

FURTHER INFORMATION

1. RESPONSIBILITY

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

2. CONSENTS

Amanah and Azmi & Co. Sdn Bhd have given and have not subsequently withdrawn their written consent to the inclusion of their names in the form and context in which they appear in this Independent Advice Circular. Azmi & Co. Sdn Bhd has also consented to the inclusion of all extracts and references from the Valuation Report and the related letter dated 8 November 2000 which was prepared for inclusion in the EGM Circular.

3. MATERIAL LITIGATION (reproduced from the EGM Circular)

Neither SEG nor its subsidiary companies are engaged in any litigation either as plaintiff or defendant, which will have a material effect on the financial position of the Group and the Directors of SEG are not aware of any proceedings which might materially and adversely affect the position or business of the Group.

BBC

Neither BBC nor its subsidiary companies are involved in any material litigation either as plaintiff or defendant, and the Directors of BBC are not aware of any proceedings, pending or threatened, against BBC or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of BBC or its subsidiary companies.

SES

Neither SES nor its subsidiary companies are involved in any material litigation either as plaintiff or defendant, and the Directors of SES are not aware of any proceedings, pending or threatened, against SES or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of SES or its subsidiary companies.

SME

Neither SME nor its subsidiary company are involved in any material litigation either as plaintiff or defendant, and the Directors of SME are not aware of any proceedings, pending or threatened, against SME or its subsidiary company or of any facts likely to give rise to any proceedings which might materially affect the position or business of SME or its subsidiary company.

RMSB

Neither RMSB nor its subsidiary company are involved in any material litigation either as plaintiff or defendant, and the Directors of RMSB are not aware of any proceedings, pending or threatened, against RMSB or its subsidiary company or of any facts likely to give rise to any proceedings which might materially affect the position or business of RMSB or its subsidiary company.

4. MATERIAL CONTRACTS (reproduced from the EGM Circular)

SEG

Save as disclosed below, SEG and its subsidiary companies have not entered into any other contract which are or may be material outside the ordinary course of business, during the two years preceding the date of the EGM Circular:

- (i) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB, Datin Mah, Kee Shih-Lene and SEG for the disposal of 11,773,002 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of BBC for a consideration of RM37,993,319 to be satisfied by the issuance of approximately 29,225,630 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (ii) Conditional sale and purchase of shares agreement dated 22 October 1999 between Dato' Megat, BBC and SEG for BBC's purchase from Dato' Megat of 454,500 shares representing 30% of the issued and paid-up share capital in ORSB for a consideration of RM7,006,681 to be satisfied by BBC's issuance of 2,189,588 new BBC shares to be allotted to SEG in consideration of the issuance of 5,389,755 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (iii) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB, Noah Foundation, Tan Sri Dato' Amin Osman, Dato' Dr. Mokhzani Abdul Rahim and SEG for the disposal of up to 14,000,000 shares representing the total enlarged share capital in SES for a consideration of up to RM14,000,000 to be satisfied by the issuance of such number of SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;

- (iv) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB, Mohd Nor Ibrahim @ Ibrahim Fikri, Loh Poh Choo @ Low Poh Choo, Cheam Tow Yong and SEG for the disposal of 1,350,002 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of SME for a consideration of RM6,500,000 to be satisfied by the issuance of approximately 5,000,000 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (v) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB and SEG for the disposal of 500,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital in RMSB for the consideration of RM500,000 to be satisfied by the issuance of approximately 384,615 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (vi) Conditional sale and purchase of agreement dated 22 October 1999 between SEG and MOCCIS for the disposal of twelve (12) units of shoplot/office identified as Units B01/G to B01/11, within Block B (collectively referred to as “MOCCIS’ Property”) erected on the part of land held under master titles GM 34 for Lot 1603, Mukim of Sungai Buloh, District of Petaling, State of Selangor and EMR 4970 for Lot 907 Mukim of Kuala Lumpur, Wilayah Persekutuan, now held under title nos. GM161 for Lot No. 907 and GM162 for Lot No. 1603 both Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor (collectively “the said Land”), for a consideration of RM8,800,000 to be satisfied by issuance of approximately 6,769,231 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (vii) Conditional sale and purchase of agreement dated 22 October 1999 between SEG and Ladang MOCCIS for the disposal of twelve (12) units of shop lot/office identified as Units B-2/G to B-2/11, within Block B (collectively “Ladang MOCCIS’ Property”) erected on the part of the said Land for a consideration of RM9,100,000 to be satisfied by issuance of approximately 7,000,000 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (viii) Profit guarantee agreement dated 22 October 1999 entered between SEG, KEB as the guarantor, Datin Mah and Kee Shih-Lene as the indemnifying parties whereby KEB guaranteed SEG the level of the aggregate pre-tax profits of BBC, SES, SME and their subsidiaries for three (3) years commencing from 1 January 2000 to 31 December 2002;
- (ix) Supplemental agreement dated 16 February 2000 between KEB, Datin Mah, Kee Shih-Lene and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the consideration for the shares in BBC to RM36,814,800 to be satisfied by issuance of approximately 24,543,200 SEG New Shares at the issue price of RM1.50 per SEG New Share;

