

## 5. INFORMATION ON THE MBC GROUP

### 5.1 INFORMATION ON MBC GROUP

#### Incorporation

MBC was incorporated in Malaysia on 19 November 1988 under the Act as a private limited company under the name of Kelas Mayang Sdn Bhd. On 24 March 1994, the company assumed its present name and became a public company on 16 June 2003. MBC was set up as an investment holding company for MBC Group, which currently comprises 44 subsidiaries.

The principal activities of the operating subsidiaries of MBC are investment holding, ownership and operation of vessels, ship management and land based logistic business. MBC Group's vessels are owned under the "one ship one company" concept with the exception of AMBI, a joint venture corporation with a Japanese corporation which owns 2 vessels. PSM and PPSB provide ship management services. AWNPR owns the Land and IID operates the land logistic business through its container depot in Port Kelang.

#### Share capital

The authorised share capital of MBC is RM600,000,000 divided into 2,000,000,000 ordinary shares of RM0.25 par value each and 400,000,000 RPS of RM0.25 par value each. The issued and paid up capital of MBC as at the date of this Prospectus is RM215,000,000 comprising 700,000,000 ordinary shares of RM0.25 par value each and 160,000,000 RPS of RM0.25 par value each.

The changes in the issued and paid-up share capital of MBC since its incorporation are as follows:

#### Ordinary Shares

| Date of allotment | No. of ordinary shares allotted | Par Value RM | Consideration/ Type of issue   | Total issued and paid-up share capital RM |
|-------------------|---------------------------------|--------------|--|---|
| 19.11.1988        | 2                               | 1.00         | Subscribers' shares  | 2.00                                      |
| 30.5.1989         | 49,998                          | 1.00         | Cash   | 50,000.00                                 |
| 26.12.1989        | 700,000                         | 1.00         | Issued as partial satisfaction pursuant to acquisition of 51% of ATGKS and LVC respectively  | 750,000.00                                |
| 30.4.1995         | 71,806,585                      | 1.00         | Cash   | 72,556,585.00                             |
| 30.4.1995         | 7,443,415                       | 1.00         | Issued pursuant to the bonus issue on the basis of 1,488,683 new ordinary shares of RM1.00 each for every 150,000 existing ordinary shares of RM1.00 each. | 80,000,000.00                             |
| 30.4.1995         | 50,000,000                      | 1.00         | Cash   | 130,000,000.00                            |
| 30.4.1995         | 16,658,685                      | 1.00         | Cash   | 146,658,685.00                            |

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| <b>Date of allotment</b> | <b>No. of ordinary shares allotted</b> | <b>Par Value RM</b> | <b>Consideration/ Type of issue</b>                                 | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|--|---------------------|---|--|
| 30.4.1995                | 15,841,315                             | 1.00                | Issued pursuant to acquisition of ATTRM, ATBH, EXTS, ATLDN and KNGM | 162,500,000.00                                   |

| <b>Date of Cancellation of Shares</b> | <b>No. of shares cancelled</b> | <b>Par Value RM</b> | <b>Reason</b>          |
|---------------------------------------|--------------------------------|---------------------|------------------------|
| 11.09.2003                            | 162,500,000                    | 1.00                | Reduction in par value |

| <b>Date of Allotment</b> | <b>No. of shares allotted</b> | <b>Par Value RM</b> | <b>Consideration</b>                         | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|-------------------------------|---------------------|--|--|
| 11.09.2003               | 650,000,000                   | 0.25                | Capitalisation of capital redemption reserve | 162,500,000.00                                   |
| 01.10.2003               | 24,615,385                    | 0.25                | Bonus issue                                  | 168,653,846.25                                   |
| 01.10.2003               | 15,384,615                    | 0.25                | Bonus issue                                  | 172,500,000.00                                   |
| 01.10.2003               | 10,000,000                    | 0.25                | Bonus issue                                  | 175,000,000.00                                   |

*RPS*

| <b>Date of allotment</b> | <b>No. of RPS allotted</b> | <b>Par Value RM</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|----------------------------|---------------------|-------------------------------------|--|
| 20.10.2003               | 78,769,231                 | 0.25                | Bonus issue                         | 194,692,307.75                                   |
| 20.10.2003               | 49,230,769                 | 0.25                | Bonus issue                         | 207,000,000.00                                   |
| 20.10.2003               | 32,000,000                 | 0.25                | Bonus issue                         | 215,000,000.00                                   |

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**5.2 RESTRUCTURING EXERCISE**

In conjunction with, and as an integral exercise prior to the Listing and Quotation, the Company undertook a restructuring exercise as follows:

**5.2.1 Subdivision of shares**

On 11 September 2003, the authorised share capital of MBC of RM200,000,000.00 divided into 200,000,000 ordinary shares of RM1.00 each was subdivided into 800,000,000 ordinary shares of RM0.25 each. Simultaneously, MBC's issued and paid-up capital of 162,500,000 ordinary shares of RM1.00 was divided into 650,000,000 fully paid-up ordinary shares of RM0.25 each by way of subdividing each fully paid RM1.00 ordinary shares into four fully paid ordinary shares of RM0.25 each.

**5.2.2 Bonus Issue**

On 1 October 2003, MBC allotted and issued 50,000,000 new ordinary shares of RM0.25 par value each, credited as fully paid-up by way of capitalising RM12,500,000 from MBC's share premium account to BSCL, GMV and MSM in proportion to their respective shareholdings in MBC as stated below :

|       |                   |
|-------|-------------------|
| BSCL  | 24,615,385        |
| GMV   | 15,384,615        |
| MSM   | 10,000,000        |
| Total | <u>50,000,000</u> |

**5.2.3 Acquisition of PSM**

On 1 October 2003, MBC entered into a share sale agreement with 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 RM1,938,000.00 which was satisfied by cash on completion.

The 200,000 ordinary shares of RM1.00 each in PSM acquired are free from all charges, liens, pledges, trusts and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the acquisition. The total purchase consideration of RM1,938,000.00 was arrived at based on the audited net assets of the PSM Group as at 31 December 2002 of RM1,938,000.00 and taking into account the expertise and support services available in the PSM Group and the need for such support for the future growth and prospect of MBC Group.

Prior to the acquisition, PSM had been a wholly-subsiary of PCL since 25 February 1998.

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**5.2.4 Acquisition of AWNPR**

On 1 October 2003, MBC entered into a share sale agreement with 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 which was satisfied by cash on completion. The purchase consideration of RM2.00 was arrived at based on the fair value of the net assets of AWNPR as at 30 September 2003. 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.

The 143,604 ordinary shares of RM1.00 each in AWNPR acquired are free from all charges, liens, pledges, trusts and other encumbrances and with all rights, benefits and entitlements attaching thereto from the date of completion of the acquisition.

