

## 9. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

### 9.1 DECLARATION BY ADVISERS

OSK confirms that, as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Adviser, Managing Underwriter and Placement Agent for the Listing.

Messrs Moores Rowland has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Reporting Accountants for the Listing.

Messrs Cheang & Ariff has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Solicitors for the Listing.

Messrs Azmi & Co. Sdn Bhd has given its written confirmation that there is no existing or potential conflict of interest in its capacity as the Valuers for the Group's properties.

### 9.2 RELATED PARTY TRANSACTIONS WITH DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Directors of MSB estimate that the Group will have recurrent related party transactions with the following parties in the financial year ending 31 January 2005. Details of these recurrent related party transactions, of which the value of these transactions is subject to changes, are as follows:

| Transacting Parties  | Nature of Relationship  | Nature of Transaction                       | Actual value for the financial year ended 31 January 2004 | Actual value as at 30 April 2004 |
|--|---|---|---|----------------------------------|
|  |   |   | RM  | RM                               |
| MSCRC and MIG  | MIG is a substantial shareholder and Promoter of MSB, which in turn, holds a 100% stake in MSCRC  | Purchases of steel pipes                    | 25,544  | 206                              |
| MSCRC and MIG  | MIG is a substantial shareholder and Promoter of MSB, which in turn, holds a 100% stake in MSCRC  | Processing services for CRC sold to MIG     | 5,568   | 1,107                            |
| MSCRC and MIG  | MIG is a substantial shareholder and Promoter of MSB, which in turn, holds a 100% stake in MSCRC  | Supply of CRC products                      | 42,527,317  | 14,708,348                       |
| MSB, MSCRC and Trace Management Services Sdn Bhd ("Trace") | Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman, Tunku Ya'acob and Dato' Zulkifly @ Sofi bin Haji Mustapha are deemed interested parties in Trace by virtue of their family relationship and major shareholdings and MGB as well as MIG. Tunku Ya'acob and Dato' Zulkifly @ Sofi bin Haji Mustapha are also Directors of MSCRC. | Provision of corporate secretarial services | 14,234  | 3,599                            |

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| Transacting Parties  | Nature of Relationship   | Nature of Transaction                  | Actual value for the financial year ended 31 January 2004 | Actual value as at 30 April 2004 |
|--|--|--|---|----------------------------------|
|  |  |  | RM  | RM                               |
| MSB, MSCRC and Malaysian Assurance Alliance Berhad ("MAA") | Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman and Tunku Ya'acob are deemed interested in MAA by virtue of Tunku Ya'acob having an 80% direct shareholding in Iternum. Iternum has a direct 34% direct shareholding in MAA.                               | Purchase of general insurance policies | 279,916   | 218,693                          |
| MSCRC and Wira Security Services Sdn Bhd ("Wira")          | MAA Holdings Berhad ("MAAH") is the ultimate holding company of Wira. Iternum has a 34% direct shareholding in MAAH. Tunku Ya'acob is deemed interested in MAAH by virtue of his 80% direct shareholding in Iternum.   | Provision of security guard services   | 46,541  | 20,639                           |
| MSB and MAA Corporate Advisory Sdn Bhd ("MAACA")           | Tunku Ya'acob is deemed interested in MAACA by virtue of his substantial shareholdings (80%) in Iternum. Iternum has a 34.1% indirect shareholding in MAA Holdings Berhad, which is the ultimate holding company of MAACA.   | Provision of advisory services         | -   | 789,500                          |
| MSB and Mitra Malaysia Sdn Bhd ("Mitra")                   | Y.A.M. Tan Sri Tunku Abdullah Ibni Almarhum Tuanku Abdul Rahman ("Tunku Abdullah"), Tunku Ya'acob and Tunku Iskandar are deemed interested in Mitra as Mitra is fully owned by Tunku Iskandar who is the son and brother of Tunku Abdullah and Tunku Ya'acob respectively. | Ticketing, tour and travel             | -   | 20,701                           |

These transactions are conducted in the ordinary course of business and are regarded as recurrent related party transactions of revenue or trading nature. Such transactions will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public and which will not be detrimental to the minority shareholders of MSB.

