
5. INFORMATION ON THE APB GROUP

5.1 HISTORY AND BUSINESS

APB was incorporated in Malaysia under the Companies Act on 20 November 2001 as a private limited company under the name of Kekal Sepakat Sdn Bhd. On 16 May 2002, the Company was converted into a public limited company under the name of Kekal Sepakat Berhad. The Company changed its name to Lamquest Holdings Berhad on 13 January 2003 and subsequently assumed its present name on 25 July 2003. APB is principally involved in investment holding. Further information in relation to the principal activities of the subsidiary and associated companies of APB are set out in Section 5.3 of this Prospectus.

The APB Group consists of three (3) main business divisions, namely, provision of design, engineering and fabrication of specialised engineering equipment, contractors in air-conditioning and related engineering services and provision of NDT services and other related services focusing on fabricated metal or steel structure, piping, boiler and equipment, of which these business activities are undertaken by AMC, Benmarl and Prescan respectively.

AMC was incorporated in Malaysia under the Companies Act on 28 January 1982 and the founder is Mr Yap Kow. Mr Yap Kow, who is presently the Chairman and Managing Director of APB, has contributed approximately thirty (30) years of extensive technical expertise and accumulated experience in the design, engineering and fabrication of process equipment to ensure continued growth and success of the business in AMC. AMC commenced its business operations in 1989 and has grown over the years to its current annual production capacity of 5,500 tonnes employing 145 workers as at 28 February 2004. AMC, which is the principal asset of the APB Group, developed its services from design, engineering and fabrication of small process equipments in the early years to the present large scale projects for a wide spectrum of customers under different sector of industries including oil, gas and petrochemicals industries. As a result of AMC's continuous commitment to manufacture products that can meet the international standards, AMC obtained the quality accreditations by internationally recognised industry bodies including the ASME and the NB of boiler and pressure vessels since 2 February 1997 and 23 June 2000 respectively. As such, AMC is recognised as an experienced manufacturer with high quality standards in fabrication of process equipments. Products manufactured by AMC range from normal carbon steel to exotic material such as incoloy, inconel, monell, hastaloy and high chrome nickel alloys used for exchanger and process equipment, to sizes as required and weight up to 1,000 metric tones for a single unit. AMC also has long standing experience in welding of different type of clad plate materials.

With over twenty (20) years of experience in the industry, AMC has built a diverse portfolio and strong relationships with international engineering companies with end-users around the world, not limited to the petrochemical process industry, chemistry industry, oil palm processing, paper mill industry and power generation. In addition, AMC has invested substantially on the fixed assets such as heavy and mobile overhead cranes, roller, bending and cutter machineries, drilling and boring machines as well as welding machines for the increasing production demand over years. AMC's business also supported by its strong in-house design and engineering capabilities to draw and design detailed plans in accordance with the customers' specifications and requirements, as evident from the fact that AMC continuously invested in the design software and employed skilled and trained engineers.

The APB Group is also involved in the provision of supply and installation of air-conditioning and mechanical ventilation systems for the building and construction industry locally and the provision of NDT services focusing on fabricated metal or steel structure, piping, boiler and equipment works in the process equipment industry, via Benmarl and Prescan.

Benmarl was incorporated in Malaysia under the Companies Act on 10 September 1986. The founder of Benmarl, Mr Lim Lye Hock, who is presently a Project Director has more than twenty (20) years of relevant experience in the business as contractors in air-conditioning and related engineering services. He has consistently contributed to the growth of the business through providing overall vision and strategic direction of Benmarl, technical expertise in the business with hands-on management experience and establishing a strong base of customers and access to different sectors of the market.

5. INFORMATION ON THE APB GROUP (Cont'd)

Prescan was incorporated in Malaysia under the Companies Act on 10 March 1988. Mr Cheong Boon Yu, the founder and the present Director of Prescan has approximately twenty (20) years of experience in the NDT industry. As the founder of Prescan, he contributed significantly to the success of the business by overseeing the strategic direction of Prescan, business development planning and implementation, providing technical expertise in the business, cultivating business development, establishing and cultivating a loyal customer base with an extended length of relationship. The co-owner, Mr Jimmy Gan Chin Boon who is also the present Director of Prescan, contributes significantly in the provision of operational management skills, technical expertise, developing Non-Destructive Examination procedures and practices within the company, providing hands-on expertise in undertaking NDT and general inspection works.

ECSB was incorporated in Malaysia on 14 July 2003 as a private limited company under the Companies Act. The principal activity of ECSB involves carrying on the business of constructional engineers relating to the development, construction, erection, establishment, operation, maintenance and management of hydro power stations, and any business connected with the generation, accumulation, distribution, supply and employment of electricity power by hydro or otherwise. ECSB is procuring to undertake, develop and execute the hydro project involving the development of three (3) mini hydro electric power stations totaling 7.5 MW in power generation.

KRSB was incorporated in Malaysia on 17 June 2002 as a private limited company under the Companies Act. The principal activity of KRSB involves the business of constructional engineers relating to the development, construction, erection, establishment, operation, maintenance and management of hydro power stations and any business connected with the generation, accumulation, distribution, supply and employment of electricity power by Hydro or otherwise. KRSB is currently in negotiation with TNB to enter into an agreement involving the acquisition of the thirty five (35) mini hydro generating stations ("MHGS") belonging to TNB for the production of electricity.

Further details on the business overview are provided in Section 5.3 of this Prospectus.

5.2 SHARE CAPITAL

5.2.1 Authorised share capital

The authorised share capital of APB is RM200,000,000 comprising 175,000,000 APB Shares and 25,000,000 ICPS as at 30 March 2004.

5.2.2 Issued and paid-up share capital

Ordinary shares

The issued and paid-up share capital of APB is RM66,873,002 comprising 66,873,002 APB Shares as at 30 March 2004. The movements in the issued and paid-up share capital of APB since its incorporation are as follows:

5. INFORMATION ON THE APB GROUP (Cont'd)

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative issued and paid-up share capital RM
20.11.2001	2	Subscribers' shares	2
30.03.2004	934,000	Shares issued pursuant to the Acquisition of NCK at par	934,002
30.03.2004	51,837,000	Shares issued pursuant to the Acquisition of EJ at par	52,771,002
30.03.2004	14,102,000	Shares issued pursuant to the settlement of debts of NCK par	66,873,002

ICPS

As at 30 March 2004, the issued and paid-up ICPS of APB is RM25,000,000 comprising 25,000,000 ICPS, which was allotted on 30 March 2004.

5.3 BUSINESS OVERVIEW

APB is an investment holding company which was incorporated for the purpose of implementing the Restructuring Scheme. The corporate structure of the APB Group is depicted in Section 4.3 of this Prospectus.

Details of the APB Group's core business activities are illustrated below:

5.3.1 Design, engineering and fabrication of process equipment

The core business of the APB Group is in the provision of design, engineering and fabrication of process equipment focusing on the oil, gas, petrochemicals, oleochemicals and power industries and the operations are carried out via AMC.

5.3.1.1 Principal products and services

AMC fabricates a relatively diverse range of process equipment products and services focusing on the oil, gas, petrochemicals, oleochemicals and power industries. Although AMC has the capability to fabricate a wide variety of process equipment, the company's strength is in the design and engineering of pressure vessels. Some of the major process equipment and components fabricated by AMC over the last twenty (20) years include the following:

Products

- Pressure vessels
 - columns and towers
 - reactors
- Process fired heaters
- Skids for offshore platforms
- Flare stacks
- Heat exchangers
 - shell and tube heat exchangers
 - air cooled heat exchangers
 - air cooled condenser
 - falling film evaporator

5. INFORMATION ON THE APB GROUP (Cont'd)

- Boilers
 - boilers for power plant (packaged and industrial)
 - waste heat recovery boiler (fire tube and water tube)
 - heat recovery steam generating system (using solid fuel)
- Others
 - storage tanks (under and above ground)
 - supporting steel structures
 - small power generation plants
 - marine loading arm

Services

- Repairs
- Service and maintenance
- Installation and modification
- Machining
- Blasting

A process equipment plant comprises myriad components and instrumentations. However, most of these components are generally called pressure vessels. This is due to the fact that the processing of any liquid or gaseous matters involves using pressure and sometimes in combination with heat, to separate, distil or convert to their various elements and compounds. Pressure vessels include, amongst others, columns/towers, drums, reactors and separators. Other fabricated metal equipment includes flare stacks, chimney, silos, heat exchangers/air coolers, storage tanks and structural beams. AMC fabricates almost all the above components of a processing plant with the exception of instrumentation. The process equipment is regarded as a necessity product in the processing plant as without which, the functions of separation, distillation and conversion will not be possible. There are no substitute products that can perform similar functions in the processing of, amongst others, crude oil, natural gas, petrochemicals and oleochemicals. From that perspective, AMC can be assured of a continuing demand and usage of its products and services from end-user industries. This is further reinforced by the critical nature of the industries to Malaysia, for instance, the oil, gas, petrochemicals and oleochemicals industries.

