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## 17. FURTHER INFORMATION

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### 17.1 SHARE CAPITAL

- (a) No securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (b) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- (c) Save for the 2,500,000 Issue Shares reserved for subscription by the Directors, eligible employees, suppliers and persons who have contributed to the success of SGB and its subsidiaries as disclosed in Section 3.5 of this Prospectus and the options to be granted under the ESOS as disclosed in Section 6.4 of this Prospectus, there is at present no other scheme for or involving the employees in the share capital of the Company or its subsidiaries.
- (d) Save as disclosed in Sections 6.2, 6.3, 6.4 and 6.7 of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the Company or its subsidiaries have been issued or are proposed to be issued as partly or fully paid-up in cash or otherwise than in cash within the 2 years preceding the date of this Prospectus.
- (e) As at the date of this Prospectus, the Company and its subsidiaries do not have any outstanding convertible debt securities.
- (f) Save for the options to be granted under the ESOS, none of the capital of the Company or any of its subsidiaries has been put under any option or has been agreed conditionally or unconditionally to be put under any option. Please refer to Section 6.4 of this Prospectus for details of the ESOS.

### 17.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association and is qualified in its entirety by the provisions of the Articles of Association of the Company and by applicable law.

(a) **Transfer of Securities**

The provisions in the Company's Articles of Association in respect of the transfer of shares in the Company are as follows:

**Article 23**

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 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 the listed securities.

**Article 24**

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Twelve (12) clear market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the period and purpose or purposes for which the Register is being closed. At least three (3) market days' prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.

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**17. FURTHER INFORMATION (Cont'd)**

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**Article 26**

Where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a member for a period of not less than ten (10) years the Company may cause an advertisement circulating in the place shown in the Register or the Record of Depositors at the address of the member stating that the Company after expiration of one (1) month from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.

**Article 27**

If after the expiration of one (1) month from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member to the Minister charged with responsibility for finance and for the purpose may execute for and on behalf of such Members a transfer of those shares to the Minister charged with responsibility for finance.

**Article 29**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, 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. PROVIDED ALWAYS that where the share is a Deposited Security, subject to the Rules, a transfer of the shares may be carried out by the person becoming so entitled.

**Article 30**

If any person so becoming entitled elects to register himself, he shall deliver or send to the Company, a notice in writing signed by him and 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 right to transfer and the registration of transfers 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.

**(b) Remuneration of Directors**

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

**Article 91**

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportion and manner as the Directors may determine. PROVIDED ALWAYS that:

- (i) fees payable to Director who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (ii) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

**17. FURTHER INFORMATION (Cont'd)**

- (iii) 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.
- (iv) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

**Article 92**

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

**Article 118**

The remuneration of a Director holding an executive office pursuant to these Articles shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but may not include a commission on or percentage of turnover.

**(c) Voting and borrowing powers of Directors**

The provisions in the Company's Articles of Association dealing with the voting powers of the Directors in proposals, arrangements or contracts in which they are interested are as follows:

**Article 94**

The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by these Articles required to be exercised by the Company in general meeting, subject nevertheless, to any of these Articles, to the provisions of the Act, and to such resolutions, not being inconsistent with these Articles or the provisions of the Act as may be prescribed by the Company in general meeting but no resolution made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

**Article 95**

The Directors shall not without the prior approval of the Company in general meeting:

- (i) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;
- (ii) exercise any power of the Company to issued shares unless otherwise permitted under the Act;

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**17. FURTHER INFORMATION (Cont'd)**

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- (iii) subject to Sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any non-cash assets of the requisite value.

**Article 96**

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its 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 any related company as may be thought fit;
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any unrelated third party.

**Article 111**

Subject to these Articles, any question 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 or casting vote. The Chairman of the meeting shall however not have a second or casting vote where at the meeting only two (2) Directors from the quorum or are competent to vote on the question at issue.