- (x) Supplemental agreement dated 16 February 2000 between Dato' Megat, BBC and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the consideration for the shares in ORSB to RM8,185,200 to be satisfied by BBC's issuance of approximately 2,617,544 new BBC shares to be allotted to SEG in consideration of the issuance of 5,456,800 SEG New Shares at the issue price of RM1.50 per SEG New Share;
- (xi) Supplemental agreement dated 16 February 2000 between KEB, Noah Foundation, Tan Sri Dato' Amin Osman, Dato' Dr. Mokhzani Abdul Rahim and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the number of SEG New Shares to be issued in satisfaction of the purchase price for 98.51% equity interest in SES to 9,194,422 SEG New Shares at an issue price of RM1.50 per SEG New Share;
- (xii) Supplemental agreement dated 16 February 2000 between KEB, Mohd Nor Ibrahim @ Ibrahim Fikri, Loh Poh Choo @ Low Poh Choo, Cheam Tow Yong and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the number of SEG New Shares to be issued in satisfaction of the purchase price for shares in SME to 4,333,333 SEG New Shares at the issue price of RM1.50 per SEG New Share;
- (xiii) Supplemental agreement dated 16 February 2000 between KEB and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the number of SEG New Shares to be issued in satisfaction of the purchase price for shares in RMSB to 333,333 SEG New Shares at the issue price of RM1.50 per SEG New Share;
- (xiv) Supplemental agreement dated 16 February 2000 between MOCCIS and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase agreement dated 22 October 1999 entered between the said parties such as the consideration for the MOCCIS' Property to RM7,759,427 to be satisfied by issuance of approximately 5,172,951 SEG New Shares at the issue price of RM1.50 per SEG New Share;
- (xv) Supplemental agreement dated 16 February 2000 between Ladang MOCCIS and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase agreement dated 22 October 1999 entered between the said parties such as the consideration for the Ladang MOCCIS' Property to RM6,840,573 to be satisfied by issuance of approximately 4,560,382 SEG New Shares at the issue price of RM1.50 per SEG New Share;
- (xv) Supplemental profit guarantee agreement dated 17 October 2000 entered between SEG, KEB as the guarantor, Datin Mah and Kee Shih-Lene as the indemnifying parties varying the guaranteed period from the three years commencing from 1 Jan 2000 to 31 December 2002 to the three (3) years commencing from the completion date of the Proposed Acquisition of BBC, SES, and SME which is within four (4) months from the date the last of the conditions precedent (as defined in the relevant Sale and Purchase Agreement dated 22 October 1999 in respect of the said companies) has been fulfilled;

- (xvi) Supplemental agreement dated 17 October 2000 between MOCCIS and SEG varying, inter alia, the purchase consideration of MOCCIS's Property from RM7,759,427 to RM6,909,080 to be satisfied by the issuance of approximately 4,606,054 SEG new Shares at an issue price of RM1.50 per SEG New Shares; and
- (xvii) Supplemental agreement dated 17 October 2000 between Ladang MOCCIS and SEG varying, inter alia, the purchase consideration of Ladang MOCCIS Property from RM6,840,573 to RM6,090,920 to be satisfied by satisfied by the issuance of approximately 4,060,613 SEG New Shares of an issue price of RM1.50 per SEG New Shares.

BBC

Save as disclosed below, BBC and its subsidiary companies have not entered into any other contract which are or may be material outside the ordinary course of business, during the two years preceeding the date of the EGM Circular:

