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## 14. GENERAL AND STATUTORY INFORMATION

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### 14.1 SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares. As at the date of this Prospectus, there are only two classes of shares in the capital of the Company, namely ordinary shares of RM0.25 par value each and RPS of RM0.25 par value each. The rights and privileges attached to the ordinary shares and RPS are stated in the Articles of Association of the Company.
- (iii) Save for the MBC Shares reserved for the eligible directors, employees, business associates of MBC Group and persons who have contributed to the success of the Group as disclosed in Section 3.6 of this Prospectus, no person has been, or is entitled to be, granted an option to subscribe for any shares or stocks in, or debentures of, the Company or any of its subsidiaries.
- (iv) Save as disclosed and in Section 3.4 of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the Company and its subsidiaries have been or proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.
- (v) Save for the MBC Shares reserved for the eligible directors, employees, business associates of MBC Group and persons who have contributed to the success of the Group as disclosed in Section 3.6 of this Prospectus, there is currently no other scheme for or involving the Directors and employees of MBC Group in the share capital of the Company or its subsidiaries.

Neither MBC nor its subsidiaries has any outstanding convertible debt securities.

### 14.2 ARTICLES OF ASSOCIATION, LISTING REQUIREMENTS OF KLSE, COMPANIES ACT 1965 AND RULES OF MCD

The following provisions are reproduced from the Listing Requirements of KLSE, the Act, the Rules of MCD (“Rules”) and the Company’s Articles of Association (“Articles”).

#### (i) Transfer of Securities

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

#### Articles of Association

##### *Article 37 – Transfer by way of book entry*

The transfer of any listed securities or class of securities of the Company which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities. However, such transfer shall not apply to a transfer of securities to a Central Depository or its nominee company.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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***Article 38 – Directors may refuse registration of transfers***

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the Directors may in their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares which are not deposited with the Central Depository. The registration of any transfer shall be suspended when the register of transfer is closed under Article 43.

***Article 39 – Restricted transferees***

There shall be no restriction on the transfer of fully paid securities except where required by law. However, no share shall in any circumstances be transferred to any partnership or unincorporated association or body, infant, bankrupt or person of unsound mind.

***Article 40 – Transfer***

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.

***Article 41 – Transfer valid deposited with the Central Depository***

Subject to the provisions of the Act, the Central Depositories Act and the Rules, all dealings in respect of deposited securities shall only be effected by the beneficial owners of such deposited securities or an authorised nominee, as the case may be. A Depositor shall not withdraw the securities which have been deposited with a Central Depository except in such manner as may be specified in the Rules.

***Article 42 – Closing of register of transfer***

The Register of Members may be closed at such time and for such period as the directors may from time to time determine PROVIDED ALWAYS that they 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 therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange, such notice shall state the books closing date, which shall be at least twelve (12) clear market days after the date of notification to the Exchange, and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules to issue the appropriate Record of Depositors.

***Article 43 – Registration fees for documents affecting shares***

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee, not exceeding RM3.00 as the directors may from time to time require or prescribe.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**


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**Article 44 – Renunciation by allottee**

Nothing in these Articles shall preclude the directors from recognizing a renunciation of the allotment of any share by the allottee in favour of some other person.

**Listing Requirements of KLSE**

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

**Paragraph 7.13 – Transfer of Securities**

The transfer of any listed security of class of listed security of the company, shall be by way of book entry by the Central Depository in accordance with the rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107(2) of the Act, and any exemption that may be made from compliance with subsection 107(C) of the Act, the company shall be precluded from registering and effecting any transfer of listed securities.

**Paragraph 7.14 – Transmission of securities from foreign register**

(1) Where:

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with Section 14 of the Security Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories)(Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,

such company shall upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”) to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such securities.

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

**Companies Act, 1965**

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

**Section 103 – Instrument of transfer**

(1) Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (1A) Nothing to this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section, and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for the purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

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

**Section 107C – Transfer of securities is by way of book entry**

- (1) On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Section 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.
- (2) Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

**Rules of MCD**

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

**Rules 8.01(2) – Rejection of transfer**

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

**Rules 8.05A – Transfers from the principal or nominee account**

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

**Rules 9.03(2) – Documents to lodge**

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

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the Depositor's spouse);

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**


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- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
  - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
  - (ii) rectification of errors;
  - (iii) pledge, charge or mortgage;
  - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Take-overs and Mergers 1987;
  - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

**(ii) Remuneration of Directors**

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

***Article 83 – Remuneration of Directors***

The remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, and shall (unless such resolution otherwise provides) be divisible amongst the Directors as they may agree, or failing agreement, equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for proportion of remuneration related to the period during which he has held office. Such remuneration shall so far as non-executive director are concerned be by way of a fixed sum and not by way of a commission on or percentage of profits or turnover.

