

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

5.1 Substantial Shareholders and Promoter

5.1.1 Shareholdings of Substantial Shareholders and Promoter

The promoter and substantial shareholders (holding 5% or more in the share capital) of MGB are as follows:

Name	Designation	Nationality/ Country of Incorporation	After Public Issue			
			Direct		Indirect	
			No. of shares	%	No. of shares	%
Promoter						
MCSB	-	Malaysia	212,539,980	74.96	-	-
Substantial Shareholders						
MCSB	-	Malaysia	212,539,980	74.96	-	-
Dato' Abd. Gani Bin Yusof	Executive Vice-Chairman	Malaysian	-	-	212,539,980	*74.96
Dr Ng Tek Che	Group Managing Director	Malaysian	-	-	212,539,980	*74.96
Liew Chiap Hong	Executive Director	Malaysian	-	-	212,539,980	*74.96

Note:

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

5.1.2 Information on Promoter

MCSB was incorporated on 11 September 1995 in Malaysia under the Companies Act, 1965 as a private limited company. The present authorised share capital of the company is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

The company is principally an investment holding company.

The details of the Directors and shareholders of MCSB and their respective shareholdings in MCSB as at the date of this Prospectus are as follows:

Directors/Shareholders	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Dato' Abd. Gani Bin Yusof	Malaysian	1,740,000	58	-	-
Dr Ng Tek Che	Malaysian	660,000	22	-	-
Liew Chiap Hong	Malaysian	600,000	20	-	-

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.1.3 Promoter's and substantial shareholders' directorships and substantial shareholdings in other public corporations for the past two (2) years

Save as disclosed below, no other promoter or substantial shareholders of the Company has any directorship and substantial shareholdings in other public corporations for the past two (2) years up to 12 April 2004:

Name	Company	Directorship	Date Appointed	Date Resigned	No. of shares held as at 12.04.2004	
					Direct	%
Dato' Abd. Gani Bin Yusof	Magna Prima Berhad	Executive Chairman	07.11.1996	-	5,789,313	13.99
	Road Builders Berhad	Director	27.04.1997	25.02.2002	-	-
	Kuantan Flour Mills Bhd	Director	21.09.2000	06.06.2002	-	-
	Berger Holdings International Ltd	Director	14.10.1996	12.11.2002	-	-
	Ariza Holdings Limited	Director	12.07.1996	27.10.2002	-	-

5.1.4 Changes in Substantial Shareholdings

The changes in the substantial shareholdings of MGB since its incorporation are as follows:

	As at date of incorporation				After Acquisition but before Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Normala Binti Abd Halim	10	50	-	-	10	§	-	-
Noor Azlinda Binti Mohamed	10	50	-	-	10	§	-	-
MCSB	-	-	-	-	212,539,980	100	-	-
Dato' Abd. Gani Bin Yusof	-	-	-	-	-	-	212,539,980	*100
Dr Ng Tek Che	-	-	-	-	-	-	212,539,980	*100
Liew Chiap Hong	-	-	-	-	-	-	212,539,980	*100

§ Negligible

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

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5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.2 Directors

5.2.1 Profile

Tan Sri Dato' Kamaruzzaman Bin Shariff, a Malaysian aged 62, was appointed as the Executive Chairman of MGB on 22 March 2004. He obtained a Bachelor of Arts degree from the University of Malaya in 1963, a Diploma of Public Administration from Carleton University, Canada in 1969 and a Masters in Public Administration from Syracuse University, USA in 1979. He had served in the Malaysian Civil Service for 38 years where he had held various senior positions in the Federal and State Government, having served the last seven (7) years as the Mayor of Kuala Lumpur from 1995 to 2001. His other postings include Secretary General of the Ministry of Defence from 1992 to 1995, Deputy General of the Public Services Department in 1992, Penang State Secretary from 1988 to 1992, Secretary of the Cabinet Division of the Prime Minister's Department from 1983 to 1987, Director of External Assistance and General Affairs for the Economic Planning Unit of the Prime Minister's Department from 1980 to 1983 and senior positions in the Public Services Department from 1972 to 1980 and the Ministry of Education from 1964 to 1972. He has vast administrative, strategic planning and management experience by virtue of his long service in the Malaysian Civil Service.

Dato' Abd. Gani Bin Yusof, a Malaysian aged 49, was appointed as the Executive Vice-Chairman of MGB on 22 March 2004. He graduated from Universiti Sains Malaysia with Bachelor of Science (Hons) in Housing, Building & Planning. His career began in 1981 with Peremba Bhd, a property development company which he left in 1988 as a Project Manager. He joined United Engineers (Malaysia) Bhd ("UEM") in 1988 as General Manager until 1991 where he was promoted to a Project Director. He was Managing Director of Linkedua (M) Bhd and ProLink Development Sdn Bhd, which are companies involved in the construction of the second link in Johor and development of the Nusajaya township from 1993 to 1995.

Dr Ng Tek Che, a Malaysian aged 48, was appointed as the Group Managing Director of MGB on 22 March 2004. He is one of the founders of MESB, which started as a partnership in 1986. He was conferred The Honorary Degree, Doctor of Philosophy in Business Management (Ph.D.) from Burkes University in September 2003. He holds a Master Degree in Business Administration from Charles Sturt University and a Diploma in Mechanical and Automotive Engineering from Tunku Abdul Rahman College. He started his career as a Design Engineer with a mechanical and engineering consulting firm in 1980. In 1981, he joined a Brunei based engineering company specialising in air-conditioning system. He gained his operational industrial experience during his employment with this company and was largely involved in project tendering, management and supervision of on-going projects. He returned to Malaysia after two (2) years and joined Entech Engineering Sdn Bhd as Sales Engineer, specialising in HVAC controls. Prior to setting up MESB in 1986, he was a Project Sales Engineer with George Kent (M) Berhad.