- (i) Termination Agreement dated 10 June 1999 between KE Education Sdn Bhd ("KESB"), BBC, Datin Mah and Kee Shih-Lene is respect of the subscription agreement between the parties dated 21 July 1998;
- (ii) Agreement dated 6 July 1999 between BBC, Datin Mah, Kee Shih-Lene and KESB for the issuance of 6,773,000 new ordinary shares of RM1.00 each representing 57.5% of the enlarged issued and paid-up share capital in BBC to KESB in return of the settlement of the purchase price for the properties purchased by BBC measuring in area approximately 71,054 sq. ft. in a commercial complex provisionally known as "Summit Centre" on land held under HS(D) 91640 PT 32218 Daerah Petaling Negeri Selangor (now held under P.N. 7393 for Lot No. 1, Pekan Serdang, Daerah Petaling, Negeri Selangor) for the total sum of RM25,735,424 pursuant to two (2) separate sale and purchase agreements both dated 3 July 1998 (as varied by Supplemental Agreements dated 8 January 1998) and sale and purchase agreement dated 8 January 1999, all of which are entered into with Pujian Development Sdn Bhd;
- (iii) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB, Datin Mah, Kee Shih-Lene and SEG for the disposal of 11,773,002 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of BBC for a consideration of RM37,993,319 to be satisfied by the issuance of approximately 29,225,630 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (iv) Conditional sale and purchase of shares agreement dated 22 October 1999 between Dato' Megat, BBC and SEG for BBC's purchase from Dato' Megat of 454,500 shares representing 30% of the issued and paid-up share capital in ORSB for a consideration of RM7,006,681 to be satisfied by BBC's issuance of 2,189,588 new BBC shares to be allotted to SEG in consideration of the issuance of 5,389,755 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;

- (v) Sale and Purchase Agreement and Deed of Assignment both dated 18 January 2000 between BBC and PFSB for the sale and purchase of the property known as Block B measuring in area approximately 33,585.7 sq. ft. in a commercial complex provisionally known as “Summit Centre” on land held under HS(D) 91640 PT 32218 Mukim Petaling, Negeri Selangor (now held under P.N. 7393 for Lot No. 1, Pekan Serdang, Daerah Petaling, Negeri Selangor) for the total sum of RM10,747,424 to be paid by the issuance of 10,747,424 shares in PFSB to BBC at par value;
- (vi) Sale and Purchase Agreement and Deed of Assignment both dated 18 January 2000 between BBC and PFSB for the sale and purchase of the property known as Lot 3.09a measuring in area approximately 21,986 sq. ft. in a commercial complex provisionally known as “Summit Centre” on land held under HS(D) 91640 PT 32218 Mukim Petaling, Negeri Selangor (now held under P.N. 7393 for Lot No. 1, Pekan Serdang, Daerah Petaling, Negeri Selangor) for the total sum of RM8,794,000 to be paid by the issuance of 8,794,400 shares in PFSB to BBC at par value;
- (vii) Sale and Purchase Agreement and Deed of Assignment both dated 18 January 2000 between BBC and PFSB for the sale and purchase of the property known as Lot 3.09b measuring in area approximately 15,482 sq. ft. in a commercial complex provisionally known as “Summit Centre” on land held under HS(D) 91640 PT 32218 Mukim Petaling, Negeri Selangor (now held under P.N. 7393 for Lot No. 1, Pekan Serdang, Daerah Petaling, Negeri Selangor) for the total sum of RM6,193,600 to be paid by the issuance of 6,193,600 shares in PFSB to BBC at par value;
- (viii) Supplemental agreement dated 16 February 2000 between KEB, Datin Mah, Kee Shih-Lene and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the consideration for the shares in BBC to RM36,814,800 to be satisfied by issuance of approximately 24,543,200 SEG New Shares at the issue price of RM1.50 per SEG New Share; and
- (ix) Supplemental agreement dated 16 February 2000 between Dato’ Megat, BBC and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the consideration for the shares in ORSB to RM8,185,200 to be satisfied by BBC’s issuance of approximately 2,617,544 BBC New shares to be allotted to SEG in consideration of the issuance of 5,456,800 SEG New Shares at the issue price of RM1.50 per SEG New Share.

SES

Save as disclosed below, SES and its subsidiary companies have not entered into any other contract which are or may be material outside the ordinary course of business, during the two years preceding the date of the EGM Circular:

- (i) Sale and Purchase Agreement and Deed Of Mutual Covenants both dated 21 October 1999 between BMSB and Pujian Development Sdn Bhd for the purchase by BMSB of a property measuring in area 33,020.30 sq. ft. provisionally known as Block B, Summit Centre on land held under HS(D) 91640 PT 32218 Mukim Petaling Negeri Selangor for the total sum of RM9,400,000;

- (ii) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB, Noah Foundation, Tan Sri Dato' Amin Osman, Dato' Dr. Mokhzani Abdul Rahim and SEG for the disposal of up to 14,000,000 shares representing the total average share capital in SES for a consideration of up to RM14,000,000 to be satisfied by the issuance of such number of SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement;
- (iii) Conditional sale of shares Agreement dated 31 December 1999 between SES and Chung Chen Sun Art & Design Group Sdn Bhd ("CCS") for the purchase by CCS of 750,000 shares in SMESB a subsidiary of SES representing 25% of the total enlarged share capital in SMESB for the consideration sum of RM250,000 subject to the approval of SEG and SMESB's restructuring exercise as described in the said Agreement; and
- (iv) Supplemental agreement dated 16 February 2000 between KEB, Noah Foundation, Tan Sri Dato' Amin Osman, Dato' Dr. Mokhzani Abdul Rahim and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the number of SEG New Shares to be issued in satisfaction of the purchase price for 98.51% equity interest in SES to 9,194,422 SEG New Shares at an issue price of RM1.50 per SEG New Share.