The appropriate disclosures will be made in the annual report of the Company of the aggregate value of the transactions conducted based on the nature of the transactions made, names of the related parties involved in each type of transaction made and their relationship with the Company.

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There is no transaction that is unusual in its nature or condition, involving goods, services, or tangible or intangible assets, to which the MSB Group or substantial shareholders was a party in respect of the FYE 31 January 2004, and in the subsequent financial year immediately preceding the date of this Prospectus.

There is no amount of outstanding loan (including guarantees of any kind) that has been made by the MSB Group or substantial shareholders to or for the benefit of any Director, substantial shareholder or person connected with such Director or substantial shareholder, as at 30 April 2004, being the last practicable date prior to the printing of this Prospectus.

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## 9. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

### 9.3 INTERESTS IN A SIMILAR TRADE

Save as disclosed below, none of the Directors and substantial shareholders of MSB has any interest, direct or indirect, in any other business or company which is carrying on a trade similar to that of MSB and/or its subsidiaries:

| Name of Company with similar business | Nature of business                     | No. of Shares held in the company |      |                           |      |
|---------------------------------------|--|-----------------------------------|------|---------------------------|------|
|                                       |  | Direct                            | %    | Indirect                  | %    |
| MIG                                   | Manufacturing of steel tubes and pipes | 93,818,566                        | 52.4 | -                         | -    |
| <b>Common Substantial shareholder</b> | <b>Director/</b>                       |                                   |      |                           |      |
| MESB                                  | Investment holding                     | -                                 | -    | 93,818,566 <sup>(a)</sup> | 52.4 |
| Iternum                               | Investment holding                     | -                                 | -    | 93,818,566 <sup>(b)</sup> | 52.4 |
| Khyra                                 | Investment holding                     | -                                 | -    | 93,818,566 <sup>(b)</sup> | 52.4 |
| MGB                                   | Investment holding                     | -                                 | -    | 93,818,566 <sup>(c)</sup> | 52.4 |
| MEBL                                  | Investment holding                     | -                                 | -    | 93,818,566 <sup>(d)</sup> | 52.4 |
| Tunku Ya'acob                         | -                                      | -                                 | -    | 94,318,566 <sup>(e)</sup> | 52.7 |
| Tunku Iskandar                        | -                                      | -                                 | -    | 94,318,566 <sup>(f)</sup> | 52.7 |

**Notes:-**

- (a) Deemed interested by virtue of its substantial shareholdings in MEBL  
 (b) Deemed interested by virtue of its substantial shareholdings in MESB  
 (c) Deemed interested by virtue of its substantial shareholdings in Iternum  
 (d) Deemed interested by virtue of its substantial shareholdings in MIG  
 (e) Deemed interested by virtue of his substantial shareholdings in Iternum and Khyra  
 (f) Deemed interested by virtue of their family relationship with Tunku Ya'acob

Although the above mentioned Directors and/or substantial shareholders have businesses that carry on similar trade with the MSB Group, these businesses are not in conflict with the existing business of the MSB Group because MIG is principally involved in the manufacture of steel pipes and tubes whereas the MSB Group manufactures and trades CRC.

To mitigate any potential conflict of interest, the Promoter, Directors and/or substantial shareholders have provided written undertakings not to be involved in any new business that is similar to that of the MSB Group.

### 9.4 INTERESTS IN MATERIAL ASSETS ACQUIRED, DISPOSED OF OR LEASED

Save as disclosed below, none of the Directors and substantial shareholders of MSB has any interest, direct or indirect, in any promotion of, or in, any material asset, within the two (2) years preceding the date of this Prospectus, acquired by, disposed of by, or leased to the MSB or any of its subsidiaries, or is proposed to be acquired by, disposed of or leased to MSB or any of its subsidiaries:

- (i) On 30 July 2003, MSCRC entered into a sale and purchase agreement with MIG to acquire two (2) vacant plots of industrial land which is contiguous with the existing four (4) plots of industrial land already owned by MSCRC for a total purchase price 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 way of a cash payment to MIG.