The primary asset of AWNPR is the Land which was valued at RM13,060,000.00 based on a valuation by a firm of professional valuers, Messrs CH Williams Talhar & Wong Sdn Bhd using the comparison method. The acquisition takes into account the strategic importance of the Land to IID's operation.

Please refer to Section 12 of this Prospectus for details of the valuation certificate of the Land.

**5.2.5 Issue of RPS and Partial Redemption of RPS**

On 23 September 2003 and 17 October 2003, the approvals of SC were obtained for the issue of 160,000,000 RPS of RM0.25 par value each at an issue price of RM2.50 each by way of capitalisation of RM395,452,000.00 of Company's share premium account and RM4,548,000.00 from retained profit. Approvals were also obtained on 23 September 2003 and 17 October 2003 for the subsequent partial redemption of 40,000,000 RPS at the issue price of RM2.50 each.

On 20 October 2003, 160,000,000 RPS of RM0.25 par value each were issued at RM2.50 each to the shareholders of MBC namely, BSCL, GMV and MSM on a proportionate basis according to their respective shareholdings in the Company and 40,000,000 RPS will be redeemed immediately prior to the Listing and Quotation at the issue price of RM2.50 each. This redemption will be financed from bank borrowings.

**5.2.6 Initial Public Offering**

In conjunction with the proposed flotation of the entire issued and paid-up share capital of MBC on the Main Board of the KLSE, MBC proposes to implement a public issue of 100,000,000 new MBC Shares, and BSCL, GMV and MSM will proportionately offer for sale their existing shares of 140,000,000 MBC Shares, representing 12.5% and 17.5% respectively of the entire enlarged issued and paid-up ordinary share capital.

**5.2.7 Private Placement of RPS**

The private placement of 50,000 RPS to CIMB as placement agent at the placement price of RM2.50 for each RPS to facilitate the Listing and Quotation of the RPS.

For the salient terms of the RPS, please refer to Annex B of this Prospectus.

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The RPS will be held by the following persons before and after the private placement:

|      | Before the private placement | After the private placement |
|------|------------------------------|-----------------------------|
| BSCL | 59,076,923                   | -                           |
| PCL  | -                            | 59,052,308                  |
| GMV  | 36,923,077                   | 36,907,692                  |
| MSM  | 24,000,000                   | 23,990,000                  |

### 5.2.8 Listing and Quotation

The listing and quotation is for the entire enlarged and paid-up share capital of MBC comprising 800,000,000 ordinary shares of RM0.25 par value each and 120,000,000 RPS of RM0.25 par value each on the Main Board of KLSE.

## 5.3 BUSINESS OVERVIEW

### 5.3.1 History and Business

As an active trading nation, freight and insurance have been one of the largest components of Malaysia's current service account. However, cargo has principally been exported on FOB basis while imported on CIF basis. By doing so, Malaysian traders have relied on services provided by non-Malaysian owned vessels. As a result, there has been a significant increase in the country's payment deficits in invisibles. To address the rising deficit, the Malaysian government announced the establishment of a RM500 million shipping venture fund in 1992. Bank Industri was tasked to spearhead this government initiative, which it did by forming GMV, a marine venture capital investment holding company on 19 May 1993. Recognising that the Malaysian flagged tonnage would have to be expanded to address this problem, GMV, with its initial investment of RM200 million, began implementing a course of action which included equity participation by GMV to encourage local enterprises to start its own Malaysian merchant fleet.

Among the prominent shipping enterprises invited by the Malaysian government to collaborate with GMV was PCL, the shipping arm of Kuok Group. At the time, PCL, with nearly 20 years in shipping, was already a well regarded name in the global shipping community and it was logical that an active participation by PCL would be mutually beneficial.

On 28 September 1994, PCL entered into a memorandum of understanding with GMV and MSM. In 1995, pursuant to the memorandum of understanding and after receiving all necessary approvals, MBC's shareholding was restructured with GMV and MSM joining BSCL (a wholly-owned subsidiary of PCL) as shareholders in the restructured MBC, which owned a fleet of 18 vessels. Although the initial focus was on dry bulk, the Group entered the tanker segment in 1997 when it took delivery of the first of four medium range double hull product tankers of 46,500 dwt it ordered. Such diversification was well timed and proved both successful and profitable as demand for modern double hull quality ships increased due to environmental concerns. The Group's strategy is to invest in a suitable mix of vessels to cater to the international freighting needs of bulk cargo transportation.

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**5. INFORMATION ON THE MBC GROUP *(Cont'd)***

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The Group recently acquired PSM, a ship manager and broker. The acquisition takes into account the expertise and support services available in the PSM Group and the need for such expertise for the future growth and development of MBC Group. The Group has also recently acquired Awnpr, whose principal asset is the Land upon which the Group's subsidiary IID operates a container depot. This acquisition takes into account the strategic value of the Land to IID's operation and future expansion.

