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## 14. OTHER GENERAL INFORMATION

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### 14.1 SHARE CAPITAL

- (i) No Shares will be allocated or sold on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) Save as disclosed in Sections 2.0 and 4.0 of this Prospectus, no Shares, debentures, warrants, options, convertible securities or uncalled capital of the Company and its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding from the date thereof.
- (iii) Save as disclosed in Sections 2.0 and 4.0 of this Prospectus, no capital of the Company or its subsidiaries has been issued or proposed to be issued for cash within the two (2) years preceding the date of this Prospectus.
- (iv) Save for the IPO Shares reserved for the eligible Directors, employees and business associates of the Group and ESOS Options as disclosed in Sections 2.5(c), 4.1.4 and 11.0 of this Prospectus, no person or Director or employee of the Group has been or is entitled to be given an option to subscribe for any Share, stock or debenture of the Company or its subsidiaries.
- (v) Save for the IPO Shares reserved for the eligible Directors and employees of the Group and ESOS Options as disclosed in Sections 2.5(c), 4.1.4 and 11.0 of this Prospectus, there is currently no other scheme for or involving the Directors or employees of the Company or its subsidiaries.
- (vi) As at this date hereof, the Company does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

### 14.2 ARTICLES OF ASSOCIATION

#### 14.2.1 TRANSFER AND TRANSMISSION OF SECURITIES

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

##### Article 40

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

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**14. OTHER GENERAL INFORMATION (Cont'd)**

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Article 41

(1) Where:-

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

the Company shall, upon request by securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "**the Foreign Register**"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "**the Malaysian Register**") subject to the following conditions:-

- (i) there shall be no change in the ownership of such securities; and
  - (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.
- (2) For the avoidance of doubt, no company which fulfils the requirements of paragraphs (a) and (b) of Article 41(1) shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

Article 42

The Central Depository may in its absolute discretion, refuse to register any transfer that does not comply with the Central Depository Act and the Rules.

Article 43

The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least twelve (12) Market Days' notice or such other period of notice as may be permitted by the Exchange, of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure. In relation to such closure of the Company shall give notice, in accordance with the Rules, to the Central Depository to prepare appropriate Record of Depositors.

Article 44

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

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**14. OTHER GENERAL INFORMATION (Cont'd)**

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Article 45

All transfer of securities deposited with a Central Depository, including but not limited to the Deposited Security, shall be in compliance with the relevant laws and rules.

Article 46

In the case of death of a member, the legal personal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the securities; but nothing herein contained shall release the estate of a deceased share holder from any liability in respect of any share which had been held by him.

Article 47

Any person becoming entitled to securities in consequence of the death or bankruptcy of any member may upon such evidence of title being produced as may from time to time be required by the Central Depository and the Rules (but subject to the provisions hereinafter contained) elect either to be registered himself as a member in respect of such securities or to have some person nominated by him registered as transferee thereof but the Central Depository and the Rules 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. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence. Provided Always that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled, subject to the Rules.

Article 48

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company and the Central Depository a notice in writing signed by him stating that he so elects Provided Always that where the shares is a Deposited Security and the person so 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 executing to that person a transfer of the security. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of securities 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 of transfer were a transfer signed by that member.

Article 49

A person entitled to securities in consequence of the death or bankruptcy of a member shall be entitled upon the production of such evidence as may from time to time be properly required by the Central Depository in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall, subject to the Company's Articles, not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the securities.

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**14. OTHER GENERAL INFORMATION (Cont'd)**

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**14.2.2 REMUNERATION OF DIRECTORS**

The provisions of the Company's Articles of Association dealing with the remuneration of the Directors are as follows:-

Article 103

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) 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; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 104

- (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (2) If by arrangement with the Director, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing 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 Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

**14. OTHER GENERAL INFORMATION (Cont'd)**

**14.2.3 VOTING AND BORROWING POWERS OF DIRECTORS**

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

Article 108

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, 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 of any related third party Provided Always that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's 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 an unrelated third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

Article 127

A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing.

Article 128

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Article 129

No Director shall vote in respect of any contract or arrangement in which he has directly or indirectly a personal interest, and if he should do so his vote shall not be counted.

