdn Bhd (“LFEE”) whereby the parties has been invited by Putrajaya Holdings Sdn Bhd (“PHSB”) to submit a tender for the proposed design, supply, installation, testing and commissioning of the Tunnel Management System for the Common Utility Trench in Precinct 2, 3 and 4 of the Federal Administrative Centre at Putrajaya.
- (xiv) MESB had on 29 November 2001 entered into an Agreement for Sub-Contract Works for the Proposed Supply, Delivery, Installation, Testing and Commencement of Works, Handover and Maintaining, Mechanical & Electrical Works for the Proposed Government Office Development (Sub-Package 2) which contains Government Building Blocks of E14, E15 and external works on part of Lot PT111, Precinct 1 Parcel E for Federal Government Administration Centre in Putrajaya with GAE Technical Services Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM1,700,000.
- (xv) MESB and LFEE had on 8 January 2002, entered into an Agreement for the Proposed Design, Supply, Installation, Testing and Commissioning of the Tunnel Management System for the Common Utility Trench in Precincts 2, 3 and 4 of the Federal Administrative Centre at Putrajaya with PHSB whereby MESB and LFEE agreed to complete the above works within seventy seven week from the site possession date for the contract sum of RM13,100,000.
- (xvi) MESB had on 10 January 2002 entered into an Agreement for Sub-Contract Works for the Proposed Design, Construction and Completion of Putrajaya Convention Centre at Precinct 5, Putrajaya with IJM Construction Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM1,900,000.
- (xvii) MESB had on 5 February 2002 entered into an Agreement for Sub-Contract Works for the Proposed Design, Construction and Completion of Putrajaya Convention Centre at Precinct 5, Putrajaya with IJM Construction Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM4,653,000.
- (xviii) MESB had on 3 April 2002, entered into a Supplemental Agreement with LFEE pursuant to the Joint Venture Agreement dated 16.11.2001 and subsequent to the award by PHSB for the Tunnel Management System for the Common Utility Trench in Precincts 2, 3 and 4 of the Federal Administrative Centre at Putrajaya project to the parties. In the agreement, both parties agreed that MESB is to carry out, perform and complete the entire project in accordance with the letter of award. MESB also agreed to pay LFEE RM307,500.00 in six instalments as payment of indemnity.
- (xix) MESB had on 10 April 2002 entered into an Agreement for Sub-Contract Works for the Proposed Supply, Delivery, Installation, Testing and Commissioning of Card Access Monitoring System (CAMS) for General Office Area and Common Facilities of Government Administrative Offices at Lot 2G1, Precinct 2 of Putrajaya with Bumi Teraju Development Sdn Bhd - Sunway Construction Sdn Bhd JV whereby MESB agreed to complete the works for the contract sum of RM4,712,940.
- (xx) MESB had on 10 April 2002 entered into an Agreement for Sub-Contract Works for The Proposed Supply, Delivery, Testing and Commissioning of CAMS For General Office Area & Common Facilities of Government Administrative Offices at Lot 2G2, Precinct 2 of Putrajaya with Putra Perdana Construction Sdn Bhd (PPCSB) whereby MESB agreed to complete the works for the contract sum of RM5,587,060.