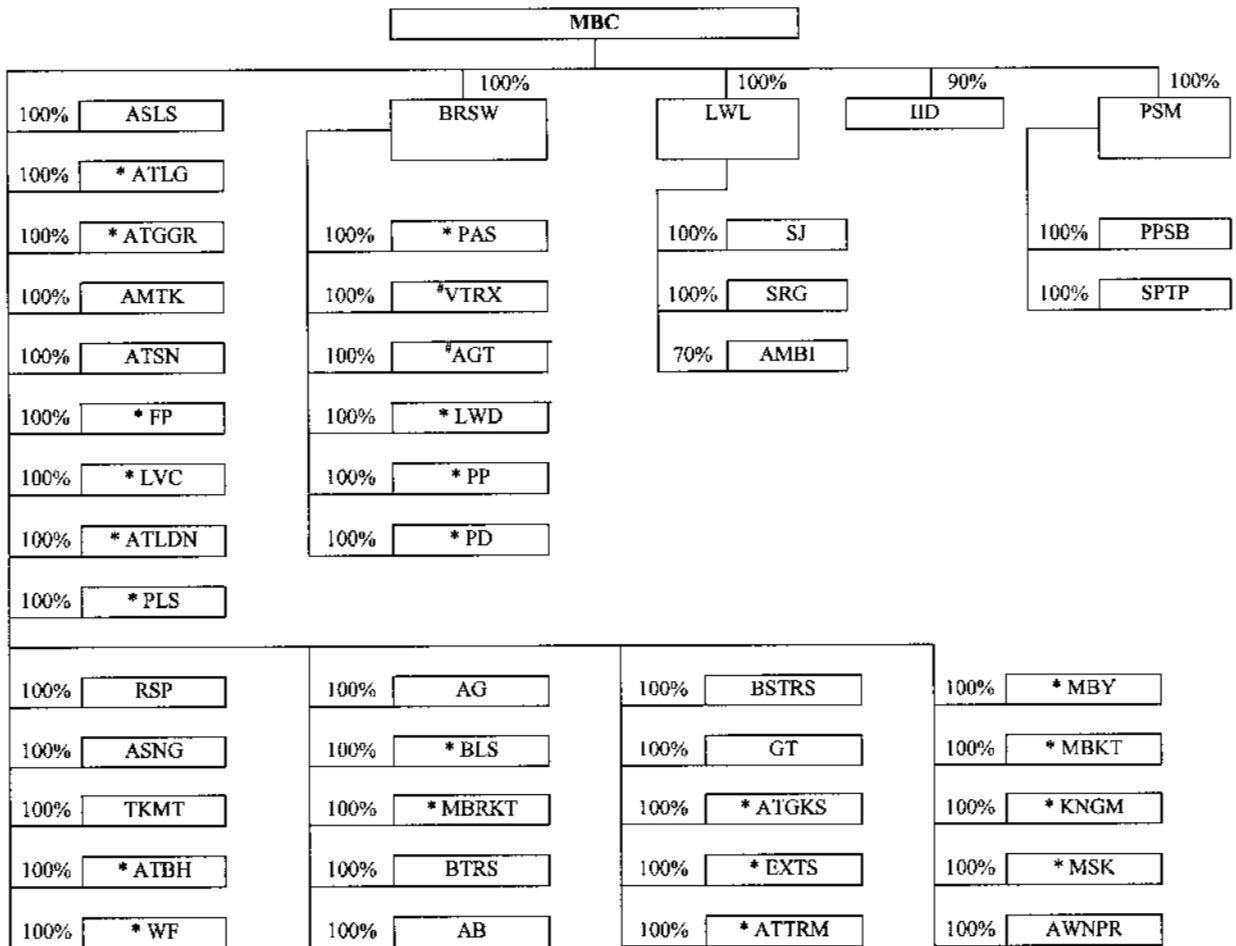
Today, MBC Group is one of the largest shipping enterprise in Malaysia and one of a handful of Malaysian shipping companies engaged in international shipping using its own fleet of vessels. MBC Group presently owns and operates a fleet of 14 vessels comprising 11 dry bulk carriers and 3 product tankers with a total fleet of 560,195 dwt. In addition, the Group has entered into newbuilding contracts to build 6 Panamax product tankers and 5 Post-Panamax dry bulk carriers, which upon delivery (less hull no. 1450 and 1469 which have been contracted to be sold) will increase the total fleet to 1,287,195 dwt. These vessels are traded on a variety of voyage and time charters.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**

**5.3.2 Group structure**

As is the common practice of the shipping industry, each vessel is separately owned by a single subsidiary in order to ring-fence any potential liability resulting from that vessel, from the other members of MBC Group. The exceptions are AMBI, which owns 2 vessels, PSM and PPSB whose principal activities are that of ship management and AWNPR which owns the Land on which the IID carries on the land logistic services. The current structure of MBC Group is as follows:



\* Dormant Companies

\* In members' voluntary liquidation

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## 5. INFORMATION ON THE MBC GROUP *(Cont'd)*

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### 5.3.3 Market segments

The principal market segments in which MBC Group operates are dry bulk carriage and product tanker services. Turnover contributed by dry bulk carriage and product tanker services accounted for 64% and 35% respectively of MBC Group's total turnover for the financial period ended 30 June 2003.

#### Dry bulk carriers

In this market segment, MBC's bulk carriers are involved in the transportation of dry cargo shipments.

The dry bulk cargo consists mainly of:

- (a) major bulks – which collectively represents about two-thirds of all dry bulk cargoes shipped. The 5 major bulk cargoes under this category are iron ore, coals (steaming and coking coals), grains (wheat/coarse grains, soyabean), bauxite/alumina and phosphate rock.
- (b) minor bulks – consisting mainly of sugar, agribulks, fertilisers, scrap, cement, coke, pig iron, forest products and steel products, among others.

As a non-liner or tramp operator, MBC Group's vessels do not ply on fixed routes but are traded on the spot market into areas providing the best returns. This may be for a single voyage or trip charters lasting up to 3 months duration. However, MBC may on occasion decide to fix out for longer periods when the immediate market outlook appears negative, in which case the vessels may be chartered out for long term period charters lasting up to a year or more.

#### Product Tankers

The Group is engaged primarily in the seaborne transportation of clean petroleum products (consisting largely of light and middle distillates such as naphtha, motor gasoline, jet fuel, kerosene, condensate, diesel and gasoil) and occasionally vegetable oils.

MBC has, in recent years, operated its tankers under a pooling arrangement with a third party. MBC served notice to exit this pool in February 2003 and the final voyage the Group's tankers was completed in September 2003. The Group's tankers currently operate on the spot market, carrying mainly clean petroleum products, chemical and vegetable oils. PCL has secured a medium range (MR) product tanker ("MT Lyra Pioneer") on a five year time charter which commenced in October 2003. As the Group owns similar type tankers, it is intended that the MT Lyra Pioneer will be pooled with the Group's 3 MR tankers. This pooling arrangement enables shipowners of similar type vessels to deploy a bigger fleet and thus provide wider market coverage with other participants of the pool to achieve optimum returns.

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## 5. INFORMATION ON THE MBC GROUP (Cont'd)

### 5.3.4 Fleet of Vessels

MBC Group presently owns and operates a fleet of 14 vessels. The Group's vessels which have an average age of approximately 9 years are amongst the most modern in Malaysia. Details of these vessels are set out below:

#### Vessels in Operation

| Owner        | Name of Vessel | Vessel's Type          | Year Built | DWT            | Flag      |
|--------------|----------------|------------------------|------------|----------------|-----------|
| TKMT         | Alam Sempurna  | Handysize Bulk-carrier | 1984       | 28,094         | Malaysia  |
| ASNG         | Alam Senang    | Handysize Bulk-carrier | 1984       | 28,098         | Malaysia  |
| RSP          | Alam Sejahtera | Handysize Bulk-carrier | 1985       | 29,692         | Malaysia  |
| AG           | Alam Gula      | Handysize Bulk-carrier | 1985       | 23,418         | Malaysia  |
| ASLS         | Alam Selaras   | Handysize Bulk-carrier | 1992       | 39,110         | Malaysia  |
| AMTK         | Alam Sentosa   | Handysize Bulk-carrier | 1992       | 39,110         | Malaysia  |
| ATSN         | Alam Selamat   | Handysize Bulk-carrier | 1992       | 39,110         | Malaysia  |
| BTRS         | Alam Bitara    | MR Product Tanker      | 1999       | 45,513         | Malaysia  |
| AB           | Alam Budi      | MR Product Tanker      | 2000       | 47,065         | Malaysia  |
| BSTRS        | Alam Bistari   | MR Product Tanker      | 2000       | 47,065         | Malaysia  |
| AMBI         | Alam Mesra     | Handymax Bulk-carrier  | 2000       | 46,664         | Singapore |
| AMBI         | Alam Makmur    | Handymax Bulk-carrier  | 2000       | 46,664         | Singapore |
| SJ           | Ikan Suji      | Handymax Bulk-carrier  | 2001       | 50,296         | Singapore |
| SRG          | Ikan Serong    | Handymax Bulk-carrier  | 2001       | 50,296         | Singapore |
| <b>TOTAL</b> |                |                        |            | <u>560,195</u> |           |