**Article 114**

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by Section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal material interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

**Article 115**

A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for a remuneration or other benefit received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

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**17. FURTHER INFORMATION (Cont'd)**

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**Article 117**

The Directors may from time to time appoint any one (1) or more of their body to any executive office including the offices of Chief Executive, Managing Director, Deputy Managing Director or Executive Director upon such terms as they think fit, and may entrust to and confer upon a Director holding such executive office, any powers exercisable by them as Directors generally as they may think fit, but subject thereto such Chief Executive, Managing Director, Deputy Managing Director or Executive Director shall be subject to the control of the Board. Where a Managing Director and/or Deputy Managing Director is appointed for a fixed term, the term shall not exceed five (5) years.

**Article 125**

A resolution in writing signed or approved by a majority of the Directors who may at the time be present in Malaysia and who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors or their alternates.

**(d) Changes in the share capital and variation of class rights****Article 3**

Without prejudice to any special rights previously conferred on the holders of any existing shares but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors subject to any ordinary resolution of the Company, may determine.

**Article 4**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

- (i) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (ii) in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (iii) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in general meetings;
- (iv) every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Directors shall participate in such issues of shares unless:
  - (a) the Members in general meeting have approved of the specific allotment to be made to such Director; and

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**17. FURTHER INFORMATION (Cont'd)**

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- (b) he holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, such participation to be approved by the relevant authorities.

**Article 5**

Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue further preference shares ranking in priority above preference shares already issued, but may issue further preference shares ranking equally therewith.

**Article 7**

Notwithstanding Article 8 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholder's right shall 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 obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

**Article 8**

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, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) 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. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

**Article 9**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, 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 in all respects *pari passu* therewith.

**Article 46**

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

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**17. FURTHER INFORMATION (Cont'd)**

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**Article 47**

Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to any offer of new shares or securities) cannot, in the opinion of the Directors be conveniently offered under this Article.

**Article 48**

Notwithstanding Article 47 above, but subject always to Section 132D of the Act, the Company may apply to the Exchange upon which the Company is listed for waiver of convening extraordinary general meetings to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where the aggregate issue of which in any one financial year do not exceed ten percent (10%) of the issued capital.

**Article 50**

The Company may by ordinary resolution:

- (i) increase the share capital by such sum to be divided into shares of shares of such amount as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares of any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

**Article 51**

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

**Article 52**

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by law.

**17. FURTHER INFORMATION (Cont'd)****17.3 DIRECTORS AND MAJOR SHAREHOLDERS**

- (a) The names, addresses and occupations of the Directors are set out under the "Corporate Information" section of this Prospectus.
- (b) A Director is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company in general meeting.
- (c) Save as disclosed in Section 7.7 of this Prospectus, none of the Directors of the Company have any existing or proposed service agreements with the SGB Group, which is not terminable by notice without payments or compensation other than by statutory compensation.
- (d) Save as disclosed in Sections 6.3(a) and 13 of this Prospectus, no amount or benefit has been paid or given by the Company within the two years preceding the date of this Prospectus, nor it is intended to be so paid or given, to any Promoter.
- (e) Save as disclosed in Section 4.15 of this Prospectus, there are no persons who directly or indirectly, jointly or severally, exercise control over the Company and its subsidiaries.
- (f) The direct and indirect interests of the Directors of SGB in the Shares before and after the Public Issue are as follows:

Directors	<-----Before Public Issue ----->				<-----After Public Issue----->				Designation
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Tan Sri Datuk Asmat bin Kamaludin	-	-	-	-	75,000*	0.08*	-	-	Independent Non-Executive Chairman
Tan Sri Dato' Dr Abdul Aziz bin Zain	5,029,736	5.7	-	-	5,079,736*	5.08*	-	-	Non-Executive Director
Dato' Mohamed Azman bin Yahya	-	-	3,144,726	3.6	50,000*	0.05*	3,144,726 <sup>1</sup>	3.1 <sup>1</sup>	Non-Executive Director
Datuk Hamzah bin Bakar	-	-	-	-	50,000*	0.05*	-	-	Independent Non-Executive Director
Datuk Haron bin Siraj	-	-	-	-	50,000*	0.05*	-	-	Independent Non-Executive Director
Foong Choong Hong	-	-	-	-	50,000*	0.05*	-	-	Non-Executive Director
Zulkefli bin Yahya	-	-	-	-	50,000*	0.05*	-	-	Non-Executive Director
Mukhnizam bin Mahmud	-	-	-	-	50,000*	0.05*	-	-	Non-Executive Director
Shah Hakim @ Shahzanim bin Zain	-	-	53,242,125 <sup>1</sup>	60.7 <sup>1</sup>	-	-	53,242,125 <sup>2</sup>	53.2 <sup>2</sup>	Executive Director / CEO



