
3.0 INTRODUCTION

This Prospectus is dated 13 November 2003.

A copy of this Prospectus has been registered with the SC. A copy of the Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies ("ROC") and neither the SC nor the ROC takes any responsibility for its contents.

Approval has been obtained from the SC for the flotation of SIB on the Main Board of the KLSE on 22 May 2002, 25 July 2002, 29 August 2002, 14 January 2003, 25 July 2003 and 4 November 2003. The approval of the SC shall not be taken to indicate that the SC recommends the Public Issue. Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Application will be made to the KLSE within three (3) market days of the issuance of this Prospectus for admission to the Official List of the Main Board of the KLSE and for permission to deal in and for the listing of and quotation for the entire enlarged issued and fully paid-up share capital of 180,000,004 SIB Shares, including the 52,000,000 Public Issue Shares which are the subject of this Prospectus and up to 30,000,000 new SIB Shares to be issued pursuant to the exercise of the Warrants and the 30,000,000 Warrants. These ordinary shares and warrants will be admitted to the Official List of the Main Board of the KLSE, and official quotation will commence after the receipt of confirmation from the MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Any allotment made on an application to subscribe for securities in pursuance to the Prospectus shall be void if the permission is not applied for in the form for the time being required by the KLSE before the third day on which the KLSE is open after the date of issue of the Prospectus or the permission is not granted before the expiration of six (6) weeks from the date of issue of the Prospectus or such longer period as may be specified by the SC, provided that the applicant is notified by or on behalf of the KLSE within the six (6) weeks or such longer period as may be specified by the SC.

Acceptances of applications will be conditional upon permission being granted by the KLSE to deal in and quotation for all the issued shares of the Company on the Main Board of the KLSE. Monies paid in respect of any application accepted will be returned without interest if the said permission is not granted. Admission for listing is not being sought on any other stock exchange.

Pursuant to the Issue/Offer Guidelines, at least 25% of the Enlarged Share Capital of the Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each upon completion of the Public Issue and at the point of listing. In the event the above requirement is not met pursuant to the Public Issue, the Company may not be allowed to proceed with its listing on the Main Board of the KLSE. In the event thereof, monies paid in respect of all applications will be returned if the said permission is not granted.

Pursuant to Section 14 (1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed the SIB Shares and the Warrants as prescribed securities. In consequence thereof, the Public Issue Shares and the Public Issue Warrants will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of the MCD.

An applicant should state his/her CDS account number in the space provided in the Application Form if he/she presently has such an account and he/she should then not enter the preferred ADA code. Where an applicant does not presently have a CDS account, he/she should state in the Application Form his/her preferred ADA Code.

3.0 INTRODUCTION *(Cont'd)*

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application require him/her to do so. A corporation or institution cannot apply for the Public Issue Shares by way of an Electronic Share Application.

The SC shall not be liable for any non-disclosure on the part of the corporation and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The KLSE assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports in this Prospectus. Admission to the Official List of the Main Board of the KLSE is not to be taken as an indication of the merits of the Company or of its securities.

No person is authorised to give any information or to make any representation not contained of this Prospectus in connection with the Public Issue and, if given or made, such information or representation must not be relied upon as having been authorised by SIB. Neither the delivery of this Prospectus nor any sale made in connection with this Prospectus shall, in any circumstance, and at any time constitute a representation or create any implication that there has been no change in the affairs of SIB or the Group since the date hereof.

The distribution of this Prospectus and the sale of the Public Issue Shares may in certain other jurisdictions be restricted by law. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe all such restrictions.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation to buy or subscribe for any Public Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such an offer or invitation.

If you are in any doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitors, accountant or other professional adviser.

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4.0 PARTICULARS OF THE PUBLIC ISSUE

4.1 Opening and Closing of Applications

Applications will be accepted from 13 November 2003 and will close at 8.00 p.m. on 21 November 2003 or for such further date or dates as the Directors of SIB and the Co-Managing Underwriters may in their absolute discretion mutually decide.

4.2 Important Tentative Dates

The expected timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Main Board of the KLSE is set out below:

Events	Tentative Date
Opening date of the Public Issue	13 November 2003
Closing date of the Public Issue	21 November 2003
Tentative balloting date	28 November 2003
Tentative allotment date	10 December 2003
Tentative listing date	17 December 2003

The Directors of SIB and the Co-Managing Underwriters may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting and allotment of the Public Issue Shares, and the listing of and quotation for the entire enlarged issued and paid-up share capital of SIB on the Main Board of the KLSE would be extended accordingly. Where the closing date of application for the Public Issue Shares is extended from the original closing date, the notice of such extension(s) will be advertised in a widely circulated Bahasa Malaysia and English newspaper not less than one (1) market day from the original closing date.

4.3 Purposes of the Public Issue

The purposes of the Public Issue are as follows:

- (i) to enable the Company to gain access to the capital market in order to tap external sources of funds for future expansion and continued growth when required;
- (ii) to provide an opportunity for the Malaysian public to participate in the continued growth of the SIB Group by way of equity participation;
- (iii) to retain and motivate key employees of the SIB Group by providing them with opportunities to acquire SIB Shares, in order to align their interests with those of SIB's existing shareholders; and
- (iv) to obtain the listing of and quotation for the entire enlarged issued and paid-up share capital of SIB Shares and the Warrants on the Main Board of the KLSE.