Liew Chiap Hong, a Malaysian aged 48, was appointed as the Executive Director of MGB on 22 March 2004. He graduated with a Bachelor of Engineering (Honours) degree from Universiti Malaya. He is a member of Institution of Engineers, Australia, MIE Aust. CP Eng (Chartered Professional Engineer). Upon graduation in 1979, he joined Jabatan Kerja Raya as a State Engineer in charge of projects and maintenance of mechanical building services in government building. In 1982, he joined Group Associated Engineers Sdn Bhd as a Design Engineer. In 1984, he joined Kejuruteraan Bintai Kindenko Sdn. Bhd. as a Mechanical Engineer. Thereafter in 1985, he joined GAE-Trane Sdn. Bhd. as a Marketing Executive and underwent six (6) months intensive training in Sales, HVAC and BAS course in Trane Co. Headquarters in La Crosse, Wisconsin, U.S.A. In 1987, he started a partnership in Benmarl Sdn Bhd to handle mechanical engineering projects. In 1989, he started a partnership in Quest Technology Sdn Bhd to design, supply and install filtration for indoor air quality and gas turbine, dust collection system and clean room system for electronics, pharmaceutical facilities and hospitals. He underwent air-filtration, dust collection and clean room technology courses conducted by the Farr Company in EL Segundo, California. With his vast experience in the electronics, commercial and industrial sectors, he was invited in October 2000 to participate in the growth of MESB in the fast growing high technology sector in the Asia Pacific region.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Lee Fok Chong, a Malaysian aged 53, was appointed as the Independent Non-Executive Director of MGB on 7 April 2004. He has more than twenty (20) years of working experience in Finance, Accounting & Administration and has held various senior positions in a number of large organisations. He is a Fellow Member of the Chartered Institute of Management Accountants, United Kingdom, a Member of Malaysian Institute of Accountants and a Member of the Chartered Institute of Marketing, United Kingdom. He has been a regular speaker for various institute of training including The National Productivity Centre, The Malaysian Institute of Management and The Malaysian Institute of Accountants. He has also been conducting the Suruhanjaya Syarikat Malaysia training for company directors, especially in the topic of corporate governance. During 1991 to 1996, he had also lectured in Finance and Accounting for the MBA Distance Learning Programme of The University Of Strathclyde, Glasgow, UK. He was a visiting lecturer in 2002-2003 for a distance learning MBA programme in the People's Republic of China, and has lectured in Tianjin, Shenzhen and Guangzhou. He is the founder and Chief Executive Officer of Applied Intellect Management Training Sdn Bhd, a company in operation since 1997 and providing quality and practical training courses for both the private as well as the public sectors.

Subhi Bin Hj. Dziyauddin, a Malaysian aged 40, was appointed as the Independent Non-Executive Director of MGB on 22 March 2004. He graduated with a Bachelor of Science Degree in Engineering Physics from the University of Texas, El Paso, Texas, USA. Upon graduation in 1988, he started his career as a Pilot Trainer with the Royal Malaysian Air Force Flying School in Kepala Batas, Alor Setar, Kedah with the rank of Lieutenant. After spending a few years in the air-force, he left the air-force for the corporate world in 1994 when he joined Indah Water Konsortium Sdn Bhd ("IWK") as the Senior Manager, Entrepreneur Development Program Department. In November 1995, he left IWK to join Puncak Niaga (M) Sdn Bhd as the General Manager, Special Projects and subsequently resigned in 2003. He was directly involved and played a vital role in the successful listing of Puncak Niaga Holdings Berhad ("Puncak Niaga") on the Main Board of BMSB in 1997. He later joined Malaysian Resources Corporation Berhad ("MRCB") in February 1999 as the Director, Special Projects. He left MRCB in January 2000 for Puncak Niaga and was appointed as a Director in Puncak Niaga Overseas Capital Sdn Bhd, a subsidiary of Puncak Niaga.

5.2.2 Directors' Shareholdings in MGB

The shareholdings of the Directors in MGB before and after the Public Issue are as follows:

Directors	<u>After Acquisition but before Public Issue</u>				<u>After Public Issue</u>			
	Direct		Indirect		Direct		Indirect	
	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

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2.3 Directors' Directorships and Substantial shareholdings in Other Public Corporations for the Past Two (2) Years

Save as disclosed below, none of the Directors have any other directorships and/or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public corporations for the past two (2) years.

Name	Company	Directorship	Date Appointed	Date Resigned	No. of shares held as at 12.04.2004	
					Direct	%
Tan Sri Dato' Kamaruzzaman Bin Shariff	Major Team Holdings Berhad	Executive Chairman	01.08.2003	-	-	-
	Emas Kiara Industries Berhad	Executive Chairman	26.06.2002	-	6,331,411	7.91
	Kontena Nasional Berhad	Director	26.03.2004	-	-	-
	MAE Engineering Ltd	Non-Executive Chairman*	28.08.2003	-	-	-
Dato' Abd. Gani Bin Yusof	Magna Prima Berhad	Executive Chairman	07.11.1996	-	5,789,313	13.99
	Road Builders Berhad	Director	27.04.1997	25.02.2002	-	-
	Kuantan Flour Mills Bhd	Director	21.09.2000	06.06.2002	-	-
	Berger Holdings International Ltd	Director	14.10.1996	12.11.2002	-	-
	Ariza Holdings Limited	Director	12.07.1996	27.10.2002	-	-
Subhi Bin Hj. Dziyauddin	Putera Capital Berhad	Independent Non-Executive Director	16.01.2003	-	*	-
	eB Capital Berhad	Independent Non-Executive Director	30.08.2002	-	-	^

Notes:

Resigned as Independent Director of MAE Engineering Ltd on 1 August 2003.