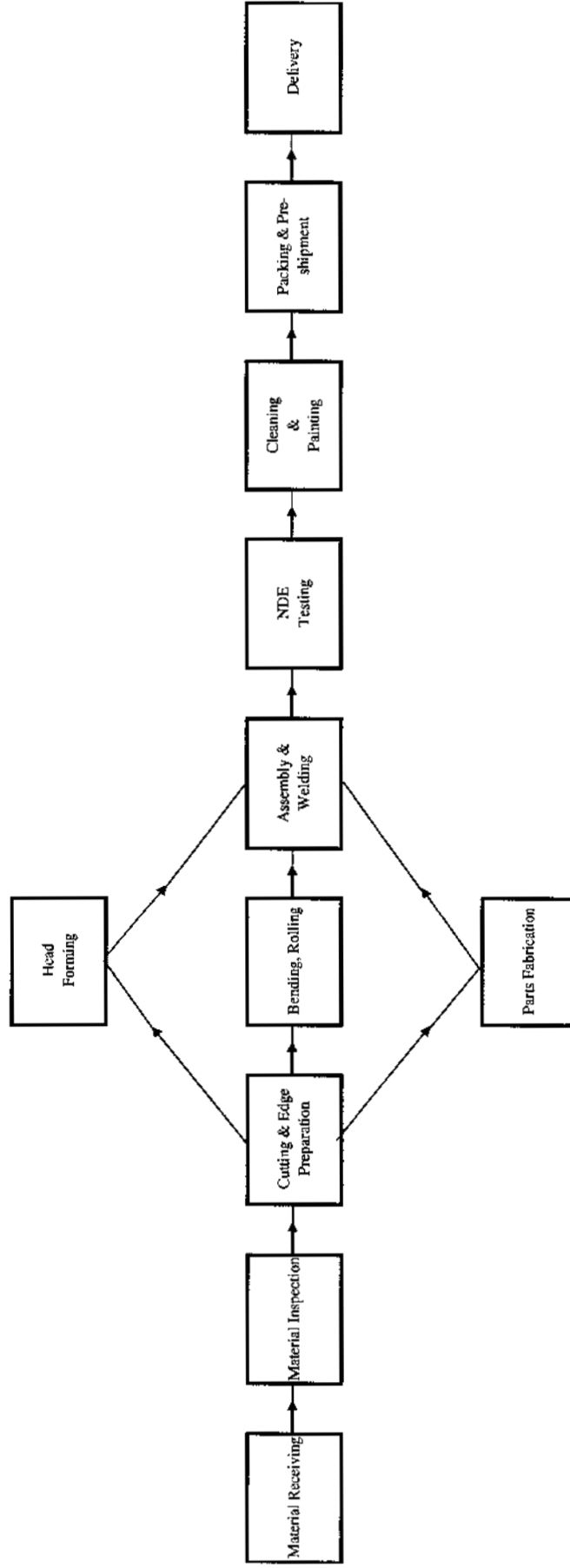
In addition to the above, with its team of experienced and trained engineers, AMC has the strong in-house capabilities to provide turnkey process equipment services including design, engineering, fabrication, installation and maintenance. Other services include amongst others, process data specification, process flow design, alignment and balancing, and internal coating.

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5. INFORMATION ON THE APB GROUP (Cont'd)

5.3.1.2 Production flowchart and location

AMC identifies the needs of its customers and design the plans in accordance with the specifications and requirements of its customers prior to manufacturing the process equipments. Generally, the process of fabricating process equipment which is undertaken by AMC is depicted as follows:



5. INFORMATION ON THE APB GROUP (Cont'd)

The company's head office is located in Subang New Village, Shah Alam, and its business activities are supported by two (2) fabrication plants as follows:

Location	Total land area square metres	Covered area square metres	Capacity (tonne per annum)	Current monthly production capacity	% of current monthly production capacity
1. Subang New Village in Shah Alam, Selangor	8,093	3,400	1,400	100	85
2. Kawasan Perindustrian Gebeng, Kuantan	39,250	16,046*	4,100	300	88
Total	47,343	19,446	5,500	400	87

Note:

* This plant excludes open fabrication yard of 20,000 sq metres.

5.3.1.3 Product market and end-users industries

With the diverse range of process equipments fabricated by the company, AMC services both local and export markets and this is reflected in the following:

- Local sales accounted for 70% based on the aggregated revenue contributed over a five (5)-year period between 1999 and September 2003; and
- Export sales accounted for 30% based on the aggregated revenue contributed over a five (5)-year period between 1999 and September 2003.

Over the last five (5) years, AMC's major export markets include European countries, Asean countries, Japan, Korea, China, USA and the Middle East.

As the process equipment primarily forms the critical backbone of any processing plant, its end-user industries are diverse and not limited to only the oil, gas and petrochemicals industries. Some of the other industries include oleochemicals, power and other manufacturing based sectors. As such, AMC's products are used in a wider cross section of end-user industries such as oil and gas, oleochemicals, petrochemicals and power plant.

5.3.1.4 Types, sources and availability of raw materials

Based on the financial year ended 30 September 2003, the total value of raw materials purchased by AMC is approximately RM13.2 million, out of which approximately 61% of the total value of raw materials were sourced locally whilst the remaining 39% was imported. The main raw materials used in the fabrication of process equipment are steel plates/sheets which represented approximately 59% of total raw materials acquired by AMC, of which approximately 60% of steel plates are sourced locally and the remaining are imported mainly from Japan, Korea and Europe. The import of steel plates is necessary to meet the material specifications provided by the customers for the oil, gas and petrochemical industries as higher standard and grades of steel plates are not produced domestically.

The second principal raw materials used by AMC in the production of process equipments are tubes, pipes, fittings and forging materials, which accounted for approximately 30% of the total value of raw materials purchased. AMC sourced these raw materials from countries including Japan, Korea, China, Singapore and Europe (through trading houses) due to higher quality of raw materials available in overseas to meet the material specifications required by the customers. Other materials used in the production of process equipments include structural materials, gaskets, fittings, insulation materials and etc individually accounted for less than 10% of total raw material purchases. In the past, there have not been any shortages in raw materials that has impeded on the operations of AMC.

5. INFORMATION ON THE APB GROUP (Cont'd)

5.3.1.5 Quality assurance

The process equipment industry is governed by stringent industry standards and quality requirements due to the critical and hazardous nature of the end-user industries such as oil, gas and petrochemicals industries. Design, engineering and fabrication of pressure vessels in particular, have to adhere to strict industry guidelines.

AMC's quality system on product manufacturing complies with international quality standards and this is demonstrated by the accreditations and certifications of authorisation from the following internationally recognised bodies:

- ASME certification which provides the company the authorisation to use U Stamp (manufacture of low and intermediate pressure vessels), U2 Stamp (manufacture of high pressure vessels), S Stamp (manufacture and assembly of power boilers and piping) for its pressure vessels and boilers;
- NB of Inspection Code on the application of the NB stamp on pressure vessels with the R stamp (repair and alteration of boilers and pressure vessels);
- Construction Industry Development Board of Malaysia ("CIDB") certification in Malaysia as a contractor for mechanical and electrical works; and
- China Safety Quality Licensing for the manufacturing of pressure vessels to be exported to China.

With internationally recognised certifications and compliance to codes of practices by international bodies in the USA, AMC is poised to meet the export market requirements and compete in the international arena.