4.0 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

4.4 Details of the Public Issue

The Public Issue comprises the Institutional Issue and the Retail Issue. The Institutional Issue of 40,000,000 new SIB Shares at an issue price of RM1.50 per SIB Share together with 20,000,000 new Warrants to be allotted on the basis of one (1) new Warrant for every two (2) new SIB Shares subscribed and the Retail Issue of 12,000,000 new SIB Shares at an issue price of RM1.50 per SIB share together with 6,000,000 new Warrants to be allotted on the basis of one (1) new Warrant for every two (2) new SIB Shares subscribed are payable in full on application upon such terms and conditions as set out in this Prospectus.

The Public Issue shall be subject to the terms and conditions of this Prospectus. The Public Issue will be made on the following basis:

(i) Institutional Issue

The Institutional Issue is an invitation by SIB to Institutional Investors falling under Schedule 3 of the Securities Commission Act, 1993 to apply for a total of 40,000,000 Institutional Issue Shares together with 20,000,000 new Warrants on the basis of one (1) new Warrant for every two (2) new SIB Shares subscribed at the issue price of RM1.50 per SIB Share, payable in full on application, of which at least 21,800,000 SIB Shares together with 10,900,000 new Warrants are reserved for Approved Bumiputera Investors.

(ii) Retail Issue

The Retail Issue is an invitation by SIB to Retail Investors to apply for a total of 12,000,000 Retail Issue Shares together with 6,000,000 new Warrants on the basis of one (1) new Warrant for every two (2) new SIB Shares subscribed at the issue price of RM1.50 per SIB Share, payable in full on application.

(a) Malaysian Public

11,000,000 Retail Issue Shares together with 5,500,000 new Warrants will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions; and

(b) Eligible Employees

1,000,000 Retail Issue Shares together with 500,000 new Warrants have been made available for application by the Eligible Employees.

550,000 and 450,000 Retail Issue Shares have been allocated to seven (7) Directors of SIB and twenty (20) employees of the SIB Group respectively, based on the following criteria:

(i) Directors

The Executive Chairman is entitled to 100,000 Retail Issue Shares while the remaining six (6) Directors are entitled to 75,000 Retail Issue Shares each.

4.0 PARTICULARS OF THE PUBLIC ISSUE *(Cont'd)*

(ii) *Employees*

Eligible employees must be at least 18 years of age and must be confirmed in service, with a serving period of at least three (3) months on the date of allocation. Allocation for eligible employees are based on the seniority in the SIB Group with the allocation ranging from 5,000 Retail Issue Shares for general workers to 75,000 Retail Issue Shares for senior management.

Any of the Retail Issue Shares in paragraph (b) above not subscribed for by the Eligible Employees will be reallocated to the other Eligible Employees.

Any of the Retail Issue Shares in paragraph (b) above not taken up by the Eligible Employees after the said reallocation, if any, will be made available for application by the Malaysian public, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions.

In relation to the Institutional Issue Shares and the Retail Issue Shares available for subscription:

- (i) in the event the Institutional Issue Shares are not fully taken up by the Institutional Investors and the demand for the Retail Issue Shares exceeds the number of Retail Issue Shares available, the Institutional Issue Shares not taken-up will be re-allocated for subscription by the Retail Investors in a fair and equitable manner; and
- (ii) in the event the demand for the Institutional Issue Shares exceeds the number of Institutional Issue Shares available and the Retail Issue Shares are not fully taken up by the Retail Investors, the Retail Issue Shares not taken up will be re-allocated for subscription by the Institutional Investors in a fair and equitable manner,

subject to meeting the minimum public share holding spread requirement of the KLSE.

All the Public Issue Shares have been fully underwritten at an underwriting commission and placement fees of 2.75% of the issue price of RM1.50 per SIB Share.

4.5 Pricing of the Public Issue Shares

The value of the SIB Group and the issue price of RM1.50 per SIB Share have been determined and agreed upon by the Company, and Alliance and CIMB as the Joint Advisers, Joint Lead Managers, Co-Managing Underwriters and Joint Placement Agents based on the discounted cash flow ("DCF") methodology.

Under the DCF methodology, value depends on the present worth of future economic benefits to be derived from ownership of the shares. Thus, indications of value are arrived at by discounting future net cash flows available for equity distribution to their present worth at market derived rates of return appropriate for the risk of the SIB Group to ordinary shares of the Company.

The issue price of RM1.50 per SIB Share represents a discount rate of 20.5% based on the cash flow forecast and projections of Project.

