

### 3. DETAILS OF THE PUBLIC OFFER

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#### 3.1 INTRODUCTION

This Prospectus is dated 25 May 2004.

A copy of the Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the ROC who takes no responsibility for its contents.

**Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Malaysia has prescribed MSB shares as a Prescribed Security. In consequence thereof, the Offer Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of MCD. No share certificates will be issued to successful applicants.**

On 29 December 2003, approval was obtained from the SC in respect of the listing of MSB on the Main Board of Bursa Malaysia. The approval of the SC shall not be taken to indicate that the SC recommends the Public Offer. Investors should rely on their own evaluation to assess the merits and risks of any investment in the Company.

An application will be made to Bursa Malaysia for the admission to the Official List of the Main Board of Bursa Malaysia and for permission to deal in and the listing of and quotation for the entire issued and fully paid-up Shares of the Company, including the Offer Shares, which are the subject of this Prospectus. Any allotment and allocation made on an application to subscribe for securities pursuant to this Prospectus shall be void if the permission is not applied for in the form for the time being required by the exchange before the third day on which the exchange is open after the date of the 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 Bursa Malaysia within the six (6) weeks or such longer period as may be specified by the SC. These Shares will be admitted to the Official List of the Main Board of Bursa Malaysia and official quotation will commence after receipt of confirmation from the MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants.

Pursuant to the Listing Requirements of Bursa Malaysia, MSB needs to have at least 25% of the issued and paid-up share capital in the hands of public shareholders and a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon admission to the Main Board of Bursa Malaysia. MSB is expected to achieve this at the point of Listing. However, in the event that this requirement is not met pursuant to the Public Offer, MSB may not be allowed to proceed with the Listing. In the event therefore, monies paid in respect of all applications will be returned in full without interest.

Persons submitting applications by way of Application Forms or by way of Electronic Share Applications must have a CDS Account. In the case of an application by way of Application Form, an application should state his CDS Account number in the space provided in the Application Form. In the case of an application by 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 CDS Account number to the Participating Financial Institution by way of keying his CDS Account if the instructions on the ATM screen at which he/she enters his Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application.

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

### 3. DETAILS OF THE PUBLIC OFFER

The distribution of this Prospectus and the sale of the Offer Shares are subject to Malaysian law and MSB and OSK take no responsibility for the distribution of this Prospectus and/or offer or sale of the Offer Shares outside Malaysia which may be restricted by law in other jurisdictions. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any Offer 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 offer or invitation.

The SC and Bursa Malaysia assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Main Board of Bursa Malaysia is not to be taken as an indication of the merits of MSB or of its Shares.

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

#### 3.2 OPENING AND CLOSING OF PUBLIC OFFER

Applications will be accepted from 10.00 a.m. on 25 May 2004 and will close at 5.00 p.m. on 4 June 2004 or for such later period or periods as the Directors of MSB and the Managing Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

#### 3.3 INDICATIVE TIMETABLE

The indicative timing of events leading up to the Listing is set out below:

Event	Tentative Dates
Issuance of the Prospectus / Opening of the Public Offer	25 May 2004
Closing of the Public Offer	4 June 2004
Balloting of the applications	8 June 2004
Allotment of shares to successful applicants	18 June 2004
Listing and quotation	21 June 2004

The application for the Public Offer will close at the time and date stated, or at such later date or dates as the Directors of MSB and the Managing Underwriter may in their absolute discretion decide. Should the closing date of the application be extended, the dates for balloting, the despatch of notice of allotment and the listing of and quotation for the entire issued and paid-up share capital of MSB on the Main Board of Bursa Malaysia will be extended accordingly.

In the event the closing date of the application is extended the notice of the extension will be advertised in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia not less than three (3) market days before the original closing date of the application.

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### 3. DETAILS OF THE PUBLIC OFFER

#### 3.4 SHARE CAPITAL AND RIGHTS ATTACHING TO THE OFFER SHARES

	RM
<i>Authorised</i>	
500,000,000 Shares	500,000,000
<i>Issued and fully-paid up share capital as at the date of this Prospectus</i>	
134,062,000 Shares	134,062,000
<i>To be issued pursuant to the Public Offer</i>	
44,938,000 Shares	44,938,000
<i>Enlarged issued and fully paid-up share capital</i>	
179,000,000 Shares	179,000,000

The offer price of RM1.40 per Offer Share is payable in full upon application.