13. ADDITIONAL INFORMATION (Cont'd)

- (xxi) MESB had on 10 April 2002 entered into an Agreement for Sub-Contract Works for The Proposed Supply, Delivery, Installation, Testing and Commissioning of Closed Circuit TV (CCTV) for General Office Area & Common Facilities of Government Administrative Offices at Lot 2G2, Precinct 2 Putrajaya with PPCSB whereby MESB agreed to complete the works for the contract sum of RM1,897,105.
- (xxii) MESB had on 24 May 2002, entered into an Agreement for the Sub-Contract Works for Building Control System (BCS) for Government Building at Lot 2G5 & 2G6, Precinct 2 at the Federal Government Administrative Centre Putrajaya with Sunway Engineering Sdn Bhd whereby MESB agreed to complete the above works for the contract sum of RM2,300,000.
- (xxiii) MESB had on 10 June 2002 entered into an Agreement for Sub-Contract Works for Residential Building Type C & D, Type F, Type G and Nurses & Sisters Hostel for the Design, Construction, Equipping, Commissioning and Maintenance of Hospital Alor Setar (660 Beds) and Nurses Training College at Alor Setar, Kedah with Jallcon (M) Sdn Bhd for MHSB whereby MESB agreed to complete the works for the contract sum of RM5,393,000.
- (xxiv) MESB had on 2 July 2002 entered into an Agreement for Sub-Contract Works for the Supply and Installation of BCS for the Proposed Design, Construction, and Completion of Office Building and External Works at Lot 3G1 Precinct 3 (Phase 2) at The Federal Government Administrative Centre Putrajaya with Road Builder (M) Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM1,500,000.
- (xxv) MESB had on 5 July 2002 entered into an Agreement for Sub-Contract Works for the Design, Construction, Equipping, Commissioning and Maintenance of Hospital Alor Setar (660 Beds) and Nurses Training College at Alor Setar, Kedah for MHSB with Sari Multi Builders Sdn Bhd whereby MESB agreed to complete the works for the contract sum of RM5,000,000.
- (xxvi) MESB had on 29 July 2002, entered into an Agreement for the Sub-Contract Works for Supply, Install, Testing and Commissioning of BAS System for Government Building at Lot 2G3 & 2G4, Precinct 2 at the Federal Government Administrative Centre Putrajaya with Letrikon Engineering Sdn Bhd whereby MESB agreed to complete the above works for the contract sum of RM2,360,000.
- (xxvii) MESB had on 5 September 2002, entered into an Agreement for Sub-Contract Works for the Supply, Installation, Testing and Commissioning of BCS at Blocks E1 and E4/5 on Lot P.T. 111, Precinct 1 at the Federal Government Administrative Centre in Putrajaya with PPCSB whereby MESB agreed to complete the above works for the contract sum of RM2,618,765.
- (xxviii) MESB had on 6 September 2002, entered into an Agreement for the Proposed Supply, Delivery, Installation Testing and Commissioning of Building Security System at Blocks E1 and E4/5 on Lot P.T. 111, Precinct 1 at the Federal Government Administrative Centre in Putrajaya with PPCSB whereby MESB agreed to complete the above works for the contract sum of RM3,342,900.
- (xxix) MESB had on 10 September 2002, entered into an Agreement for Sub-Contract Works for the Building Security System and BCS at Putrajaya Syariah Court with BGB whereby MESB agreed to complete the above works for the contract sum of RM1,980,000.
- (xxx) MESB had on 10 September 2002, entered into an Agreement for the Proposed Supply, Delivery, Installation, Testing, Commissioning and Maintenance of Integrated Security Management System at Menara Maybank Kuala Lumpur with G-Five Security Consultancy Sdn Bhd whereby MESB agreed to complete the above works for the contract sum of RM3,341,800.