In addition, AMC has in place the quality control procedures and manuals set forth the general methods and control to be employed for the construction, repair and alteration of power boilers, pressure vessels, boiler external piping and field assembly based on the following requirements:

Requirements	Description
(i) ASME Section I	Code for manufacturing of power boilers and piping which carries the "S" stamp
(ii) ASME Section VIII Division 1	Code for manufacturing of low and intermediate pressure vessels which carries the "U" stamp
(iii) ASME Section VIII Division 2	Code for manufacturing of high pressure vessels which carries the "U2" stamp
(iv) ASME B31.1	Code for manufacturing of power pipings
(v) Client specification	Japanese Industrial Standard and British Standard and other standards required by the customers
(vi) NB of Inspection Code	Manufacturing standards for products of the United States of America and Canada
(vii) Department of Occupation Safety and Health, Malaysia	Approval on pre/post manufactured products complying with approved designs for safety purpose
(viii) Other statutory requirements	Department of Environment for open emission

5.3.1.6 Customers

AMC essentially services four (4) different categories of customers and this has enabled the company to have a wider revenue base, including:

- Producers of oil and gas, and owners and operators of oil and gas processing plants (for projects below RM600,000);
- Owners and operators of oleochemicals, petrochemicals and power processing plant;
- Engineering Procurement Construction and Commissioning Contractors ("EPCC") servicing a diverse range of industries; and
- Engineering based and specialist companies servicing a diverse range of companies.

5. INFORMATION ON THE APB GROUP (Cont'd)

The following lists AMC's top ten (10) customers for the financial period ended 30 September 2003:

Name	Main product/ services	Sales (RM'000)	% of turnover	Length of relationship (year)
1. Kvaener Pulping AB	Tanks, standpipes, bleach tower	4,236	12.6	4
2. Nooter Eriksen	Coil bundle, boiler	3,199	9.5	5
3. Kvaener Process Systems	HP separator, test separator, HP scrubber	3,018	9.0	4
4. JJ-Lurgi Engineering Sdn Bhd	Heat exchanger, vapour ductings	2,547	7.6	14
5. Single Buoy Moorings Inc	Scrubber, contactor tower inlet separator	2,357	7.0	1
6. Sulzer Chemtech Pte Ltd	Separator & steam trap	1,894	5.6	7
7. Nooter Eriksen – CCT	Boilers	1,695	5.0	4
8. Palm-Oleo Sdn Bhd	Construction of hydrogenation plant and beading plant	1,577	4.7	8
9. PFC Engineering Sdn Bhd	Roll pipe, air dryer, ducting cooler and ducting system	1,247	3.7	1
10. Apecc Offshore Pte Ltd	Supply of manpower works, material, tool consumables	1,244	3.7	1

AMC is not overly dependent on any major customers for its business as its business is project based and it varies in value from time to time. Thus, AMC may have certain projects that may contribute significantly to its turnover and profit at certain times or periods. The duration of AMC's contracts is dependent on the size of projects and on the average, AMC's duration of contracts for each project ranges from approximately eight (8) to ten (10) months. However, for larger projects, it could extend to approximately fourteen (14) months.

5.3.1.7 Suppliers

AMC has established a strong working relationship with suppliers and this is indicated by the fact that approximately 51% of its suppliers have been with AMC between five (5) to thirteen (13) years. There were only two (2) suppliers which accounted for more than 10% of the total raw material purchased, namely American Piping Products, Inc. and Edmonton Exchanger. These largest suppliers accounted for approximately 23% of the purchases for the financial year ended 30 September 2003 and it has been supplying bolts, nuts, steel plates, pipes, forging, fitting and structural steel to AMC for the past thirteen (13) and nine (9) years respectively. Other than these major suppliers, AMC also source bolts, nuts, steel plates, pipes, forging, fitting and structural steel from other suppliers locally and overseas. Hence, AMC is not overly dependent on any single supplier. The following lists AMC's top ten (10) suppliers for the financial period ended 30 September 2003

5. INFORMATION ON THE APB GROUP (Cont'd)

Name	Main product/ services	Purchases (RM'000)	% of Purchases	Length of relationship (year)
1. Edmonton Exchanger	Bolts, nut, plate, pipe, structure, forging & fitting.	1,548	11.7	9
2. American Piping Products, Inc.	Bolts, nut, plate, pipe, structure, forging & fitting.	1,541	11.7	13
3. Industeel Belgium, Arcelor Group	Bolts, nut, plate, pipe, structure, forging & fitting.	1,064	8.1	2
4. Yick Hoe Metal Industries Sdn. Bhd.	Bolts, nut, plate, pipe, structure, forging & fitting.	897	6.8	2
5. Kee Seng Hardware Sdn. Bhd.	Bolts, nut, plate, pipe, structure, forging & fitting.	614	4.7	8
6. Hiap Teck Hardware Sdn. Bhd.	Bolts, nut, plate, pipe, structure, forging & fitting.	575	4.4	10
7. Kvaerner Process System Asia Pacific	Bolts, nut, plate, pipe, structure, forging & fitting.	558	4.2	1
8. Ann Joo Metal Sdn Bhd	Plates, pipes & structural steel	555	4.2	13
9. NKK Trading Inc.	Bolts, nut, plate, pipe, structure, forging & fitting.	469	3.6	13
10. PFP Singapore Ptd. Ltd.	Bolts, nut, plate, pipe, structure, forging & fitting.	389	2.9	8

5.3.1.8 Technology

For its product design and development process, AMC uses computer assisted design software technology to develop designs and mechanical calculations of process equipments. The usage of computer assisted design software enables AMC to draw an accurate design or plan according to the customers' specifications and requirements while ensuring that its products designed are of high standard and quality.

5.3.1.9 Mode of marketing/sales

In addition to the existing established network of business contacts which ensure further business opportunities such as recommendation of new or potential customers from its existing customers and repeated orders from the existing customers, AMC is actively involved in marketing of its products and services and procuring new businesses in local and overseas markets. The marketing approaches adopted by AMC include active participation in the open tenders and tenders by invitation, referrals, direct negotiation and advertisement in the local directories and websites including Federation of Malaysian Manufacturers, International Malaysia-Arab Frontiers, Malaysian Iron & Steel Industries Federation and the Associated Chinese Chambers of Commerce and Industry of Malaysia.

5. INFORMATION ON THE APB GROUP *(Cont'd)*

5.3.1.10 *Governing laws and regulations*

The manufacturing of process plant equipment is subjected to stringent quality standards and approvals by recognised local and international governing bodies.

AMC has been audited and approved by ASME and NB's standards and quality bodies for its manufacturing of power boilers, piping and pressure vessels. In addition, AMC is registered with CIDB as a contractor for mechanical and electrical works. AMC has also obtained safety quality license from the State General Administration of People's Republic of China for Quality Supervision and Inspection and Quarantine for manufacturing of boilers and pressure vessels to be exported to China. The certifications from the relevant local and international bodies are important as it provides assurance of quality to customers and enable AMC to compete and gain access to overseas markets.

5.3.2 **Contractors in air-conditioning and related engineering equipment**

The business as contractors in air-conditioning and related engineering works in the APB Group is carried out by Benmarl.

Benmarl's initial core business was in the supply and installation of air-conditioning and mechanical ventilation systems focusing on commercial, retail and industrial sectors of the building and construction industry locally. Over the last fifteen (15) years, Benmarl has also built on the business of air-conditioning systems and installation to incorporate capabilities as a main contractor for mechanical and electrical works for turnkey projects within the building and construction industry. Benmarl operates its business from its office located in Shah Alam.

5.3.2.1 *Principal products and services*

Benmarl, acting as a one-stop shop service provider, offers a total package of value-added services from project installations to post-project maintenance services and maintaining works, such as the following:

- supply and installation of air-conditioning and mechanical ventilation systems;
- mechanical and electrical services;
- planning, layout and design of mechanical systems, electrical wiring systems and air-conditioning ducts; and
- maintenance of air-conditioning and mechanical ventilation systems.

Further, Benmarl has in-house technical design capabilities that can plan the entire layout of the mechanical and electrical systems and air-conducting ducts required in a project. By undertaking design-and-build contracts, Benmarl is committed to provide a high level of coordination and optimisation in design and cost without compromising its quality and services. This will enable Benmarl to manage its projects more viably.

5.3.2.2 *Product market*

Benmarl's business is primarily concentrated on the local market. Although Benmarl primarily services the building and construction industry, there is end-user industry diversity as Benmarl also services the commercial, retail, institutional and industrial sectors. To demonstrate diversity in end-user industries, Benmarl has undertaken maintenance, new and refurbishment mechanical and electrical and air-conditioning contracts for shopping complexes, hotels, purpose built-offices, industrial buildings and factories as well as shop offices. Each of the sectors is diverse and large in terms of market size. In addition, new developments coming on-stream including those that are under construction in the commercial, retail and industrial property market will contribute to an increase in opportunities or demand for supply of air-conditioning and mechanical ventilation systems, and mechanical and electrical works.

5. INFORMATION ON THE APB GROUP (Cont'd)

5.3.2.3 Types, sources and availability of raw materials

The materials used for Benmarl's operations are mainly consumables such as, amongst others, UPS units, electrical fittings, pipes and air-conditioning systems which are fairly easy to source from local or overseas markets. As such, Benmarl does not depend on a single source of supply for the consumables required in its business operations.