##### *Class of shares and ranking*

There is only one (1) class of shares in MSB, namely ordinary shares of RM1.00 each. The Offer Shares, when issued, shall rank pari passu in all respects with the other then existing issued and paid-up ordinary shares of RM1.00 each in MSB, including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of this Prospectus.

Subject to special rights attaching to any share which may be issued by MSB in the future, the shareholders of MSB 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 MSB as dividends and other distributions, and the whole of any surplus in the event of liquidation of MSB, such surplus to be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with MSB's articles of association.

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

#### 3.5 PURPOSE OF THE PUBLIC OFFER

The purposes of the Public Offer are as follows:

- (i) to obtain the listing of and quotation for the entire issued and paid-up capital of MSB on the Main Board of Bursa Malaysia;
- (ii) to provide the MSB Group with access to the capital market to raise funds for future expansion and growth;
- (iii) to enhance the stature of the MSB Group in the marketing of its products and services, and to retain, and attract new, skilled employees;
- (iv) to provide an opportunity for the Directors and employees of the MSB Group and MIG to participate in the equity growth of the Company; and
- (v) to enhance the MSB Group's profile in Malaysia.

### 3. DETAILS OF THE PUBLIC OFFER

#### 3.6 BASIS OF ARRIVING AT THE OFFER PRICE

The Offer Price was determined and agreed upon by MSB and OSK, as the Adviser, Managing Underwriter and Placement Agent, after taking into consideration the following factors:

- (i) the forecast PAT before pre-acquisition profit for the financial year ending 31 January 2005 of approximately RM25,103,000. Based on the issued and paid-up share capital of MSB before the Public Offer of 134,062,000 Shares, the net EPS is RM0.19. The Offer Price of RM1.40 represents a net PE Multiple of approximately 7.4 times;
- (ii) the forecast PAT before pre-acquisition profit for the financial year ending 31 January 2005 of approximately RM25,103,000. Based on the enlarged issued and paid-up share capital of MSB after the Public Offer of 179,000,000 Shares, the net EPS is RM0.14. The Offer Price of RM1.40 represents a net PE Multiple of approximately 10.0 times;
- (iii) the proforma consolidated NTA per Share of RM1.10 based on the audited accounts of MSB as at 31 January 2004. The Offer Price represents a premium of RM0.30 per Share or 27.2% above the proforma consolidated NTA per Share;
- (iv) the MSB Group's operating and financial history and conditions as outlined in **Section 10** of the Prospectus;
- (v) the prospects of the MSB Group and the industry as outlined in **Section 8** of the Prospectus; and
- (vi) the prevailing market conditions.

Investors should also note that the market price of the Offer Shares upon and subsequent to the Listing are subject to the vagaries of market forces and other uncertainties, which may affect the price of the said shares. Investors should bear in mind the risk factors set forth in **Section 4** of this Prospectus before deciding on whether or not to invest in the Offer Shares.

#### 3.7 ALLOCATION OF THE OFFER SHARES

The Public Offer of a total of 44,938,000 new MSB Shares at the Offer Price shall be subject to the terms and conditions of this Prospectus and, upon acceptance, will be allocated in the following manner:-

- (a) 4,833,000 new MSB Shares, representing approximately 2.7% of the enlarged issued and paid-up share capital of the Company will be made available for application by bumiputera investors approved by the MITI;
- (b) 8,950,000 new MSB Shares, representing 5.0% of the enlarged issued and paid-up share capital of the Company will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30.0% will be set aside strictly for application by bumiputera individuals, companies, societies, co-operatives and institutions;
- (c) 11,052,000 new MSB Shares representing approximately 6.2% of the enlarged issued and paid-up share capital of the Company will be made available for application by the eligible Directors and employees of the MSB Group (3,684,000 MSB Shares), the business associates of the MSB Group (870,000 MSB Shares), the eligible Directors and employees of the MIG Group (5,258,000 MSB Shares) as well as the business associates of the MIG Group (1,240,000 MSB Shares); and

### 3. DETAILS OF THE PUBLIC OFFER

- (d) 20,103,000 new MSB Shares, representing approximately 11.2% of the enlarged issued and paid-up share capital of the Company will be reserved for private placement to identified investors.