13. ADDITIONAL INFORMATION (Cont'd)

- (xxxix) MESB had on 20 September 2002, entered into an Agreement for the Proposed Supply, Delivery, Installations, Testing, and Commissioning of Building Security System (CAMS) for General Office Area and Common Facilities of Government Administrative Offices at Parcel E (Sub Package 2: Block E14&E15) at Putrajaya with Perkasa Sutera-Bina Puri JV whereby MESB agreed to complete the above works for the contract sum of RM2,758,410.
- (xxxixii) MESB had on 25 September 2002, entered into an Agreement for the Proposed Supply, Delivery and Installation, Testing and Commissioning of Building Security System CAMS for General Office Area and Common Facilities of Government Administrative Offices in Parcel E (Sub-Package 1: Block E6, Block E7, Block E10 and Block E11) at Putrajaya with Norwest-Orbtech-IJM Joint Venture whereby MESB agreed to complete the above works for the contract sum of RM8,690,400.
- (xxxixiii) MESB had on 25 September 2002 entered into an Agreement for Sub-Contract Works for The Proposed Supply, Delivery, and Installation Testing and Commissioning Building Security System (CAMS) For General Office Area and Common Facilities for Government Administrative Offices in Parcel E (Sub-Package 4: E2, E3 & Auditorium) at Putrajaya with Zaq-Nam Fatt JV whereby MESB agreed to complete the works for the contract sum of RM 7,097,750.
- (xxxixiv) MESB had on 27 September 2002, entered into an Agreement for the Proposed Supply, Delivery and Installations, Testing and Commissioning of Building Security System ("CAMS") for General Office Area and Common Facilities of Government Administrative Offices at Parcel E (Sub Package 3: Block E8, E9, E12 & E13) at Putrajaya with Pembinaan Punca Cergas Sdn Bhd (PPCSB) whereby MESB agreed to complete the above works for the contract sum of RM 6,001,160.
- (xxxixv) MESB had on 21 January 2003 entered into an Agreement for the Design, Supply, Installation, Testing and Commissioning of Automated Storage and Retrieval System Inclusive of Upgrading the Existing Warehouse Complete with Design and Construction of MPA New Building at Matra II, TUDM Subang with the Ministry of Defence Malaysia whereby MESB agreed to complete the above works for RM54,227,981.
- (xxxixvi) MESB had on 18 February 2003, entered into an Agreement for the Sub-Contract Works for BCS for the Proposed Design, Construction and Completion of Office Buildings and External Works For Government Buildings on Lot 4G3&4G4, Precinct 4, Putrajaya with Ireka Engineering & Construction Sdn Bhd whereby MESB agreed to complete the above works for the contract sum of RM4,480,000.
- (xxxixvii) MESB had, on 7 March 2003, entered into a Memorandum of Understanding (MOU) with Infocon Holdings (S) Pte Ltd ("ISPL") whereby MESB agrees to purchase 51% of shares in Infocon (Beijing) Environment Control Technology Company Limited ("IBEC"), a subsidiary company of ISPL. MESB and ISPL agree to maintain their respective shareholding for a minimum period of three years from the date of the agreement. The 51% shares are valued at USD300,000. The parties had on 5 July 2003 agreed to extend the validity period of the MOU to 30 April 2004. The MOU is pending completion.
- (xxxixviii) MESB had, on 12 May 2003, entered into an Independent Representative Agreement for 2 years for the marketing of Meditherm Mcd2000 Digital Imaging System in Malaysia with Meditherm Inc. (Delaware). The renewal of this agreement is subject to MESB selling a total of 42 Products totalling USD946,050 for the 2 year period.

13. ADDITIONAL INFORMATION (Cont'd)

- (xxxix) MESB had on 4 August 2003, entered into an Agreement for the Proposed Supply, Delivery, Installation, Testing and Commissioning of Building Security System- Card Access Management System for the General Office Area and Common Facilities of Government Buildings at Lot 4G1 & 4G2, Precinct 4, at the Federal Government Administrative Centre in Putrajaya with PPCSB whereby MESB agreed to complete the above works for the contract sum of RM11,317,615.
- (xl) MESB had on 19 August 2003, entered into an Agreement for the Sub-Contracts Works for The Proposed Supply, Delivery, Installation, Testing and Commissioning of Building Security System- Card Access Management System at Lot 4G3 & 4G4 Precinct 4, at the Federal Government Administrative Centre in Putrajaya with Ireka Engineering & Construction Sdn Bhd whereby MESB agreed to complete the above works for the contract sum of RM11,839,436.
- (xli) MESB had, on 21 August 2003, entered into an exclusive distributor agreement with Scandec AS of Norway to distribute Alpha six (A6) in India for an initial period of 12 months. Under the agreement, upon the completion of the 12 months period, the agreement will become an evergreen agreement unless terminated by either party for good cause. MESB will carry out all marketing activities covering negotiation with potential customers at its own expense whilst Scandec AS will actively support MESB when such need arises. In addition, Scandec AS shall protect MESB's interests in India, and will refer any enquiries for A6 products in India to MESB.
- (xlii) MESB had on 28 August 2003, entered into an Agreement for the Sub-Contracts Works For Building Supervisory System for the Design, Construction, Equipping, Commissioning and Maintenance of Hospital Sungai Buloh (620 beds) and the College of Allied Science at Sungai Buloh with Rira Bina Sdn Bhd whereby MESB agreed to complete the above works for the contract sum of RM2,000,000.
- (xliii) MESB had, on 6 October 2003, entered into a distributor agreement with Invensys Building Systems Pte Ltd of Singapore ("IBS") for an initial period of 2 years. Under the agreement MESB shall have the right, within Malaysia, to purchase products from IBS for resale, to solicit orders for products, to provide service and installation, to participate in IBS authorised marketing programmes and to display IBS authorised identifications and displays at its place of business and on its vehicles and other equipment. The annual sales value of IBS products to be met is USD1,000,000.
- (xliv) MESB had on 20 October 2003 entered into an Agreement for Sub-Contract Works for the Proposed Supply, Delivery, Installation, Testing and Commissioning of Building Security System – Card Access Management System (BSS-CAMS) for general office area and common facilities of Government Administrative Lot 2G6, Precinct 2 of Putrajaya with Sunway Construction Berhad whereby MESB agreed to complete the works for the contract sum of RM5,494,338.
- (xlv) MESB had on 20 October 2003 entered into an Agreement for Sub-Contract Works for the Proposed Supply, Delivery, Installation, Testing and Commissioning of BSS-CAMS for the general office area and common facilities of Government Building at Lot 2G3 and 2G4, Precinct 2 (Phase 2) at the Federal Government Administration Centre in Putrajaya with WCT Engineering Berhad whereby MESB agreed to complete the works for the contract sum of RM14,014,090.