5.3.2.4 Quality assurance

Benmarl's business is focused on the provision of air-conditioning installation, mechanical and electrical contractor services, where the quality of services is important for its customers. Over the past fifteen (15) years, Benmarl has established a reputation for providing quality services which include planning and designing of electrical wiring systems, air-conditioning installation and maintenance. This reputation is affirmed by the fact that the major customers of Benmarl have been with the company for more than five (5) years. Unless Benmarl continue to meet and exceed customer expectations and requirements, customers would not continue to have further dealings with the company.

Currently, Benmarl is registered with the following local government bodies:

- (i) Contractor (Grade 5 for projects below RM5 million) for mechanical and electrical works with the CIDB; and
- (ii) Contractor for air-conditioning systems (window/split) and equipment for the oil industry with the Ministry of Finance.

5.3.2.5 Customers

Benmarl primarily services the local building and construction industry, in particularly, the commercial, retail, institutional and industrial sectors. In the past, Benmarl has undertaken maintenance, new and refurbishment mechanical and electrical and air-conditioning contracts, of which the notable projects undertaken are listed as follows:

Types	Places of projects undertaken	Year completed
Hotels	<input type="checkbox"/> Hotel Pan-Pacific, Kuala Lumpur International Airport	July 2003
	<input type="checkbox"/> Langkawi Holiday Villa, Langkawi	December 2002
	<input type="checkbox"/> Grand Holiday Villa, Sudan	October 2000
	<input type="checkbox"/> Monorom Holiday Villa, Phnom Penh, Cambodia	July 2000
Purpose-built offices and shop offices	<input type="checkbox"/> UOA office building, Kuala Lumpur	May 2003
	<input type="checkbox"/> Sentral Plaza, Kuala Lumpur	June 2001
	<input type="checkbox"/> MRCB Selborn Corporation Berhad, Shah Alam	February 2001
Industrial building and factories	<input type="checkbox"/> Herbal Manufacturing Plant, Shah Alam	June 2003
	<input type="checkbox"/> AMC office building, Shah Alam	May 2003
	<input type="checkbox"/> Royalton Paint factory, Shah Alam	May 2002
	<input type="checkbox"/> KIPC Dungun Water Supply, Kuala Trengganu	December 2001
	<input type="checkbox"/> Sewerage Treatment Plant, Ipoh	September 2003

5. INFORMATION ON THE APB GROUP (Cont'd)

The list of Benmarl's major customers which contributed more than 10% of the total revenue for the financial year ended 30 September 2003, are as follows:

Name	Types of services	Percentage of turnover (%)	Length of relationship (year)
Tekno Suling Sdn Bhd	Mechanical and engineering works	33	3
Amalgamated Metal Corporation (M) Sdn Bhd	Electrical, air-conditioning and mechanical ventilation works	15	3
Cell Power Generation Sdn Bhd	Electrical, air-conditioning and mechanical ventilation works	10	7
Phytes Biotek Sdn. Bhd.	Mechanical and engineering works	9	2
Botco Sdn.Bhd.	Trading	8	1
Utopia Airc Sdn.Bhd.	Service and Maintenance	7	10
Pan Pacific Hotel	Service and Maintenance	3	6
Cheah Sin Keat	Electrical, air-conditioning and mechanical ventilation works	3	6
Taiyi Master (M) Sdn.Bhd.	Mechanical and engineering works	3	2
Pasukhas Construction Sdn. Bhd.	Electrical, air-conditioning and mechanical ventilation works	3	4

However, Benmarl is not overly dependent on a single or limited customer for its business as its business is project based and it varies in value from time to time. Thus, Benmarl may have certain projects that may contribute significantly to its turnover and profit at certain times or periods. The duration of Benmarl's contract for each project is approximately six (6) months to eighteen (18) months.

5.3.2.6 Suppliers

Benmarl has established a strong relationship with its suppliers and this is reflected by the fact that the major suppliers have been working with the company for more than five (5) years. Most of the materials used for Benmarl's operations are mainly consumables such as UPS units, electrical fittings, pipes and air-conditioning systems which are fairly easy to source locally. In addition, there are many manufacturers for the said consumables in the local and oversea markets. From that perspective, the dependency on one single source of supply is not critical.

The list of Benmarl's major suppliers which accounted for more than 5% of the raw material purchased for the financial year ended 30 September 2003, are as follows:

Name	Main products and services purchased	Percentage of purchases (%)	Length of relationship (year)
Cell Power Co Ltd, Taiwan	UPS units	32	7
Pall (Malaysia) Sdn Bhd	Filter cartridges	19	1
Daikin Air Conditioning (M) Sdn Bhd	Air conditioning	8	5
Acson Malaysia Sales & Services Sdn Bhd	Air conditioning	5	10

5. INFORMATION ON THE APB GROUP (Cont'd)

5.3.2.7 Mode of marketing/sales

Benmarl is actively engaged in marketing of its products and services by participating in the open tenders, tenders by invitation and direct negotiation. Apart from that, Benmarl has ready established business contacts that often lead to further business dealings and repeated orders from its existing customers as well as through recommendation of new or potential customers by its existing customers.

5.3.2.8 Governing laws and regulations

All mechanical and electrical engineering contractors are required to register with the CIDB prior to undertaking any mechanical or electrical works. There are different grades of contractors and each category is usually limited to a certain size of project. Benmarl is currently registered as a Grade 5 contractor, which allows the company to bid for projects up to the amount of RM5 million. In addition, Benmarl is also registered with Ministry of Finance as a contractor for air-conditioning systems (window/split) and equipment for the oil industry.

5.3.3 Provision of NDT services and other related services

Prescan's core business is in the provision of NDT services focusing on fabricated metal or steel structure, piping, boiler and equipment works. Prescan mainly services the process equipment industry, as NDT is a critical component of quality assurance particularly for end-user industries of process equipment such as the oil, gas and petrochemicals industry. NDT is mainly undertaken once the fabrication of any metal or steel structure, pipe or pressure vessel is completed. The objective of undertaking this type of testing is to inspect and test the integrity of the structure or vessel to ensure that there are no fractures or weaknesses in the welding. Prescan's provision of NDT services are undertaken from Shah Alam and Kuantan which serve to support AMC's business operations.

5.3.3.1 Principal products and services

Prescan offers a comprehensive range of NDT services to the customers including radiography and ultrasonic based testing services in weld inspection. Prescan has performed NDT on many types of process equipments and end-products including pressure vessels, mounded bullets, tanks and piping. Its portfolio of NDT services can be segmented into the following methods of testing:

Type	General functions
<input checked="" type="checkbox"/> Penetrant testing	The most basic NDT is used to detect defect on the surface of equipment and is applicable to most types of metal.
<input type="checkbox"/> Magnetic particle testing	To detect defect on surface and sub-surface of equipment. This NDT method is usually performed on ferrous magnetic metal.
<input type="checkbox"/> Ultrasonic testing	Sound wave is used to detect internal flaws and is applicable to ferritic steel.
<input type="checkbox"/> Radiographic testing	Using x-ray or gamma radiation to detect internal flaws and identify the type of defects.