In conjunction with the Listing and Quotation exercise, MBC instructed Braemar Seascope Valuations Limited, an independent ship valuer to value the above 14 existing vessels. As at 9 September 2003, Braemar Seascope Valuations Limited valued the 14 vessels at US\$215,250,000 or approximately RM817,950,000 compared with the total net book value of RM631,803,000 as of 30 June 2003. This gives rise to a revaluation surplus of RM186,147,000 in respect of these 14 vessels.

Please refer to Section 12 of this Prospectus for further details on the valuation of the vessels.

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### 5.3.5 Newbuildings

Due to an increasingly stringent regulatory environment which necessitates the acceleration of the replacement of older vessels, the Group has been steadily disposing of its older vessels. In order to stay ahead of competition, the disposals are matched by an equally active acquisition program for newbuildings. As at the Latest Practicable Date, MBC Group has contracted for the construction of 11 newbuildings consisting of 6 Panamax tankers and 5 Post-Panamax bulk carriers, totalling 873,000 dwt to be delivered over a period of time from November 2003 to January 2006.

The total contract price for the 11 newbuildings is US\$304,675,000 as compared to valuation of Braemar Seascope Valuations Limited's, an independent ship valuer of US\$345,250,000 as at 9 September 2003. The revaluation surplus for the 9 retained newbuildings plus the estimated gains of disposal from hull no. 1450 and 1469 of which had been contracted to sell is RM144,387,000. Details of the newbuildings are as follows:

| Proposed Registered Owner           | Vessel's Type             | Hull No. | Expected Delivery Date | DWT            | Proposed Flag |
|-------------------------------------|---------------------------|----------|------------------------|----------------|---------------|
| VTRX*                               | Panamax Product Tanker    | 1450     | February 2004          | 73,000         | Singapore     |
| AGT*                                | Panamax Product Tanker    | 1469     | March 2004             | 73,000         | Singapore     |
| PAS                                 | Panamax Product Tanker    | 1449     | November 2003          | 73,000         | Singapore     |
| LWD                                 | Panamax Product Tanker    | 1479     | April 2005             | 73,000         | Singapore     |
| PD                                  | Panamax Product Tanker    | 1521     | September 2005         | 73,000         | Singapore     |
| PP                                  | Panamax Product Tanker    | 1522     | January 2006           | 73,000         | Singapore     |
| A subsidiary of MBC to be nominated | Post Panamax Bulk Carrier | 3183     | April 2005             | 87,000         | Malaysia      |
| A subsidiary of MBC to be nominated | Post Panamax Bulk Carrier | 3184     | June 2005              | 87,000         | Malaysia      |
| A subsidiary of MBC to be nominated | Post Panamax Bulk Carrier | 3185     | August 2005            | 87,000         | Malaysia      |
| A subsidiary of MBC to be nominated | Post Panamax Bulk Carrier | 3186     | October 2005           | 87,000         | Malaysia      |
| A subsidiary of MBC to be nominated | Post Panamax Bulk Carrier | 3187     | December 2005          | 87,000         | Malaysia      |
| <b>TOTAL</b>                        |                           |          |                        | <b>873,000</b> |               |

Note:

\* MBC Group has contracted to sell hull no. 1450 and 1469, details of which are in Section 14.9(xix) and (xx) of this Prospectus.

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These additions (excluding hull no. 1450 and 1469) will increase the tonnage owned or operated by MBC Group by approximately 130% from 560,195 dwt to 1,287,195 dwt.

Please refer to Section 12 of this Prospectus for further details on the valuation of the newbuildings.

### 5.3.6 Management of Vessels

PCL provides MBC Group with strategic, commercial deployment and operational management services. Details of this arrangement are provided in Section 10.1.1 of this Prospectus.

In addition to the above, the day to day management of vessels can be divided into 2 main areas:

- (a) commercial management; and
- (b) ship management.

MBC Group derives benefits from its relationship with the PCL Group, including advantages from economies of scale and synergy, to which it otherwise would not have access.

Commercial management which involves the deployment of MBC Group's vessels, is managed by PSM and PCL Group. The MBC's commercial team in PSM manages its 7 Handysize bulk carriers but subcontracts out the commercial management of its 4 Handymax bulk carriers and 3 MR product tankers to PCL, leveraging on PCL's extensive broker and customer network established over the years. This arrangement is documented in various commercial management agreements as detailed in Section 10.1 of this Prospectus.

Ship management includes marine operations, technical management, ship supplies and crewing and they are undertaken by PPSB and PACC, a wholly-owned subsidiary of PCL, on behalf of MBC Group.

PPSB is the technical management arm of MBC Group which undertakes general and technical management of vessels. These duties include all operational aspects of the vessels including:

- (a) manning the vessels with suitably trained and certified crew;
- (b) making insurance arrangement; and
- (c) attending to quality, safety and maintenance aspects of vessels management.

Presently PPSB is responsible for general and technical management of the Malaysian flagged 7 Handysize bulk carriers in MBC Group.

The general and technical management of the 3 MR product tankers (Alam Bitara, Alam Budi and Alam Bistari) and the 4 Singapore flagged Handymax dry bulk carriers (Alam Mesra, Alam Makmur, Ikan Suji and Ikan Serong) are undertaken by PACC.

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MBC benefits from economies of scale by having its procurement, supplies, spares, stores and lubricants for MBC Group's vessels outsourced to PACC in order to obtain competitive costing and global network for the provision of such supplies and spares. PACC also undertakes procurement of supplies and spares for all PCL Group vessels. The arrangement between MBC Group and PCL Group for procurement of supplies are documented in procurement agreements, and sometimes, included as part of the services in management and technical agreements with PACC.

Both PPSB and PACC possess technical proficiency and management expertise as professional ship managers. They also maintain several pools of seafarers, each of significant size for the various different vessel types that they manage, giving them flexibility in planning crew changes.