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**14. OTHER GENERAL INFORMATION (Cont'd)**

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Article 130

A Director, notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement in which he is in any way interested provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

Article 131

A Director may vote in respect of—

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

**14.2.4 VARIATION OF CLASS RIGHTS AND CHANGES IN SHARE CAPITAL**

The provisions of the Company's Articles of Association as to variation of class rights and changes in share capital, which are no less stringent than those required by law, are as follows:-

Article 18

Notwithstanding Article 19 hereof, the repayment of preference share capital other than redeemable preference shares, or any other alteration of preference shareholders' rights, 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 if obtained from the holders of three-fourths (3/4) 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.

**14. OTHER GENERAL INFORMATION (Cont'd)**

Article 19

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 shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such 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-tenth (1/10) 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 20

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 to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

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 the written law and to the conditions, restrictions and limitations expressed in these Articles and to the provisions of any resolution of the Company, and subject to the prior approval of the members of the Company, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights as they think proper, PROVIDED ALWAYS THAT:-

- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act;
- (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
- (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
- (d) every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and:-
  - (i) such approval shall specifically detail the number of shares or options to be issued to such Directors; and

**14. OTHER GENERAL INFORMATION (Cont'd)**

- (ii) only Directors holding office in an executive capacity shall participate in such an issue of shares or options Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue; and
- (e) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the nominal amount of the share.

**Article 5**

Without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that:-

- (a) the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time;
- (b) the holders of preference shares shall have the same rights as the holders of ordinary shares and must be entitled to a right to vote in each of the following circumstances:-
  - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
  - (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects rights attached to the share;
  - (v) on a proposal to wind up the Company;
  - (vi) during the winding up of the Company; and
- (c) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 18 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. A holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up. A holder of a preference share must be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited accounts and attending meetings.



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**14. OTHER GENERAL INFORMATION (Cont'd)**

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Article 54

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 may direct in the resolution authorising such increase.

Article 55

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 to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and 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 an 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 person entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 56

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

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**14. OTHER GENERAL INFORMATION (Cont'd)**

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Article 57

- (1) The Company may from time to time by ordinary resolution—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares; or
  - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (2) The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by the law.

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**14. OTHER GENERAL INFORMATION (Cont'd)****14.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The substantial shareholders of BKG and their respective interests based on the Register of Substantial Shareholders of BKG as at the date of this Prospectus and their respective direct and indirect interests before and after the IPO are as follows:-

Substantial Shareholders	Before the IPO				After the IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Shamsudin@ Samad Bin Kassim	6,640,000	10.00	-	-	<sup>^</sup> 6,700,000	8.38	-	-
Goh Boon Koon	18,086,684	27.24	-	-	<sup>^</sup> 14,774,184	18.47	-	-
Goh Boon Leong	17,689,950	26.64	-	-	<sup>^</sup> 14,452,304	18.07	-	-
Lee Teoh Kee	13,565,022	20.43	-	-	<sup>^</sup> 11,105,644	13.88	-	-
Abd Ghani Bin Ali Kadir	6,640,000	10.00	-	-	<sup>^</sup> 6,700,000	8.38	-	-
Noorsa Merican Bin Ghouse	3,320,000	5.00	-	-	3,320,000	4.15	-	-

Note:-

<sup>^</sup> Based on his/her shareholdings in BKG inclusive of his/her respective entitlements for the Pink Form Shares allocation pursuant to the IPO.

- (ii) The Directors of BKG and their respective interests based on the Register of Directors' Shareholdings as at the date of this Prospectus and their respective direct and indirect interests before and after the IPO are as follows:-

Directors	Before the IPO				After the IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Shamsudin@ Samad Bin Kassim	6,640,000	10.00	-	-	<sup>^</sup> 6,700,000	8.38	-	-
Goh Boon Koon	18,086,684	27.24	-	-	<sup>^</sup> 14,774,184	18.47	-	-
Goh Boon Leong	17,689,950	26.64	-	-	<sup>^</sup> 14,452,304	18.07	-	-
Lee Teoh Kee	13,565,022	20.43	-	-	<sup>^</sup> 11,105,644	13.88	-	-
Goh Boon Siew	458,330	0.69	-	-	<sup>^</sup> 471,854	0.59	-	-
Goh Ho Seng	10	*	-	-	<sup>^</sup> 100,010	0.13	-	-
Abd Ghani Bin Ali Kadir	6,640,000	10.00	-	-	<sup>^</sup> 6,700,000	8.38	-	-
Ho Kok Loon	-	-	-	-	*20,000	0.03	-	-
Loo Chee Hin	-	-	-	-	*20,000	0.03	-	-
Ang Poh Gin	-	-	-	-	*20,000	0.03	-	-

Notes:-

<sup>^</sup> Based on his/her shareholdings in BKG inclusive of his/her respective entitlements for the Pink Form Shares allocation pursuant to the IPO.