* He has entered into a Sale and Purchase Agreement for the acquisition of 17,966,000 shares representing 27.7% in Putera Capital Berhad. As at 12 April 2004, the acquisition is pending completion.

^ He holds an indirect equity interest of 35% in eB Capital Berhad as at 12 April 2004.

5.2.4 Directors' Remuneration and Benefits

The remuneration and benefits paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the financial year ended 31 December 2003 amounted to approximately RM997,000. For the financial year ending 31 December 2004, the amount payable to the Directors of the Group is estimated at RM1,000,000. The number of Directors of MGB in the various remuneration bands are set out below:

	Financial year ended 31 December 2003			Financial year ending 31 December 2004		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
Below RM100,000	-	2	2	-	2	2
RM100,000 and above	4	-	4	4	-	4

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.3 Audit Committee

MGB has set up an Audit Committee on 8 April 2004. The Committee comprises the following board members:

Name	Designation	Directorship
Lee Fok Chong	Chairman of Committee	Independent Non-Executive Director
Subhi Bin Hj. Dziauddin	Member of Committee	Independent Non-Executive Director
Liew Chiap Hong	Member of Committee	Executive Director

The Audit Committee is responsible for the recommendations to the Board of MGB regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviews and evaluates the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

5.4 Key Management

5.4.1 Profile

Wan Shahida Azmi Bin Johari, aged 42, is the Senior Sales & Marketing Manager of MESB. He obtained an Advanced Diploma in Electronic Engineering from Universiti Teknologi Mara, Shah Alam in 1986. His career began in 1988 as a Supervisory Control and Data Acquisition Engineer of Sarawak Shell Berhad, Miri, Sarawak. Then he left for Johnson Controls (M) Sdn Bhd as Project Manager from 1991 to 1993. In January 1994, he joined Tyco Engineering and Construction (M) Sdn Bhd as Project Manager where he was involved in managing and executing the Kuala Lumpur International Airport Fire Alarm System installation. Thereafter, he joined Intelsec Sdn Bhd as Head of Project Management Group in 1996. Later, he went to DPI Services Sdn Bhd as a General Manager from 1997 to 2000. He was a Technical Manager of Meditechnique Sdn Bhd in 2001. Prior to joining MESB, he was a professional freelance consultant from January 2002 to March 2003.

Chan Weng Tong, 41, is the Senior Manager – Head of Engineering Department of MESB. He holds a Diploma in Electronic Engineering from Federal Institute of Technology, Kuala Lumpur. He started his career in 1986 as a Technical Assistant with Hitachi Electronics Devices (S) Pte Ltd, Singapore and joined Mecomb Malaysia Sdn Bhd in 1988 as Sales & Project Executive. Prior to joining MESB as Systems Engineer in 1993, he was with Johnson Controls (M) Sdn Bhd as an Application Engineer. He was promoted to Service Manager in 1995 and to Technical Manager in 1997. He was further promoted to Senior Manager in 2002 and is currently heading the Engineering Department which oversees the project execution, system and design, service maintenance. He has more than ten (10) years of experience in building automation, card access, security and industrial control systems.

Kek Siew Luan, aged 47, is the Senior Administration/Human Resource Manager of MESB. She holds a Diploma in Administrative Management and is an associate member of the Institute of Administrative Management, United Kingdom. She is also the spouse of the Group Managing Director, Dr Ng Tek Che. She joined MESB in 1986 as Office Administrator and was the first employee. Prior to joining MESB, she was with SP Chow dan Rakan-Rakan from 1979 to 1986 as a Secretary. She has a wide experience in office administration and human resource. She oversees the day-to-day General Office administration and Human Resource Department in MESB and is responsible for the development, establishment, implementation and enforcement of the Group's administration policies and procedures.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Cheong Kok Yik, aged 32, is the Finance Manager of MESB. He is a member of Association of Chartered Certified Accountants of United Kingdom since 1994. He started his career in 1995 as an auditor of Ernst & Young before joining MESB in 1999. As an auditor of Ernst & Young, he gained experience in audit of private and public companies in various industries and businesses.

Padiah Binti Safian, aged 41, is the Human Resource Manager of MESB. She has ten (10) years of experience in human resource and holds a Diploma in Personnel Management from Malaysian Institute of Human Resource Management. Her career began as a Secretary after graduating from Universiti Teknologi Mara in 1983 with a Diploma in Stenography. Prior to joining MESB, she was a Human Resource Officer in TTDI Development Sdn Bhd from 1996 to 2001. She is an associate member of Malaysian Institute of Human Resource Management since 1997.

Cheah Chee Fatt, aged 39, is the Project Manager of MESB. He holds a Diploma in Electrical Engineering from Federal Institute of Technology, Kuala Lumpur. He started his career in 1986 as Technical Executive in Bintai Kindeko (S) Pte Ltd. In 1990, he joined OSV Consultants Pte Ltd as Electrical Consultant before joining MESB in 2000 as Manager. He has more than ten (10) years of experience in designing, estimation, tendering, project supervision, coordination and management of mechanical and electrical services for both local and overseas projects.

Zulhairnain Bin Ahmad, aged 45, is the Business Development Manager of MESB. He obtained a Higher School Certificate in 1979 and started his career in 1982 as a Computer Programmer with Business Computer Sdn Bhd. He was then promoted to Systems Analyst/Project Leader. In 1990 he worked as an Account Manager with Infosys Sdn Bhd and thereafter joined Edaran Komputer Sdn Bhd as a System Engineer. He was then promoted to Account Manager in 1994. Prior to joining MESB in November 2002, he worked with Auto Concessionaires Sdn Bhd as Corporate Communication Manager from 1996 to 2002. In MESB, he handles projects with Ministry of Education for Supply of Computer Equipments for English teaching in Science and Mathematic.