Up to 20,002,000 Shares, comprising the Shares under paragraphs (b) and (c) have been fully underwritten by the Managing Underwriter and Underwriter listed in **Section 1**. In the event of an under-subscription of the Public Offer, Shares may be transferred from the public offer tranche and allocated by way of private placement, and vice-versa. Any Shares in respect of paragraph (c) not subscribed for will be made available for application under the Public Offer to the Malaysian public and/or private placement.

The basis of allocation shall take into account the desirability of distributing the Public Offer to a reasonable number of applicants with a view to broadening the shareholding base of the Company to meet the public spread requirements, and to establishing a liquid and adequate market in the Shares.

In the event of an overall under-subscription of the Public Offer, all the Shares not applied for will be made available for subscription by the Managing Underwriter and Underwriter in accordance with the terms and conditions specified in the underwriting agreement dated 13 May 2004 ("Underwriting Agreement").

#### 3.8 ALLOCATION OF THE OFFER SHARES TO THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF THE MSB AND MIG GROUP

The eligible Directors, employees and business associates of the MSB Group and the MIG Group have been allocated a total of 11,052,000 new MSB Shares. The criteria of allocation of the Offer Shares are as follows:

- (i) The employee or executive director must be a confirmed and full time employee and on the payroll of the company or of an eligible subsidiary;
- (ii) The employee or executive director must have attained the age of eighteen (18) years;
- (iii) Is not an executive director who represents the Government or a Government institution/agency; and
- (iv) Is not a Government employee serving the public service scheme as defined under Article 132 of the Federal Constitution.

The total number of persons eligible for the allocation is **506**, comprising the following:

Category	No. of persons
Directors	4
Employees	318
Business associates of MIG and MSB	184
	506

The number of shares reserved for each category of employee is as follows:

Category	No. of shares reserved for each category of employee
Managing Director	500,000
President / CEO	350,000
Vice President / Executive Directors	250,000
Senior Managers	120,000
Managers	80,000
Engineers and Executive	50,000

### 3. DETAILS OF THE PUBLIC OFFER

Category	No. of shares reserved for each category of employee
Supervisor / Technical Assistant	25,000
Electrical charginan / Technical trainees	15,000
Clerical Staff	10,000
Fitter / Boilerman / Electrician	10,000
Chief Machine Operator / Storekeeper	10,000
Industrial Worker	8,000
Consultancy Staff	28,000

The total number of ordinary shares to be allocated to the Directors of MSB are as follows:-

Name	Designation	Pink Form Allocation (No. of Ordinary Shares in MSB)
Tunku Ya'acob	Non-Independent Non-Executive Director	500,000
Azlan bin Abdullah	Chief Executive Officer	350,000
Lim Kim Chuan	Non-Independent Non-Executive Director	350,000
Chan Sang Whye	Chief Operating Officer	250,000

Any of the 11,052,000 new MSB Shares allotted based on the above criteria but not taken up by the respective allottees will be made available for application under the Public Offer to the Malaysian public and/or private placement.

### 3.9 BROKERAGE AND UNDERWRITING EXPENSES

#### 3.9.1 Brokerage

Brokerage relating to the Offer Shares will be paid by the Company, at the rate of 1.0% of the Offer Price in respect of successful applications which bear the stamp of member companies of Bursa Malaysia, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDF.

#### 3.9.2 Underwriting

The Managing Underwriter and the Underwriter mentioned in Section 1 of this Prospectus have agreed to underwrite 8,950,000 new MSB Shares to be allocated to Malaysian citizens, companies, societies and co-operatives. In addition, the Managing Underwriter has also agreed to underwrite the unsubscribed portion of the 11,052,000 new MSB Shares which is made available for application by the eligible Directors and employees of the MSB Group, the business associates of the MSB Group, the eligible Directors and employees of the MIG Group as well as the business associates of the MIG Group. The underwriting commission is payable by the Company at a rate of 1.5% of the Offer Price.

#### 3.9.3 Placement fees

The Company will pay to OSK a placement fee of 0.2% of the Offer Price for each of the 20,103,000 new MSB Shares successfully placed by OSK to private investors.

### 3. DETAILS OF THE PUBLIC OFFER

#### 3.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement dated 13 May 2004 between MSB, OSK (as Managing Underwriter) and MIDF Sisma Securities Sdn Bhd (as Underwriter) ("Underwriting Agreement"), contains clauses as set out below which may allow them to withdraw from its obligations under the Underwriting Agreement.

