
14. STATUTORY AND GENERAL INFORMATION

14.1 SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in MSB. As at the date of this Prospectus, there is only one class of shares in MSB, namely, ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of the MSB Group.
- (iv) There is no scheme involving the employees of the MSB Group in the capital of the MSB Group, except for the pink form allocation pursuant to the Public Offer.
- (v) No shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the MSB Group have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the two (2) years preceding the date of this Prospectus.

14.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association which comply with the Listing Requirements of Bursa Malaysia and Rules of the Central Depository:

(i) Transfer of Securities

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

Article 23

The transfer of any securities or class of securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Section 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Securities.

Article 24

The transfer books and registers of members and debenture holders and debenture stock holders (if any) may be closed during such time as the Directors think fit not exceeding in the whole thirty days in each year. Any notice of intention to fix a books closing date and the reason therefore shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Stock Exchange; such notice shall state the books closing date, which shall be at least twelve (12) market days after the date of notification to the Stock Exchange, and the address of share registry at which documents will be accepted for registration. The Company shall give notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

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(ii) Transmission of Securities

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

Article 27

In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 28

Any person becoming entitled to shares in consequences of the death, bankruptcy, insolvency or lunacy of any member (herein referred to as a person entitled by transmission) shall on producing to the Company such evidence as may be reasonably required by the Directors to prove his title be entitled to be registered as a member in respect of the shares or instead or being registered himself to make such transfer as the deceased, bankrupt or insolvent person could have made but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy as the case may be. This Article is hereinafter referred to as the transmission article. Provided always that where the share is a deposited security, subject to the Rules, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.

Article 29

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, provided that where the share is a deposited security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. If he elects to have another person registered he shall testify his election by execution to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 31

Where :-

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

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The Company shall, upon request of a member, permit a transmission of securities held by such member holder from the register of members maintained by the registrar of the Company in the jurisdiction of the Foreign Exchange (hereinafter referred to as "the Foreign Register"), to the register of members maintained by the registrar of the Company in Malaysia (hereinafter referred to as "The Malaysian Register") provided that there shall be no change in the ownership of such securities.

For the avoidance of doubt, notwithstanding that the Company fulfils the requirements of subparagraphs (a) and (b) of Article 29A shall not allow any transmission of securities from the Malaysian Register into the Foreign Register".

(iii) Remuneration of Directors

The provisions in the Company's Articles of Association in respect of remuneration of the Directors are as follows:

Article 84

- (a) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. That remuneration shall be deemed to accrue from day to day. Remuneration paid by the Company to the alternate shall be deducted from the Director nominating him. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meeting of the Company or in connection with the business of the Company.
- (b) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- (c) Salaries payable to executive Directors may not include a commission on or percentage of turnover.

Article 85

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

Article 86

If any Director being willing and having been called upon to do so by the other Directors shall render or perform special or extraordinary services or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit, either as a fixed sum or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

14. STATUTORY AND GENERAL INFORMATION

(iv) Voting and Borrowing Powers of Directors

The provisions in the Company's Articles of Association dealing with the powers of the Directors in proposals, arrangements or contracts in which they are interested in their borrowing powers exercisable by them and how much such borrowing powers can be varied are as follows:

Article 91

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company or the subsidiaries undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or a related third party only.
- (b) In accordance with Section 132C of the Act and Section 317 of the Listing Requirements of the Stock Exchange, the Directors shall not acquire or dispose of an undertaking or property of a substantial value or dispose of a substantial portion of the Company's main undertaking or property without the approval of the Company in General Meeting.

Article 101

Subject to these Articles questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second a casting vote except where only two Directors are competent to vote on the question at issue, or are the quorum present at the meeting.

Article 103

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest.

Article 105

A Director may vote and be counted in a quorum at a meeting in respect of :

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

(v) Changes in Capital or Variation of Class Rights

The provisions in the Company's Articles of Association as to the changes in capital or variation of class rights, which are as stringent as those provided in the Companies Act, 1965 are as follows:

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Article 6

The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholders rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders the shares of the class. To every such separate General Meeting the provision of these articles relating to the General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. PROVIDED ALWAYS that where the necessary majority is not obtained at the meeting, consent in writing if obtained from members holding at least three-fourth (3/4) of the issued shares of that class within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by vote in person or by proxy. The special rights attached to any class of shares having preferential rights attached to any class of shares having preferential rights shall not unless expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respect pari passu therewith but in no respect in priority thereto. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

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14. STATUTORY AND GENERAL INFORMATION