**17. FURTHER INFORMATION (Cont'd)***Notes:*

- \* Includes the Shares allocated as part of the pink form allocations, assuming they subscribe in full for their respective allocations thereunder
- 1 Deemed interested by virtue of Section 6A(4) of the Act through his shareholding in Symphony Advisory Services Sdn Bhd
- 2 Deemed interested by virtue of Section 6A(4) of the Act through his shareholding in Kaspadu

(g) The direct and indirect interests of the Major Shareholders of SGB in the Shares before and after the Public Issue are as follows:

Major shareholders	<-----Before Public Issue----->				<-----After Public Issue----->				Nationality / Place of incorporation
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Kaspadu	27,226,878 <sup>@</sup>	31.1 <sup>@</sup>	26,015,247 <sup>1</sup>	29.7 <sup>1</sup>	27,226,878 <sup>@</sup>	27.2 <sup>@</sup>	26,015,247 <sup>1</sup>	26.0 <sup>1</sup>	Malaysia
Shah Hakim @ Shahzanim bin Zain	-	-	53,242,125 <sup>2</sup>	60.7 <sup>2</sup>	-	-	53,242,125 <sup>2</sup>	53.2 <sup>2</sup>	Malaysian
Kamaluddin bin Abdullah	-	-	53,242,125 <sup>2</sup>	60.7 <sup>2</sup>	-	-	53,242,125 <sup>2</sup>	53.2 <sup>2</sup>	Malaysian
Nazimah binti Syed Majid	-	-	53,242,125 <sup>2</sup>	60.7 <sup>2</sup>	-	-	53,242,125 <sup>2</sup>	53.2 <sup>2</sup>	Malaysian
Onstream Marine	26,015,247	29.7	-	-	26,015,247	26.0	-	-	Malaysia
AVSB	9,547,892	10.9	-	-	9,547,892	9.5	-	-	Malaysia
Amanah Asset Holding Sdn Bhd	-	-	9,547,892 <sup>3</sup>	10.9 <sup>3</sup>	-	-	9,547,892 <sup>3</sup>	9.5 <sup>3</sup>	Malaysia
Amanah Capital Partners Berhad	-	-	9,547,892 <sup>4</sup>	10.9 <sup>4</sup>	-	-	9,547,892 <sup>4</sup>	9.5 <sup>4</sup>	Malaysia
Malaysian Industrial Development Finance Berhad	-	-	9,547,892 <sup>5</sup>	10.9 <sup>5</sup>	-	-	9,547,892 <sup>5</sup>	9.5 <sup>5</sup>	Malaysia
Amanah Capital Malaysia Berhad	-	-	9,547,892 <sup>6</sup>	10.9 <sup>6</sup>	-	-	9,547,892 <sup>6</sup>	9.5 <sup>6</sup>	Malaysia
Tan Sri Dato' Dr Abdul Aziz bin Zain	5,029,736	5.7	-	-	5,079,736*	5.08*	-	-	Malaysian

*Notes:*

- @ Held through RHB Capital Nominees (Tempatan) Sdn Bhd and RHB Merchant Nominees (Tempatan) Sdn Bhd
- \* Includes the Shares allocated as part of the pink form allocations, assuming he subscribes in full for his respective allocation thereunder
- 1 Deemed interested by virtue of Section 6A(4) of the Act through its shareholding in Onstream Marine
- 2 Deemed interested by virtue of Section 6A(4) of the Act through their shareholdings in Kaspadu

**17. FURTHER INFORMATION (Cont'd)**

- 3 *Deemed interested by virtue of Section 6A(4) of the Act through its shareholding in AVSB*
- 4 *Deemed interested by virtue of Section 6A(4) of the Act through its shareholding in Amanah Asset Holding Sdn Bhd*
- 5 *Deemed interested by virtue of Section 6A(4) of the Act through its shareholding in Amanah Capital Partners Berhad*
- 6 *Deemed interested by virtue of Section 6A(4) of the Act through its shareholding in Malaysian Industrial Development Finance Berhad*