### 5.3.7 Marketing

MBC's trading fleet consists of bulk carriers and product tankers. The world's fleet of bulk carriers are largely engaged in the transportation of drybulk cargo such as coking and steaming coals, iron ores, cement, steel products, agribulks, grains and sugar. Product tankers are largely employed in the transportation of petroleum products such as light and middle distillates consisting of naphtha, motor gasoline, jet fuel, kerosene, condensate, diesel and gasoil.

The above cargo are traded across the globe and the main shipping areas are accordingly concentrated around the Atlantic, Pacific or Indian Ocean regions.

Producers, consumers, commodity traders and conglomerates may be involved with freighting as a consequence of how sales are transacted (i.e. whether the sales include insurance and freight). With such players scattered all over the world, the task of bringing shipowners and cargo interests together has traditionally been the role of shipbrokers who act as intermediaries in marrying such deals together. The successful broker will obviously be the one with the widest contacts, market information and coverage so as to be of value to the shipowner or the charterer, who is the customer of shipping services.

MBC's commercial team in PSM deals with shipbrokers located in major shipping centres to identify and develop the best business opportunities for MBC Group's vessels. Over the years, both PCL and PSM have successfully identified brokers having strong market coverage and connections who can best look after their interests. PCL and PSM have been able to retain the services and continued support of sizeable shipbrokers on account of the volume of business that the PCL and MBC Groups have to offer.

The maximisation of shared resources has proved beneficial not only in respect of the above. MBC can today pride itself on the direct relationships it currently enjoys with several major global charterers. Such a relationship helps when orders have to be privately covered or when given the first look at the business.

PCL's exemplary reputation and her close relationship with various charterers has been developed over the years and although MBC has had a relatively shorter shipping history, its association with PCL has enabled it to enjoy the rewards that come from such a relationship.

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The marketing function that supports MBC Group's business has to manage changing relationships due to consolidation of many of the larger shippers and receivers in the world. To stay ahead of the competition, the commercial team that supports MBC Group provides the following services:

- (a) Market intelligence and analysis involving latest research on trade statistics, fleet compositions, forward market and analysis;
- (b) Broad analysis of options for each of the MBC Group's vessels prior to the vessel's next open position. Before a fixture is confirmed, a worksheet of employment alternatives together with market analysis is presented for review;
- (c) Negotiation and conclusion of each fixture including negotiation of detailed charter party terms;
- (d) Extensive post-fixture and operational support for the vessels. This includes preparation of final accounts and laytime statements; and
- (e) Preparation of hire or freight invoices.

### 5.3.8 Quality Assurance / Repairs and Maintenance

PPSB and PACC base their quality and safety management system and their environmental protection procedures on the requirements of IMO Resolution A.741 (18) – the International Safety Management Code ("ISM Code") for the safe operation of ships and pollution prevention. Assessment for compliance with the ISM Code requirements is carried out by the Flag State and an approved international Classification Society, which is a member of the IACS.

To ensure safe ship operation and to achieve minimal down times for vessels, well-tested preventive maintenance procedures and records are placed on board all PPSB and PACC managed ships. Regular reviews are carried out on maintenance procedures and the performance by office and ship's personnel responsible for its implementation. The planned maintenance systems are established by PPSB and PACC and implemented on board the ship by the Master and Chief Engineer who are responsible for keeping records and submitting monthly status reports as well as any future maintenance requirements to the company.

Every 4 months, each vessel is inspected by the vessel's assigned superintendent. The vessel's condition and the implementation of the Company's standard, safety management and quality assurance systems are reported on using forms developed by PPSB and PACC.

Every vessel is classed by a member of IACS who is approved by the vessel's Flag State authority. The Classification Society certifies that the vessel has been built and maintained in accordance with the rules of the Classification Society and complies with the applicable rules and regulations of the Flag State and with international conventions of which that state is a member. Such certification is required as evidence that the vessel is "in class" and seaworthy.

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Regular inspections of vessels are carried out by the port state authorities of the countries visited by the vessels to ensure that they comply with IMO conventions. In addition, product tankers are inspected by the major oil companies for compliance with their own high standards with regard to the vessel's suitability and condition and the performance of her crew with respect to safety awareness and cargo operations. The vessels are also inspected to ensure that their technical standards comply with the oil companies' criteria.

Routine maintenance and repair of hull machinery and equipment are carried out by the ship's crew whenever possible. Spare parts and tools are carried onboard for this purpose. Repairs and maintenance that are beyond the capability of the ship's crew are reported to PPSB's or PACC's technical department who will arrange for the services of shore-based contractors.

Drydocking of MBC Group's vessels is carried out at intervals of between 24 and 30 months, depending on the trading pattern and charterparty requirements of each vessel. The vessels are drydocked in accordance with the requirements of MBC Group and the relevant Classification Societies, at suitable shipyards after due consideration of cost and diversion for drydocking.

### 5.3.9 Competition

The pricing of spot and contract charter rates is highly competitive, due to the large number of operators in the market. Owners who can achieve above-average utilisation rates while operating under voyage charters will generally achieve above-average TCE rates.

A spot charter in the form of a voyage fixture would require the shipowner and operator to ship a cargo from a contracted load port to a discharging port against payment of an agreed freight. The proximity of cargo to the vessels' last discharge port will impact on vessels' earnings and TCE. High vessel utilisation tends to create higher average TCE rates even though a shipowner and operator may charge no more than its competitors for a particular voyage.

Vessels that are in a good position are of considerable value not only for the shipowner when considering voyage business, but the favourable position of the vessel will likewise be of benefit to the charterer when the charterer decides to charter in vessels to perform the shipment himself. The higher time charter rate that the charterer will pay for such favourably positioned vessels will boost the earnings for the shipowner.

The Group has consistently been able to maintain its utilisation rates. This has been possible due to:

- (a) the similarity and the critical mass of its fleet enabling the Group to efficiently allocate the right ships for the business thereby maximising the fleet's earnings;
- (b) the Group's relatively young fleet ensures less downtime for maintenance and repair than a older fleet; and
- (c) the Group's strong network of customer relationships generate considerable opportunities for triangulation of businesses thereby reducing ballast or idle legs; and the tramping nature of the Group's operations gives it sufficient flexibility to direct vessels to lucrative and profitable areas at short notice.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**5.3.10 Insurance and P & I Club**

MBC Group's vessels are all insured in accordance with standard industry practice. 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, is arranged through several marine insurance brokers such as Willis Ser Dahl, JLT Risk Solutions, Jerneh Insurance Berhad and Heath Lambert, Hong Kong. Third party claims in excess of the hull value are covered under P & I Club.

Mutual protection and indemnity insurance covering MBC 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 and salvage, is arranged in a similar manner and underwritten by SKULD Mutual Protection and Indemnity Association (Bermuda) Ltd and UK P & I Club both of whom are P & I Clubs. MBC Group's owned vessels are insured up to US\$1 billion per vessel per occurrence for oil pollution risk.