***Article 84 – Fees***

Fees payable to directors shall not be increased except pursuant to a resolution passed at a General Meeting where notice of the proposed increase has been given in the notice convening the meeting.

***Article 84A***

Any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.

***Article 86 – Expenses***

The Directors may repay any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors, or of any committee of the Directors, or General Meetings, or otherwise in or about the business of the Company.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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***Article 87 - Extra remuneration***

Any Director, who is appointed to any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise (but not a commission on or percentage of turnover) as the Directors may determine.

***Article 89A – Director may act in professional capacity***

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

***Article 92 – Remuneration of Managing Directors***

A Director holding any such office as aforesaid shall receive such remuneration as the Directors may determine but shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

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

The provision in the Articles dealing with the voting and borrowing powers of Directors, including 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 104 – Restriction on voting***

Every director shall comply with Sections 131 and 135 of the Act and who is personally interested directly or indirectly in any contract or arrangement or proposed contract or arrangement with the Company shall declare his interest to the board of directors as soon as he becomes aware of such contract or arrangement and such director shall not participate in deliberations concerning such contract or arrangement nor shall he cast his vote in respect of any matter arising therefrom.

***Article 105 – Power to vote in some instances***

A director may vote in respect of:

- (i) any arrangement for giving the director himself or any other director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself or any other director has assumed responsibility in whole or in part under a guarantee or indemnity or by a deposit of a security.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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***Article 106 – Director notwithstanding his interest may be counted in quorum***

A director notwithstanding his interest may, provided that none of the other directors present disagree, be counted in the quorum present at any meeting whereat he or any other director is appointed to hold office or place of profit under the Company or whereat the directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a director to hold any office or place of profit under any other company where at the terms of such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement which he is in any way interested provided always that he has complied with Section 131 and all other relevant provisions of the Act and these Articles.

***Article 113 – Power to borrow***

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt liability or obligation of the Company.

**(iv) Changes in Share Capital and Variation of Rights**

The provisions in the Articles as to the changes in the share capital and variation of rights, which are as stringent as those required by law, are as follows:

***Article 10 – Power to increase in capital***

The Company may from time to time by ordinary resolution increase the share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase shall prescribe.

***Article 11 – New shares subject to provisions herein***

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

***Article 12 – Power to cancel, divide, consolidate shares***

The Company may by ordinary resolution from time to time:

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (b) Sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provision of the Act, and so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the resulting shares, one or more of such shares may by the resolution by which sub-division is effected, be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; or
- (c) Cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

***Article 13 – Power to reduce share capital***

The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act

***Article 9 – Variation of class rights***

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

***Article 9A – Ranking of class rights***

The rights conferred upon the holders of shares of any class 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 participations in the profits or assets of the Company in some or in all respects *pari passu* therewith.

**(v) RPS**

The provisions in the Articles dealing with the RPS holders are as follows:

***Article 7C – Rights of RPS Holders***

- (1) Holders of RPS shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company PROVIDED always that holders of RPS shall not have the right to vote, move or second any resolutions at any general meeting of the Company.



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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (2) Holders of RPS shall have the right to vote at a general meeting together with the holders of ordinary shares in the following circumstances:
- (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
  - (b) on a proposal to reduce the company's share capital;
  - (c) on a proposal for the disposal of the whole of the company's property, business and undertaking;
  - (d) on a proposal that affects rights attached to the share;
  - (e) on a proposal to wind up the company;
  - (f) during the winding up of the company;

In any such case, each RPS shall entitle a holder to one vote.

- (3) In all class meetings, every RPS shall entitle a holder to one vote.
- (4) RPS holders shall have the right to a return of capital in preference to holders of ordinary shares when the Company is wound up.