Peter Tan Kim Lek, aged 39, is the System Manager of MESB. He obtained a Diploma in Electronic Engineering from Federal Institute of Technology, Kuala Lumpur in 1986 and started his career as Technical Assistant in Hitachi Electronics Devices. In 1987, he worked with Festo Sdn Bhd as Project Coordinator. Peter joined MESB in 1996 as Service Engineer. He has extensive experience in building automation, card access, security and industrial controls system.

Michael Tan Chee Lin, aged 31, is the Technical Manager of MESB. He holds a Degree in Electrical Engineering from Oklahoma State University, USA. Prior to joining MESB, he worked as Quality Control Engineer at Matsushita Electronics (M) Component Sdn Bhd for 2 years. He started his career in MESB in 1998 as Technical Engineer and was promoted to Technical Manager in April 2003.

Chan Eng Seng, aged 34, is the Service Manager of MESB. He holds a Diploma in Technology (Electronic) from Tunku Abdul Rahman College. He has been with MESB for nearly ten (10) years and started his career as System/Service Engineer immediately after graduation.

Chung Chiew Wai, aged 32, is the Branch Manager for East Malaysia branch. He holds a Degree in Electronic Engineering from Oxford Brookes University, the United Kingdom. He joined MESB in 1996 as Project Engineer and was promoted to Branch Manager in October 1998. Besides overseeing the East Malaysia branch operations, he is also responsible for securing tenders and sales.

Lawrence Chia Swee Loong, aged 32, is the Design Manager of MESB. He obtained a Diploma in Mechanical & Manufacturing Engineering from Tunku Abdul Rahman College in 1995 and started his career as System Engineer in MESB. He was later promoted and transferred to Project Department as Senior Project Engineer. He was then promoted to Assistant Project Manager in June 1999. Thereafter in 2002, he was promoted to Design Manager. He has a wide experience in system, project supervision, coordination and management as well as designing and estimation.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Kung Teong Eng aged 42, is the Assistant Business Development Manager of MESB. He obtained a Higher School Certificate (Arts) Full Certificate from Tunku Abdul Rahman College in 1981 and has attended air-filtration and cleanroom design conducted by Farr Company, USA in 1995. He has ten (10) years of experience in design, estimation, coordination and project management of clean room construction. He joined MESB in 2001 and is currently involved in developing new businesses through technology acquisition, new product development and new product representation. He also conducts technical feasibility studies on new product ventures and develop business plans for management evaluation.

5.4.2 Key Management's Shareholdings in MGB

The shareholdings of the key management in the Company after the Public Issue are as follows:

	[^] Direct		Indirect	
	No. of shares	%	No. of shares	%
Wan Shahida Azmi bin Johari	298,500	0.11	-	-
Chan Weng Tong	317,700	0.11	-	-
Kek Siew Luan	-	-	-	-
Cheong Kok Yik	304,900	0.11	-	-
Padiah binti Safian	55,600	0.02	-	-
Cheah Chee Fatt	384,900	0.14	-	-
Zulhairnain bin Ahmad	23,500	0.01	-	-
Peter Tan Kim Lek	86,300	0.03	-	-
Michael Tan Chee Lin	82,000	0.03	-	-
Chan Eng Seng	68,400	0.02	-	-
Chung Chiew Wai	116,300	0.04	-	-
Lawrence Chia Swee Loong	68,400	0.02	-	-
Kung Teong Eng	183,500	0.06	-	-

[^] Assuming full subscription of the Shares offered to eligible employees of the MGB Group under the Public Issue

5.5 Declarations of Directors and Key Management

None of the Director or key management personnel is or was involved in the following events (whether inside or outside Malaysia):

- (i) 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; or
- (ii) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) The subject of any order, judgement or ruling of any court of competent jurisdiction 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.

5. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.6 Involvement of Directors and Key Management in other Business/Companies

Save as disclosed below, none of the other Directors and key management personnel of the Group is involved in other businesses or companies:

(a) Tan Sri Dato' Kamaruzzaman Bin Shariff

Tan Sri Dato' Kamaruzzaman is an Executive Chairman of Major Team Holdings Berhad and Emas Kiara Industries Berhad and also sits on the board of several other private companies. He will be allocating his time and efforts equally in the listed public companies in which he holds executive directorship.

(b) Dato' Abd. Gani Bin Yusof

Dato' Abd. Gani is an Executive Chairman of Magna Prima Bhd and also sits on the board of several other private companies. He will be allocating majority of his time and efforts in the MGB Group.

5.7 Relationship

Save for Kek Siew Luan who is the spouse of the Group Managing Director, Dr Ng Tek Che, there is no relationship or associations amongst the substantial shareholders, promoter, Directors and the key management personnel.

5.8 Service Agreement

As at the date of this Prospectus, none of the Directors or key management personnel has entered into any service agreement with the Group.