**5.3.11 Employees**

As at the Latest Practicable Date, MBC Group has a total of 119 employees. None of the employees of MBC Group belong to any union. The management enjoys a cordial and harmonious working relationship with its employees and there has been no industrial disputes arising between the employees and the Group since the Group commenced operations. The breakdown of the total number of employees into categories and the average number of years of service as at the Latest Practicable Date are as follows:

| <b>Category</b>             | <b>Total number of employees</b> | <b>Average number of years of service</b> |
|-----------------------------|----------------------------------|---|
| Executive Director          | 4                                | 8   |
| Managerial and professional | 16                               | 6   |
| Technical and supervisory   | 71                               | 8   |
| Clerical                    | 24                               | 5   |
| General worker              | 4                                | 1   |

*Note:*

*As at the Latest Practicable Date, there are about 327 seafarers serving on board the vessels.*

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## 5. INFORMATION ON THE MBC GROUP *(Cont'd)*

### 5.4 SUBSIDIARIES

#### 5.4.1 Subsidiaries

The principal activities of the subsidiaries of MBC as at the date of this Prospectus are as follows:

| Name  | Date and Place of Incorporation | Authorised share capital | Issued and paid-up share capital | Effective interest | Principal activities              |
|-------|---------------------------------|--------------------------|----------------------------------|--------------------|-----------------------------------|
| AB    | 05.11.1999;<br>Malaysia         | RM100,000                | RM 100,000                       | 100%               | Ship-owning                       |
| AG    | 24.11.1995;<br>Malaysia         | RM 100,000               | RM 2                             | 100%               | Ship-owning                       |
| AGT   | 09.09.2002;<br>Singapore        | S\$100,000               | SS2                              | 100%               | In members' voluntary liquidation |
| AMBI  | 25.06.1999;<br>Singapore        | US\$15,000,000           | US\$15,000,000                   | 70%                | Ship-owning                       |
| AMTK  | 27.05.1991;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Ship-owning                       |
| ASLS  | 27.05.1991;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Ship-owning                       |
| ASNG  | 17.12.1991;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Ship-owning                       |
| ATBH  | 06.08.1987;<br>Malaysia         | RM10,000,000             | RM10,000,000                     | 100%               | Dormant                           |
| ATGGR | 11.12.1991;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Dormant                           |
| ATGKS | 07.09.1987;<br>Malaysia         | RM200,000                | RM100,000                        | 100%               | Dormant                           |
| ATLDN | 24.01.1989;<br>Malaysia         | RM 10,000,000            | RM10,000,000                     | 100%               | Dormant                           |
| ATLG  | 07.11.1991;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Dormant                           |
| ATSN  | 06.05.1991;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Ship-owning                       |
| ATTRM | 25.06.1987;<br>Malaysia         | RM10,000,000             | RM10,000,000                     | 100%               | Dormant                           |
| AWNPR | 20.05.1995;<br>Malaysia         | RM500,000                | RM143,604                        | 100%               | Investment holding                |
| BLS   | 18.03.1997;<br>Malaysia         | RM100,000                | RM100,000                        | 100%               | Dormant                           |



**5. INFORMATION ON THE MBC GROUP (Cont'd)**

| <b>Name</b> | <b>Date and Place of Incorporation</b>        | <b>Authorised share capital</b> | <b>Issued and paid-up share capital</b> | <b>Effective interest</b> | <b>Principal activities</b>  |
|-------------|---|---------------------------------|---|---------------------------|------------------------------|
| BRSW        | 02.07.2002;<br>BVI                            | US\$50,000                      | US\$1                                   | 100%                      | Investment holding           |
| BSTRS       | 16.11.1999;<br>Malaysia                       | RM100,000                       | RM100,000                               | 100%                      | Ship-owning                  |
| BTRS        | 27.10.1997;<br>Malaysia                       | RM100,000                       | RM100,000                               | 100%                      | Ship-owning                  |
| EXTS        | 25.08.1987;<br>Malaysia                       | RM10,000,000                    | RM10,000,000                            | 100%                      | Dormant                      |
| FP          | 28.09.1994;<br>Malaysia                       | RM100,000                       | RM2                                     | 100%                      | Dormant                      |
| GT          | 27.01.1996;<br>Malaysia                       | RM100,000                       | RM2                                     | 100%                      | Investment trading           |
| IID         | 09.02.2002;<br>Malaysia                       | RM100,000                       | RM100,000                               | 90%                       | Operation of container depot |
| KNGM        | 28.09.1989;<br>Malaysia                       | RM20,000,000                    | RM10,000,000                            | 100%                      | Dormant                      |
| LVC         | 16.01.1989;<br>Malaysia                       | RM200,000                       | RM100,000                               | 100%                      | Dormant                      |
| LWD         | 02.01.2003;<br>Singapore                      | S\$500,000                      | S\$2                                    | 100%                      | Dormant                      |
| LWL         | 21.07.1998;<br>BVI                            | US\$50,000                      | US\$1                                   | 100%                      | Investment holding           |
| MBKT        | 17.09.1999;<br>Malaysia                       | RM100,000                       | RM100,000                               | 100%                      | Dormant                      |
| MBRKT       | 10.03.1997;<br>Malaysia                       | RM100,000                       | RM100,000                               | 100%                      | Dormant                      |
| MBY         | 07.07.1999;<br>Malaysia                       | RM100,000                       | RM100,000                               | 100%                      | Dormant                      |
| MSK         | 20.03.1997;<br>St. Vincent and the Grenadines | US\$100                         | US\$100                                 | 100%                      | Dormant                      |
| PAS         | 14.03.2002;<br>Singapore                      | S\$500,000                      | S\$500,000                              | 100%                      | Dormant                      |
| PD          | 03.04.2003;<br>Singapore                      | S\$500,000                      | S\$2                                    | 100%                      | Dormant                      |
| PLS         | 30.04.1992;<br>Malaysia                       | RM100,000                       | RM100,000                               | 100%                      | Dormant                      |
| PP          | 03.04.2003;<br>Singapore                      | S\$500,000                      | S\$2                                    | 100%                      | Dormant                      |