***Article 7D – Redemption of RPS***

The RPS in the present capital shall be liable to be redeemed in accordance with the following provisions:

- (1) Subject to the Act, each RPS shall be redeemed at the end of the 7<sup>th</sup> year from the issue date but may be earlier redeemed at the option of the Company (but not the holders) at the issue price of RM2.50 each.
- (2) For this purpose, the Company shall give not less than three (3) business days' notice in writing or such shorter notice as the holders may agree in writing (the "Redemption Notice") to the holders of the RPS of its intention to redeem the RPS held by such holders. The Redemption Notice shall specify the date on which the Company intends to redeem the RPS (the "Redemption Date") and shall also specify whether the Company intends to redeem part (and if so, the number thereof) or all of the RPS.
- (3) In the event of the Company determining to redeem a part only of the RPS, the Company shall redeem from each RPS holder a rateable proportion (as nearly as practicable without involving fractions of shares).
- (4) On the Redemption Date, the Company shall be entitled and bound to redeem the RPS specified in the Redemption Notice at the issue price of RM2.50 each. The RPS so redeemed shall be dealt with in accordance with the code of conduct and market practices for Malaysian scriptless securities market under the Real Time Electronic Transfer of Funds and Securities System issued by Bank Negara Malaysia, as modified or revised from time to time, or the Central Depositories Act or the Rules, if applicable.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (5) The Redemption Notice shall substantially be in the following form:

To: .....

TAKE NOTICE that on ....., the Company intends to redeem the Redeemable Preference Shares set out in the schedule hereto pursuant to the provisions of Article 7D of the Articles of Association of the Company.

Dated the .....day of.....

[Company Seal]

.....  
Director

.....  
Director/Secretary

- (6) Upon the Company giving notice of its intention to redeem in accordance with Article 7D(2) above, the Company shall be obliged to redeem the RPS subject of the notice, on the Redemption Date as specified in the notice.

***Article 7E – No Restriction on the Transfer of the RPS***

There shall be no restriction on the transfer of RPS and the directors shall be obliged to register any transfer of any RPS.

***Article 7F – Class Meeting***

In the event of a class meeting of the holders of the RPS, the quorum shall be two (2) holders of that class of share and the Chairman shall be the chairman of the Board. In the event the Chairman of the Board is not present, a director of the Board shall be elected as Chairman of the class meeting. Save as otherwise provided, the provisions of the Articles relating to the proceedings at general meeting shall apply mutatis mutandis.

***Article 7G – No Restriction on the Issuance of new Preference Shares or RPS***

Notwithstanding anything to the contrary expressed or implied in these Articles, there shall be no restriction on the issuance of new preference shares or RPS by the Company which shall rank pari passu with the existing RPS and such issuance of fresh preference shares or RPS shall not be considered as a variation of rights of existing preference shares or existing RPS.

**14.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names, addresses and occupations of the Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors or proposed directors of the Company has any existing or proposed service contracts with the Company or its subsidiaries which are not terminable by notice without payment of compensation (other than statutory compensation) within 1 year.

## 14. GENERAL AND STATUTORY INFORMATION (Cont'd)

- (iv) Save as disclosed in Section 10 of this Prospectus, none of the Directors and the substantial shareholders of the Company has any interest, direct or indirect,
- (1) in the promotion of, or in any material assets which have been, within the 2 years preceding the date of this Prospectus, acquired or disposed of by or leased to or proposed to be acquired, disposed of by or leased to the Group; or
  - (2) in any contract or arrangement which is material in relation to the business of the Company or the Group subsisting as at the date hereof.
- (v) Save as disclosed in Section 10 of this Prospectus, none of the Directors has any interest, direct or indirect, in other businesses or corporations carrying out a similar trade as MBC or any subsidiaries of MBC.
- (vi) Based on the Register of Substantial Shareholders as at the date hereof, the substantial shareholders and their respective beneficial interest in the shares of the Company, before the Initial Public Offering (as at the date of this Prospectus) and after the Initial Public Offering, are as follows:

### Direct interest

Names	Nationality/ Country of incorporation	< ----- Before the Initial ----- > Public Offering		< ----- After the Initial ----- > Public Offering	
		No. of ordinary shares of RM0.25 par value each	Percentage of issued and paid- up ordinary share capital (%)	No. of ordinary shares of RM0.25 par value each	Percentage of issued and paid-up ordinary share capital (%)
BSCL <sup>(1)</sup>	Hong Kong	344,615,385	49.23	-	-
GMV	Malaysia	215,384,615	30.77	172,308,000	21.54
MSM	Malaysia	140,000,000	20.00	112,000,000	14.00
PCL <sup>(1)</sup>	Singapore	-	-	275,692,000	34.46