The obligations of OSK and MIDF Sisma Securities Sdn Bhd ("the Underwriters") to underwrite the Offer Shares is conditional upon the fulfillment and/or satisfaction of the following:-

1. the Company obtaining SC's final approval to the Prospectus;
2. the delivery to the SC of the Prospectus for registration in accordance with the requirement under section 41 of the Securities Commission Act ("SC Act") together with copies of all documents required for submission under section 42 of the SC Act within sixty (60) days from the date of the Underwriting Agreement;
3. the lodgement with the Companies Commission of Malaysia of the Prospectus in accordance with section 43 of the SC Act within sixty (60) days from the date of the Underwriting Agreement;
4. the Company obtaining Bursa Malaysia's approval in principle to the listing of and quotation for all the paid-up Shares on Bursa Malaysia;
5. there not being, on or prior to the Closing Date, any adverse and material change or development reasonably and likely to involve a prospective adverse and material change in the condition (financial or otherwise) of the Company or any of its subsidiaries from that set out in the Prospectus which is material in the context of the Public Offer or any occurrence of any event rendering untrue or incorrect or not complied with to an extent which is material, any of the warranties and representations in clause 9 of the Underwriting Agreement as though given or made on such date;
6. the Public Offer in accordance with the provisions of the Underwriting Agreement is not prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Malaysia);
7. the Public Offer has been approved by the SC and any other relevant authority or authorities;
8. the composite index of Bursa Malaysia not falling below the benchmark of 650 points for at least five (5) consecutive Market Days on or prior to the Closing Date; and
9. the execution of the placement agreement in respect of the 20,103,000 new MSB Shares reserved for private placement to identified investors.

Notwithstanding anything contained in the Underwriting Agreement, if in the reasonable opinion of the Underwriters there shall have been such a change in national monetary, financial, political or economic conditions or exchange control or currency exchange rates and any event or series of events beyond the reasonable control of the Underwriters (including without limitation acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, sabotage, act of God or accidents) as would in their reasonable opinion prejudice materially the issue and offering of the Offer Shares and their distribution or sale then:-

- (a) the Underwriters may by written notice to the Company terminate the Underwriting Agreement before 5.00 p.m. on the Closing Date; and

### 3. DETAILS OF THE PUBLIC OFFER

- (b) the parties shall thereafter (except for the liability of the Company in the payment of costs and expenses referred to in Clause 17.3 of the Underwriting Agreement incurred prior to or in connection with such termination) be released and discharged from their respective obligations under the said Underwriting Agreement.

In the event of any breach by the Company of its representations, warranties, undertakings or material obligations under the Underwriting Agreement which is not capable of remedy or, if capable of remedy in not remedied within such number of days as stipulated in the notice given to the Company, then the Underwriters may terminate the Underwriting Agreement by giving written notice before 5.00 p.m. on the Closing Date.

The Company will not be released from its liability to pay all costs, charges and expenses referred to in clause 17.3 of the Underwriting Agreement which are incurred prior to or in connection to the negotiation, preparation, execution and stamping of the Underwriting Agreement.

In the event the Closing Date falls after three (3) months from the date of the Underwriting Agreement, the Underwriting Agreement will lapse and the Underwriters will be released and discharged from all of their obligations under this Agreement and the Company may enter into a fresh underwriting agreement with the same or different underwriter(s).

#### 3.11 PROCEEDS FROM THE PUBLIC OFFER AND UTILISATION

The total gross proceeds from the Public Offer of RM62.913 million is expected to be fully utilised for the core business of the Group within 12 months from the date of listing. There is no minimum subscription to be raised from the Public Offer.

The total gross proceeds from the Public Offer is expected to be utilised for the following purposes:

Purpose	Note	RM'000	Expected Time Frame for Utilisation of Proceeds
Repayment of bank borrowings	(i)	25,000	Within 12 months after Listing
Estimated listing expenses		3,000	Within one (1) month after Listing
Working capital	(ii)	34,913	Within 12 months after Listing
		<u>62,913</u>	

**Notes:**

- (i) *Repayment of bank borrowings*

*As at 30 April 2004, the MSB Group's total borrowings, used for working capital purposes, amounted to approximately RM65.5 million. Approximately RM25.0 million of the proceeds raised from the Public Offer will be utilised to retire MSCRC's bank borrowings. The proposed retirement of bank borrowings amounting to RM25.0 million represents approximately 38.2% of the MSB Group's total borrowings as at 30 April 2004. Based on the current prevailing interest rate applicable to the MSB Group's borrowings of approximately 6.5% per annum, the repayment is expected to contribute an interest saving of approximately RM1.63 million to the MSB Group per annum.*