**5. INFORMATION ON THE MBC GROUP (Cont'd)**

| <b>Name</b> | <b>Date and Place of Incorporation</b> | <b>Authorised share capital</b> | <b>Issued and paid-up share capital</b> | <b>Effective interest</b> | <b>Principal activities</b>         |
|-------------|--|---------------------------------|---|---------------------------|-------------------------------------|
| PPSB        | 06.12.1999;<br>Malaysia                | RM500,000                       | RM200,000                               | 100%                      | Ship-manager                        |
| PSM         | 30.08.1984;<br>Malaysia                | RM500,000                       | RM200,000                               | 100%                      | Ship brokers, and managers of ships |
| RSP         | 10.07.1991;<br>Malaysia                | RM100,000                       | RM100,000                               | 100%                      | Ship-owning                         |
| SJ          | 23.03.1987;<br>Singapore               | S\$1,000,000                    | S\$500,000                              | 100%                      | Ship-owning                         |
| SPTP        | 24.11.1995;<br>Malaysia                | RM100,000                       | RM2                                     | 100%                      | Investment holding                  |
| SRG         | 18.10.1989;<br>Singapore               | S\$1,000,000                    | S\$500,000                              | 100%                      | Ship-owning                         |
| TKMT        | 14.06.1991;<br>Malaysia                | RM100,000                       | RM100,000                               | 100%                      | Ship-owning                         |
| VTRX        | 13.05.2002;<br>Singapore               | S\$100,000                      | S\$2                                    | 100%                      | In members' voluntary liquidation   |
| WF          | 02.09.1994;<br>Malaysia                | RM100,000                       | RM2                                     | 100%                      | Dormant                             |

As at the date hereof, MBC does not have any associated company.

**Subsidiaries**

All of the Company's subsidiaries are directly or indirectly wholly-owned by the Company save for AMBI, which is 70% indirectly owned by the Company and IID, which is 90% directly owned by the Company. Further details of the Company's subsidiaries are provided below:

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(i) Alam Budi Sdn Bhd ("AB")*****History and Business***

AB was incorporated on 5 November 1999 in Malaysia under the Act as a private limited company. The principal activity of the company is ship-owning.

***Share Capital***

The authorised, issued and paid-up share capital of AB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of AB since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|---|-------------------------------------|--|
| 05.11.1999               | 2   | Subscribers' shares                 | 2  |
| 02.02.2000               | 99,998  | Cash                                | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, AB does not have any subsidiary or associated company.

**(ii) Alam Gula Sdn Bhd ("AG")*****History and Business***

AG was incorporated on 24 November 1995 in Malaysia under the Act as a private limited company. The principal activity of the company is ship-owning.

***Share Capital***

The authorised share capital of AG is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of AG is RM2 comprising 2 ordinary shares of RM1.00 each.

There is no change in the issued and paid-up share capital of AG since its incorporation:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|---|-------------------------------------|--|
| 24.11.1995               | 2   | Subscribers' Shares                 | 2  |

***Subsidiary and Associated Company***

As at the date hereof, AG does not have any subsidiary or associated company.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(iii) Aldgate Pte Ltd ("AGT")*****History and Business***

AGT was incorporated on 9 September 2002 in Singapore under the Companies Act of Singapore as a private limited company. AGT is currently in members' voluntary liquidation.

***Share Capital***

The authorised share capital of AGT is S\$100,000 comprising 100,000 ordinary shares of S\$1.00 each. The issued and paid up share capital of AGT is S\$2.00 comprising 2 ordinary shares of S\$1.00 each.

There is no change in the issued and paid-up share capital of S\$2.00 since its incorporation:

| <b>Date of allotment</b> | <b>No. of ordinary shares of S\$1.00 each allotted</b> | <b>Consideration/ Type of Issue</b> | <b>Total issued and paid-up share capital S\$</b> |
|--------------------------|--|-------------------------------------|---|
| 09.09.02                 | 2  | Subscribers' shares                 | 2   |

***Subsidiary and Associated Company***

As at the date hereof, AGT does not have any subsidiary or associated company.

**(iv) Ambi Shipping Pte Ltd ("AMBI")*****History and Business***

AMBI was incorporated on 25 June 1999 in Singapore under the Companies Act of Singapore as a private limited company. The principal activity of AMBI is ship-owning.

***Share Capital***

The authorised share capital of AMBI is US\$15,000,000 comprising 15,000,000 ordinary shares of US\$1.00 each. The issued and paid up share capital of AMBI is US\$15,000,000 comprising 15,000,000 ordinary shares of US\$1.00 each.

The changes in the issued and paid-up share capital of US\$15,000,000 since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of US\$1.00 each allotted</b> | <b>Consideration/ Type of Issue</b> | <b>Total issued and paid-up share capital US\$</b> |
|--------------------------|---|-------------------------------------|--|
| 25.06.1999               | 2   | Subscribers' shares                 | 2  |
| 13.07.1999               | 2,519,998   | Cash                                | 2,520,000  |
| 13.07.1999               | 1,080,000   | Cash                                | 3,600,000  |
| 28.03.2000               | 1,260,000   | Cash                                | 4,860,000  |
| 28.03.2000               | 540,000   | Cash                                | 5,400,000  |
| 27.04.2000               | 1,260,000   | Cash                                | 6,660,000  |
| 27.04.2000               | 540,000   | Cash                                | 7,200,000  |

## 5. INFORMATION ON THE MBC GROUP (Cont'd)

| Date of allotment | No. of ordinary shares of US\$1.00 each allotted | Consideration/ Type of Issue | Total issued and paid-up share capital US\$ |
|-------------------|--|------------------------------|---|
| 04.07.2000        | 1,470,000  | Cash                         | 8,670,000                                   |
| 04.07.2000        | 630,000  | Cash                         | 9,300,000                                   |
| 14.08.2000        | 1,470,000  | Cash                         | 10,770,000                                  |
| 14.08.2000        | 630,000  | Cash                         | 11,400,000                                  |
| 29.09.2000        | 1,260,000  | Cash                         | 12,660,000                                  |
| 29.09.2000        | 540,000  | Cash                         | 13,200,000                                  |
| 27.10.2000        | 1,260,000  | Cash                         | 14,460,000                                  |
| 27.10.2000        | 540,000  | Cash                         | 15,000,000                                  |

### *Substantial Shareholder*

AMBI is 70% owned by LWL and 30% owned by a Japanese corporation.

### *Subsidiary and Associated Company*

As at the date hereof, AMBI does not have any subsidiary or associated company.

### (v) Amatklasik Sdn Bhd ("AMTK")

#### *History and Business*

AMTK was incorporated on 27 May 1991 in Malaysia under the Act as a private limited company. The principal activity of the company is ship-owning.

#### *Share Capital*

The authorised, issued and paid up share capital of AMTK is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of AMTK since its incorporation is as follows:

| Date of allotment | No. of ordinary shares of RM1.00 each allotted | Consideration/ Type of issue | Total issued and paid-up share capital RM |
|-------------------|--|------------------------------|---|
| 27.05.1991        | 2  | Subscribers' shares          | 2   |
| 07.10.1992        | 99,998   | Cash                         | 100,000                                   |

### *Subsidiary and Associated Company*

As at the date hereof, AMTK does not have any subsidiary or associated company.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(vi) Alam Selaras Sdn Bhd ("ASLS")*****History and Business***

ASLS was incorporated on 27 May 1991 in Malaysia under the Act as a private limited company. The principal activity of the company is ship-owning.