4.0 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

4.6 Utilisation of Proceeds and Financial Impact

The gross proceeds amounting to RM107.6 million from the CN-RPS Rights Issue, the Renounceable Rights Issue and the Public Issue will accrue to the Company in the following manner:

	RM'000
CN-RPS Rights Issue (20,000,000 new CN-RPS at an issue price of RM1.00 per share) ^a	20,000
Renounceable Rights Issue (8,000,000 new SIB Shares at an issue price of RM1.20 per SIB Share together with 4,000,000 new Warrants) ^b	9,600
Public Issue (52,000,000 new SIB Shares at an issue price of RM1.50 per SIB Share together with 26,000,000 new Warrants)	78,000
Total	<u>107,600</u>

Note:

- a The CN-RPS Rights Issue was completed on 6 November 2003
- b The Renounceable Rights Issue was completed on 7 November 2003

The above amount totalling RM107.6 million will be utilised as follows:

	RM'000
To subscribe for 100 million new SILK Shares	*100,000
Defraying estimated expenses relating to the Restructuring and Listing Exercise	b5,500
Working capital	c2,100
Total	<u>107,600</u>

Notes:

- a According to the terms of the BAIDS, the shareholders of SILK are required to contribute RM100 million towards the Project on or before 30 December 2003
- b All expenses incidental to the listing and quotation for the SIB Shares on the Main Board of the KLSE, estimated at RM5.5 million, shall be borne by the Company
- c This amount will be utilised for the working capital of the SIB Group, which includes the operating expenses of SIB and SILK

The Company will bear all expenses such as brokerage, stamp duty, registration, transfer fee and underwriting commission (where applicable) relating to the Listing Exercise.

Save for the amounts earmarked for working capital purposes, the gross proceeds are expected to be utilised on or before 30 December 2003.

The proceeds arising from the exercise of the Warrants will be utilised for additional working capital purposes of the SIB Group.

4.0 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

Financial Impact from Utilisation of Proceeds

Cash flow for the Financial Year Ending 31 December 2003	RM'000
<i>Inflows</i>	
Proceeds from the CN-RPS Rights Issue	20,000
Proceeds from the Renounceable Rights Issue	9,600
Proceeds from the Public Issue	78,000
Total Inflows	107,600
<i>Outflows</i>	
Subscription of 100 million new SILK Shares at par	100,000
Defraying estimated expenses relating to the Restructuring and Listing Exercise	5,500
Working capital	2,100
Total Outflows	107,600

SIB will utilise RM100 million raised through the CN-RPS Rights Issue, Renounceable Rights Issue and Public Issue to subscribe for new SILK Shares in accordance with the terms of the BAIDS. As such, if the amount of RM100 million is not raised through the CN-RPS Rights Issue, Renounceable Rights Issue and Public Issue, SIB will have to raise the amount required through other means such as borrowings from financial institutions which will burden the Company with interest costs. Failure to raise the amount would also be a default of the terms of the BAIDS.

SIB will raise RM2.1 million for working capital requirements of the SIB Group which is expected to strengthen the liquidity and cash flow position of the Group.

The impact of the proceeds arising from the CN-RPS Rights Issue, the Renounceable Rights Issue and the Public Issue is reflected in the proforma balance sheets of the SIB Group set out in Section 12.5 of this Prospectus.

4.7 Brokerage, Underwriting Commission and Placement Fees, and Listing Expenses

4.7.1 Brokerage

Brokerage is payable by the Company in respect of the Public Issue Shares at the rate of 1.0% on the issue price of RM1.50 per SIB Share for the Public Issue for successful applications bearing the stamp of Alliance, CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.

4.7.2 Underwriting Commission and Placement Fees

The Underwriters set out under the Corporate Directory of this Prospectus have conditionally agreed to underwrite the entire 52,000,000 Public Issue Shares that are available for application by the Institutional Investors under the Institutional Issue and the Malaysian public and Eligible Employees under the Retail Issue. Underwriting commission and placement fees are payable by the Company at the rate of 2.75% of the issue price of RM1.50 per SIB Share.

4.0 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

4.7.3 Estimated Listing Expenses

The estimated listing expenses amounting to approximately RM5.5 million consist of the following:

	RM
Professional advisers	900,000
Initial listing fee payable to KLSE	50,000
SC fee	154,000
Prospectus lodgement fee with the Registrar of Companies	500
Prospectus registration fee with SC	5,000
Underwriting commission and placement fees	2,145,000
Brokerage fee	780,000
Issuing house fee and disbursements	150,000
Printing charges	400,000
Advertisement	400,000
Contingencies	515,500
Total estimated listing expenses	5,500,000

4.8 Salient Terms of the Underwriting Agreement

An underwriting agreement was entered into between the Company, Alliance and CIMB on 28 August 2003 to underwrite 52,000,000 SIB Shares which are made available for application by the Institutional Investors and the Retail Investors. The salient terms of the Underwriting Agreement are summarised as follows (Note: Unless otherwise stated, all capitalised items shall bear the same meanings as prescribed in the Underwriting Agreement):

Clause 3.1 - Conditions precedent

The obligations of the Co-Managing Underwriter under the Underwriting Agreement are in all respects conditional upon:

- (a) approval-in-principle being granted by the KLSE for admission of the Company to the Official List of the KLSE and the listing of and quotation for the Enlarged Share Capital and the Warrants on the Main Board of the KLSE before the expiration of six (6) weeks from date of issue of the Prospectus or such longer period as may be specified by the SC;
- (b) the registration of the Prospectus with the SC and the lodgement of the Prospectus with the Registrar of Companies before the date of issue of the Prospectus;
- (c) there having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or otherwise of the Company (which is in the reasonable opinion of the Co-Managing Underwriter is or will be material in the context of the Public Issue) from that set forth in the Prospectus nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the warranties contained in clause 4.1 if they were repeated on and as of the Closing Date;
- (d) the Public Issue in accordance to the provisions hereof not being prohibited by any statute, order, rule, regulation, directive or guidelines (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including the KLSE); and

4.0 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- (e) all necessary approvals and consents required in relation to the Public Issue including but not limited to shareholders and governmental approvals have been obtained and are in full force and effect.