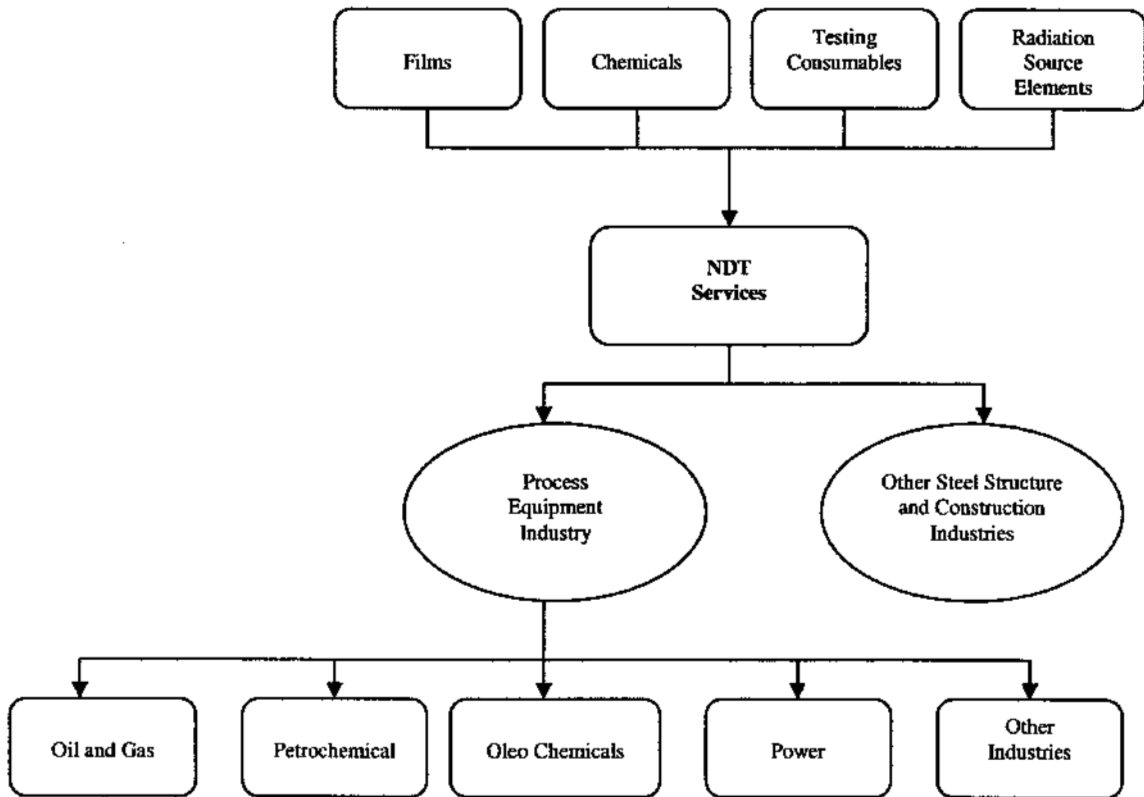
NDT is a necessity service for the fabrication of process equipments and this is predicated by the following factors:

- it is a critical component of quality assurance for detecting metal fatigue in a steel structure, piping and equipment;
- it is currently the only effective and commercial form of testing on welding seams to ensure compliance with industry standards; and
- the size and length of some of the process equipment precludes the use of other forms of testing apart from NDT.

As such, it is anticipated that there will be a continued demand for NDT services in the process equipment or other forms of metal or steel fabrication.

5. INFORMATION ON THE APB GROUP (Cont'd)

The process of performing NDT services is depicted as follows:



5.3.3.2 Product market

Prescan provides a comprehensive range of NDT services to the customers including radiography and ultrasonic based testing services. Currently, Prescan has undertaken NDT on various types of equipment and end-products including pressure vessels, mounded bullets, tanks and piping in the local market.

The NDT services are carried out on either ad-hoc requirements or project basis. For project basis, operators of NDT services are required to have a contractual arrangement with the customer. Prescan's customers are mainly from the local market.

5.3.3.3 Types, sources and availability of raw materials

The materials used for Prescan's operations are mainly consumables such as films, chemicals and testing consumables. Prescan sources its raw materials mainly from the local market and it has not experienced difficulties in the past in obtaining the raw materials.

5.3.3.4 Quality assurance

As Prescan is operating within a specialised industry, there are stringent compliance requirements for service providers of NDT services whereby operators are required to update their technical skills and knowledge through examinations held by internationally recognised institutions including American Society of Non-Destructive Testing ("ASNT") and British Institute of Non-Destructive Testing ("BINDT").

Prescan has skilled staffs who have obtained the following certifications and qualifications of compliance to perform the necessary NDT services including:

- ASNT's Certification of Proficiency for NDT Level II in Radiographic Testing
- ASNT's Certification of Proficiency for NDT II in Magnetic Particle Testing

5. INFORMATION ON THE APB GROUP (Cont'd)

- ASNT's Certification of Proficiency for NDT II in Liquid Penetrant Testing
- BINDT's PCN Certification for X-rays and Gamma rays Radiographic Interpretation for Ferritic steels, Austenitic steels and Light alloys. This certification also complies with European Standard EN45013 and international standard ISO 9712.

These international certifications provide local customers with the assurance of Prescan's service quality that complies with international standards.

5.3.3.5 Customers

Prescan mainly services the process equipment industry including steel and metal fabricators and its projects are mainly on ad-hoc and project based. Approximately half of Prescan's top twenty (20) customers have established a strong working relationship with the company for more than five (5) years.

The list of Prescan's major customers which contributed approximately to 10% of the total turnover for the financial year ended 30 September 2003, are as follows:

Name	Projects undertaken	Percentage of turnover (%)	Length of relationship (year)
AMC	Radiographic testing/ magnetic partial testing/ penetrant testing/ ultrasonic testing	8	14
Rightgas Sdn Bhd	Radiographic testing	8	12
Embah Engineering Sdn Bhd	Radiographic testing/ magnetic partial testing/ ultrasonic testing	7	4
Raslow Sdn Bhd	Radiographic testing/penetrant testing	7	4
Masmirin Corporation Berhad	Radiographic testing/penetrant testing	6	4
Sumatec Corporation Sdn Bhd	Radiographic testing/ magnetic partial testing/ penetrant testing	5	10
Amalgamated Metal Builders Sdn Bhd	Radiographic testing/ magnetic partial testing/ penetrant testing/ ultrasonic testing	5	8
Tepat Teknik Sdn Bhd	Radiographic testing/ magnetic partial testing/ penetrant testing/ ultrasonic testing	5	10
Able Steel Pipes Sdn Bhd	Radiographic testing	4	9
Kvaerner Process System S/B	Radiographic testing/ magnetic partial testing/ penetrant testing/ ultrasonic testing	4	2

Prescan is not overly dependent on any major customers for its business as its business is on ad-hoc and project basis and it varies in value from time to time. Thus, Prescan may have certain projects that may contribute significantly to its turnover and profit at certain times or periods. The duration of its projects ranges approximately from three (3) months to six (6) months.

5. INFORMATION ON THE APB GROUP (Cont'd)

5.3.3.6 Suppliers

The main raw materials required by Prescan are film, chemicals and testing consumables. The list of Prescan's major suppliers which accounted for more than 10% of the total raw material purchased for the financial year ended 30 September 2003, are as follows:

Name	Raw material acquired	Percentage of raw material purchased (%)	Length of relationship (year)
Edaran Prestasi Sdn Bhd	Film, chemicals and testing consumables	81	9
Agfa Asean Sdn Bhd	Film, chemicals and testing consumables	10	5

As indicated above, Prescan has established a strong relationship with its two (2) suppliers and this is reflected by the fact that these suppliers have been working with the company for more than five (5) years. Edaran Prestasi Sdn Bhd, the largest supplier, accounted for approximately 70% of the total raw material purchased in year 2002 as it provides more favourable terms to Prescan as compared to other suppliers. Notwithstanding that, the raw materials supplied by the said largest supplier are easily sourced from the local market. As such, Prescan is not overly dependent on the abovementioned suppliers.

5.3.3.7 Governing laws and regulations

All service providers of NDT and suppliers of isotopes have to apply for a licence from the Atomic Energy Licensing Board, Ministry of Science, Technology and Environment prior to operating.

In addition, skilled personnel directly involved in providing NDT services within the companies have to register with the Atomic Energy Licensing Board. To comply with the requirements of Ministry of Science, Technology and Environment, operators of NDT services have to employ a Qualified Radiation Protection Officer due to the hazardous nature of the industry. As the use of isotopes, which is a radioactive source of energy and is considered hazardous to health, service providers of this said NDT has to comply with the local government regulations.

Prescan is currently registered with the Atomic Energy Licensing Board.

5.3.3.8 Technology

Type of equipment	Type of testing	Function
X-ray Crawler	Radiography testing	<input type="checkbox"/> To move and position x-ray machine to the centre of the pipe and at any predetermined location by sensor. <input type="checkbox"/> To check quality of welding in pipeline construction.
Sentinel Cobalt 60 Projector	Radiography testing	<input type="checkbox"/> To produce very penetrative gamma ray in order to conduct testing on 3" to 9" thick steel. <input type="checkbox"/> To check for discontinuities in welded construction.
Niton 898	Positive material identification (Material analyser)	<input type="checkbox"/> To grade the type of material and is capable to analyse each composition of element in percentage of the tested material.
Ultrasonic Flaw Detector	Ultrasonic testing	<input type="checkbox"/> To locate and detect weld defects/discontinuities by transmitting ultrasound and interpreting the reflected echoes.