13. ADDITIONAL INFORMATION *(Cont'd)*

- (xlvi) MESB had on 1 March 2004 entered into an Agreement for Sub-Contract Works for the Proposed Design, Construction, Supply, Installation, Testing and Commissioning of IBMS and Completion of Kuala Lumpur Exhibition & Convention Centre with Sunway Engineering Sdn Bhd whereby MESB agreed to complete the works for the tendered sum of RM2,024,590.
- (xlvii) Fire insurance with Allianz General Insurance Malaysia Berhad ("Allianz") by MESB for the period from 2 July 2003 to 1 July 2004 to cover against losses and damages arising from fire on stock-in-trade of computers, close-circuit television, electronic securing equipment, other non-related computer products and building. The total amount insured is RM9 million.
- (xlviii) Fire insurance with Mayban General Assurance Berhad by MESB for the period from 2 July 2003 to 1 July 2004 to cover against losses and damages arising from fire on office building and contents. The total amount insured is RM3 million.
- (xlix) Burglary insurance with Allianz by MESB for the period from 2 July 2003 to 1 July 2004 to cover against losses or damages on stock-in-trade of computers, close-circuit television, electronic securing equipment and other non-related computer products. The total amount insured is RM3 million.
- (l) All risks insurance with Allianz by MESB for the period from 2 July 2003 to 1 July 2004 to cover against accidental loss or damages on office furniture, fixtures and fittings all other contents and all office equipment. The total amount insured is RM1,500,000.
- (li) Group personal accident insurance with Allianz by MESB for the period from 7 October 2003 to 6 October 2004 to insure the employees against accidents. The total amount insured is RM14,380,000.
- (lii) Motor vehicle insurance with AMI Insurance Berhad by MESB for various coverage periods to insure all motor vehicles of the company. The total amount insured is RM416,000.
- (liii) Letter of Offer (LOA) dated 12 June 2001 from United Overseas Bank (Malaysia) Bhd (UOB) making available to MESB banking facilities involving Overdraft, Overdraft/Contract Financing, Letter of Credit, Trust Receipt, Bankers Acceptance, Shipping Guarantee, Performance Guarantee, Financial Guarantee, Forward and Spot Foreign Exchange Contract with a combined limit of RM13,000,000.
- (liv) Pursuant to the LOA, MESB had on 14 August 2001, executed a Letter of Set-Off and Memorandum of Legal Charge over Deposits of not less than RM3,000,000 in favour of UOB.
- (lv) Pursuant to the LOA, MESB had on 17 May 2002 entered into a Loan Agreement cum Deed of Assignment (LACDA) and Power of Attorney with UOB assigning all MESB's benefits, rights, title and interests in its properties known as Parcel No B10-G and B10-1, Block B, Phase 3B, Mukim Petaling, Petaling, Selangor, Parcel No B-7-12, 7th Floor, Building B, Mukim of Petaling, Kuala Lumpur with accessory parcel No 148, Level 3 and Lot No 3F-47, Kompleks Lot 1, JB Waterfront City, Johor Bahru, Johor to UOB to secure an amount of RM3,870,000 under the facilities.
- (lvi) MESB had, on 15 January 2002 entered into a Facilities Agreement (FA) with Malayan Banking Berhad (MBB) for a Term Loan Facility, Overdraft Facility and Foreign Exchange Contract Facility for the aggregate principal sum of RM4,491,000.