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6. APPROVALS AND CONDITIONS

6.1 Conditions of Approvals

The Public Issue under the terms of this Prospectus was approved by the MITI on 12 December 2003, the SC on 4 March 2004, FIC (via SC) on 4 March 2004, and BMSB on 5 March 2004. The conditions imposed by the above authorities and the status of compliance are set out below:

Authority	Details of conditions imposed	Status of compliance
MITI	(i) MGB is required to obtain approvals of the SC and BMSB.	Complied. The approvals of the SC and BMSB were obtained on 4 March 2004 and 5 March 2004 respectively.
	(ii) MCSB is recognised as the existing Bumiputera shareholder of MGB. 30% of the MGB Shares held by MCSB may be sold within three (3) months from the date of listing while the remaining 70% may be sold in stages with prior approval from the MITI.	Noted
FIC	None	Not applicable
SC	(i) MGB is required to disclose the status of the utilisation of proceeds in its quarterly report and annual report until the proceeds are fully utilised.	To be complied with
	(ii) MGB is required to inform the SC its equity structure upon completion of the listing exercise.	To be complied with
BMSB	(i) MGB is required to disclose in the Prospectus ageing analysis based on the Group's latest audited trade receivables including credit control measures to be undertaken to mitigate the risk of bad and doubtful debts and to make full provision for trade receivables outstanding that has exceeded the normal credit period granted, unless it can be justified that the outstanding amount can be collected. The said justification must also be disclosed in the Prospectus.	Complied. Disclosed in Section 9.5 of this Prospectus.
	(ii) With regard to potential conflict of interest, the MGB Group is required to make detailed disclosure in its Prospectus for the following: <ul style="list-style-type: none"> ▪ Mitigating step(s)/action(s) taken to avoid potential conflict of interest with ITG Worldwide (M) Sdn Bhd, Infincorp Sdn Bhd and MAE Engineering Ltd, which include the provision of letter of undertakings by these companies that they will not enter into competing business; and ▪ Equity interest and positions held by the promoters/directors in these companies. 	Complied. Disclosed in Section 7.1 of this Prospectus. The letters of undertaking dated 26 March 2004 had been furnished to BMSB on 13 April 2004.

6. APPROVALS AND CONDITIONS (Cont'd)

Authority	Details of conditions imposed	Status of compliance
BMSB (Cont'd)	<p>(iii) MGB is reminded to strictly adhere to Rule 6.6 of the Listing Requirements of BMSB for MESDAQ Market on related party transactions and to adequately disclose in its Prospectus the following:</p> <ul style="list-style-type: none"> ▪ Whether all existing related party transactions between the MGB Group and its related companies are on arms-length basis and on terms not more favourable to the related parties than those generally available to the public; ▪ Principal activities of the related companies; and ▪ Nature of business transactions between the MGB Group and the related companies. <p>(iv) MGB is to disclose the profit forecast in the Prospectus as proposed by the Directors of MGB.</p> <p>(v) MGB is required to inform BMSB on the appointment of Independent Directors and to provide confirmation that they qualify as Independent Directors as defined in the Listing Requirements of BMSB for MESDAQ Market.</p>	<p>Complied. Disclosed in Section 7.2 of this Prospectus.</p> <p>Complied. Disclosed in Section 9.6 of this Prospectus.</p> <p>Complied. Letters informing the appointment of Independent Directors and confirmation that they qualify as Independent Directors were furnished to BMSB on 29 March 2004 and 13 April 2004.</p>

6.2 Moratorium on the Sale of Shares

Pursuant to the Listing Requirements of BMSB for MESDAQ Market, Shares held by the promoter of MGB amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market are to be placed under moratorium. In this respect, the promoter, namely MCSB, whose Shares are subject to moratorium are set out below:

	Shareholdings after Public Issue		Shareholdings under moratorium	
	No. of Shares	%	No. of Shares	%
MCSB	212,539,980	74.96	127,593,000	45.00

The moratorium has been fully accepted by the promoter. It will not be allowed to sell, transfer or assign any part of its interest in the Shares under moratorium within one (1) year from the date of admission of MGB to the Official List of the MESDAQ Market. Thereafter, it is permitted to sell, transfer or assign up to maximum of one-third per annum on a straight line basis of its shareholding in MGB which is under moratorium.

The restriction is specifically endorsed on the notices of allotment representing the shareholding of the promoter which is under moratorium to ensure that the Company's Registrar shall not register any transfer not in compliance with the above restriction.

7. CONFLICT OF INTERESTS

7.1 Interest in Similar Business

Save as disclosed below, none of the Directors or substantial shareholders of MGB and its subsidiaries has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries:

- (a) Liew Chiap Hong, an Executive Director of MGB, is also a Director and substantial shareholder holding 51% equity interest in ITG Worldwide (M) Sdn Bhd ("ITG"), a company which is principally involved in sales of engineering equipment, and has a non-exclusive distributor agreement with Tridium to distribute Ni@gara FrameWork software. Currently, ITG supplies the Ni@gara FrameWork software exclusively to MESB.

To mitigate any potential conflict of interest situation that may arise in the future, ITG had on 12 April 2004 entered into an agreement with MESB to restrict ITG from entering into any future distributor agreement with any principal and to require ITG to continue supplying the Ni@gara FrameWork software exclusively to MESB. In addition, ITG had on 26 March 2004 given its written undertaking that it will not engage in business activity that will be in direct competition with the MGB Group.

- (b) Dr Ng Tek Che, the Group Managing Director, is also a Director of Infinicorp Sdn Bhd ("Infinicorp"), a company which is principally involved in trading of bomb detection equipment/surveillance system. Dr Ng Tek Che does not hold any shares in Infinicorp. Infinicorp has a distributor agreement with Scandec AS of Norway to distribute Alpha Six (A6) equipment. Currently, Infinicorp supplies the Alpha 6 equipment exclusively to MESB.

To mitigate any potential conflict of interest situation that may arise in the future, Infinicorp had on 12 April 2004 entered into an agreement with MESB to restrict Infinicorp from entering into any future distributor agreement with any principal and to require Infinicorp to continue supplying the Alpha 6 software exclusively to MESB. In addition, Infinicorp had on 26 March 2004 given its written undertaking that it will not engage in business activity that will be in direct competition with the MGB Group.

