
V. INFORMATION ON THE INGRESS GROUP

1. HISTORY AND BUSINESS

Ingress was incorporated in Malaysia under the Companies Act, 1965, on 9 August 1999 as Ingress Corporation Sdn Bhd. As part of the Flotation, Ingress was converted into a public limited company on 2 March 2000 and assumed its present name.

Ingress is principally an investment holding company whilst its subsidiary and associated companies are principally involved in automotive component manufacturing, engineering services, power and electrical services and railway electrification.

The Ingress Group was founded in May 1991. With the technical assistance given by Katayama, in early 1993 it began supplying mouldings to Proton. Encouraged by this success and the rapidly growing automotive market, the Ingress Group on 5 January 1994, incorporated a joint-venture company, IPSB together with Katayama and MC to manufacture door-sash.

Encouraged by its success as a vendor to Proton, on 3 September 1997 the Group signed a joint-venture agreement with Perodua to manufacture complete “Door-in-White” for the Perodua Kancil models, a project undertaken by ITSB.

The rapidly changing trend of the automotive industry spurred by globalisation was instrumental in the forging of further common strategies between the Ingress Group and Katayama Kogyo in seeing the needs of customers in the fast growing ASEAN region. As a result, IAV was incorporated on 17 September 1996 in response to the customers’ requirements in Thailand.

To ensure long term technological competence, the Engineering Services division was formed in 1996. IRSB was incorporated to cater for the Group’s needs in product development, jigs, tools and dies design and fabrication using Computer-aided Design and Manufacturing (CAD/CAM) know-how. In addition, TSSB, another subsidiary company, complements the initiative by specialising in the design and fabrication of test fixtures, production sub-systems and industrial automations.

Ingress Group continues to grow in tandem with economic recovery and it seeks ways of diversifying its core businesses apart from solely relying on the automotive sector. The opportunity came in January 1999, with the acquisition of 100% equity interest in MDSB. MDSB, together with its subsidiary companies, are one of the specialists in power engineering and railway electrification.

Highlighting the Group’s emphasis on quality, its manufacturing facilities in Nilai, Negeri Sembilan have received MS ISO 9002 certification, while its IAV manufacturing plant in Rayong, Thailand has been awarded the QS 9000 accreditation. All efforts are geared to obtain QS 9000 accreditation for all other manufacturing plants whilst a “Total Quality Management” (TQM) programme is already in place.

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V. INFORMATION ON THE INGRESS GROUP (Cont'd)

Changes in Share Capital

The present authorised share capital of Ingress is RM100,000,000 comprising 100,000,000 shares of RM1.00 each, of which 54,250,000 ordinary shares have been issued and fully paid-up as at the date of this Prospectus. Details of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration	Cumulative issued and paid-up share capital RM
9 August 1999	2	Subscriber shares	2
20 October 2000	2,240,000	Issued pursuant to the acquisition of IPSB at approximately RM1.00 per share	2,240,002
20 October 2000	52,009,998	Issued pursuant to the acquisition of IESB at approximately RM1.00 per share	54,250,000

Note: Pursuant to the Public Issue, 9,750,000 new ordinary shares of RM1.00 each in Ingress will be issued to the Malaysian investing public which will increase the issued and paid-up share capital of Ingress to RM64,000,000 comprising 64,000,000 ordinary shares of RM1.00 each.

2. BUSINESS OVERVIEW**2.1 Group Structure**

Ingress' subsidiary and associated companies as at the date of this Prospectus are summarised below:

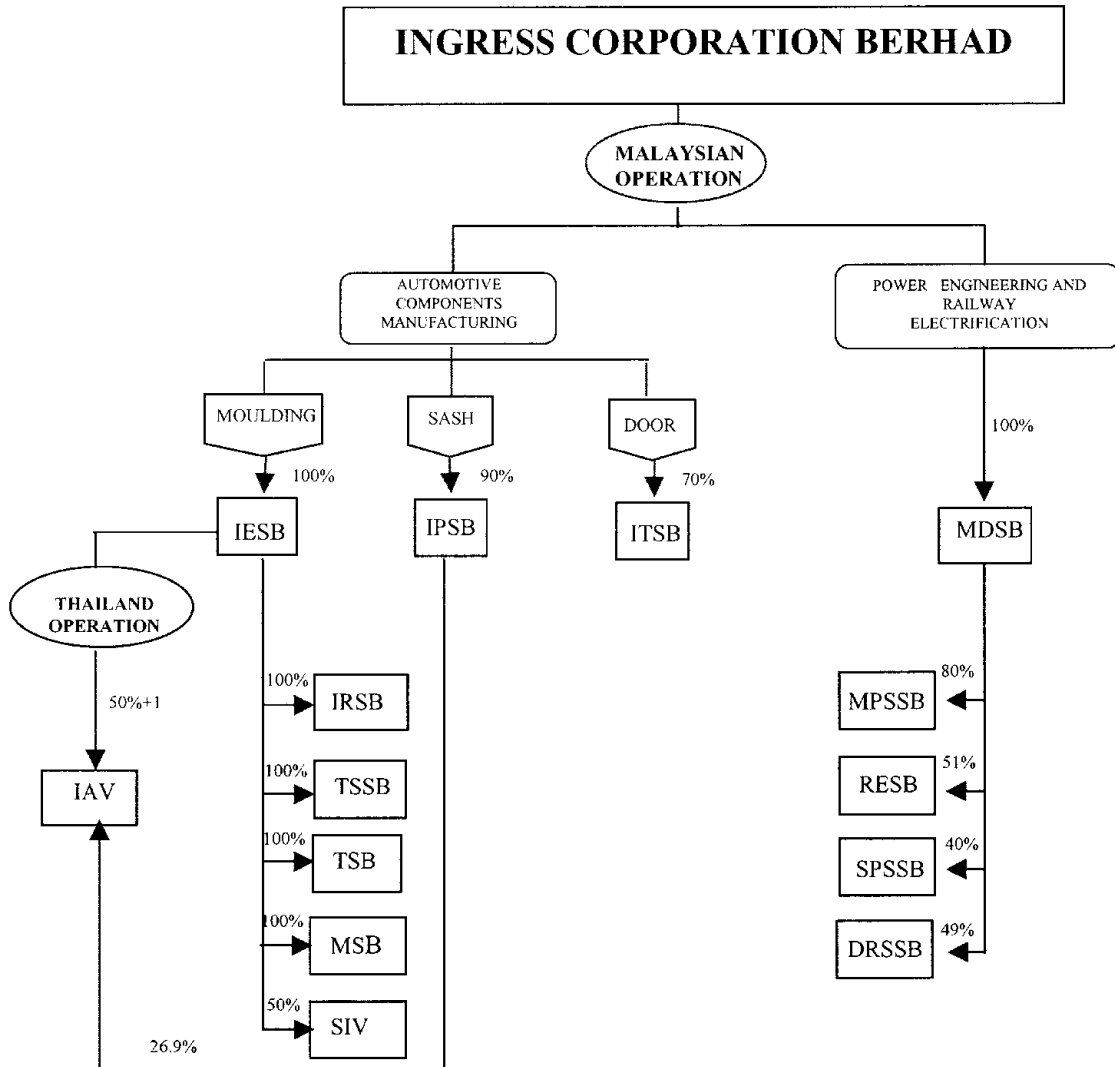
Name of Company	Date and Country of Incorporation	Effective Equity Interest (%)	Principal Activities
Subsidiary			
MDSB	13 January 1994 / Malaysia	100	Provides engineering services for the power and utility industry
RESB <i>(Held through MDSB)</i>	6 November 1982 / Malaysia	51	Provides electrical engineering services for power and utility industry, particularly in building, infrastructure and electricity distribution network
MPSSB <i>(Held through MDSB)</i>	5 December 1994 / Malaysia	80	Manufactures and supplies panel-based electrical equipment
IESB	7 May 1991 / Malaysia	100	Manufactures and supplies roll-formed plastic mouldings and weatherstrips for the automotive industry and provides management services for its group of companies

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

Name of Company	Date and Country of Incorporation	Effective Equity Interest (%)	Principal Activities
Subsidiary IPSB	5 January 1994 / Malaysia	90	Manufactures and supplies roll-formed metal automotive door sash (door-frame) and related components
IRSB (Held through IESB)	16 May 1996 / Malaysia	100	Provides engineering services in the field of computer-aided design and manufacture (CAD/CAM) of tools, jigs and dies and undertake comprehensive product development work for roll-formed plastic mouldings, weatherstrips and metal automotive door sash and related components
TSSB (Held through IESB)	13 July 1995 / Malaysia	100	Provides engineering solutions in industrial automation through design, fabrication, manufacture and supply of sub-system or system for the applications in production and testing
IAV (Held through IESB and IPSB)	17 September 1996 / Thailand	74	Manufactures and supplies roll-formed plastic mouldings and weatherstrips as well as roll-formed metal automotive door sash and related components in Thailand
ITSB	6 March 1992 / Malaysia	70	Manufactures and supplies complete door assemblies (door-in-white) and manufactures and assembles medium to high tonnage pressed parts
TSB (Held through IESB)	13 March 1997 / Malaysia	100	Dormant
MSB (Held through IESB)	20 March 1997 / Malaysia	100	Dormant
Associate			
DRSSB (Held through MDSB)	13 September 1995 / Malaysia	49	Provides engineering services and electrification work for the railway industry
SPSSB (Held through MDSB)	22 December 1995 / Malaysia	40	Provides engineering services for turbo-machinery and electrical maintenance in energy industry
SIV (Held through IESB)	9 July 1996 / Malaysia	50	Dormant

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

The Ingress Group's structure is diagrammatically illustrated below:



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V. INFORMATION ON THE INGRESS GROUP (Cont'd)

2.2 Principal Products and Services

The principal activities of the Ingress Group can be differentiated into two (2) major business units, namely:

- (i) Automotive components manufacturing (“Automotive”); and
- (ii) Power engineering and railway electrification services (“Engineering”).