(h) Save as disclosed below, none of the Directors or Major Shareholders nor any persons connected with the Directors or Major Shareholders of the Company (as defined pursuant to Section 122A of the Act), have any interest, whether direct or indirect, in any business carrying on a similar or competing trade as the SGB Group:

- (i) AVSB, a Major Shareholder of SGB, holds a total of 1,000,000 redeemable (B) cumulative preference shares having a nominal value of RM0.10 with a premium of RM1.60 each in the share capital of a company known as Impiana Sdn Bhd ("Impiana"). Amanah Asset Holding Sdn Bhd, Amanah Capital Partners Berhad and Amanah Capital Malaysia Berhad, all Major Shareholders of SGB, respectively have indirect interests in the said redeemable cumulative preference shares in Impiana by virtue of the application of Section 6A(4) of the Act. Impiana in turn has a 50% direct interest in a company known as Mansfield Car Rental Sdn Bhd and a 50% indirect interest by virtue of its 75.5% shareholding in Mansfield Travel Sdn Bhd. Mansfield Car Rental Sdn Bhd is principally involved in the rental of cars. Zulkelfi bin Yahya, a Non-Executive Director of SGB, is also a director of Impiana Sdn Bhd.

The interest and/or involvement of the above Director and Major Shareholders of SGB in Mansfield Car Rental Sdn Bhd, which carries on a similar business of the SGB Group, is mitigated by the following factors in resolving any potential competition and/or conflicts of interest:

- (a) The interest and/or involvement of AVSB (and indirectly, of Amanah Asset Holding Sdn Bhd, Amanah Capital Partners Berhad and Amanah Capital Malaysia Berhad in Impiana) is purely investment in nature, which does not involve any participation in the day-to-day management of Mansfield Car Rental Sdn Bhd. It is the intention of AVSB to dispose of its investment in Impiana in the medium term.
- (b) Zulkelfi bin Yahya represents AVSB on the board of directors of Impiana and is appointed in a non-executive capacity. Thus, Zulkelfi bin Yahya has no direct involvement in the day-to-day management and operations of Mansfield Car Rental Sdn Bhd.
- (ii) Tan Sri Datuk Asmat bin Kamaludin ("Tan Sri Asmat"), a Director of SGB, holds the position of Non-Executive Group Chairman of UMW Holdings Berhad, which has the following subsidiaries with the following business activities:

<b>Company</b>	<b>Equity percentage</b>	<b>Business activity</b>
UMW Engineering Sdn Bhd	100%	Assembly of heavy equipment, manufacture of transportation equipment as well as related components and attachments and rebuilding and repair of such equipment.

**17. FURTHER INFORMATION (Cont'd)**

Company	Equity percentage	Business activity
UMW Petrodril (Malaysia) Sdn Bhd (formerly known as Petrodril (Malaysia) Sdn Bhd) ("UMW Petrodril")	98%	Provision of onshore and offshore drilling rigs and workover services, supply or drilling related equipment and services, and provision of drilling and well completion consultancy services. UMW Petrodril has the intention to provide mud engineering services in the future.

Tan Sri Asmat's involvement in the above companies which carry on a similar business to the SGB Group is mitigated by the fact that Tan Sri Asmat was appointed to UMW Holdings Berhad in a non-executive capacity. Thus, Tan Sri Asmat has no direct involvement in the day-to-day management and operations of UMW Holdings Berhad and the abovementioned companies.

- (i) Save as disclosed in Sections 6.3(a), 9.1 and 17.8 of this Prospectus, none of the Directors or Major Shareholders nor any persons connected with the Directors or Major Shareholders of the Company (as defined pursuant to Section 122A of the Act), have any interest, whether direct or indirect, in the promotion of or in any assets which have, within the two years preceding the date of this Prospectus, been acquired or disposed of by or leased to the Company or its subsidiaries, or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries, or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company.