Clause 3.2 - Right to terminate

If any of the conditions in clause 3.1 is not satisfied or waived by the Closing Date (except for clause 3.1(a) which shall be satisfied or waived by the time period stipulated therein), or such later date as may be agreed by the parties, the Co-Managing Underwriters or the Company may give notice to the other parties to commence negotiation and the parties shall negotiate for a period not exceeding thirty (30) days after the date of such notice, with a view to agreeing to:

- (a) defer the Public Issue to a later date acceptable to all parties;
- (b) amend the terms of this agreement to the satisfaction of all parties; or
- (c) enter into a new underwriting agreement on terms acceptable to all parties,

or any combination of the above. If the parties could not come to an agreement as above, any Co-Managing Underwriter or the Company may by written notice to the other party, terminate this agreement, whereupon each party's rights and obligations will cease and none of the parties will have any claim against each other, except for the liability of the Company under clauses 11.3 and 13.2.

Clause 11.1 - Termination

If at any time from the date of this agreement up to two Market Days prior to the Closing Date, the Co-Managing Underwriters or any of them have notice:

- (a) of any material breach of the undertakings or obligations in this agreement by the Company; or
- (b) of any change rendering any of the warranties or representations in clause 4.1 inaccurate in a material respect,

the Co-Managing Underwriter and the Company shall negotiate for a period not exceeding 30 days after the date of such notice, with a view to agreeing to:

- (c) defer the Public Issue to a later date acceptable to all parties;
- (d) amend the terms of this agreement to the satisfaction of all parties; or
- (e) enter into a new underwriting agreement on terms acceptable to all parties,

or any combination of the above. If the parties could not come to an agreement as above, this agreement may be terminated by any party by notice.

4.0 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

Clause 11.3 – Indemnity

Without prejudice to the other rights and remedies of the Co-Managing Underwriters, the Company undertakes with the Co-Managing Underwriters and each of them that it will hold the Co-Managing Underwriters and each of them fully and effectually indemnified from and against any and all losses, liabilities, costs (including legal costs on a solicitor and client basis), claims, charges, actions, proceedings, damages, expenses and demands which the Co-Managing Underwriters may directly and properly incur or which may be made against them as a result of or in relation to any breach by the Company of the representations, warranties or agreements under this agreement and such indemnity will extend to include all costs (including legal costs on a solicitor and client basis), charges and expenses which the Co-Managing Underwriters or any of them may properly pay or directly and properly incur in disputing or defending any such claim or action or other proceeding.

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5.0 SHARE CAPITAL

5.1 Authorised and Issued and Paid-Up Share Capital

5.1.1 Ordinary Shares

	RM
Authorised	
1,996,000,000 ordinary shares of RM0.50 each	<u>998,000,000</u>
Issued and fully paid-up as at the date of this Prospectus	
128,000,004 ordinary shares of RM0.50 each	64,000,002
To be issued pursuant to the Public Issue	
52,000,000 ordinary shares of RM0.50 each	<u>26,000,000</u>
Enlarged Share Capital	90,000,002
Assuming full exercise of the Warrants	15,000,000
Ultimate Share Capital	<u>105,000,002</u>
To be issued pursuant to the Public Issue	
52,000,000 ordinary shares of RM0.50 each	26,000,000
26,000,000 Warrants at no consideration on the basis of one (1) new Warrant for every two (2) new SIB Shares subscribed	-
Issue Price per SIB Share (RM)	1.50

The Issue Price is payable in full on application.

5.1.2 CN-RPS

	RM
Authorised	
20,000,000 20% 10-year cumulative non-convertible redeemable preference shares of RM0.10 each	<u>2,000,000</u>
Issued and fully paid as at the date of this Prospectus	
20,000,000 20% 10-year cumulative non-convertible redeemable preference shares of RM0.10 each	<u>2,000,000</u>

5.2 Classes of Shares and Rights

There are two (2) classes of shares in SIB, being ordinary shares of RM0.50 each and the CN-RPS.

The Public Issue Shares will rank *pari passu* in all respects with the other existing issued and paid-up ordinary shares of the Company, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of this Prospectus.

The rights to dividends attached to the CN-RPS shall rank in priority to all other classes of shares in the capital of the Company, and, accordingly, the Company's profits shall be applied in payment of such dividends (without the need for any declaration by the Directors of the Company) before any payment of dividends on all other classes of shares in the capital of the Company.

5.0 SHARE CAPITAL (Cont'd)

Subject to any special rights attaching to any shares which may be issued by the Company including the CN-RPS, the shareholders of the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company in accordance with its Articles of Association.

At any general meeting of the Company, each shareholder shall be entitled to vote in person, by proxy or by attorney. On a show of hands, every person present who is a shareholder, representative or proxy of a shareholder shall have one vote, and on a poll, every shareholder present in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each share held. A proxy may but need not be a member of the Company.

The holders of the CN-RPS shall be entitled to vote at general meetings of the Company at which the business of such meetings is or includes the consideration of a resolution relating to (a) the reduction of the capital of the Company, (b) the winding-up of the Company, (c) any abrogation or variation of the special rights and privileges attaching to the CN-RPS; and (d) the creation or issue of any further shares ranking in priority to or *pari passu* with the CN-RPS.