### Indirect interest

Names	Nationality/ Country of incorporation	< ----- Before the Initial ----- > Public Offering		< ----- After the Initial ----- > Public Offering	
		No. of ordinary shares of RM0.25 par value each	Percentage of issued and paid- up ordinary share capital (%)	No. of ordinary shares of RM0.25 par value each	Percentage of issued and paid-up ordinary share capital (%)
PCL <sup>(1)</sup>	Singapore	344,615,385	49.23	-	-
KSL <sup>(2)</sup>	Singapore	344,615,385	49.23	275,692,000	34.46
Bank Industri <sup>(3)</sup>	Malaysia	215,384,615	30.77	172,308,000	21.54
MoF Inc. <sup>(4)</sup>	Malaysia	215,384,615	30.77	172,308,000	21.54
PPB <sup>(5)</sup>	Malaysia	140,000,000	20.00	112,000,000	14.00

## 14. GENERAL AND STATUTORY INFORMATION (Cont'd)

Names	Nationality/ Country of incorporation	< ----- Before the Initial ----- > Public Offering		< ----- After the Initial ----- > Public Offering	
		No. of ordinary shares of RM0.25 par value each	Percentage of issued and paid- up ordinary share capital (%)	No. of ordinary shares of RM0.25 par value each	Percentage of issued and paid-up ordinary share capital (%)
KBSB <sup>(6)</sup>	Malaysia	140,000,000	20.00	112,000,000	14.00
Kuok Hock Nien <sup>(7)</sup>	Malaysian	484,615,385	69.23	387,692,000	48.46

*Notes:*

- (1) *As at the date of this Prospectus, PCL is deemed interested in MBC through its 100% direct interest in BSCL. In addition, BSCL has declared that it holds all the ordinary shares and all accretions and rights attaching thereto in MBC registered in its name in trust for PCL. During the period after the date of this Prospectus but before Listing and Quotation, it is intended that all shares in MBC, including accretions and rights attaching thereto, currently registered in the name of BSCL will be transferred to PCL's CDS account. The trust will be revoked when such transfer is made. As a result, after the Initial Public Offering, BSCL will not hold any shares in MBC and PCL will hold MBC Shares and RPS directly.*
- (2) *KSL is deemed interested in MBC through its 100% direct interest in PCL and its deemed interest in BSCL.*
- (3) *Bank Industri is deemed interested in MBC through its 90% direct interest in GMV.*
- (4) *MoF Inc. is deemed interested in MBC through its 99.99% direct interest in Bank Industri and its deemed interest in GMV.*
- (5) *PPB is deemed interested in MBC through its 100% direct interest in MSM.*
- (6) *KBSB is deemed interested in MBC through its 40.95% direct interest in PPB and its deemed interest in MSM.*
- (7) *Kuok Hock Nien is deemed interested in MBC through his deemed interest in BSCL, PCL and MSM.*

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## 14. GENERAL AND STATUTORY INFORMATION (Cont'd)

- (vii) According to the Register of Directors' Shareholdings as at the date hereof, the direct and indirect interests of the Directors in the shares of the Company, before and after the Initial Public Offering, are as follows:

Name	Direct				Indirect			
	No. of ordinary shares before the Initial Public Offering	%	No. of ordinary shares after the Initial Public Offering <sup>(1)</sup>	%	No. of ordinary shares before the Initial Public Offering	%	No. of ordinary shares after the Public Issue <sup>(1)</sup>	%
Teo Joo Kim <sup>(2)</sup>	-	-	2,000,000	0.25	-	-	-	-
Kuok Khoon Kuan <sup>(3)</sup>	-	-	2,000,000	0.25	-	-	-	-
Wu Long Peng <sup>(4)</sup>	-	-	1,500,000	0.19	-	-	-	-
YB Dato' Lim Chee Wah <sup>(5)</sup>	-	-	1,500,000	0.19	-	-	-	-
Md Noor bin Mohammad Yusoff <sup>(6)</sup>	-	-	1,000,000	0.13	-	-	-	-
Eu Peng Meng @ Leslie Eu <sup>(7)</sup>	-	-	1,500,000	0.19	-	-	-	-
YB Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	-	-	1,500,000	0.19	-	-	-	-
Phua Cheng Tar <sup>(8)</sup>	-	-	1,500,000	0.19	-	-	-	-