2.2.1 Automotive Division

The range of products and services offered by the Division to its customers are as follows:

Company	Products/Services	Customers
IESB *	Co-extruded Mouldings <ul style="list-style-type: none"> • Beltline Moulding • Weatherstrips • Roof Drip Mouldings • Windshield Mouldings 	Proton Perodua Carinpa (M) Sdn Bhd (<i>Wira</i> models)
IPSB *	Door Sash and Related Components <ul style="list-style-type: none"> • Door Sash • Glass Guides • Other Sash Related component 	Proton ITSB (<i>Kancil</i> models)
IAV *	Co-extruded Mouldings <ul style="list-style-type: none"> • Beltline Mouldings • Roof Drip Mouldings • Quarter Mouldings Door Sash and Related Components <ul style="list-style-type: none"> • Sash • Rain Rails • Glass Guides Bellows EGR Pipe	AAT MSC Isuzu/General Motors (“GM”)
IRSB	<ul style="list-style-type: none"> • Design and development • Computer aided design and manufacture (CAD/CAM) • Production engineering support 	Ingress Group of Companies
ITSB	Complete Door-in-White Apron	Perodua

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

Company	Products/Services	Customers
TSSB	<ul style="list-style-type: none"> Industrial works i.e. industrial automation and robotic sub-systems/systems 	Proton Perodua HICOM-Teck See Plastic Sdn Bhd Sapura Machining Corporation Sdn Bhd Delloyd Technology Resources Sdn Bhd Tracoma Sdn Bhd Matsushita (M) Electric Devices Malaysia Sdn Bhd Ingress Group of Companies

* Due to the nature of the automotive industry, automotive manufacturers normally have only one (1) supplier for each component.

The detailed description of the products manufactured by the Automotive Division of the Group is given below:

(a) Co-extruded Mouldings

Co-extruded mouldings are parts made from extruded polyvinyl chloride ("PVC") over a roll-formed steel core. The mouldings are generally used to seal around windows, doors and other gaps or joints in the vehicle's exterior.

(b) Door Sash (Door Frame)

The door sash is a steel assembly within the door that supports the window. It is assembled from roll formed steel parts. Not all vehicles use complete door sash assemblies as sashless doors are traditionally used in sports and luxury vehicles. However even sashless doors still use some steel inserts within the door, which can be produced by the Group.

(c) Complete Door Assemblies (Door-In-White)

At present Ingress uses its press line and hemming machinery to produce the door-in-white, a complete door assembly consisting of outer and inner door panels and door sash. It has the ability to produce a variety of other large steel parts that its customers may wish to outsource in the future. These are all high-value parts, and are used on every vehicle.

(d) Bellows

Bellows (also known as flex joint) is a component of the vehicle exhaust system which, being flexible, absorbs engine vibration. The bellows comprise a roll-formed steel tube surrounded by braided steel. Production of bellows shall commence in 2001 for supplying MSC pick-up trucks and GM/Isuzu models in the following year. Its technology source and partner, Katayama, presently manufactures bellows in Japan. Bellows are supplied either directly to the automaker or to the automaker's exhaust system supplier, depending on the automaker's preference. Bellows tend to be employed only when vibration suppression is of great importance, such as on medium/upper-level passenger cars, and commercial vehicles (including pick-ups) with diesel engines.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

(e) EGR Pipe

Exhaust Gas Recirculator Valve (EGR) pipe is another new product of Ingress. It is a metal pipe with a “bellows” feature at its centre used for recirculating the exhaust gas from an engine to the intake side in order to achieve a reduction in emission level of nitrous oxide (a harmful component in the engine exhaust) to the environment.

2.2.2 Engineering Division

The products and services of the Division are as follows.

(a) Power Engineering Services

MDSB has successfully installed and commissioned several high-voltage substations and overhead transmission lines projects such as:

(i) Substations

- 275kV Kuala Lumpur (East) substation extension
- 132kV Shah Alam (East) substation
- 132kV Ulu Melaka substation,
- 132kV Bukit Mertajam substation
- 3 substations for KTM namely 25 kV substation at Batang Benar, Shah Alam and Port Klang, Selangor.