- (c) Tan Sri Dato' Kamaruzzaman Bin Shariff, an Executive Chairman of MGB, is also a Non-Executive Chairman of MAE Engineering Ltd ("MAE"), a company which is listed on the Singapore Exchange. Based on the latest published annual report of MAE, the principal business activities of the MAE group of companies include electrical and mechanical engineering consultants and contractors, provisions of consulting and specialist services to oceanariums and aquariums and other related enterprises to theme parks developers, prawn and fish farming, trading of apparatus and machinery for use in the aquaculture sector, renting and holding exhibition of dinosaur models. The MGB Group, on the other hand, specialises in the system integration of IBMS and ISMS.

As at 31 March 2004, Tan Sri Dato' Kamaruzzaman does not hold any shares in MAE.

The potential for direct conflict of interest situations is mitigated as the MGB Group currently targets a different geographical segment from that of MAE. Furthermore, Tan Sri Dato' Kamaruzzaman Bin Shariff is not involved in any executive position in MAE and therefore does not participate in, or exercise influence over, any decision making in the daily operation and management of the business of MAE and/or its subsidiaries.

7. CONFLICT OF INTERESTS (Cont'd)

7.2 Related Party Transactions

Save for the transaction pursuant to the restructuring and listing exercise as disclosed in Section 4.2 of this Prospectus and those as disclosed below, there are no on-going or potential related party transactions between the MGB Group and its Directors, substantial shareholders and/or persons connected with such a director or substantial shareholder, as defined under Section 122A of the Companies Act, 1965 and its key management personnel:

Name of related party	Principal activities of related party	Nature of transaction	Nature of relationship
(a) Metronic Building Services Sdn Bhd ("MBSB")	Undertakes sub-contracting work in the mechanical and electrical services for hospital projects	<p>Sub-contracting fee payable to MBSB for mechanical and electrical services rendered by MBSB, amounting to approximately RM781,000 for the year ended 31 December 2003.</p> <p>Rental of office space at No. 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan amounting to RM36,000, receivable from MBSB for the financial year ended 31 December 2003.</p>	Dr Ng Tek Che and Liew Chiap Hong, who are directors of MGB, are also directors of MBSB. In addition, MCSB, a promoter and substantial shareholder of MGB, is also a substantial shareholder of MBSB.
(b) MCSB	Investment holding	<p>Rental of office space at No. 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan at a monthly rental of RM2,000, receivable from MCSB for a term of one (1) year from 1 January 2003 to 31 December 2003 and is subject to yearly renewal.</p> <p>Accountancy fee receivable from MCSB at a monthly rate of RM2,000.</p>	MCSB is a promoter and substantial shareholder of MGB. Dato' Abd. Gani Bin Yusof, Ng Tek Che and Liew Chiap Hong who are directors of MGB, are also directors and shareholders of MCSB, with shareholdings of 58%, 22% and 20% respectively.
(c) Integrated Commerce Sdn Bhd ("ICSB")	Provision of training on information technology and provider of information technology solutions	<p>Contract fee payable to ICSB for the supply of labour. The total contract fee paid/payable by MESB for the financial year ended 31 December 2003 amounted to approximately RM106,000.</p> <p>Sub-contracting fee payable to ICSB for provision of ISMS installation services. The total sub-contracting fee paid/payable by MESB for the financial year ended 31 December 2003 amounted to approximately RM30,000.</p>	ICSB is a subsidiary of MCSB, which in turn is a promoter and substantial shareholder of MGB.

7. CONFLICT OF INTERESTS (Cont'd)

Name of related party	Principal activities of related party	Nature of transaction	Nature of relationship
(d) Ledtronics Sdn Bhd ("Ledtronics")	Manufacturing, sale and services of electronic and electrical display/signs and related products	Trading sales receivable by MESB for the financial year ended 31 December 2003 amounted to RM9,000.	Ledtronics is a company in which Dato' Abd. Gani Bin Yusof is a director and MCSB has a 16.6% equity interest. MCSB is a promoter and substantial shareholder of MGB.
(e) MHP	Establishing, running and operating medical central hospitals	Revenue receivable from MHP in respect of e-project management of mechanical and electrical services for Pandan Hospital in Johor Bahru and Alor Setar Hospital in Kedah. The total revenue from these projects for the financial year ended 31 December 2003 amounted to a total of approximately RM41.3 million.	Tan Sri Dato' Kamaruzaman Bin Shariff and Dato' Abd. Gani Bin Yusof who are directors of MHP, are also directors of MGB.
(f) Metronic Impact Sdn Bhd ("Metronic Impact")	Operation of building security system	Provision of software maintenance and maintenance sales to Metronic Impact amounting to approximately RM99,000 for the financial year ended 31 December 2003.	Dr Ng Tek Che, who is a director of MGB is also a director of Metronic Impact. Metronic Impact is a 40% associated company of MCSB, which in turn is a promoter and substantial shareholder of MGB.
(g) ITG	Sale of engineering equipment	<p>Purchases from ITG amounting to approximately RM3.0 million for the financial year ended 31 December 2003.</p> <p>Rental of office space at No. 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan amounting to RM6,000, receivable from ITG for the financial year ended 31 December 2003.</p> <p>Accountancy fee receivable from ITG at a monthly rate of RM1,000.</p>	Liew Chiap Hong, who is a director of MGB, is also a director and substantial shareholder of ITG with a shareholding of 51%.

7. CONFLICT OF INTERESTS (Cont'd)

Name of related party	Principal activities of related party	Nature of transaction	Nature of relationship
(h) Infinicorp	Trading of bomb detection equipment/surveillance system	<p>Purchases from Infinicorp amounting to approximately RM657,000 for the financial year ended 31 December 2003.</p> <p>Rental of office space at No. 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan amounting to RM6,000, receivable from Infinicorp for the financial year ended 31 December 2003</p>	Dr Ng Tek Che, who is a director of MGB, is also a director of Infinicorp.