*Notes:*

- (1) The directors' shareholdings include a total 40,000,000 MBC Shares that will be offered to eligible directors, employees, business associates of MBC Group and persons who have contributed to the success of the Group and are on the assumption that they will subscribe in full the MBC Shares allocated to them.
- (2) Mr Teo Joo Kim is also a director of KSL and PCL. Mr Teo has a deemed interest of 2.79% in KSL.
- (3) Mr Kuok Khoon Kuan is also a director of PCL and BSCL. Mr Kuok has a deemed interest of 3.12% in KSL.
- (4) Mr Wu Long Peng is also a director of KSL and PCL.
- (5) YB Dato' Lim Chee Wah is also a director of PPB and KBSB. Dato' Lim has a deemed interest of 0.83% in KBSB.
- (6) En Md Noor bin Mohammad Yusoff is also the Group Managing Director of both Bank Industri and GMV.
- (7) Mr Eu Peng Meng @ Leslie Eu is also a director of GMV.
- (8) Mr Phua Cheng Tar is also a director of PCL.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (viii) Save as disclosed in this Prospectus, the Directors are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

**14.4 GENERAL**

- (i) The nature of MBC's business and details of its subsidiaries are described in Section 5 of the Prospectus. As at the Latest Practicable Date, there are no other corporations which are deemed to be related to MBC by virtue of Section 6 of the Act.
- (ii) The times of the opening and closing of the application of the Initial Public Offering are set out in the indicative timetable and Section 3.3 of this Prospectus.
- (iii) The amount payable in full on application is RM1.19 per MBC Share.
- (iv) The manner in which copies of this Prospectus together with the application forms and envelopes may be obtained is set out in Section 15 of this Prospectus.
- (v) Save as disclosed in Sections 7.1.4 and 10.1 of this Prospectus, no amount or benefit has been paid or given within the 2 years preceding the date of this Prospectus, nor is it intended to be paid or given, to any Promoter, substantial shareholders or Directors.
- (vi) As at the Latest Practicable Date, the Group has not established a place of business outside Malaysia.
- (vii) Save as disclosed in this Prospectus, the financial conditions and operations of MBC and its subsidiaries are not affected by any of the following:
- (a) known trends, demands, commitments, events or uncertainties that have had or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the Group;
  - (b) material capital expenditure commitments;
  - (c) substantial increase in revenue and the extent to which the increase is attributable to prices, volume of goods or service being sold, the introduction of new products or services or any other factors; and
  - (d) known events, circumstances, trends, uncertainties and commitments that will result in or are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

As far as the Directors are aware, the Group is not vulnerable to any specific factors or events other than disclosed in this Prospectus.

- (viii) Save as disclosed in Sections 2.11 and 9.2.2 of this Prospectus, as at the Latest Practicable Date, there is no loan capital outstanding or mortgages and charges in relation to the Group.
- (ix) The names and addresses of the Auditors and Reporting Accountants of the Company are set out in Section 1 of this Prospectus.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**


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**14.5 EXPENSES AND COMMISSIONS**

- (i) Underwriting commission and managing underwriting commission are payable by the Company and the Offerors to the Underwriters and the Managing Underwriter at the rate of 1.5% and 0.25% respectively of the Final Retail Price.
- (ii) Brokerage of 1% of the Final Retail Price is payable by the Company in respect of successful application bearing the stamps of CIMB, member companies of the KLSE, members of the Association of Banks of Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.
- (iii) The management and selling commission of 2% is payable by the Company and the Offerors on the aggregate price of the Placement Shares based on RM1.19 per MBC Share pursuant to the Bookbuilding Agreement.
- (iv) The underwriting commissions, brokerage, stamp duty (if any), management and selling commission and estimated expenses and fees incidental to the Initial Public Offering and the listing of and quotation for the entire enlarged issued and paid-up share capital of MBC on the Main Board of KLSE amounting up to RM6 million will be borne by MBC and the Offerors.
- (v) Save as disclosed in sub-paragraph (iv) above, no commission, discounts, brokerage or other special terms were granted by the Company within the 2 years immediately preceding the date of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiaries.

**14.6 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; or
- (ii) public take-over offers by the Company in respect of other companies' shares.

**14.7 MATERIAL LITIGATION**

Save as disclosed below, as at the Latest Practicable Date, neither MBC nor its subsidiaries is engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of MBC or its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of MBC or its subsidiaries.