Pursuant to the Public Issue, a total of 26,000,000 new Warrants will be allotted to the subscribers of the Public Issue Shares. Further, a total of 4,000,000 new Warrants have been allotted pursuant to the Renounceable Rights Issue. Assuming all the Warrants are subsequently exercised, the issued and paid-up share capital of SIB will increase by RM15,000,000 from RM90,000,002 to RM105,000,002.

The salient terms of the Warrants are set out in Section 6.2.6 of this Prospectus.

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6.0 INFORMATION ON THE SIB GROUP

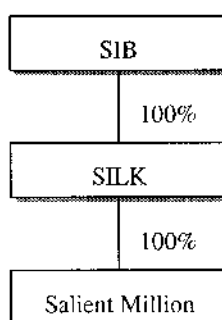
6.1 History

SIB was incorporated as a private limited company on 14 October 1996 in Malaysia under the Companies Act, 1965 under the name of SILK Concessionaire Holdings Sdn Bhd. It was converted into a public limited company on 16 November 2001 and assumed its present name on 14 February 2002. The authorised share capital presently is RM1,000,000,000 comprising 1,996,000,000 SIB Shares and 20,000,000 CN-RPS, of which 128,000,004 SIB Shares and 20,000,000 CN-RPS have been credited as issued and fully-paid-up.

SIB was incorporated to facilitate the listing of SILK, a single-purpose company which holds the Concession, on the Main Board of the KLSE.

SIB is principally an investment holding company with investments in two (2) subsidiary companies. Its wholly-owned subsidiary company, SILK, is a single-purpose company which has been awarded the Concession. Salient Million, a wholly-owned subsidiary company of SILK, is presently dormant.

The corporate structure of the SIB Group is as follows:



The details of the principal activities of the subsidiary companies within the SIB Group are summarised below:

Company	Equity Interest	Principal Activities
SILK	100%	The design, construction, operation and maintenance of a 37-km highway in the south-eastern corridor of Klang Valley known as Kajang Traffic Dispersal Ring Road under the Concession
Salient Million	100%	Salient Million is presently a dormant company. Salient Million was incorporated to undertake housing development for the purpose of resettling eligible residents whose dwellings are located on the land on which the Ring Road is to be constructed or are affected by the construction of the Ring Road

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

6.2 Restructuring and Listing Exercise

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of SIB on the Main Board of the KLSE, the Company undertook/shall undertake a restructuring and listing exercise involving the following:

6.2.1 Acquisition of SILK

On 2 September 2002, SIB entered into a share sale agreement with SunInc and Barisan Minda for the acquisition of the entire issued and paid-up share capital of SILK comprising 120,000,000 SILK Shares for a purchase consideration of RM120,000,000 satisfied by an issuance of 120,000,000 new SIB Shares at an issue price of RM1.00 per SIB Share, credited as fully paid-up.

The Acquisition of SILK was completed on 9 September 2002.

6.2.2 CN-RPS Rights Issue

SIB undertook a rights issue of 20,000,000 new CN-RPS to its existing shareholders, namely SunInc and Barisan Minda, on the basis of one (1) new CN-RPS for every six (6) SIB Shares held at an issue price of RM1.00 per CN-RPS immediately prior to the Renounceable Rights Issue. The CN-RPS Rights Issue was completed 6 November 2003.

The holders of the CN-RPS are as follows:

CN-RPS Holders	No. of CN-RPS held	%
SunInc	10,000,000	50.00
Barisan Minda	10,000,000	50.00
Total	20,000,000	100.00

The salient terms of the CN-RPS are as follow:

Issue Amount	:	RM20,000,000
Nominal Value	:	RM2,000,000
Par Value	:	RM0.10
Issue Price	:	At RM1.00 per share
Form	:	The CN-RPS will be issued in registered form
Tenure	:	Ten (10) years from the issue date
Redemption	:	The CN-RPS shall be redeemable at the option of SIB for cash at any time from the date commencing from the 5th anniversary of the issue date
Redemption Price	:	RM1.00 per share
Mode of Redemption	:	The CN-RPS are redeemable in multiples of RM100 nominal value
Call Option	:	SIB has the right to call for the redemption of the CN-RPS at any time from the date commencing the 5th anniversary of the issue date

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

Put Option	:	None
Transferability	:	The CN-RPS are transferable
Conversion	:	The CN-RPS are not convertible
Dividend rate	:	Cumulative 20% per annum
Status of the CN-RPS	:	<ul style="list-style-type: none"> (i) the CN-RPS shall rank in priority to the ordinary shares of SIB in return of capital in the event of winding-up/liquidation of SIB; (ii) the CN-RPS shall rank in priority to the ordinary shares of SIB in payment of dividend; and (iii) the CN-RPS shall not have any right to participate further in the distribution of the surplus in assets and profits of SIB.
Voting Rights	:	<p>None, save and except upon resolutions relating to:</p> <ul style="list-style-type: none"> (i) the capital reduction of SIB; (ii) the winding-up of SIB; (iii) the abrogation or variation of the special rights and privileges attached to the CN-RPS; and (iv) the creation or issue of any further shares ranking in priority to or pari passu with the CN-RPS (unless consented to in writing by 75% of the CN-RPS holders).
Listing	:	The CN-RPS will not be listed in any stock exchange

6.2.3 Renounceable Rights Issue

On 7 November 2003, SIB completed a renounceable rights issue of 8,000,000 new SIB Shares representing approximately 4.44% of the Enlarged Share Capital at an issue price of RM1.20 per SIB Share together with 4,000,000 new Warrants at no consideration on the basis of one (1) new Warrant for every two (2) new SIB Shares subscribed to SunInc and Barisan Minda. Subsequently, on 7 November 2003, SunInc and Barisan Minda renounced the 8,000,000 SIB Shares together with the 4,000,000 new Warrants to the Key Management.