13. ADDITIONAL INFORMATION (Cont'd)

- (lvii) Pursuant to the FA, MESB had, on 15 January 2002 entered into a Deed of Assignment and Supplemental Deed of Assignment for the assignment of all MESB's rights, title, interest and benefits in respect of Lot No. SDF 21, Type C, Bukit Jelutong, Shah Alam together with a factory building known as No 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam to MBB.
- (lviii) Revised Letter of Offer dated 24 September 2003 from United Overseas Bank (Malaysia) Bhd making available to MESB banking facilities involving Overdraft, Letter of Credit, Trust Receipt, Bankers Acceptance, Shipping Guarantee, Performance Guarantee, Financial Guarantee, Forward and Spot Foreign Exchange Contract with a combined limit of RM18,000,000. At present MESB has not executed any securities documentation in respect of the banking facilities.
- (lix) MESB had, on 25 October 2003 entered into a Facilities Agreement (FA Supplemental) with MBB for the continuance of the FA as well as further grant additional Overdraft Facility and Foreign Exchange Contract Facility in the aggregate principal sum of RM4,000,000.
- (lx) Pursuant to the FA Supplemental, MESB had, on 25 October 2003 entered into a Second Supplemental Deed of Assignment for the assignment of all MESB's rights, title, interest and benefits in respect of Lot No. SDF 21, Type C, Bukit Jelutong, Shah Alam together with a factory building known as No 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam to MBB.
- (lxi) MESB had, on 27 October 2003 entered into a Facility Agreement (Package 1) [FA 1] with MBB comprising Letter of Credit Murabahah, Murabahah Trust Receipt, Islamic Acceptance Bills and Islamic Bank Guarantee in a combined limit of RM25 million.
- (lxii) Pursuant to the FA 1, MESB had, on 27 October 2003 entered into a Deed of Assignment of Contract Proceeds Islamic Banking Facilities with MBB for the assignment of all the benefits, rights and interests in or under the contract assigned by MESB to MBB to secure the repayment of the facility granted under the FA 1.
- (lxiii) Pursuant to the FA 1, MESB had, on 27 October 2003 executed a Letter of Undertaking With Respect to Interest-Free Accepted Bills to reimburse in full the amount of the Interest-Free Accepted Bills together with the profit margin thereto in consideration of MBB granting the FA 1 to MESB.
- (lxiv) Pursuant to the FA 1, MESB had, on 27 October 2003 executed a General Letter of Indemnity for Interest-Free Banker's Guarantee Al-Kafalah undertaking on demand to indemnify MBB from and against losses which MBB may suffer or incur by reason or on account of the issuance of the Bank Guarantee.
- (lxv) Pursuant to the FA 1, MESB had, on 27 October 2003 executed a Letter of Set-Off (First Party) which, among others, provides for the combination and consolidation of all or any of the accounts MESB may have with MBB and set off any moneys whatsoever against any of MESB's liabilities thereunder.
- (lxvi) Pursuant to the FA 1, MESB had, on 27 October 2003 executed a Memorandum of Deposit of Fixed Deposit Certificate and/or Mudharabah Investment Account Certificate and/or Negotiable Certificate of Deposit (First Party) for the benefit of MBB as continuing security for the due and punctual repayment of the facilities.

13. ADDITIONAL INFORMATION *(Cont'd)*

- (lxvii) MESB had, on 27 October 2003 entered into a Facility Agreement (Package 2) [FA 2] with MBB comprising Letter of Credit Murabahah, Murabahah Trust Receipt, Islamic Acceptance Bills and Islamic Bank Guarantee in a combined limit of RM3 million.
- (lxviii) Pursuant to the FA 2, MESB had, on 27 October 2003 executed a Letter of Undertaking With Respect to Interest-Free Accepted Bills to reimburse in full the amount of the Interest-Free Accepted Bills together with the profit margin thereto in consideration of MBB granting the FA 2 to MESB.
- (lxix) Pursuant to the FA 2, MESB had, on 27 October 2003 executed a General Letter of Indemnity for Interest-Free Banker's Guarantee Al-Kafalah undertaking on demand to indemnify MBB from and against losses which MBB may suffer or incur by reason or on account of the issuance of the Bank Guarantee.
- (lxx) Pursuant to the FA 2, MESB had, on 27 October 2003 executed a Letter of Set-Off (First Party) which, among others, provides for the combination and consolidation of all or any of the accounts MESB may have with MBB and set off any moneys whatsoever against any of MESB's liabilities thereunder.
- (lxxi) Pursuant to the FA 2, MESB had, on 27 October 2003 executed a Memorandum of Deposit of Fixed Deposit Certificate and/or Mudharabah Investment Account Certificate and/or Negotiable Certificate of Deposit (First Party) for the benefit of MBB as continuing security for the due and punctual repayment of the facilities.
- (lxxii) MESB had, on 7 April 2004, entered into a distributor agreement with Tyco Fire and Security Services Asia Pte Ltd as the distributor of the SIMPLEX brand of fire detection products, devices and accessories. This is a periodical agreement and currently is with an initial period of two (2) years from 7 April 2004.
- (lxxiii) MESB had on 12 April 2004, entered into a non competition and supply agreement with ITG Worldwide (M) Sdn Bhd ("ITG"), whereby ITG undertook to supply exclusively to MESB the Ni@gara FrameWork software and agreed that it shall not enter into any future distributor agreement with any other principal with regard to the distribution of any other product. ITG further agreed that it shall at all times procure the prior written approval of MESB before engaging in any business activity that will or potentially be in direct competition with the MGB Group;
- (lxxiv) MESB had on 12 April 2004, entered into a non competition and supply agreement with Infinicorp Sdn Bhd ("Infinicorp"), whereby Infinicorp undertook to supply exclusively to MESB the Alpha Six equipment and agreed that it shall not enter into any future distributor agreement with any other principal with regard to the distribution of any other product. Infinicorp further agreed that it shall at all times procure the prior written approval of MESB before engaging in any business activity that will or potentially be in direct competition with the MGB Group;