- (ii) *Working capital*

*Approximately RM34.913 million of the proceeds from the Public Offer which is earmarked for working capital will be used partly to retire MSCRC's trust receipts and/ or bankers acceptance which are used to purchase raw materials. As 30 April 2004, the MSCRC's total revolving credit and/or bankers acceptance amounted to approximately RM65.5 million.*

The total proforma financial impact of the utilization of proceeds on the consolidated balance sheets and the consolidated cash flow forecast of MSB is reflected in Sections 2.6, 10.5 and 10.9 of this Prospectus.



**3. DETAILS OF THE PUBLIC OFFER****3.12 ESTIMATED LISTING EXPENSES**

MSB will bear all expenses incidental to the listing of and quotation for of MSB's Shares on the Main Board of Bursa Malaysia which is estimated to be approximately RM3.0 million, with the following estimated breakdown:

	<b>RM</b>
Professional fees	600,000
Fees of the authorities	150,000
Underwriting/Placement fee	250,000
Brokerage fee	560,000
Printing and advertising fees	600,000
Issuing house's fees	100,000
Miscellaneous	740,000
<b>Total</b>	<b>3,000,000</b>

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### 3. DETAILS OF THE PUBLIC OFFER

#### 3.13 APPROVALS AND CONDITIONS FROM AUTHORITIES

MSB's listing scheme was approved by the SC and MITI vide their letters dated 29 December 2003 and 20 October 2003 respectively.

The SC, under the FIC Guidelines for the Acquisition of Assets, Mergers and Takeovers, has no objections to the following equity structure of the MSB in relation to the Listing:

	Before the Public Offer (%)	After the Public Offer (%)
Bumiputera	36.58	30.10
Non-Bumiputera	26.55	42.29
Government agency	13.24	9.91
Foreign	23.63	17.70
	<b>100.00</b>	<b>100.00</b>

The SC's approval for the Listing of MSB on the Main Board of Bursa Malaysia is subject to the following terms and conditions:-

Conditions Imposed	Status of Compliance
(i) Any future business transactions between the MSB Group and the companies of which the Promoter, Directors and substantial shareholders of MSB are related to or have interests in are to be conducted on an arm's length basis, and not on terms which will be detrimental to the MSB Group. In this respect, the Audit Committee of MSB is required to monitor the terms of these transactions and the Directors of MSB are required to report such transactions, if any, in the annual reports of MSB on a yearly basis;	Noted
(ii) The Promoter, Directors and substantial shareholders of MSB who are involved in the operations of the MSB Group on a full time basis are not permitted to engage, in their own private businesses, on a full time basis;	Noted
(iii) The Promoter, Directors and substantial shareholders of MSB shall not in the future carry out any other new business which would compete directly or indirectly and which may result in conflicts of interest with the existing businesses of the MSB Group;	Noted
(iv) MSB is required to comply with the following requirements in relation to its trade debtors:-	
(a) Full disclosure in the listing prospectus regarding the status of the trade debtors position and a trade debtors aging analysis. For debts exceeding the normal credit period, the directors of the Company are required to provide statements in relation to the recoverability of the said debt;	Disclosed. Please refer to <b>Section 10.10</b> of this Prospectus
(b) Full provisions are to be made for the MSB Group's trade debts where: <ul style="list-style-type: none"> <li>• there is an ongoing dispute/doubt as to the recoverability on the trade debts; or</li> <li>• legal action has commenced/been taken in relation to the trade debts; or</li> <li>• the trade debts have exceeded a period of more than six (6) months in the accounts.</li> </ul> <p>Further to the above, the directors of MSB are required to provide a written confirmation to the SC to confirm that the above requirements have been met prior to the issuance of the listing prospectus.</p>	Complied. Letter confirming that no provisions are required to be made was furnished to the SC on 17 May 2004.
	Complied. Written confirmation furnished to the SC on 17 May 2004.