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6.0 INFORMATION ON THE SIB GROUP (Cont'd)

The details of the Key Management and their respective shareholdings in SIB pursuant to the Renounceable Rights Issue are as follows:

Key Management	Before exercise of the Warrants				Assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of SIB Shares held	%	No. of SIB Shares held	%	No. of SIB Shares held	%	No. of SIB Shares held	%
Dato' Chew Chee Kin	2,400,000	1.33	-	-	3,600,000	1.71	-	-
Dato' Tan Kia Loke	1,000,000	0.56	-	-	1,500,000	0.71	-	-
Yau Kok Seng	1,000,000	0.56	-	-	1,500,000	0.71	-	-
Kwan Foh Kwai	600,000	0.33	-	-	900,000	0.43	-	-
Khor Wei Moon	600,000	0.33	-	-	900,000	0.43	-	-
Koay Chew Tean	600,000	0.33	-	-	900,000	0.43	-	-
Mark Victor Rozario	550,000	0.31	-	-	825,000	0.39	-	-
Ang Kew Chuan	250,000	0.14	-	-	375,000	0.18	-	-
Lee Yu Ban	250,000	0.14	-	-	375,000	0.18	-	-
Tan Beng Kwee	250,000	0.14	-	-	375,000	0.18	-	-
Ho Hon Sang	250,000	0.14	-	-	375,000	0.18	-	-
Tan Kim Ann	250,000	0.14	-	-	375,000	0.18	-	-

6.2.4 Barisan Minda Share Transfer

Barisan Minda will transfer the 60,000,002 SIB Shares it holds as at the date of this Prospectus to its shareholders, namely Petroforce, LFE and Viable Bond, based on their respective shareholdings in Barisan Minda. Hence, Petroforce, LFE and Viable Bond will effectively become shareholders of SIB prior to the listing of SIB Shares on the KLSE.

The movement in the shareholding structure of SIB pursuant to the Acquisition of SILK, the Renounceable Rights Issue and the Barisan Minda Share Transfer is as follows:

Promoters	<-----At SILK level----->		After Acquisition of SILK <-----SIB level----->		After Renounceable Rights Issue <-----SIB level----->		After Barisan Minda Share Transfer <-----SIB level----->	
	No. of SILK Shares held	%	No. of SIB Shares held	%	No. of SIB Shares held	%	No. of SIB Shares held	%
SuaInc	60,000,000	50.00	60,000,002	50.00	60,000,002	46.87	60,000,002	46.87
Barisan Minda	60,000,000	50.00	60,000,002	50.00	60,000,002	46.87	-	-
Petroforce	-	-	-	-	-	-	^a 30,600,001	23.91
LFE	-	-	-	-	-	-	^{a,b} 25,800,001	20.15
Viable Bond	-	-	-	-	-	-	^a 3,600,000	2.81
Key Management	-	-	-	-	8,000,000	6.26	8,000,000	6.26
Total	120,000,000	100.00	120,000,004	100.00	128,000,004	100.00	128,000,004	100.00

Notes:

- a Shareholding to be held upon completion of the Barisan Minda Share Transfer
b Shareholding held through EB Nominees (Tempatan) Sdn Bhd

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

6.2.5 Public Issue

The Public Issue comprises the Institutional Issue and the Retail Issue.

(i) Institutional Issue

40,000,000 Institutional Issue Shares representing approximately 22.22% of the Enlarged Share Capital at an issue price of RM1.50 per SIB Share together with 20,000,000 new Warrants at no consideration will be made available for application by the Institutional Investors, of which at least 21,800,000 SIB Shares together with 10,900,000 new Warrants are reserved for subscription by the Approved Bumiputera Investors.

The FIC, vide its letter dated 28 March 2002, had granted a waiver to the Institutional Investors subscribing the Institutional Issue Shares totalling more than RM5 million from the requirement to obtain the prior approval of the FIC.

(ii) Retail Issue

12,000,000 Retail Issue Shares representing approximately 6.67% of the Enlarged Share Capital at an issue price of RM1.50 per SIB Share together with 6,000,000 new Warrants, shall be allocated in the following manner:

(a) Malaysian Public

11,000,000 Retail Issue Shares representing approximately 6.11% of the Enlarged Share Capital of SIB together with 5,500,000 new Warrants will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions; and

(b) Eligible Employees

1,000,000 Retail Issue Shares representing approximately 0.56% of the Enlarged Share Capital together with 500,000 new Warrants have been made available for application by the Eligible Employees.

550,000 and 450,000 Retail Issue Shares have been allocated to seven (7) Directors of SIB and twenty (20) employees of the SIB Group respectively, based on the following criteria:

(i) Directors

The Executive Chairman is entitled to 100,000 Retail Issue Shares while the Directors are entitled to 75,000 Retail Issue Shares each.