In addition to the above, as at 12 April 2004, there were outstanding trade debts amounting to RM435,434 due from companies which are associated with certain Directors of MGB. Included in this amount are trade debts due from MHP amounting to RM410,574 as at 12 April 2004, which will be settled as and when MHP, being the turnkey contractor, receives payment from its client. The remaining outstanding trade debts of RM24,860 will be fully settled prior to the listing of MGB on the MESDAQ Market.

The Directors of MGB are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms that are not more favourable than those generally available to the public and are conducted on arm's length basis.

Save as disclosed below, none of the Directors or substantial shareholders has any interest, direct or indirect, in the promotion of any material assets acquired or proposed to be acquired or material assets disposed of or proposed to be disposed of by the Company or its subsidiaries within the two (2) years preceding the date of this Prospectus:

On 12 April 2004, MESB entered into a Sale and Purchase Agreement ("SPA") with MHP, a company in which Tan Sri Dato' Kamaruzzaman Bin Shariff and Dato' Abd. Gani Bin Yusof (who are Directors of MGB) are also Directors, for the acquisition of 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. The property shall be purchased free from all encumbrances and with vacant possession. The SPA is conditional upon MHP obtaining the developer's consent to the assignment of the property within a period of ninety (90) days from the date of the SPA.

7.3 Declaration by Experts

Hwang-DBS confirms that there is no existing or potential conflict of interest in its capacity as the Adviser, Underwriter, Placement Agent and Sponsor for the Public Issue.

Messrs Ernst & Young confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants in relation to the Public Issue.

Messrs Bahari & Bahari confirms that there is no conflict of interest in its capacity as the due diligence solicitors in relation to the Public Issue.

Messrs Infocredit D&B (Malaysia) Sdn Bhd confirms that there is no conflict of interest in its capacity as the Independent Market Research Consultant in relation to the Public Issue.

8. OTHER INFORMATION CONCERNING THE GROUP

8.1 Licenses and Permits

The licenses and permits held by the Group required for the purposes of conducting its business are listed below:

Licenses	Authority	Approval period	Salient Conditions	Company	Status of Compliance
License to supply and provide services for , amongst others, security, computer and medical equipment	Kementerian Kewangan Malaysia	24.02.2003 to 23.02.2006	(i) Any changes to the information provided must be notified to the Ministry of Finance “online” within 10 days from the date of the changes being made. (ii) The company shall give all information required in the duration stipulated, to the Ministry of Finance, failing which will result in the cancellation/ suspension of the company without any notice.	MESB	Met
License to supply and provide services for codification		18.02.2003 to 23.02.2006	(iii) The company must ensure that the areas/fields registered in the certificate do not overlap with the areas/fields that have been approved in other companies which have the same owners or members of the Board of Directors or of the same management.		
License to supply and provide services for office and residential equipment		26.03.2003 to 23.02.2006	(iv) The Ministry of Finance has the right to cancel/ suspend the license without notice if it is discovered that any information given is not true. (v) Registration will be suspended or cancelled under the following circumstances: <ul style="list-style-type: none"> ▪ The company/ directors are involved in any illegal/ criminal activity and have been convicted and sentenced by a court in Malaysia or other jurisdictions. ▪ If the company retracts an offer before a tender is considered or rejects an award after an offer has been made. ▪ The failure of the company to execute contracts that have been executed with the Government. ▪ The company varies the certificate for fraudulent purposes. ▪ To allow for the certificates to be misused by any individual/ other companies. ▪ The company is found to have formed a price pact with other companies in relation to participation in Government tenders. 		

8. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Licenses	Authority	Approval period	Salient Conditions	Company	Status of Compliance
License to install, design and commission building automation system, security system, communication system, air-conditioning and ventilation system (Grade 7)	CIDB Lembaga Pembangunan Industri Pembinaan Malaysia	17.04.2003 to 13.02.2006	<p>The registration shall be cancelled, suspended or retracted if:</p> <ul style="list-style-type: none"> ▪ The contractor does not comply with any written law or obligations under the conditions of registration. ▪ The contractor is made a bankrupt. ▪ A winding up petition is made and filed against the contractor. ▪ Any fraudulent representations made by the contractor. ▪ The contractor is liable for negligence as ordered by a court or any investigatory board that is established under any written law relating to any construction work that has been awarded. 	MESB	Met
License to install security/ electrical engineering systems	PKK Pusat Khidmat Kontraktor	29.10.2002 to 28.10.2004	<p>(i) Any changes to the information must be notified to PKK within 21 days from the date of the changes being made.</p> <p>(ii) The registration shall be cancelled:</p> <ul style="list-style-type: none"> ▪ In the event the shareholders of the company holds more than five percent (5%) or RM50,000 (whichever is lower) in any other company registered with the Pusat Khidmat Kontraktor in the same field or subject head. ▪ If any of the member of the company's management or staff who is technically qualified is actively involved in any other company that is registered with the Pusat Khidmat Kontraktor in the same field or subject head. 	MESB	Met
License to install, design and commission building automation systems and provide mechanical and electrical services (Class A licence)		12.06.2003 to 31.10.2004	<ul style="list-style-type: none"> ▪ In the event the shareholders of the company holds more than five percent (5%) or RM50,000 (whichever is lower) in any other company registered with the Pusat Khidmat Kontraktor in the same field or subject head. ▪ If any of the member of the company's management or staff who is technically qualified is actively involved in any other company that is registered with the Pusat Khidmat Kontraktor in the same field or subject head. 		

8. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

8.2 Properties

The details of the properties of the MGB Group as at the date of this Prospectus are set out below:

Name of registered owner/ Location	Description/ Existing use	Land area sq. ft.	Built-up area sq. ft.	Date of certificate of fitness	Approximate age of building/ Tenure	Audited net book value as at 31 Dec 2003 RM'000
MESB						
Lot No. SDF 21, Type C HS(D) 142746, P.T. No. 17691 Mukim of Damansara, District of Petaling Selangor Darul Ehsan*	3-storey semi- detached office cum factory	23,838	25,112	17 November 2000	3 years / Freehold	3,078
Bearing postal address: No. 2 Jalan Astaka U8/83 Bukit Jelutong, Seksyen U8 40150 Shah Alam Selangor Darul Ehsan						
Lot No. SDF 22, Type 1 HS(D) 142747, P.T. No. 17692 Mukim of Damansara, District of Petaling Selangor Darul Ehsan**	3-storey semi- detached office cum factory	16,948	18,621	17 November 2000	3 years / Freehold	-
Bearing postal address: No. 4 Jalan Astaka U8/83 Bukit Jelutong, Seksyen U8 40150 Shah Alam Selangor Darul Ehsan						

8. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Name of registered owner/ Location	Description/ Existing use	Land area (sq. ft.)	Built-up area (sq. ft.)	Date of certificate of fitness	Approximate age of building/ Tenure	Audited net book value as at 31 Dec 2003 RM'000
H.S (D) 106177, PT No. 14055 Mukim of Setul, District of Seremban Negeri Sembilan**	Vacant residential land	12,340	N/A	N/A	N/A/ Freehold	246
Bearing postal address: Lot 1888, College Heights Garden Resort Nilai, Seremban						
HS (D) 256676, Lot No. PTB 20214 Township and District of Johor Bahru Johor [#]	Shop lot	N/A	475	23 February 2001	3 years/ Leasehold for 99 years expiring on 4 December 2095	365
Bearing postal address: Unit no. 3F-47, 3rd Floor, Lot 1 JB Water Front City, Jalan Tun Sri Lanang 80000 Johor Bahru, Johor						
Master Title No. H.S (D) 23692 Master Lot No. P.T. 9187 Mukim and District of Petaling Selangor [@]	Shop lot	N/A	3,286	11 March 1997	8 years/ Leasehold for 99 years expiring on 17 June 2086	266
Bearing postal address: Unit nos. 4-G and 4-1, Ground and 1st Floors Block B, Jalan PJS 5/2, Taman Desaria 46000 Petaling Jaya						

8. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Name of registered owner/ Location	Description/ Existing use	Land area (sq. ft.)	Built-up area (sq. ft.)	Date of certificate of fitness	Approximate age of building/ Tenure	Audited net book value as at 31 Dec 2003 RM'000
Master Title GRN 45305 Lot 36139 Mukim Petaling, District of Kuala Lumpur (Formerly known as H.S (D) 79265)^	Apartment for investment purposes	N/A	1,076	22 January 1997	9 years/ Freehold	151

Bearing postal address:
B-7-12, 7th Floor, Block B, Pearl Point
Condominiums, Jalan Sepadu 3, Taman United,
58200 Kuala Lumpur

Notes:

N/A Not applicable

* The property, which was acquired by MESB from the vendor/developer Guthrie Property Development Holding Sdn Bhd via a Sale and Purchase Agreement dated 28 July 2000 is still registered in the name of the registered proprietor Highlands & Lowlands Berhad. The individual title has not been issued yet. Pursuant to the Facilities Agreement dated 15 January 2002 and 25 October 2003 between MESB and Malayan Banking Berhad ("MBB"), MESB had executed a Deed of Assignment, Supplemental Deed of Assignment and Second Supplemental Deed of Assignment whereby MESB had assigned all MESB's rights, title, interests and benefits in the property to MBB.

MESB had, on 12 April 2004, entered into a Sale and Purchase Agreement with MHP to acquire the said property for RM2,600,000. MESB had to date paid RM260,000 being deposit and part payment of the purchase consideration. Under the agreement, MESB has 90 days from the date where a copy of the developer's consent for the assignment of the vendor's rights, title, interest and benefits in the property to the purchaser (as the individual title has not yet been issued) is received by MESB's solicitors, to pay the balance purchase consideration of RM2,340,000.

** Pursuant to the financing facilities given by United Overseas Bank (Malaysia) Bhd ("UOB") vide letter dated 12 June 2001, UOB has registered a Lien Holders Caveat on the said property vide presentation number 3562/2002.

The property, which was acquired by MESB from the developer, Transbay Ventures Sdn Bhd via a Sale and Purchase Agreement dated 20 February 2001, is still registered in the name of the developer. The individual Strata Title has not been issued yet. Pursuant to a Loan Agreement cum Deed of Assignment and Power of Attorney dated 17 May 2002, MESB had assigned all MESB's rights, title and interests in the property to UOB. There are several caveats entered on the master title of the property.

8. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

- @ *The property, which was acquired by MESB from the developer, Sampai Jaya Sdn Bhd via a Sale and Purchase Agreement dated 24 June 1991, is still registered in the name of the developer. The individual Strata Title has not been issued yet. Pursuant to a Loan Agreement cum Deed of Assignment and Power of Attorney dated 17 May 2002, MESB had assigned all MESB's rights, title and interests in the property to UOB. The master title to the property is currently charged to MBf Finance Berhad.*
- ^ *The property, which was acquired by MESB from the developer, Aikbee Timbers Sdn Bhd via a Sale and Purchase Agreement dated 21 October 1993, is still registered in the name of the developer. The individual Strata Title has not been issued yet. Pursuant to a Loan Agreement cum Deed of Assignment and Power of Attorney dated 17 May 2002, MESB had assigned all MESB's rights, title and interests in the property to UOB.*

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