MSK sold two 46,500 dwt product tankers with designated hull no. 425 and 426 by way of two Memoranda of Agreement dated 28 August 1997. The purchasers, Golden Seagull Maritime Inc and Golden Seabird Maritime Inc (hereafter "the Claimants") alleged that MSK had misrepresented certain specifications of the vessels and claimed for damages amounting to US\$15,069,200 with interest and cost. However, through a series of events discussed below, the quantum of damages claimed by the Claimants (as at the Latest Practicable Date) has been reduced to about US\$1,950,000.00\* comprising claims for replacement of valves, additional spares and supplies, costs and interests.

The matter was arbitrated in London, United Kingdom and an award was made on 30 October 2000 ruling that the Claimants are entitled to damages to be assessed. Pursuant to this, the Claimants have put forth the above claim.

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**


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However, arising from wrongful arrest of a vessel belonging to PCL in Durban, South Africa in October 1998 by the Claimants and the excessive posting of bank guarantees demanded by the Claimants to secure the release of the arrested vessel, MSK has a counterclaim amounting to about US\$1,220,000.00\* against the Claimants for costs, damages and interests.

In view of the claim by the Claimants and the counterclaim by MSK, negotiations are currently being carried out in London to settle the matter and failing which, the quantum of the claim and counterclaim will be arbitrated. The Directors are unable to give any specific time frame within which the negotiations or if necessary the arbitration, will conclude, but they can state that the outcome of the negotiations or arbitration will not have a material impact or adverse business or financial impact on MBC Group.

*Note:*

\* *The exchange rate of £1.00 to US\$1.65 has been used to convert claims which have been expressed in pound sterling.*

**14.8 MATERIAL CONTRACTS**

Save as disclosed below as at the Latest Practicable Date, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by MBC or its subsidiaries during the 2 years preceding the date of this Prospectus:

- (i) Share sale agreement dated 1 October 2003 between MBC and PCL to acquire the entire issued and fully paid-up share capital of PSM comprising 200,000 ordinary shares of RM1.00 each for a total consideration of RM1,938,000 to be satisfied fully by cash;
- (ii) Share sale agreement dated 1 October 2003 between MBC and KSL to acquire the entire issued and fully paid-up share capital of AWNPR comprising 143,604 ordinary shares of RM1.00 each for a total consideration of RM2.00 to be satisfied fully by cash. On completion, MBC extended a shareholder's loan of RM12,867,259.00 to AWNPR which was used to discharge the previous shareholder's loan;
- (iii) Underwriting Agreement A dated 16 October 2003 between MBC, the Underwriters and the Managing Underwriter for the underwriting of 12,000,000 MBC Shares for an underwriting commission and a managing underwriting commission of 1.5% and 0.25% of the Final Retail Price of the underwritten shares respectively;
- (iv) Underwriting Agreement B dated 15 October 2003 between the Offerors, MBC and CIMB for the underwriting of 5,000,000 MBC Shares for an underwriting commission of 1.5% of the Final Retail Price of the underwritten shares;
- (v) Sale and purchase agreement dated 12 July 2001 between MBC and Yayasan Selangor and Melawangi Sdn Bhd to acquire the property known as East Wing, Level 17, PJ Tower, Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor, measuring approximately 5,436 square feet, for a total consideration of RM2,174,400.00;
- (vi) Sale and purchase agreement dated 12 July 2001 between MBC and Yayasan Selangor and Melawangi Sdn Bhd to acquire the property known as East Wing, Level 18, PJ Tower, Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor, measuring approximately 5,436 square feet, for a total consideration of RM2,174,400.00;



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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**


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- (vii) Sale and purchase agreement dated 12 July 2001 between MBC and Yayasan Selangor and Melawangi Sdn Bhd to acquire the property known as West Wing, Level 17, PJ Tower, Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor, measuring approximately 5,533 square feet, for a total consideration of RM2,213,200.00;
- (viii) Sale and purchase agreement dated 12 July 2001 between MBC and Yayasan Selangor and Melawangi Sdn Bhd to acquire the property known as West Wing, Level 18, PJ Tower, Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor, measuring approximately 5,533 square feet, for a total consideration of RM2,213,200.00;
- (ix) Bookbuilding Agreement dated 15 October 2003 between MBC, Offerors and CIMB as Lead Manager to place out the Placement Shares;
- (x) Allocation agreement dated 15 October 2003 between MBC, BSCL, GMV and MSM to distribute the total proceeds from the Initial Public Offering and to bear all costs, commissions, fees and expenses incurred in or incidental to the Initial Public Offering in proportion to the shares issued or offered by them in the Initial Public Offering; and
- (xi) Priority agreement dated 17 October 2003 between MBC and PCL whereby PCL will offer first priority to MBC Group's vessels to perform cargo contracts which PCL Group is in a position to award to third parties outside the PCL Group.