(ii) Employees

Eligible employees must be at least 18 years of age and must be confirmed in service, with a serving period of at least three (3) months on the date of allocation. Allocation for eligible employees are based on the seniority in the SIB Group with the allocation ranging from 5,000 Retail Issue Shares for general workers to 75,000 Retail Issue Shares for senior management.

6.0 INFORMATION ON THE SIB GROUP *(Cont'd)*

The allocation to the Directors of the SIB Group are as follows:

Director	No. of SIB Shares allocated	% of the Enlarged Share Capital
Tan Sri Dato' Seri (Dr) Cheah Fook Ling <i>(Executive Chairman)</i>	100,000	0.06
Datuk Razman Md Hashim Bin Che Din Md Hashim <i>(Non-Executive Deputy Chairman)</i>	75,000	0.04
Dato' Tan Kia Loke <i>(Non-Independent Non-Executive Director)</i>	75,000	0.04
Yau Kok Seng <i>(Non-Independent Non-Executive Director)</i>	75,000	0.04
Liew Kiam Woon <i>(Non-Independent Non-Executive Director)</i>	75,000	0.04
Dato' Seri Syed Zainol Rashid Jamalullail <i>(Independent Non-Executive Director)</i>	75,000	0.04
Dato' Ir. Hj. Ibrahim Bin Hj. Yakub <i>(Independent Non-Executive Director)</i>	75,000	0.04

In relation to the Institutional Issue Shares and the Retail Issue Shares available for subscription:

- (i) in the event the Institutional Issue Shares are not fully taken up by the Institutional Investors and the demand for the Retail Issue Shares exceeds the number of Retail Issue Shares available, the Institutional Issue Shares not taken up will be re-allocated for subscription by the Retail Investors in a fair and equitable manner; and
- (ii) in the event the demand for the Institutional Issue Shares exceeds the number of Institutional Issue Shares available and the Retail Issue Shares are not fully taken up by the Retail Investors, the Retail Issue Shares not taken up will be re-allocated for subscription by the Institutional Investors in a fair and equitable manner

subject to meeting the minimum public shareholding spread requirement of the KLSE.

All the Public Issue Shares have been fully underwritten at an underwriting commission and placement fees of 2.75% of the issue price of RM1.50 per SIB Share.

6.2.6 Salient Terms of the Warrants

The salient terms of the Warrants are as follows:

Issue	:	30,000,000 Warrants collectively comprising the 4,000,000 Rights Warrants and the 26,000,000 Public Issue Warrants.
Commencement Date	:	The date on which the Public Issue Warrants are issued under or pursuant to the Deed Poll executed on 25 August 2003.
Basis	:	One (1) Warrant for every two (2) Renounceable Rights Issue Shares or Public Issue Shares subscribed, at no consideration.
Form	:	The Warrants will be issued in registered form and will be traded on the KLSE.

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

Board Lot	:	Subject to such conditions which the KLSE may impose from time to time, a board lot of Warrants be 100 Warrants carrying the rights to subscribe for 100 new SIB Shares or in such other denomination as the KLSE may approve from time to time.
Exercise Period	:	The period commencing on or after the Commencement Date and expiring at 5.00 p.m. on the Expiry Date.
Exercise Rights	:	The rights of a Warrant Holder to subscribe for new SIB Shares at the Exercise Price upon the terms of and subject to the conditions contained in the Deed Poll.
Exercise Price	:	In relation to each Warrant, RM1.50 is payable in respect of each new SIB Shares upon the exercise of the Exercise Rights but subject always to such adjustments thereto in accordance with conditions in the Deed Poll.
Expiry Date	:	The day falling five (5) years from the Commencement Date and, if such a day is not a Market Day, on the Market Day immediately preceding such a day, and includes any extension or change to such expiry date effected in accordance with the provisions of the Deed Poll.
Transferability	:	The Warrants are transferable in accordance with the provisions of the Deed Poll.
Listing Status	:	The Company shall, upon completion of the Public Issue, obtain the approval of the KLSE for the listing of and quotation for the Warrants and the new SIB Shares to be issued pursuant to the exercise of the Exercise Rights, on the official list of the KLSE.
Market Day	:	A day on which the stock market for the KLSE is open for trading.
New SIB Shares	:	New ordinary shares of RM0.50 each in the Company to be issued by the Company pursuant to any valid exercise of the Exercise Rights of the Warrants.
Ranking of the new SIB Shares to be issued upon the exercise of the Warrants	:	The new SIB Shares to be allotted and issued pursuant to the exercise of the Warrants will, upon allotment and issue, rank pari passu in all respects with the SIB Shares already in issue except that they will not be entitled to rights, dividends, allotment or other distributions, for which the relevant record date (being the date on which the holders of the new SIB Shares must be registered in order qualify for the entitlement) precedes the date of allotment of such new SIB Shares
Deed Poll	:	The Warrants will be constituted under a Deed Poll to be executed by the Company.
Governing Law	:	The Warrants shall be governed by and will be construed in accordance with the laws of Malaysia.