5. INFORMATION ON THE APB GROUP (Cont'd)

Type of equipment	Type of testing	Function
		<input type="checkbox"/> To determine the remaining wall thickness of the pipeline for corrosion monitoring.
Hardness Tester	Hardness testing	<input type="checkbox"/> For testing of the hardness of the material.
Magnafluc Y6 Yoke	Magnetic particle testing	<input type="checkbox"/> To detect surface and subsurface cracks of the ferrous material by inducing magnetism and interpreting iron powder indications.

5.3.4 Provision of Power Generation Services

Pursuant to the Sale and Purchase Agreement entered into between MESSB and APB in relation to the Proposed Acquisition of ECSB, MESSB and MESB is to procure all relevant endorsement, approval and license to undertake the development and execution of the "Project Penjanaan Kuasa Hidro Kecil", which involves the development of three (3) mini hydro electric power stations totaling 7.5 Megawatts ("MW") in power generation ("Hydro Project") under the Small Renewable Energy Power Program ("SREP"). In addition, MESSB and MESB have commenced negotiations with Tenaga Nasional Berhad ("TNB") in respect of the Power Purchase Agreement ("PPA"), whereby TNB shall purchase the electricity generated from the three (3) Hydro Project at a mutually agreed unit rate for a term of twenty one (21) years.

These three (3) hydro power river schemes are located at Sungai Kampar ("SK"), Sungai Selama ("SS") in the state of Perak Darul Ridzuan and Sungai Loh ("SL") in the state of Terengganu Darul Naim with the total planned capacity of 7.5MW. The construction and development of the Hydro Projects located at SK is scheduled to commence from April 2004 and is expected to be completed within a period of eighteen (18) months, while construction and development of the Hydro Projects located at SS and SL are scheduled to commence from August 2004 and is expected to be fully operational by first quarter of 2006.

Pursuant to the Sale and Purchase Agreement entered into between PESB and APB in relation to the Proposed Acquisition of KRSB, PESB undertakes to obtain the written consent of TNB to extend the tenure of the appointment of PESB to operate and maintain thirty five (35) mini hydro generating stations ("MHGS") at various locations in Peninsular Malaysia comprising the entire system of access roads, intake structures, water conveyance systems, power houses, electro-mechanical machines, telecommunications facilities and transmission line ("MHGS Agreement"), and novation of PESB's rights, interests, benefits, obligations and liabilities under the MHGS Agreement in favor of KRSB. Furthermore, KRSB is currently in negotiation with TNB to enter into an agreement involving the acquisition of the thirty five (35) MHGS belonging to TNB for the production of electricity.

These thirty- five (35) mini hydro power plants are located at various locations at Peninsular Malaysia. The capacity for each plant ranges from 100 Kilowatts ("KW") to 1,100 KW and total installed capacity for the thirty-five (35) plants is 16.9MW. Currently, slightly less than half of the plants are in operations, with the rest of the plants requiring maintenance and replacement of generators and piping. Total capital expenditure required in reviving the power plants to their respective optimum production capacity is estimated to be approximately RM27 million to be incurred over three (3) years period. The capital expenditure would be financed through both equity and debt financing.

Both the abovementioned projects are initiated under the SREP program, launched by the Government of Malaysia on 11th May 2001 under the Third Outlines Perspective Plan for 2001-2010 ("TOPP"). The SREP is an initiative of the Special Committee on Renewable Energy ("SCORE") aimed at supporting the Government's strategy to intensify the development of Renewable Energy ("RE"). Under the SREP, small power generation plants, which utilize RE can apply to sell electricity to TNB through the Distribution Grid System.

5. INFORMATION ON THE APB GROUP (Cont'd)

ECSB, KRSB and the vendors of both ECSB and KRSB are in the process of negotiating directly with TNB on all aspects relating to the Renewable Electricity Purchase Agreement. As this is a special program encouraged by the Government to boost the RE sector, the indicative 'pricing rate' is expected to be relatively attractive. The concession is anticipated to be for 21 years. With the pre-agreed generation capacity, TNB will take all the electricity that will be generated. Furthermore, remote MHGS connected to TNB's power supply grid serves as a very useful function of stabilizing under-voltage disruption which occurs frequently at the end of the transmission grids. In addition, at the time when MHGS are running reliably and supplying enough power to meet local demands, then TNB will gain from not having to channel power through long distances of transmission lines which result in about 2% energy loss for every 5km of power transmission.

APB group has the comparative advantage in the hydro power sector. The metal fabrication division is expected to supply the piping, and some of the equipment which are in the domain of the group expertise. The mechanical and electrical unit will assist in the implementation and coordination of the projects. The group has already assembled a team of professional engineers with vast experience in the mini hydro power sector. These include some ex-TNB professionals.

5.3.5 Management quality

The Group's management team consists of professional managers with qualifications and extensive experience in their respective field. The Group has a good balance of specialist skills in areas such as operations, engineering, finance and business. The Group's chartered growth can be mainly attributed to its management, under the guidance and direction of the Board of Directors of the Group. The combined business acumen and vast experience of the Group's management in the process equipment fabrication industry, supply and installation of air-conditioning and mechanical ventilation systems and the provision of NDT services augurs well for the future direction of the Group.

5.3.6 Interruption in operations

There has been no interruption in the APB Group's business which may have had significant impact on the operations of the Group during the past twelve (12) months preceding 28 February 2004.

5.3.7 Employees

As at 28 February 2004, the Group has a workforce of 225 employees, including Executive Directors, as tabulated below. None of the employees is a member of any labour union, and the relationship between the management and employees is good. There has been no labour or industrial dispute in the past between the employees and management of the Group.

Generally, the Group's employees can be categorised as follows:

Department	Number of employees	Average number of years of service
Management staff	20	3 – 8 years
Supervisors/engineers	37	3 – 8 years
Technician	72	2 – 5 years
Skilled/unskilled workers	96	2 – 5 years
	225	

5. INFORMATION ON THE APB GROUP (Cont'd)

The Group provides its employees with regular training programmes, which includes a comprehensive orientation programme and on-the-job training for new employees. Both internal and external training are conducted by the Heads of Department, foreign qualified engineers and consultants to improve productivity and efficiency of the employees. The Group's commitment to staff training is also reflected through its active participation in Human Resource Development Funding ("HRDF") sponsored programmes to constantly keep staff abreast with new techniques and the changing operations environment.

5.4 FUTURE PLANS OF THE APB GROUP**5.4.1 AMC**

AMC's future plans are focused on four (4) main areas as follows:

5.4.1.1 Diversification in end-user industries

The objectives of diversification in end-user industries are to further increase AMC's customer base and reduce any dependencies on any one (1) industry sector, increase areas of specialisation in addition to oil, gas, petrochemicals, oleochemicals and power, capitalise on areas with low level of competition.

As the applications for process equipment is diverse across many user-industries, there are ample opportunities for AMC to expand its customer base to include other industry sectors. As part of AMC's intention to focus on higher profit margin end-user sectors, food and beverage and pharmaceutical industries are the two (2) main areas of expansion beyond financial period ending 30 September 2003. Although the process equipment used in the food and beverage, and pharmaceutical industries is governed by less stringent standards, there is some specialisation required in terms of design and specifications.

5.4.1.2 Expansion in plant capacity

To enable AMC to address new areas of opportunities in the food and beverage, and pharmaceutical processing, the company has expanded its plant capacity at the Subang factory from 3,100 square feet to 7,000 square feet, of which it was completed by April 2003.

5.4.1.3 Local joint venture partners

AMC also has plans to seek joint-venture partners to bid for projects with Petronas in year 2004. The objective is mainly to provide a complementary package of products and services to strengthen the bid for oil and gas projects. According to the Petroleum Legislation in Malaysia, all suppliers to the oil and gas industry are required to be licensed by Petronas. Currently AMC has access to the oil and gas industry through third parties such as engineering based companies or technical specialists. AMC plans to register as a supplier with Petronas upon the successful listing of APB on the MSEB.

5.4.1.4 Regional expansion

To further capitalise on export markets for process equipment, AMC aims to expand its markets to cover the following countries:

 Vietnam

The oil and gas industry in Vietnam is experiencing significant growth in terms of exploration and production of crude oil. This will generate an increase in refinery and downstream processing activities, which will stimulate demand for process equipment.

AMC plans to undertake feasibility studies into Vietnam before embarking on the expansion plans. This may include teaming up with local partner(s) when identified.

5. INFORMATION ON THE APB GROUP *(Cont'd)*

China

AMC plans to penetrate the oil and gas industry, oleochemicals and soybean oil processing industries in China. AMC plans to undertake feasibility studies into China before embarking on the expansion plans.