\* Based on his/her respective entitlements for the Pink Form Shares allocation pursuant to the IPO.

# Insignificant.

**14. OTHER GENERAL INFORMATION (Cont'd)**

- (iii) Save as disclosed in Sections 2.8 and 14.4(xi), no commission, discounts, brokerages or other special terms have been paid, granted or are payable by the Company or its subsidiaries within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Share in or debenture of the Company or its subsidiaries or in connection with the issue or sale of any capital of the Company or any of its subsidiaries and no Directors, proposed Directors, Promoters or experts is or are entitled to receive any such payment.
- (iv) Other than salaries, employment related benefits, dividends payable to the Promoters and/or Directors as shareholders of the Company and related party transactions as disclosed in Sections 5.3.4 and 7.0 of this Prospectus, no amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any Promoter, Director and substantial shareholder.
- (v) Save as disclosed in Sections 7.0, 14.4 and 14.5 of this Prospectus, none of the Directors and/or substantial shareholders of BKG has interest in any subsisting contract or arrangement, which is significant to the business of the Company or the Group taken as a whole.
- (vi) The Directors and/or substantial shareholders are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Company and its subsidiaries.

**14.4 MATERIAL CONTRACTS**

Save as disclosed below, there are no other material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business which have been entered into by BKG and its subsidiaries within two (2) years preceding the date of this Prospectus:-

- (i) Tenancy Agreement dated 3 April 2002 between Elegant Rainbow Sdn Bhd as landlord and BKVI as tenant in respect of the letting of the ground floor of a 3-storey shophouse known as No. 12-G, Jalan PS ½, Bandar Pinggiran Subang, Seksyen 1, 40150 Shah Alam, Selangor for fixed term of 2 years commencing on 1 April 2002 and expiring on 31 March 2004 at a monthly rental of RM1,100.00;
- (ii) Agreement dated 1 November 2002 between BKVI as Employer and S H Butterworth Engineering Sdn Bhd as the Contractor for the additional civil and construction for the existing factory at Lot 1808, 1809 and 1810, Mukim 9, Daerah Seberang Perai Selatan bearing the address 1177, Jalan Dato Keramat, Nibong Tebal, 14300 Penang for a cash consideration of RM2,325,123.00. As at 31 January 2004, the amount authorised/certified by the engineer for payment is RM2,266,994.95 after deducting the retention sum of RM58,128.05 in accordance with the said agreement;
- (iii) Tenancy Agreement dated 1 May 2003 between Lau Kim Cheng as landlord and BKVI as tenant in respect of the letting of all that land and a double storey shop house known as No. 22, Jalan Besar, Taman Fajar, 14300 Nibong Tebal, Penang for fixed term of 24 months commencing on 1 May 2003 and expiring on 30 April 2005 for a monthly rental of RM700.00;