***Share Capital***

The authorised, issued and paid up share capital of ASLS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ASLS since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|---|-------------------------------------|--|
| 27.05.1991               | 2   | Subscribers' shares                 | 2  |
| 07.10.1992               | 99,998  | Cash                                | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, ASLS does not have any subsidiary or associated company.

**(vii) Alam Senang Sdn Bhd ("ASNG")*****History and Business***

ASNG was incorporated on 17 December 1991 in Malaysia under the Act as a private limited company. The principal activity of the company is ship-owning.

***Share Capital***

The authorised, issued and paid up share capital of ASNG is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ASNG since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|---|-------------------------------------|--|
| 17.12.1991               | 2   | Subscribers' shares                 | 2  |
| 1.10.1993                | 99,998  | Cash                                | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, ASNG does not have any subsidiary or associated company.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(viii) Alam Tabah Sdn Bhd (“ATBH”)*****History and Business***

ATBH was incorporated on 6 August 1987 in Malaysia under the Act as a private limited company. ATBH is currently dormant.

***Share Capital***

The authorised, issued and paid up share capital of ATBH is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATBH since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/<br/>Type of issue</b> | <b>Total issued and paid-up share capital<br/>RM</b> |
|--------------------------|---|---|--|
| 6.08.1987                | 2   | Subscribers' shares                     | 2  |
| 28.11.1988               | 2,999,998   | Cash                                    | 3,000,000  |
| 8.03.1989                | 7,000,000   | Cash                                    | 10,000,000   |

***Subsidiary and Associated Company***

As at the date hereof, ATBH does not have any subsidiary or associated company.

**(ix) Alam Tenggeri Sdn Bhd (“ATGGR”)*****History and Business***

ATGGR was incorporated on 11 December 1991 in Malaysia under the Act as a private limited company. ATGGR is currently dormant.

***Share Capital***

The authorised, issued and paid up share capital of ATGGR is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATGGR since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/<br/>Type of issue</b> | <b>Total issued and paid-up share capital<br/>RM</b> |
|--------------------------|---|---|--|
| 11.12.1991               | 2   | Subscribers' shares                     | 2  |
| 07.10.1992               | 99,998  | Cash                                    | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, ATGGR does not have any subsidiary or associated company.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(x) Alam Tangkas Sdn Bhd ("ATGKS")*****History and Business***

ATGKS was incorporated on 7 September 1987 in Malaysia under the Act as a private limited company. ATGKS is currently dormant.

***Share Capital***

The authorised share capital of ATGKS is RM200,000 comprising 200,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ATGKS is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATGKS since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/<br/>Type of issue</b> | <b>Total issued and paid-up share capital<br/>RM</b> |
|--------------------------|---|---|--|
| 07.09.1987               | 2   | Subscribers' shares                     | 2  |
| 18.10.1988               | 99,998  | Cash                                    | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, ATGKS does not have any subsidiary or associated company.

**(xi) Alam Teladan Sdn Bhd ("ATLDN")*****History and Business***

ATLDN was incorporated on 24 January 1989 in Malaysia under the Act as a private limited company. ATLDN is currently dormant.

***Share Capital***

The authorised, issued and paid up share capital of ATLDN is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATLDN since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/<br/>Type of issue</b> | <b>Total issued and paid-up share capital<br/>RM</b> |
|--------------------------|---|---|--|
| 24.01.1989               | 2   | Subscribers' shares                     | 2  |
| 17.05.1989               | 9,999,998   | Cash                                    | 10,000,000   |

***Subsidiary and Associated Company***

As at the date hereof, ATLDN does not have any subsidiary or associated company.



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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(xii) Alam Talang Sdn Bhd ("ATLG")*****History and Business***

ATLG was incorporated on 7 November 1991 in Malaysia under the Act as a private limited company. ATLG is currently dormant.

***Share Capital***

The authorised, issued and paid up share capital of ATLG is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATLG since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/<br/>Type of issue</b> | <b>Total issued and paid-up share capital<br/>RM</b> |
|--------------------------|---|---|--|
| 07.11.1991               | 2   | Subscribers' shares                     | 2  |
| 07.10.1992               | 99,998  | Cash                                    | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, ATLG does not have any subsidiary or associated company.

**(xiii) Aturanseni Sdn Bhd ("ATSN")*****History and Business***

ATSN is incorporated on 6 May 1991 in Malaysia under the Act as a private limited company. The principal activity of the company is ship-owning.

***Share Capital***

The authorised, issued and paid up share capital of ATSN is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATSN since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/<br/>Type of issue</b> | <b>Total issued and paid-up share capital<br/>RM</b> |
|--------------------------|---|---|--|
| 06.05.1991               | 2   | Subscribers' shares                     | 2  |
| 07.10.1992               | 99,998  | Cash                                    | 100,000  |

***Subsidiary and Associated Company***

As at the date hereof, ATSN does not have any subsidiary or associated company.

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**5. INFORMATION ON THE MBC GROUP (Cont'd)**


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**(xiv) Alam Tenteram Sdn Bhd ("ATTRM")*****History and Business***

ATTRM was incorporated on 25 June 1987 in Malaysia under the Act as a private limited company. ATTRM is currently dormant.

***Share Capital***

The authorised, issued and paid up share capital of ATTRM is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ATTRM since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|---|-------------------------------------|--|
| 25.06.1987               | 2   | Subscribers' shares                 | 2  |
| 27.04.1988               | 3,999,998   | Cash                                | 4,000,000  |
| 08.03.1989               | 6,000,000   | Cash                                | 10,000,000                                       |

***Subsidiary and Associated Company***

As at the date hereof, ATTRM does not have any subsidiary or associated company.

**(xv) Awanapuri Sdn Bhd ("AWNPR")*****History and Business***

AWNPR was incorporated on 20 May 1995 in Malaysia under the Act as a private limited company. The principal activity of AWNPR is investment holding.

***Share Capital***

The authorised share capital of AWNPR is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital of AWNPR is RM143,604 comprising 143,604 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of AWNPR since its incorporation is as follows:

| <b>Date of allotment</b> | <b>No. of ordinary shares of RM1.00 each allotted</b> | <b>Consideration/ Type of issue</b> | <b>Total issued and paid-up share capital RM</b> |
|--------------------------|---|-------------------------------------|--|
| 20.05.1995               | 2   | Subscribers' Shares                 | 2  |
| 29.09.2003               | 143,602   | Capitalisation of loan of RM143,602 | 143,604  |