SME

Save as disclosed below, SME and its subsidiary company have not entered into any other contract which are or may be material outside the ordinary course of business, during the two years preceding the date of the EGM Circular:

- (i) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB, Mohd Nor Ibrahim @ Ibrahim Fikri, Loh Poh Choo @ Low Poh Choo, Cheam Tow Yong and SEG for the disposal of 1,350,002 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of SME for a consideration of RM6,500,000 to be satisfied by the issuance of approximately 5,000,000 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustment as stipulated in the said agreement; and
- (ii) Supplemental agreement dated 16 February 2000 between KEB, Mohd Nor Ibrahim @ Ibrahim Fikri, Loh Poh Choo @ Low Poh Choo, Cheam Tow Yong and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the number of SEG New Shares to be issued in satisfaction of the purchase price for shares in SME to 4,333,333 SEG New Shares at the issue price of RM1.50 per SEG New Share.

RMSB

Save as disclosed below, RMSB and its subsidiary company have not entered into any other contract which are or may be material outside the ordinary course of business, during the two years preceeding the date of the EGM Circular:

- (i) Conditional sale and purchase of shares agreement dated 22 October 1999 between KEB and SEG for the disposal of 500,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital in RMSB for the consideration of RM500,000 to be satisfied by the issuance of approximately 384,615 SEG New Shares at the issue price of RM1.30 per SEG New Share subject to the adjustments as stipulated in the said agreement; and
- (ii) Supplemental agreement dated 16 February 2000 between KEB and SEG varying, inter alia, the terms and conditions of the conditional sale and purchase of shares agreement dated 22 October 1999 entered between the said parties such as the number of SEG New Shares to be issued in satisfaction of the purchase price for shares in RMSB to 333,333 SEG New Shares at the issue price of RM1.50 per SEG New Share.

5. SERVICE CONTRACTS AND MANAGEMENT AGREEMENTS (reproduced from the EGM Circular)

Save and except for Tuan Haji Taib bin Rasak, none of the Directors of SEG has any existing or proposed service contracts with the Company and/or its subsidiaries.

No management agreements other than those in the ordinary course of business have been entered into or are proposed to be entered into by SEG and/or any of its subsidiaries.

6. DOCUMENTS FOR INSPECTION (reproduced from the EGM Circular)

Copies of the following documents will be made available for inspection during normal business hours (except public holidays) at the Registered Office of SEG at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, from the date of the EGM Circular up to and including the date of the EGM:

- (a) Memorandum and Articles of Association of SEG, BBC, SES, SME and RMSB;
- (b) Audited accounts of SEG for the past three (3) financial years ended 31 December 1999 and unaudited six (6) month financial period ended 30 June 2000;
- (c) Audited accounts of BBC for the past one (1) financial period from the date of incorporation and two (2) financial years ended 31 December 1999 and unaudited seven (7) month financial period ended 31 July 2000;
- (d) Audited accounts of SES for the past four (4) financial years ended 31 December 1997, seven (7) month financial period ended 31 July 1998, financial year ended 31 July 1999 and unaudited six (6) month financial period ended 31 January 2000;

- (e) Audited accounts of SME for the past one (1) financial period from the date of incorporation to one (1) financial year ended 30 June 1998, thirteen (13) month financial period ended 31 July 1999 and the unaudited six (6) month financial period ended 31 January 2000;
- (f) Profit estimate of SEG for the financial year ending 31 December 2000 together with the underlying assumptions and the Auditors' letter thereon referred to in Appendix XII of the EGM Circular;
- (g) Proforma consolidated balance sheet of SEG as at 31 December 1999 together with the Auditors' letter thereon referred to in Appendix XIII of the EGM Circular;
- (h) Valuers' Certificates referred to in Appendices XIV, XV and XVI of the EGM Circular;
- (i) Accountants' Report referred to in Appendix VII in the EGM Circular;
- (j) Directors' Reports referred to in Appendices VIII, IX, X and XI respectively in the EGM Circular;
- (k) Material contracts referred to in paragraph 4 above; and
- (l) Letters of consent referred to in paragraph 2 above.