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

6.2.7 Listing Exercise

Pursuant to the Public Issue, SIB will seek admission to the official list and the listing of and quotation for the Enlarged Share Capital of RM90,000,002 comprising 180,000,004 SIB Shares, up to 30,000,000 new SIB Shares to be issued pursuant to the exercise of the Warrants and the 30,000,000 Warrants on the Main Board of the KLSE.

6.3 Share Capital

6.3.1 Authorised Share Capital

As at 7 November 2003, the authorised share capital of SIB is RM1,000,000,000 comprising 1,996,000,000 SIB Shares and 20,000,000 CN-RPS, of which 128,000,004 SIB Shares and 20,000,000 CN-RPS have been credited as issued and fully-paid-up.

6.3.2 Issued and Paid-up Share Capital

Details of the changes in the issued and paid-up share capital of SIB since incorporation up to 7 November 2003 are as follows:

Ordinary Shares

Date of allotment	No. of SIB Shares allotted	Par value RM	Consideration	Resultant issued and paid-up capital RM
14.10.1996	2	1.00	Subscribers' shares	2
30.8.2002	4	0.50	Sub-division of shares	2
9.9.2002	120,000,000	0.50	Shares issued pursuant to the Acquisition of SILK for a purchase consideration of RM120,000,000 satisfied through the issuance of 120,000,000 new SIB Shares	60,000,002
7.11.2003	8,000,000	0.50	Shares issued pursuant to the Renounceable Rights Issue at an issue price of RM1.20 per SIB Share	64,000,002

CN-RPS

Date of allotment	No. of CN-RPS allotted	Par value RM	Consideration	Resultant issued and paid-up capital RM
6.11.2003	20,000,000	0.10	CN-RPS Rights Issue	2,000,000

6.4 Subsidiary and Associated Companies

6.4.1 Information on SILK

(i) History and Business

SILK was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 20 December 1995.

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

The principal activity of SILK is the design, construction, operation and maintenance of a 37-km highway in the south-eastern corridor of Klang Valley known as the Kajang Traffic Dispersal Ring Road pursuant to the Concession Agreement signed with the Government.

(ii) Share Capital

As at 7 November 2003, SILK has an authorised share capital of RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each, of which 120,000,000 ordinary shares of RM1.00 each have been credited as issued and fully paid-up.

Details of the changes in the issued and paid-up share capital of SILK since incorporation up to 7 November 2003 are as follows:

Date of allotment	No. of ordinary SILK shares	Par value RM	Consideration	Resultant issued and paid-up capital RM
20.12.1995	2	1.00	Subscribers' shares	2
08.07.1996	9,998	1.00	Cash	10,000
01.08.1997	4,990,000	1.00	Cash	5,000,000
01.08.2001	15,000,000	1.00	Cash	20,000,000
22.08.2001	100,000,000	1.00	Cash	120,000,000

(iii) Directors

The Directors of SILK as at 7 November 2003 and their shareholdings held in SILK are as follows:

Name	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of SILK Shares held	%	No. of SILK Shares held	%
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	Malaysian	-	-	^a 120,000,000	100.00
Datuk Razman Md Hashim Biru Che Din Md Hashim	Malaysian	-	-	^b 120,000,000	100.00
Dato' Tan Kia Loke	Malaysian	-	-	-	-
Yau Kok Seng	Malaysian	-	-	-	-
Liew Kiam Woon	Malaysian	-	-	-	-

Notes:

- a Deemed interested through his shareholdings in Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungai Way Corporation Sdn Bhd, Suninc and SIB pursuant to Section 6A of the Companies Act, 1965
- b Deemed interested through his shareholdings in Petroforce, Barisan Minda and SIB pursuant to Section 6A of the Companies Act, 1965

(iv) Substantial Shareholder

SILK is a wholly-owned subsidiary company of SIB.

(v) Subsidiary Company

As at 7 November 2003, SILK has one (1) subsidiary company, Salient Million, the details of which are set out below.

As at 7 November 2003, SILK does not have any associated companies.

6.0 INFORMATION ON THE SIB GROUP (Cont'd)

6.4.2 Information on Salient Million

(i) History and Business

Salient Million was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 24 May 2001.

Salient Million is presently a dormant company. Salient Million was incorporated to undertake housing development for the purpose of resettling eligible residents whose dwellings are located on the land on which the Ring Road is to be constructed or are affected by the construction of the Ring Road.

(ii) Share Capital

As at 7 November 2003, Salient Million has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been credited as issued and fully paid-up.

Details of the changes in the issued and paid-up share capital of Salient Million since incorporation up to 7 November 2003 are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up capital RM
24.05.2001	2	1.00	Subscribers' shares	2

(iii) Directors

The Directors of Salient Million as at 7 November 2003 and their shareholdings in Salient Million is as follows:

Name	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of ordinary shares held	%	No. of ordinary shares held	%
Dato' Tan Kia Loke	Malaysian	-	-	-	-
Abdul Rahim Bin Achmed	Malaysian	-	-	2	100.0

Note:

a Deemed interested through his shareholdings in Petroforce, Barisan Minda, SIB and SILK by virtue of Section 6A of the Companies Act, 1965

(iv) Substantial Shareholders

Salient Million is a wholly-owned subsidiary company of SILK, which in turn is a wholly-owned subsidiary company of SIB.

(v) Subsidiary and Associated Companies

As at 7 November 2003, Salient Million does not have any subsidiary or associated companies.