Brunei

AMC plans to penetrate the oil and gas industry in Brunei. This includes active participation in the projects awarded by Brunei Shell Petroleum Company Sdn Bhd via an informal arrangement with a Brunei agent company.

5.4.2 **Benmarl**

Benmarl's main strategies for the future will be the diversification into new products and other end-user industries.

5.4.2.1 *Diversification into new products*

The objective of diversification into new products is to increase the portfolio of complementary products and services in addition to air-conditioning and mechanical ventilation systems and to offer a wider range of products and services to customers.

Some of the new products that Benmarl intends to source include the following:

New products	Description of products and services to be provided
UPS for both retail and institutional users	UPS are designed to provide an alternative source of power supply for a period of time during power failure. This will enable Benmarl to provide a package of products and services including sales, wiring and installation of UPS to critical equipment and appliances for the business sector and direct sales of UPS to the consumer market.
Heat pump systems	Heat pump systems are designed for customers who use air-conditioning systems and hot water systems simultaneously. These pumps enable the user to save on energy by providing both functions efficiently.
Solar and other renewable energy systems	Solar and other renewable energy applications enable Benmarl to provide some options to existing non-renewable energy power generation
Home integration systems	Home integration systems include security and electrical control systems provide central monitoring and emergency response for residential homes. Similarly, Benmarl will provide a package incorporating sales of systems, wiring and installation
Chiller plants	To complement its air-conditioning systems, Benmarl also intends to source and install specialised cooling equipment to be used in chiller plants

5.4.2.2 *Diversification into other end-user industries*

The objective of diversification into other end-user industries is to reduce dependency on the building and construction industry and to capitalise on the opportunities in servicing other end-user industry sectors.

5. INFORMATION ON THE APB GROUP (Cont'd)

Some of the end-user industries that Benmarl will be focusing on are the oil and gas sector, pharmaceutical sector, computer data centres and network providers sector, defense industry, medium to high-end housing development projects.

Benmarl is currently endeavouring to secure a few projects in the oil and gas industry. The strong growth in oil and gas industry is expected to stimulate demand for new industrial development and offices particularly in the East Coast of Peninsular Malaysia. In addition, part of its future plans also includes providing mechanical and electrical services to the pharmaceutical sector that complies with Good Manufacturing Practice requirements. Benmarl also has intentions of providing integrated electrical power supply systems incorporating UPS, special cabling and air-conditioning for computer data centres and network providers. Other areas also include mechanical and engineering works for purpose-built cabins and vehicles for the defence industry. Further, with the continuing growth in the housing sector, one of the areas of focus will be in medium to high-end housing development projects specifically in the supply and installation of home security and electrical control systems.

5.4.3 Prescan

Prescan's future plans include expansion of services and acquisition of new equipment.

5.4.3.1 Expansion of services

The main objective of expanding the current service portfolio is to reduce dependency on NDT and to offer a wider range of products and services to customers.

Prescan intends to offer destructive testing services which essentially incorporates tensile test, bend test, macro-etching test, Charpy impact test. These tests are other forms of tests for the metal and steel fabrication sector.

5.4.3.2 Acquisition of new equipment

Part of Prescan's future plans is to incorporate more advanced ultrasonic weld inspection technology in its portfolio of services. One of the more advanced technology utilised in this industry is the Time-of-Flight-Diffraction ("TOFD") technique which offers a number of advantages over radiography technique. In order to offer TOFD weld inspection services, the company intends to acquire new equipment utilising part of the proceeds raised from the Issues.

5.4.4 ECSB

ECSB's future plan is focus primarily in the mini-hydro power sector. The company will try to identify other potential rivers to develop further mini-hydro power plants. The long term goal is to be a leading developer of mini-hydro power plants with the scope of regional expansion.

5.4.5 KRSB

KRSB's future strategy is to expand in the mini-hydro power sector, through increasing the number of mini-hydro power plants or generation of capacity. The focus is to be the leading expertise in this mini-hydro power sector particularly in the operation and maintenance area. The long term strategy would include regional expansion if opportunities arise.

5. INFORMATION ON THE APB GROUP (Cont'd)

5.5 SUBSIDIARY AND ASSOCIATED COMPANIES

5.5.1 Information on EJ

5.5.1.1 History and business

EJ was incorporated in Malaysia on 12 October 2001 as a private limited company under the Act.

As at 30 March 2004, the authorised share capital of EJ is RM50,000,000 comprising 50,000,000 EJ Shares, of which 45,638,085 EJ Shares each have been issued and fully paid-up.

The principal activity of EJ is investment holding.

5.5.1.2 Changes in the issued and paid-up share capital

Details of the changes in the issued and paid-up share capital of EJ since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative share capital RM
12.10.2001	2	Cash	2
30.04.2002	4,700,000	Rights issue of 4,700,000 new EJ Shares at par	4,700,002
30.03.2004	33,159,848	Shares issued pursuant to the Acquisition of AMC at par	37,859,850
30.03.2004	5,444,764	Shares issued pursuant to the Acquisition of Benmarl at par	43,304,614
30.03.2004	2,333,471	Shares issued pursuant to the Acquisition of Prescan at par	45,638,085

5.5.1.3 Subsidiary and associated companies

As at the 30 March 2004, EJ has the following subsidiary and associated companies:

Name of company	Date and place of incorporation	Paid-up share capital RM	Effective interest (%)	Principal activities
<i>Subsidiary companies of EJ</i>				
AMC	28.01.1982 Malaysia	3,000,000	100.0	Design and fabrication of specialised engineering equipment
Benmarl	10.09.1986 Malaysia	400,004	100.0	Contractors in air-conditioning and related engineering services
Prescan	10.03.1988 Malaysia	1,600,000	100.0	Provision of NDT services which include ultrasonic flaw detection, pipeline radiographic inspection utilising remote control crawlers, positive material identification and magnetic particle inspection
<i>Associated company of AMC</i>				
Kanon	14.03.1997 Malaysia	150,000	35.0	Provide consultancy or assistance on the production of loading arms and sales supports and maintenance services

5. INFORMATION ON THE APB GROUP (Cont'd)

5.5.2 Information on AMC

5.5.2.1 History and business

AMC was incorporated in Malaysia on 28 January 1982 as a private limited company under the Companies Act. As at 28 February 2004, the authorised share capital of AMC is RM5,000,000 comprising 5,000,000 AMC Shares, of which 3,000,000 AMC Shares have been issued and fully paid-up.

The principal activity of AMC is the fabrication of specialised design and manufacturing of engineering equipment. AMC commenced operations since 1989. Its core business is in design, engineering and fabrication of process equipment focusing on the oil, gas, petrochemicals, oleochemicals and power industries. Although AMC has the capabilities to fabricate a wide variety of process equipment, the company's strength lies in the design and engineering of pressure vessels.

5.5.2.2 Changes in the issued and paid-up share capital

Details of the changes in the issued and paid-up share capital of AMC since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative share capital RM
28.01.1982	2	Cash	2
28.03.1989	99,998	Cash	100,000
02.12.1989	100,000	Other than cash	200,000
02.11.1990	200,000	Cash	400,000
17.09.1991	35,000	Cash	435,000
19.09.1991	65,000	Cash	500,000
08.04.1993	500,000	Cash	1,000,000
25.04.1997	1,000,000	Cash	2,000,000
01.07.1997	1,000,000	Cash	3,000,000

5.5.2.3 Subsidiary and associated companies

As at 28 February 2004, AMC has the following associated company:

Name of company	Date and place of incorporation	Paid-up share capital RM	Effective interest (%)	Principal activities
Kanon	14.03.1997 Malaysia	150,000	35.0	Provide consultancy or assistance on the production of loading arms and sales supports and maintenance services

As at 28 February 2004, AMC does not have any subsidiary company.