**14. OTHER GENERAL INFORMATION (Cont'd)**

- (iv) Tenancy Agreement dated 15 May 2003 between Ng Sok Kiang as landlord and BKVI as tenant in respect of the letting of all that land and a double storey shop house known as No. 4, Jalan Besar, Taman Fajar, 14300 Nibong Tebal, Penang for fixed term of 24 months commencing on 15 May 2003 and expiring on 14 May 2005 for a monthly rental of RM700.00;
- (v) Share Sale Agreement made on 24 June 2003 between Goh Boon Koon, Goh Ho Seng, Goh Boon Siew, Goh Boon Leong, Lee Teoh Kee, Shamsudin @ Samad Bin Kassim, Abd Ghani Bin Ali Kadir and Noorsa Merican Bin Ghouse as Vendors and BKG as Purchaser for the acquisition of the entire issued and paid up share capital of BKVI comprising of 11,673,640 ordinary shares of RM1.00 each for a consideration of RM32,402,971.00 satisfied wholly by the issuance of 30,568,841 new ordinary shares of RM1.00 each in BKG at an issue price of approximately RM1.06 per share;
- (vi) Memorandum of Intent for the acquisition made on 24 June 2003 between BKVI as Vendor and BKG as Purchaser for the acquisition of the entire issued and paid up capital of FPC comprising 299,200 ordinary shares of RM1.00 each for a cash consideration of RM683,443.00 and the acquisition of 65% interest in BKM comprising 65,000 ordinary shares of RM1.00 each for a cash consideration of RM212,085.00;
- (vii) Share Sale Agreement made on 8 January 2004 between BKVI as Vendor and BKG as Purchaser for the for the acquisition of the entire issued and paid up capital of FPC comprising 299,200 ordinary shares of RM1.00 each for a cash consideration of RM683,443.00 and the acquisition of 65% interest in BKM comprising 65,000 ordinary shares of RM1.00 each for a cash consideration of RM212,085.00;
- (viii) Agreement dated 1 October 2003 between BKVI as Employer and S H Butterworth Engineering Sdn Bhd as the Contractor for the additional civil and structural construction for the factory on Lot 1808, 1809,1810 and 5025, Mukim 9, Daerah Seberang Perai Selatan bearing the address 1177, Jalan Dato Keramat, Nibong Tebal, 14300 Penang for a cash consideration of RM2,736,000.00. As at 31 January 2004, the amount authorised/certified by the engineer for payment is RM2,599,200.00 after deducting the retention sum of RM136,800.00 in accordance with the said agreement;
- (ix) BKVI had on 10 December 2003 purchased one unit of new Mercedes Benz registration No. PBK 77 by way of Hire-Purchase facilities from EON Finance Berhad, Taman Usahaniaga, Bukit Mertajam Branch for the sum of RM556,565.42;
- (x) BKVI had on 26 August 2003 purchased one unit of Heavy Vehicle Spray Booth and one unit of Paint Curing Oven with Patrician for the total sum of RM398,000. As at 31 January 2004, partial payment has been made by BKVI for the sum of RM330,000.00; and
- (xi) the Underwriting Agreement dated 13 February 2004 between the BKG, Offerors, Managing Underwriter and Underwriter for the underwriting of 10,000,000 IPO Shares for an underwriting commission of 2.25% of the IPO Price of RM1.00 per Share.

**14. OTHER GENERAL INFORMATION (Cont'd)****14.5 MATERIAL AGREEMENTS**

Save as disclosed below, there are no other material agreements or contracts (including informal arrangements or understandings) which have been entered into by BKG and its subsidiaries that are in subsistence within the two (2) years preceding the date of this Prospectus:-

- (i) By a Facility Agreement dated 20 August 2002 made between BKVI and Malayan Banking Berhad ("MBB"), BKVI had applied for and MBB had agreed to the conversion of BKVI's existing Business Plus facilities to normal financing facilities of RM4,400,000;
- (ii) By an Islamic Banking Facility Agreement dated 20 August 2002 made between BKVI and MBB, MBB had agreed to grant and BKVI had agreed to accept an increase in earmarking of Conventional Trade Facilities of RM4,700,000 to Islamic Trade Facilities making a total of RM7,200,000;
- (iii) Declaration of trust dated 7 November 2002 by Goh Boon Koon and Lee Teoh Kee holding in trust for BKVI a fixed deposit of RM500,000 maintained with HSBC Bank Malaysia Berhad;
- (iv) Declaration of trust dated 7 November 2002 by Goh Boon Koon and Goh Boon Leong holding in trust for BKVI a fixed deposit of RM500,000 maintained with HSBC Bank Malaysia Berhad;
- (v) Declaration of trust dated 7 November 2002 by Goh Boon Leong and Lee Teoh Kee holding in trust for BKVI a fixed deposit of RM500,000 maintained with HSBC Bank Malaysia Berhad;
- (vi) Trust Deed made on 30 April 2002 by Goh Boon Leong as a trustee to hold the license to manufacture dutiable goods (Licence No. 015656) on trust for BKVI as a beneficiary;
- (vii) Trust Deed made on 11 January 2003 by Goh Boon Koon as a trustee to hold the license to trade scrap goods (License No.: 107396) on trust for BKVI as a beneficiary;
- (viii) By a supplemental letter of offer dated 27 January 2003 EON Bank Berhad has agreed to grant and BKVI has agreed to accept additional banking facilities of RM3,500,000 in addition to the existing facilities from EON Bank Berhad of RM10,000,000;
- (ix) By a letter of offer dated 2 June 2003, United Overseas Bank (Malaysia) Berhad has agreed to grant and BKVI has agreed to accept banking facilities of RM3,000,000;
- (x) By a letter of offer dated 8 October 2003, Citibank Berhad has agreed to grant and BKVI has agreed to accept additional banking facilities of RM1,000,000;
- (xi) By a letter of offer dated 9 October 2003, HSBC Bank Malaysia Berhad has agreed to grant and BKVI has agreed to accept combined import/export lines of RM6,000,000;
- (xii) By a letter of offer dated 14 October 2003, AmBank Berhad has agreed to grant and BKVI has agreed to accept credit facilities of RM3,000,000;