**17.4 GENERAL**

- (a) The nature of the Company's business is set out in Section 6.1 of this Prospectus.
- (b) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 18 of this Prospectus.
- (c) The time of the opening of the Application List for the Issue Shares is set out in Section 3.2 of this Prospectus.
- (d) The amount payable in full upon application is RM1.38 per Issue Share.
- (e) Particulars relating to the outstanding borrowings and contingent liabilities of the Company are disclosed in Section 12.1.3 of this Prospectus.
- (f) The name and address of the Auditors and Reporting Accountants of the Company are set out in the "Corporate Directory" section of this Prospectus.

**17.5 EXPENSES AND COMMISSIONS**

The estimated expenses in respect of the Public Issue relating to the underwriting commission, placement fee, brokerage, registration, share transfer fees and other expenses and fees incidental to the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Second Board of the KLSE amounting to approximately RM2,000,000 will be fully borne by the Company.

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of the issue price of RM1.38 per Issue Share in respect of successful applications which bear the stamp of the parties disclosed in Section 3.9 (a) of this Prospectus.

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**17. FURTHER INFORMATION (Cont'd)**

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Underwriting commission is payable by the Company to the Underwriter at the rate of 2.0% of the issue price of RM1.38 per Issue Share as disclosed in Section 3.9 (b) of this Prospectus.

Placement fee is payable by the Company to the Placement Agent at the rate of 0.75% of the issue price of RM1.38 per Issue Share as disclosed in Section 3.9(c) of this Prospectus.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have, within the two years preceding the date of this Prospectus, been paid or granted or is payable to any Director, Promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company in connection with the issue or sale of any capital of the Company.

**17.6 PUBLIC TAKE-OVER**

During the last financial year and current financial year up to the date of this Prospectus:

- (a) there were no public take-over offers by third parties in respect of the Shares; and
- (b) there were no public take-over offers by the Company in respect of other company's ordinary shares.

**17.7 MATERIAL LITIGATION**

Neither SGB nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect the financial position of SGB or any of its subsidiaries and the Directors do not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of SGB or any of its subsidiaries.

**17.8 MATERIAL CONTRACTS**

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

- (a) Conditional share sale agreement dated 23 April 2002 between Scomi and Hajjah Noor Asiah Bte Dato' Mahmood and Hanizah Bte Mohamed Hussein (the "SMAS Vendors") for the proposed acquisition by Scomi of 1,000,000 ordinary shares of RM1.00 each ("SMAS Shares") representing the entire issued and paid-up share capital of SMAS, for a total purchase consideration of RM2,150,000 to be wholly satisfied by Scomi by way of RM1,475,000 in cash and the balance of RM675,000 through the issuance of 63,403 new ordinary shares of RM1.00 each in Scomi at approximately RM10.65 per share;
- (b) Profit guarantee agreement dated 23 April 2002 between Hajjah Noor Asiah Bte Dato' Mahmood (the "Guarantor"), Scomi and SMAS relating to the guarantee by the Guarantor of SMAS's profits after tax for its financial year ended 31 December 2002;
- (c) Conditional share sale agreement dated 23 April 2002 between Scomi, the shareholders of Scomi and SGB for the proposed acquisition by SGB of 9,281,762 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Scomi for a total purchase consideration of RM46,906,071 to be wholly satisfied by SGB by way of its issuance of 87,670,996 Shares at an indicative issue price of approximately RM0.54 per share;

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**17. FURTHER INFORMATION (Cont'd)**

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- (d) Sale and purchase agreement dated 7 August 2002 between SMAS and FSK Sdn Bhd relating to the disposal of the land and building situated at No. 21, Wisma SMAS, Jalan Maharajalela, 50150 Kuala Lumpur, by SMAS to FSK Sdn Bhd for a total cash consideration of RM741,000;
- (e) Sale and purchase agreement dated 7 August 2002 between SMAS and FSK Sdn Bhd relating to the disposal of a condominium known as Apartment No. A-9-02, Seri Hijauan Condominium, No. 1, Jalan Bukit Hijau 26/24, Seksyen 26, 40000 Shah Alam, Selangor Darul Ehsan, for a total cash consideration of RM139,169;
- (f) Variation Agreement dated 22 January 2003 between Scomi, the shareholders of Scomi and SGB, providing for, *inter alia*, the extension of the cut-off date of the agreement set out in Section 17.8 (c) above; and
- (g) Underwriting Agreement dated 21 March 2003 between the Company and RHB Sakura as the Underwriter, relating to the underwriting of up to 5,500,000 Issue Shares at an underwriting commission of 2% of the issue price of RM1.38 per Issue Share.