14.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors of MSB are set out in **Section 1** of this Prospectus.
- (ii) A Director of MSB is not required to hold any qualification shares in MSB.
- (iii) None of the Directors or key management and technical personnel of the MSB Group is or has been involved in any of the following events, whether in or outside Malaysia:
 - (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such director or personnel or any partnership in which he was a partner, or any corporation of which he was a director or key personnel;
 - (b) a charge and/or conviction in criminal proceedings, or is a named subject of pending criminal proceedings; or
 - (c) a subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or regulatory authority permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (iv) Save as disclosed in **Section 6.2.4** of this Prospectus, there has been no amounts and benefits that have been or are intended to be paid or given to the Promoter, Directors and substantial shareholder of MSB within the two (2) years preceding the date of this Prospectus.
- (v) The details of the Directors' and substantial shareholders' direct and indirect interests in the shares in MSB before and after the Public Offer are set forth in **Sections 6.2.2** and **6.1.1** of this Prospectus.
- (vi) Save as disclosed in **Section 9.2** of this Prospectus, none of the Directors and substantial shareholders of MSB has any interest, direct or indirect, in any contract or arrangement subsisting as at the date of this Prospectus which is significant in relation to the business of the MSB Group taken as a whole.
- (vii) Save for the risk factors highlighted in **Section 4** of this Prospectus, the Directors and substantial shareholders of MSB are not aware of any material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the MSB Group.

14.4 GENERAL

- (i) Save as disclosed in **Section 5.7** of this Prospectus, no property has been acquired or is proposed to be acquired, and save as disclosed in **Section 3.12** of this Prospectus, no preliminary expenses are to be repaid, by MSB in contemplation of the Public Offer.
- (ii) The nature of the MSB Group's business and the names of all corporations which are deemed to be related to the MSB Group by virtue of Section 6 of the Act are disclosed in the **Section 5** of this Prospectus.
- (iii) The time of the opening of the Public Offer is set out in **Section 3.2** of this Prospectus.

14. STATUTORY AND GENERAL INFORMATION

- (iv) The amount payable in full on application is RM1.40 per Offer Share.
- (v) No person has an option or is entitled to be given an option to subscribe for any share, stock, debenture or other security of the MSB Group.
- (vi) No capital of MSB has been issued or is proposed to be issued, whether partly or fully paid-up, otherwise than for cash within the two (2) years preceding the date of this Prospectus.
- (vii) No capital of MSB has been issued or is proposed to be issued for cash within the two (2) years preceding the date of this Prospectus.
- (viii) The name and address of the auditors are set out in **Section 1** of this Prospectus.
- (ix) The MSB Group has not established any place of business outside Malaysia.
- (x) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set forth in **Section 15** of this Prospectus.
- (xi) Save as disclosed in **Section 6.5** of this Prospectus, there are no persons who, directly or indirectly, jointly or severally, exercise control over the MSB Group and the voting capital in MSB.

14.5 EXPENSES

- (i) There have been no commissions, discounts, brokerages or other special terms granted to or paid by the MSB Group within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any shares in or debentures of the MSB Group for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription for, any shares in or debentures of the MSB Group, and no Director, Promoter of the MSB Group, or expert, is entitled to receive any such payment.
- (ii) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of MSB on the Main Board of Bursa Malaysia amounting to approximately RM3.0 million will be borne by the MSB Group.
- (iii) No amount or benefit has been paid or given within the two (2) years preceding the date of this Prospectus, nor is it intended to be so paid or given, to any Promoter of MSB, save as disclosed in **Section 5.5.1** of this Prospectus.
- (iv) Placement fees shall be payable by MSB to the Placement Agent at the rate of 0.2% of the Offer Price for places identified and secured by MSB. Underwriting commission and brokerage fee is payable by MSB in respect of the Offer Shares at the rate of 1.5% and 1.0% of the Offer Shares respectively.

14.6 MATERIAL LITIGATION

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the MSB Group is not engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the MSB Group, and the Directors of MSB are not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of the MSB Group.

14. STATUTORY AND GENERAL INFORMATION

14.7 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the MSB Group within the two (2) years preceding the date of this Prospectus:

- (i) On 13 May 2004, MSB entered into an Underwriting Agreement with OSK ("the Managing Underwriter") and MIDF Sisma Securities Sdn Bhd ("Underwriter") for the underwriting of up to a maximum of 20,002,000 new MSB Shares. Please refer to Sections 3.9 and 3.10 for further details on the same.
- (ii) On 13 May 2004, MSB entered into a Placement Agreement with OSK ("the Placement Agent") for the placement of 20,103,000 new MSB Shares to identified investors. The Company will pay to OSK a placement fee of zero point two percentum (0.2%) of the issue price of RM1.40 for each of the 20,103,000 new MSB Shares successfully placed by OSK to prospective investors.