**14.9 MATERIAL AGREEMENTS**

Save as disclosed below as at the Latest Practicable Date, the Group does not have any other material agreements including but not limited to shareholders' agreements, agreements underlying the basis of the Group's business, supplier agreements, customer agreements and directors' service agreements:

- (i) Joint Venture Agreement between LWL and a Japanese corporation dated 13 July 1999 as shareholders in AMBI to jointly own and operate 2 units of 46,000 dwt bulk carriers;
- (ii) Miscellaneous marine insurance policies entered into between marine brokers such as Willis AS, JLT Risk Solutions Limited, Jerneh Insurance Berhad and Heath Lambert (Hong Kong) Ltd for hull and machinery cover, with riders to include third party liability arising from collisions and contact with fixed and floating objects up to the hull value for each vessel;
- (iii) Mutual protection and indemnity insurance policies underwritten by SKULD Mutual Protection and Indemnity Association (Bermuda) Ltd and UK P&I Club covering the Group's liability as shipowners, including legal liability and related expenses resulting from the injury or death of crew, passengers and third parties, cargo loss or damage, pollution clean-up;
- (iv) Term Loan Agreement between ING Bank N.V. (Singapore) and AMBI for US\$23 million dated 19 September 2000:
  - (a) In respect of the vessel Alam Makmur - Statutory Mortgage dated 15 November 2000, Deed of Covenants dated 15 November 2000, General Assignment dated 15 November 2000 executed by AMBI in favour of ING (Singapore); and

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (b) In respect of vessel Alam Mesra – Statutory Mortgage dated 6 October 2000, Deed of Covenants dated 6 October 2000 and General Assignment dated 6 October 2000 executed by AMBI in favour of ING (Singapore);
- (v) Term loan by ING Bank N.V. (Labuan) and AB for US\$16,579,500.00 dated 23 February 2001, Statutory Mortgage dated 27 March 2001, Deed of Covenants dated 27 March 2001 and General Assignment dated 27 March 2001;
- (vi) Term loan by ING Bank N.V. (Labuan) and BSTRS for US\$16,579,500.00 dated 23 February 2001, Statutory Mortgage dated 22 May 2001, Deed of Covenants dated 22 May 2001 and General Assignment dated 22 May 2001;
- (vii) Standby Letter of Credit facilities from Citibank N. A. (Singapore) and LWL for US\$1,500,000.00 dated 8 May 2002 comprising the Indemnity for the issuance of Guarantee dated 10 May 2002, Charge on cash deposits dated 16 May 2002 and Letter of Set-Off (Borrower Depositor) executed by LWL in favour of Citibank N. A. (Singapore) dated 16 May 2002;
- (viii) Shipbuilding Contract for Construction and Sale of a 73,000 dwt Panamax product tanker (hull no. 1449) between PAS and Samsung dated 28 May 2002;
- (ix) Shipbuilding Contract for Construction and Sale of a 73,000 dwt Panamax product tanker (hull no. 1450) between VTRX and Samsung dated 28 May 2002;
- (x) Shipbuilding Contract for Construction and Sale of a 73,000 dwt Panamax product tanker (hull no. 1469) between BRSW and Samsung dated 10 September 2002;
- (xi) Shipbuilding Contract for Construction and Sale of a 73,000 dwt Panamax product tanker (hull no. 1479) between BRSW and Samsung dated 15 January 2003;
- (xii) Shipbuilding Contract for Construction and Sale of a 87,000 dwt Post Panamax bulk carrier (hull no. 3183) between MBC and Cosmos dated 12 December 2002 for IHI to build the vessel;
- (xiii) Shipbuilding Contract for Construction and Sale of a 87,000 dwt Post Panamax bulk carrier (hull no. 3184) between MBC and Cosmos dated 12 December 2002 for IHI to build the vessel;
- (xiv) Shipbuilding Contract for Construction and Sale of a 87,000 dwt Post Panamax bulk carrier (hull no. 3185) between MBC and Cosmos dated 12 December 2002 for IHI to build the vessel;
- (xv) Shipbuilding Contract for Construction and Sale of a 87,000 dwt Post Panamax bulk carrier (hull no. 3186) between MBC and Cosmos dated 30 January 2003 for IHI to build the vessel;
- (xvi) Shipbuilding Contract for Construction and Sale of a 87,000 dwt Post Panamax bulk carrier (hull no. 3187) between MBC and Cosmos dated 17 April 2003 for IHI to build the vessel;
- (xvii) Shipbuilding Contract for Construction and Sale of a 73,000 dwt Panamax product tanker (hull no. 1521) between PD and Samsung dated 15 April 2003;
- (xviii) Shipbuilding Contract for Construction and Sale of a 73,000 dwt Panamax product tanker (hull no. 1522) between PP and Samsung dated 15 April 2003;