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Conditions Imposed	Status of Compliance
(c) The directors of MSB are required to provide to the SC with a written declaration that the trade debts which have not been provided for are recoverable in full. If otherwise, full provision has been made in the accounts/forecast/projections. The declarations are to be submitted to the SC prior to the issuance of the listing prospectus.	Complied. Written confirmation that the trade debts which have not been provided for are recoverable in full to the MSB Group was furnished to the SC on 17 May 2004.
(v) To fully disclose the following matters in the listing prospectus of MSB:-	
(a) The impact of the implementation of AFTA on the future performance of the MSB Group;	Disclosed. Please refer to Section 4.7 of this Prospectus
(b) The dependency of the MSB Group on MIG and Sumiputeh Steel Centre Sdn Bhd and steps taken/to be taken in order to reduce the dependency;	Disclosed. Please refer to Section 7.6 of this Prospectus
(c) The sources as well as the availability of raw material supplies;	Disclosed. Please refer to Sections 7.1.4 and 7.7 of this Prospectus
(d) The impact of the imposition of tariffs/duties on imported flat steel products on the operations and performance of the Group (including production costs and profits) as well as the steps taken/to be taken by the Group to address this;	Disclosed. Please refer to Sections 4.20 and 8.5 of this Prospectus
(e) The total borrowings of the MSB Group, including the impact of the borrowings on its operations and the ability of the MSB Group to obtain additional financing;	Disclosed. Please refer to Section 4.18 of this Prospectus
(f) The impact to the MSB Group, arising from competition from the commencement of the Lion Group's new CRC plant in 2004, as well as from other CRC plants currently being planned;	Disclosed. Please refer to Section 4.6 of this Prospectus
(g) Risk management plans and priorities of MSB to address the other major risks associated with the operations of the MSB Group, including risks associated with fire, power and other emergency risks which may adversely affect the operations of the MSB Group;	Disclosed. Please refer to Sections 4.14 and 7.11 of this Prospectus
(h) All the existing interests and the involvement of the Promoter, directors and substantial shareholders of MSB in other businesses which may result in a conflict of interest between them and the MSB Group and steps taken/to be taken, in order to address such conflicts; and	Disclosed. Please refer to Section 9.3 of this Prospectus
(i) Existing related party transactions between the MSB Group and companies related to the directors, Promoter and substantial shareholders and the steps taken/to be taken to ensure that these transactions carried out, are not to the detriment of the MSB Group.	Disclosed. Please refer to Section 9.2 of this Prospectus

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In relation to the utilization of the proceeds of the Public Offer, the conditions are as follows:

- |        |  |   |
|--------|--|---|
| (vi)   | To disclose in detail the purpose and the expected time frame for the utilization of proceeds in the Prospectus. Any delay and/or changes to the expected time frame for the utilization of proceeds will require the approval of the Board of Directors of MSB via resolution and the same shall be fully disclosed to Bursa Malaysia.  | Disclosed. Please refer to Sections 2.9 and 3.11 of this Prospectus   |
| (vii)  | The appropriate disclosure on the status of the utilization of proceeds has to be made in the Quarterly Reports and Annual Report of MSB until the proceeds have been fully utilized.  | Noted   |
| (viii) | The Company and OSK is required to comply with the requirements as stipulated in the SC's Policies and Guidelines on Issue/Offer of Securities in relation to its private placement. In relation thereto, OSK or a placement agent (where applicable) is required to forward to the SC the final list of shareholders who have subscribed for the private placement portion of the issue shares. OSK is also required to ensure that the private placement complies with the requirements of Paragraph 8.03 and 8.06 of the SC Guidelines. | To be complied with upon implementation   |
| (ix)   | The Company and OSK is required to ensure full compliance with the listing requirements as provided for in the SC Guidelines.  | Noted   |
| (x)    | The Company and OSK is required to provide written confirmations on the compliance with all the terms and conditions for the Listing and all the terms as highlighted above upon completion of the same.   | Letter to be furnished to the SC upon compliance with all the terms and conditions for the Listing and all the terms highlighted above. |

MITI's approval for the Listing is subject to the following terms and conditions:-

- | <b>Conditions Imposed</b>   | <b>Status of Compliance</b> |
|---|-----------------------------|
| (i) approval from the SC for the implementation of the listing scheme; and  | Met                         |
| (ii) the approval of MITI for the allocation of the 4,833,000 new MSB Shares, representing approximately 2.7% of the enlarged issued and paid-up share capital of MSB to the Bumiputera investors after the receipt of the SC's approval for the Listing. | Met                         |

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