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**14. OTHER GENERAL INFORMATION (Cont'd)**

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- (xiii) By a letter of offer dated 16 January 2004, Malayan Banking Berhad has agreed to grant and BKVI has agreed to accept additional banking facilities of RM7,000,000; and
- (xiv) Declaration of trust dated 28 January 2004 by Goh Boon Koon, Goh Boon Leong and Lee Teoh Kee holding in trust for BKVI a fixed deposit of RM500,000 maintained with HSBC Bank Malaysia Berhad.

**14.6 MATERIAL LITIGATIONS**

As at 31 January 2004 (being the last practicable date prior to the printing of this Prospectus), neither the Company nor its subsidiaries are engaged in any material litigation, claim and arbitration, either as plaintiff or defendant, which has a material effect on the business or financial position of BKG and its subsidiaries and the Board of Directors has no knowledge of any proceeding pending or threatened against the Company and its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the business or financial position of the BKG or its subsidiaries.

**14.7 GENERAL INFORMATION**

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

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

**14.8 CONSENTS**

- (a) The written consent of the Adviser, Managing Underwriter and Placement Agent, Underwriter, Principal Bankers, Solicitors, Registrars, Issuing House and Company Secretary to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and letters relating to the Consolidated Profit Estimate and Forecast, and the Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (c) The written consent of the Independent Business and Market Research Consultants to the inclusion in this Prospectus of their names and letters in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.

## 14. OTHER GENERAL INFORMATION (Cont'd)

### 14.9 DOCUMENTS FOR INSPECTION

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

- (a) The Memorandum and Articles of Association of the Company;
- (b) The material contracts and material agreements referred to in Sections 14.4 and 14.5 of this Prospectus respectively;
- (c) The Directors' Report and Accountants' Report as included herein;
- (d) The Reporting Accountants' letters relating to the Consolidated Profit Estimate and Forecast for the financial years ending 31 December 2003 and 2004, and Proforma Consolidated Balance Sheets as at 31 October 2003 as included herein;
- (e) Independent Business and Market Research Consultants market research report on the BKG Group prepared by Vital Factor Consulting Sdn Bhd;
- (f) The audited financial statements of BKG Group as follows:-
  - (i) Audited financial statements of BKG for the periods from 16 July 2001 (date of incorporation) to 31 December 2002 and 10 months period ended 31 October 2003;
  - (ii) Audited financial statements of BKVI for the past five (5) financial years ended 31 December 1998 to 2002 and 10 months period ended 31 October 2003;
  - (iii) Audited financial statements of FPC for the past five (5) financial years ended 31 December 1998 to 2002 and 10 months period ended 31 October 2003; and
  - (iii) Audited financial statements of BKM for the past five (5) financial years ended 31 December 1998 to 2002 and 10 months period ended 31 October 2003.
- (g) The letters of consent referred to in Section 14.8 of this Prospectus.

### 14.10 RESPONSIBILITY

- (i) AmMerchant Bank acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO and the Group, and is satisfied that the proforma consolidated profit estimate and forecast for the financial years ending 31 December 2003 and 2004, for which the Directors of the Company are fully responsible, have been stated by the Directors of the Company after due and careful enquiry and have been duly reviewed by the Reporting Accountants.
- (ii) This Prospectus has been seen and approved by the Directors, Promoters and Offerors of the Company and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that 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.