14.8 MATERIAL AGREEMENTS

Save as disclosed in Section 14.10, as at 30 April 2004 being the last practicable date prior to the printing of this Prospectus, there is no material agreement (including but not limited to shareholders' agreements, agreements underlying the basis of the MSB Group's business, supplier agreements, customer agreements, and directors' service agreements), or informal arrangement or understanding, entered into by the MSB Group.

14.9 MATERIAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any material commitment contracted or known to be contracted by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group, save as follows:

- (i) On 30 July 2003, MSCRC entered into a conditional SPA with MIG to acquire two (2) plots of adjoining vacant industrial land for a total purchase consideration of RM11.0 million. Pursuant to a Supplementary Agreement dated 27 January 2004, the same parties have agreed to vary the purchase price of the said properties to RM8.25 million vide the SC approval letter dated 29 December 2003. The purchase price was subsequently satisfied entirely by cash. The details of the two (2) plots of adjoining vacant industrial land are listed below.

Registered owner	Location	Tenure of land	Land area (acres)
MSCRC	Lot nos. 23043 and 23044 (GM1650 and GM1651), Mukim of Kapar, District of Klang, State of Selangor	Freehold	4.625

As at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, the Directors of MSB are not aware of any contingent liabilities incurred by the MSB Group which, upon becoming enforceable, may have a material impact on the financial position of the MSB Group.

14. STATUTORY AND GENERAL INFORMATION**14.10 INSURANCE POLICIES**

MSCRC has purchased the following insurance policies:

Type of Insurance Cover	Amount Insured (RM'000)	Period Insured
Industrial all risks policy	92,700	1 February 2004 to 31 January 2005 (both dates inclusive)
Group term life policy	7,140	1 February 2004 to 31 January 2005 (both dates inclusive)
Burglary policy	20	1 February 2004 to 31 January 2005 (both dates inclusive)
Group personal accident policy	13,187	1 February 2004 to 31 January 2005 (both dates inclusive)
Open contract of marine insurance – effected to insure all shipments, including interests, voyage and conveyance	20,000 (Limit of liability)	Commencing 16 July 1999

14.11 PUBLIC TAKE-OVERS

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

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

14.12 CONSENTS

- (i) The written consents of the Adviser, Managing Underwriter and Placement Agent, Underwriter, Auditors, Solicitors, Principal Bankers, Valuer, Issuing House, Registrars, and Company Secretary to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants to the inclusion in this Prospectus of their name, the Accountants' Report, and letters relating to the Consolidated Profit and Cash Flow Forecasts and Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consents of the Malaysian Iron & Steel Industry Federation and Bumiputra-Commerce Economic Research Services to the inclusion of the extract of articles in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

14. STATUTORY AND GENERAL INFORMATION

14.13 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the MSB Group during office hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of MSB;
- (ii) The material contracts and material agreements referred to in **Sections 14.7 and 14.8** of this Prospectus;
- (iii) The Accountants' Report and Directors' Report as included in **Sections 11 and 13** of this Prospectus, respectively;
- (iv) The Reporting Accountants' Letters relating to the consolidated profit and cash flow forecasts for FYE 31 January 2005 and proforma consolidated balance sheets of the MSB Group as at 31 January 2004 referred to in **Sections 10.4, 10.6 and 10.11** respectively, of this Prospectus;
- (v) The valuation certificate relating to the landed properties of the MSB Group referred to in **Section 12** of this Prospectus;
- (vi) The letters of consent referred to **Section 14.12** of this Prospectus; and
- (vii) The audited accounts of MSB and MSCRC for the five (5) FYE 31 January 2004.

14.14 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been seen and approved by the Directors and Promoter of MSB, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there is no false or misleading statement, or other fact the omission of which would make any statement herein false or misleading. The Directors hereby accept full responsibility for the consolidated profit and cash flow forecast included in this Prospectus and confirm that the consolidated profit and cash flow forecast has been prepared based on the assumptions made.
- (ii) OSK acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Offer and the MSB Group and is satisfied that the consolidated profit and cash flow forecast (for which the Directors of MSB are fully responsible) prepared for inclusion in this Prospectus has been stated by the Directors of MSB after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

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