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## 17. FURTHER INFORMATION (Cont'd)

## (h) Banking facilities:

Company	Financier	Type of Facility	Facility Amount Limit (RM'000)	Security	Agreements/Security Documents
Scomi	RHB Bank Berhad	Overdraft	3,000	(1) Debenture for RM11,000,000 incorporating a first fixed and floating charge over the assets of Scomi (2) Corporate Guarantee by KMC for RM11,000,000	(1) Letters of Offer dated 8 May 2001 and 23 May 2001 (2) Facility Agreement dated 12 November 2001 (3) Debenture dated 12 November 2001 (4) Corporate Guarantee by KMC dated 25 May 2001
		Trade Lines consisting of Letters of Credit, Trust Receipts, Bankers Acceptance, Shipping Guarantee	7,000		
		Bank Guarantee	1,000		
		Foreign Exchange Contract Line	6,000	Nil	Nil
Bumiputra-Commerce Bank Berhad		Contract Financing Facility consisting of:-	9,300  8,500	(1) Assignment of proceeds of Contract No. KP/PERO-3/UDARA/D/01/2002/DE, between Scomi and the Government of Malaysia (2) Pledge of Scomi's fixed deposit receipts (3) Corporate Guarantee by KMC for RM9,300,000	(1) Letters of Offer dated 9 July 2002 and 17 July 2002 (2) General Facility Agreement dated 19 July 2002 (3) Deed of Assignment of Benefit of Contract dated 19 July 2002 (4) Memorandum of Deposit of Fixed Deposit Receipts dated 19 July 2002 (5) Corporate Guarantee by KMC dated 19 July 2002
		Letters of Credit			
		Short Term Advance			
		Foreign Exchange Contract Line	930	Nil	Nil

## 17. FURTHER INFORMATION (Cont'd)

Company	Financier	Type of Facility	Facility Amount Limit (RM'000)	Security	Agreements/Security Documents
KMC	RHB Bank Berhad	Term Loan	1,700	(1) Assignment of rights, title and interest in and to KMC's property known as No. 1-1, Block C1, Jalan PJU 1/41, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, and a 5 storey shoplot building erected thereon	(1) Letters of Offer dated 10 May 2001, 28 May 2001 and 11 June 2001 (2) Facility Agreement dated 7 February 2002 (3) Deed of Assignment dated 7 February 2002 (4) Debenture dated 7 February 2002
		Overdraft	4,000		
		Trade Lines consisting of Letters of Credit, Trust Receipts, Bankers Acceptance, Shipping Guarantee	5,000		
		Bank Guarantee	3,000	(2) Debenture for RM13,700,000 incorporating a first fixed and floating charge over KMC's assets (3) Corporate Guarantee by Scomi for RM33,700,000	(5) Corporate Guarantee by Scomi dated 31 May 2001
		Foreign Exchange Contract Line	20,000	Nil	Nil
Revolving Contract Financing Line	20,000	Nil	Nil		

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**17. FURTHER INFORMATION (Cont'd)****17.9 MATERIAL AGREEMENTS**

The following are agreements which are or may be material which have been entered into by SGB and its subsidiaries:

- (a) Agreement dated 8 December 2001 entered into between SCOPE and Gulf Technical Industries L.L.C. ("Gulf") relating to Gulf's appointment of SCOPE to manufacture precision engineering components and parts to be purchased by Gulf. The duration of this agreement is 2 years commencing from the date of the agreement or the date of commencement of the manufacturing of Gulf's components and parts, whichever is later.
- (b) Contract dated 11 January 2001 between KMC and Shell for provision of drilling fluid materials, equipment and services. This was awarded to KMC via a letter of award dated 1 August 2000. The duration of this agreement is 3 years commencing on 1 August 2000 and terminating on 31 July 2003, extendable by Shell for 2 one-year periods.
- (c) Price agreement dated 26 December 2000 between KMC and Petronas Carigali for the supply of barite to Petronas Carigali's 2000-2005 domestic drilling programmes in Peninsular Malaysia (as supplemented by a supplementary agreement dated 13 August 2001, adding Lundin Malaysia Limited ("Lundin") as an additional party in respect of KMC's provision of services and supply of materials to Lundin). The duration of this agreement is 3 years commencing on 25 August 2000 and terminating on 24 August 2003. The extension period shall be on a yearly basis limited up to 2 years only.
- (d) Contract dated 8 March 2001 between KMC and Petronas Carigali for the supply of drilling fluid materials, equipment and services. This was awarded to KMC via a letter of award dated 25 August 2000. The duration of this agreement is 3 years commencing on 25 August 2000 and terminating on 24 August 2003, extendable by Petronas Carigali for 2 one-year periods.
- (e) Letter of Award dated 17 November 2002 from Greater Nile Petroleum Operating Company Limited ("GNPOC"), Sudan, and accepted by KMC on 19 November 2002 relating to the non-exclusive award to KMC for the provision of drilling fluids and services to GNPOC. The award is for a duration of three (3) years commencing on 1 November 2002 and terminating on 31 October 2005, with an option on the part of GNPOC to extend for a further one (1) year. The terms of the award is subject to a final and definitive agreement to be entered into between GNPOC and KMC.

**17.10 CAPITAL COMMITMENTS**

As at 2 April 2003 (being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus), the Group's capital commitments are set out below:

	<b>RM'000</b>
Approved and contracted for	727
Approved but not contracted for	4,260
<b>Total</b>	<u>4,987</u>

**17.11 LETTERS OF CONSENT**

- (a) The written consents of the Adviser, Underwriter and Placement Agent, Principal Banker, Issuing House, Solicitors, Registrar and Company Secretary to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.



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**17. FURTHER INFORMATION (Cont'd)**

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- (b) The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report and letters relating to the profit forecast and pro forma consolidated balance sheets in the manner, 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.
- (c) The written consent of the Independent Market Research Consultant to the inclusion of its name and report in the manner, form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**17.12 RESPONSIBILITY STATEMENTS**

RHB Sakura 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 about the Public Issue and is satisfied that the pro forma consolidated profit forecast of SGB for the financial year ending 31 December 2003 (for which the Directors of SGB are solely responsible) prepared for inclusion in this Prospectus have been stated by the Directors of SGB after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

This Prospectus has been seen and approved by the Directors and Promoters of SGB and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

**17.13 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the Registered Office of the Company or such other places as the SC may determine, during normal business hours for a period of twelve months from the date of this Prospectus:

- (a) Memorandum and Articles of Association of the Company;
- (b) Service agreements as referred to in Section 7.7 of this Prospectus;
- (c) Material contracts as referred to in Section 17.8 of this Prospectus;
- (d) Material agreements as referred to in Section 17.9 of this Prospectus;
- (e) Related-party agreements as referred to in Section 9.1 of this Prospectus;
- (f) Reporting Accountants' letters on the consolidated profit forecast and pro forma consolidated balance sheets as included in Sections 12.2.3 and 12.4 respectively of this Prospectus;
- (g) Independent Market Research Report as included in Section 14 of this Prospectus;
- (h) Accountants' Report and Directors' Report as included in Sections 13 and 16 respectively of this Prospectus;
- (i) Audited accounts of SGB for the period from 9 February 2002 (being the date of its incorporation) to 31 December 2002;

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**17. FURTHER INFORMATION** *(Cont'd)*

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- (j) Audited accounts of the SGB Group for the five financial years ended 31 December 2002 (unless where otherwise stated):
- Scomi;
  - Scomi Trading;
  - SCOPE *(for the period from 21 December 2000 (being the date of its incorporation) to 31 December 2000 and the 2 financial years ended 31 December 2002);*
  - KMC;
  - KMC All Star;
  - KMC-K;
  - Kota Barite;
  - Sosma;
  - SCOTS *(for the period from 15 September 1998 (date of its incorporation) to 30 September 1999, the financial year ended 30 September 2000 and the 2 financial years ended 31 December 2002); and*
  - SMAS *(for the 4 financial years ended 31 March 2001, the 9-month period ended 31 December 2001 and financial year ended 31 December 2002)*
- (k) Letters of consent referred to in Section 17.11 of this Prospectus.

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