13.7 Directors' Service Agreement

As at 12 April 2004, none of the Directors has entered into any service agreement with the Group.

13. ADDITIONAL INFORMATION (Cont'd)

13.8 Public Take-Overs

During the last financial year and the current financial year, there were no:

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

13.9 General

- (i) The time of opening of the Application is set out in Section 14.1 of this Prospectus.
- (ii) The Company and its subsidiaries do not have any convertible debt securities as at the date of this Prospectus.
- (iii) Save as disclosed in Sections 4.1, 4.2 and 4.4 of this Prospectus, no ordinary shares or debentures of the Company or its subsidiaries have been issued or is proposed to be issued as partly or fully paid-up for cash or otherwise than for cash within the two (2) years immediately preceding the date of this Prospectus.
- (iv) Save as disclosed in Section 3.10 of this Prospectus, the Directors of MGB are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over the Company and its subsidiaries.
- (v) Save as disclosed in Section 13.1(iv) of this Prospectus, there are no scheme involving the employees in the capital of the Company and its subsidiaries.

13.10 Consent

The written consent of the Adviser/Underwriter/Placement Agent/Sponsor, Principal Bankers, Issuing House, Company Secretary, Registrar, Solicitors and Independent Market Research Consultants to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and their letters relating to the consolidated profit forecast for the financial year ending 31 December 2004 and the Proforma Consolidated Balance Sheets as at 31 December 2003 in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

13. ADDITIONAL INFORMATION *(Cont'd)*

13.11 Documents for Inspection

Copies of the following documents are available for inspection at the registered office of the Company at 650, Block A, Kelana Centre Point, No. 3, Jalan SS 7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of MGB;
- (ii) The Reporting Accountants' letters relating to the consolidated profit forecast for the financial year ending 31 December 2004 as included in Section 9.7 of this Prospectus;
- (iii) The Reporting Accountants' letters relating to the Proforma Consolidated Balance Sheets as at 31 December 2003 as included in Section 9.11 of this Prospectus;
- (iv) The Accountants' Report and Directors' Report as included in Sections 11 and 12 respectively in this Prospectus;
- (v) The writ of litigation referred to in Section 13.4 of this Prospectus;
- (vi) The material contracts referred to in Sections 13.5 of this Prospectus;
- (vii) The material agreements referred to in Section 13.6 of this Prospectus;
- (viii) The letters of consent referred to in Section 13.10 of this Prospectus; and
- (ix) The audited financial statements of MGB and its subsidiaries for the five (5) financial years/period ended 31 December 1999 to 31 December 2003.

13.12 Responsibility Statements

This Prospectus has been seen and approved by the Directors and Promoter of the Company and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading. The Directors of MGB hereby accept full responsibility for the consolidated profit forecast included in this Prospectus and confirm that the consolidated profit forecast have been prepared based on assumptions made.

Hwang-DBS, being the Adviser, Underwriter, Placement Agent and Sponsor, 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 forecast (for which the Directors of the Company are fully responsible) prepared for inclusion in this Prospectus have been stated by the Directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.