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**14. GENERAL AND STATUTORY INFORMATION (Cont'd)**

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- (xix) Memorandum of Agreement for the sale of a 73,000 dwt Panamax product tanker (hull no. 1450) between VTRX and a German corporation dated 14 May 2003;
- (xx) Memorandum of Agreement for the sale of a 73,000 dwt Panamax product tanker (hull no. 1469) between AGT and a German corporation dated 14 May 2003;
- (xxi) Commercial Agreement dated 16 June 2003 between PCL and MBC where MBC engaged PCL to provide commercial management to MBC Group; and
- (xxii) Cost Sharing Agreement dated 1 October 2003 between PCL and MBC where both parties agree to the sharing of costs for support services in relation to corporate secretarial, finance, information technology, legal, internal audit and treasury for MBC Group and PCL Group.

**14.10 CONSENTS**

The written consents of the Adviser, Lead Manager, Sole Bookrunner, Managing Underwriter and Placement Agent, Underwriters, Company Secretary, Principal Bankers, Solicitors, Registrar, Auditors and Reporting Accountants, Valuers, Issuing House, E. A. Gibson Shipbrokers Ltd., Drewry Shipping Consultants Ltd., R.S. Platou Economic Research a.s., Kelang Multi Terminal Sdn Bhd and Malaysian Shipowners' Association to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report, letter relating to the consolidated profit estimate for the financial year ending 31 December 2003 and forecast for the financial year ending 31 December 2004, proforma consolidated balance sheets of MBC as at 30 June 2003 and the consolidated cashflow estimate for the financial year ending 31 December 2003 and forecast for the financial year ending 31 December 2004 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**14.11 DOCUMENTS AVAILABLE FOR INSPECTION**

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

1. The Memorandum and Articles of Association of MBC and of its subsidiaries.
2. The Accountants' Report and Directors' Report reproduced under Sections 11 and 13 of this Prospectus.
3. The Reporting Accountants' letters relating to the consolidated profit estimate for the financial year ending 31 December 2003 and forecast for the financial year ending 31 December 2004, the proforma consolidated balance sheets as at 30 June 2003 and the consolidated cashflow estimate for the financial year ending 31 December 2003 and forecast for the financial year ending 31 December 2004 reproduced under Sections 9.6, 9.7 and 9.12 of this Prospectus.
4. The letters of consent as set forth in Section 14.10 of this Prospectus.
5. The audited consolidated financial statements of MBC for the 5 financial years ended 31 December 2002 and for the financial period ended 30 June 2003.

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## 14. GENERAL AND STATUTORY INFORMATION *(Cont'd)*

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6. The audited financial statements of MBC's subsidiaries for the 5 financial years ended 31 December 2002.
7. The material contracts as set forth in Section 14.8 of this Prospectus.
8. The material agreements as set forth in Section 14.9 of this Prospectus.
9. The writ and relevant cause papers in respect of all current material litigation and arbitration as set forth in Section 14.7 of this Prospectus.
10. The certificates set forth in Sections 2.13 and 5.9 of this Prospectus.
11. The insurance policies set forth in Section 5.3.10 of this Prospectus.
12. The related party agreements set forth in Section 10.1 of this Prospectus.
13. The valuation certificates set forth in Section 12 of this Prospectus.

### 14.12 RESPONSIBILITY STATEMENTS

CIMB acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Initial Public Offering and MBC Group and is satisfied that the consolidated profit estimate for the financial year ending 31 December 2003 and forecast for the financial year ending 31 December 2004 of MBC Group, for which the Directors are solely responsible, have been stated by the Directors after due and careful inquiry and have been duly reviewed by the Reporting Accountants.

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

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