5. INFORMATION ON THE APB GROUP (Cont'd)

5.5.2.4 Substantial shareholders

The substantial shareholders of AMC (holding 5% or more of the paid-up share capital) and their shareholdings as at 28 February 2004 are as follows:

Shareholder	Direct		Indirect		Nationality/ Country of incorporation
	No. of shares held	% held	No. of shares held	% held	
Yap Kow @ Yap Kim Fah	1,314,298	43.8	550,000 ¹	18.3	Malaysian
TTS Resources Sdn Bhd	550,000	18.3	-	-	Malaysia
Danau Restu Sdn Bhd	391,286	13.0	-	-	Malaysia
Aspirasi Jitu Sdn Bhd	308,714	10.3	-	-	Malaysia
Lim Hong Liang	350,000	11.7	-	-	Malaysian
Yap Kau @ Yap Yeow Ho	-	-	550,000 ¹	18.3	Malaysian
Rosley bin Abdul Rahman	-	-	391,286 ²	13.0	Malaysian
Rosnah binti Abdul Rahman	-	-	391,286 ²	13.0	Malaysian
Atan bin Abdullah	-	-	308,714 ³	10.3	Malaysian
Wan Azman bin Wan Abdul Majid	-	-	308,714 ³	10.3	Malaysian

Notes:

¹ Deemed interest by virtue of their shareholdings in TTS Resources Sdn Bhd

² Deemed interest by virtue of their shareholdings in Danau Restu Sdn Bhd

³ Deemed interest by virtue of their shareholdings in Aspirasi Jitu Sdn Bhd

5.5.2.4 Directors

The Directors and their shareholdings as at 28 February 2004 are as follows:

Name	Direct		Indirect		Nationality
	No. of shares held	% held	No. of shares held	% held	
Yap Kow @ Yap Kim Fah	1,314,298	43.8	550,000 ¹	18.3	Malaysian
Yap Kau @ Yap Yeow Ho	-	-	550,000 ¹	18.3	Malaysian

Note:

¹ Deemed interest by virtue of their shareholdings in TTS Resources Sdn Bhd

5. INFORMATION ON THE APB GROUP (Cont'd)

5.5.3 Information on Benmarl

5.5.3.1 History and business

Benmarl was incorporated in Malaysia on 10 September 1986 as a private limited company under the Companies Act. As at 28 February 2004, the authorised share capital of Benmarl is RM500,000 comprising 500,000 Benmarl Shares, of which 400,004 Benmarl Shares have been issued and fully paid-up.

The principal activity of Benmarl is as contractors in air-conditioning and related engineering works. Benmarl commenced operations since 1987. Its initial core business was in the supply and installation of air-conditioning and mechanical ventilation systems focusing on commercial, retail and industrial sectors of the building and construction industry. Over the last fifteen (15) years, Benmarl has built on the business to incorporate capabilities as a main contractor for mechanical and electrical works for turnkey projects within the building and construction industry.

5.5.3.2 Changes in the issued and paid-up share capital

Details of the changes in the issued and paid-up share capital of Benmarl since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative share capital RM
10.09.1986	3	Cash	3
25.05.1987	29,997	Cash	30,000
28.02.1989	70,002	Cash	100,002
30.05.1991	100,000	Cash	200,002
09.05.1996	200,002	Bonus issue 1:1	400,004

5.5.3.3 Subsidiary and associated companies

As at 28 February 2004, Benmarl does not have any subsidiary or associated companies.

5.5.3.4 Substantial shareholders

The substantial shareholders of Benmarl (holding 5% or more of the paid-up share capital) and their shareholdings as at 28 February 2004 are as follows:

Shareholder	Direct		Indirect		Nationality
	No. of shares held	% held	No. of shares held	% held	
Lim Hong Liang	200,002	50.0	-	-	Malaysian
Lim Lye Hock	200,002	50.0	-	-	Malaysian

5. INFORMATION ON THE APB GROUP (Cont'd)

5.5.3.5 Directors

The Directors and their shareholdings as at 28 February 2004 are as follows:

Name	Direct		Indirect		Nationality
	No. of shares held	% held	No. of shares held	% held	
Tan Teng Khuan	-	-	-	-	Malaysian
Lim Lye Hock	200,002	50.0	-	-	Malaysian
Kamarudin bin Md. Nor	-	-	-	-	Malaysian

5.5.4 Information on Prescan

5.5.4.1 History and business

Prescan was incorporated in Malaysia on 10 March 1988 as a private limited company under the Companies Act. As at 28 February 2004, the authorised share capital of Prescan is RM5,000,000 comprising 5,000,000 Prescan Shares, of which 1,600,000 Prescan Shares have been issued and fully paid-up.

The principal activity of Prescan is the provision of NDT services which include ultrasonic flaw detection, pipeline radiographic inspection utilising remote control crawlers, positive material identification and magnetic particle inspection.

Prescan commenced its business in March 1988. Prescan mainly services the process equipment industry as NDT is a critical component of quality assurance particularly for end-user industries of process equipment such as the oil, gas and petrochemical industry. NDT is mainly undertaken once the fabrication of any metal or steel structure, pipe or pressure vessel is completed. NDT is to inspect and test the integrity of the structure or vessel to ensure that there are no fractures or weaknesses in the welding.

5.5.4.2 Changes in the issued and paid-up share capital

Details of changes in the issued and paid-up share capital of Prescan since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative share capital RM
10.03.1988	3	Cash	3
01.04.1988	49,997	Cash	50,000
25.05.1992	50,000	Cash	100,000
18.10.1996	200,000	Cash	300,000
05.04.1997	250,000	Cash	550,000
10.04.1997 and 11.04.1997	1,050,000	Cash	1,600,000

5. INFORMATION ON THE APB GROUP (Cont'd)

5.5.4.3 *Subsidiary and associated companies*

As at 28 February 2004, Prescan does not have any subsidiary or associated companies.

5.5.4.4 *Substantial shareholders*

The substantial shareholders of Prescan (holding 5% or more of the paid-up share capital) and their shareholdings as at 28 February 2004 are as follows:

Shareholder	Direct		Indirect		Nationality
	No. of shares held	% held	No. of shares held	% held	
Cheong Boon Yu	753,500	47.1	-	-	Malaysian
Gan Chin Boon	753,500	47.1	-	-	Malaysian
Jaafar bin Padil	93,000	5.8	-	-	Malaysian

5.5.4.5 *Directors*

The Directors and their shareholdings as at 28 February 2004 are as follows:

Name	Direct		Indirect		Nationality
	No. of shares held	% held	No. of shares held	% held	
Cheong Boon Yu	753,500	47.1	-	-	Malaysian
Gan Chin Boon	753,500	47.1	-	-	Malaysian
Jaafar bin Padil	93,000	5.8	-	-	Malaysian

5.5.5 Information on ECSB

5.5.5.1 *History and business*

ECSB was incorporated in Malaysia on 14 July 2003 as a private limited company under the Companies Act. As at 28 February 2004, the authorised share capital of ECSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each and 9,000,000 RCPS at par value of RM0.10 each, of which 10,000 ordinary shares of RM1.00 each and 4,300,000 RCPS have been issued and fully paid-up.

The principal activity of ECSB is carrying on the business of constructional engineers relating to the development, construction, erection, establishment, operation, maintenance and management of hydro power stations, and any business connected with the generation, accumulation, distribution, supply and employment of electricity power by hydro or otherwise.

5.5.5.2 *Changes in the issued and paid-up share capital*

Details of changes in the issued and paid-up share capital of ECSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative share capital RM
14 July 2003	2	Cash	2
23 October 2003	9,998	Cash	10,000

5. INFORMATION ON THE APB GROUP (Cont'd)

Date of allotment	No. of RCPS of RM0.10 each	Consideration	Cumulative preference share capital RM
23 October 2003	4,300,000	Cash	4,300,000

5.5.5.3 Substantial shareholders*

Substantial shareholders	Nationality / place of incorporation	No. of ordinary shares of RM1.00	Effective interest held (%)
APB	Malaysia	4,900	49
MESB	Malaysia	2,000	20
MESSB	Malaysia	3,100	31

Substantial shareholders	Nationality / place of incorporation	No. of RCPS	Effective interest held (%)
APB	Malaysia	4,300,000	100

*Substantial shareholders structure upon completion of the Proposed Acquisition of ECSB.

5.5.5.4 Subsidiary and associated companies

As at 28 February 2004, ECSB does not have any subsidiary or associated companies.

5.5.6 Information on KRSB

5.5.6.1 History and business

KRSB was incorporated in Malaysia on 17 June 2002 as a private limited company under the Companies Act. As at 28 February 2004, the authorised share capital of KRSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each and 9,000,000 RCPS at par value of RM0.10 each, of which 10,000 ordinary shares of RM1.00 each and 4,300,000 RCPS have been issued and fully paid-up.

The principal activity of KRSB is carry on the business of constructional engineers relating to the development, construction, erection, establishment, operation, maintenance and management of hydro power stations and any business connected with the generation, accumulation, distribution, supply and employment of electricity power by Hydro or otherwise.

5.5.6.2 Changes in the issued and paid-up share capital

Details of changes in the issued and paid-up share capital of KRSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Cumulative share capital RM
17 June 2002	2	Cash	2
23 October 2003	9,998	Cash	10,000