(ii) Transmission Lines

- 500 kV transmission line from Gurun to Junjong in Kedah
- 132 kV transmission line at Majidee substation, Johor
- 132 kV transmission line looping in /out Ulu Tiram substation
- Installation of All Dielectric Self-Supporting (ADSS) optical fibre cable in existing transmission line looping in / out Permas Jaya and Majidee – Kangkar Tebrau, Johor

MDSB has also been awarded additional contracts by TNB for the implementation of high voltage substation and transmission line projects. The scope of work covers design, engineering, procurement, installation and commissioning of substations and transmission lines. In addition, MDSB, through its subsidiary, RESB, is also involved in the engineering, procurement, installation and maintenance of mechanical and electrical services for building and infrastructure projects.

(b) Railway Electrification

The railway electrification projects are undertaken by its associated company, DRSSB. Examples of the major projects completed are as follows:

- KTM double tracking project, package electrification and power supply with contract value of RM152.0 million and;
- Overhead railway electrification and power supply maintenance valued at RM14.8 million.

Furthermore, on 31 March 2000, DRSSB was awarded the contract for the design, manufacture, supply, installation, testing and commissioning of the electrified double track project between Rawang and Ipoh valued at around RM406 million.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

(c) Automation

In addition, the Engineering Division of Ingress is promoting new services in the field of process and building automation to government agencies with the support of Yamatake Corporation of Japan. The products and services offered are customised to its customers' specific requirements in the design, development, project management and maintenance. The detailed description of the products and services offered by the division are as follows:

(i) Process Automation

Process automation services involve providing full range of services and support for efficient operation of process plants including installation of accurate field measurement instruments, reliable final control, and comprehensive maintenance and shutdown / startup procedures. The services are essential for oil and gas, chemical, water and wastewater treatment plants.

(ii) Building Automation

Building automation services involve providing comprehensive automation solution comprising heating, ventilation, air-conditioning ("HVAC") system, energy management system, security surveillance, lighting control, fire fighting system, and district cooling and heating system. The services are essential for new and older buildings in order to save energy, enhance safety, improve equipment reliability, ease the building operations and provide more comfortable building environment.

(d) Manufacturing Products

The Engineering Division is involved in manufacturing whose major products are as follows:

(i) Electric Control Relay Panel ("ECRP")

ECRP comprises electrical equipment used in the transmission and distribution system to monitor, control, and protect the integrity of electricity supply. ECRP is made up of components such as relays, meters, switches, alarm systems and indicators assembled within a metal-based cubicle.

(ii) Electrical Switchboard ("ESB")

ESB comprises main switchboard ("MSB") and distribution board ("DB") used in buildings and plants for distribution of low voltage electricity supply. The range of ESBs offered varies from the low to high end products. For the high-end ESB products, the Engineering Division of Ingress is licensed manufacturer for CUBIC Modular System A/S of Denmark.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

2.3 Technology/software/systems used by the Ingress Group

The manufacturing processes used by the Ingress was developed by Katayama. The automated facility installed in its manufacturing plants ensures consistency in product quality whilst minimising rejects. The Ingress Group has taken full advantage of its close relationship with Katayama. Notably, the Group's trainees were sent to Katayama plant in Japan to acquire the basic know-how of manufacturing. With the assistance of Katayama, the Ingress Group has modeled its productivity and quality standards after those of Katayama. Regular technical audit were held jointly in Malaysia to establish the Group's capabilities and measures were taken under the supervision of the Japanese so that improvement targets are met. This systematic approach in transfer-of-technology has been instrumental in the rapid progress of the Group.

The technology in the power industry is moving towards higher utilisation of automation with the view of higher efficiency and the optimisation of resources. More automation is utilised in substation control, distribution management and load dispatch in generation, transmission and the distribution sector. In line with the trend, the Group is continuously investing in manpower and equipment to meet these challenges. This is evident from the investment in setting up of the Group's in-house Utility Design Centre ("UDC") with the objective of enhancing state-of-the-art expertise and skills. To date, the division produces its own relay and control panels, participates in the installation and commissioning of substation control and data acquisition equipment and also produces automated distribution panel for low voltage application.

For the railway electrification works, the Group is working closely with its principal, DRSGmbH. Furthermore, DRSGmbH consultants have also conducted on-the-job training for the division's staff. These will ensure the flow of knowledge and experience of the latest technology to the Group.

2.4 Technical Assistance Agreement

Two (2) technical assistance agreements were executed by the Group, namely between IRSB and Katayama on 14 May 1997 and between IAV and Katayama on 25 June 1997. The said agreements will expire in May 2001. Under the said agreements, Katayama warrants that the technical information disclosed to the Group is accurate and in the event of inaccuracies, Katayama will promptly notify and render the necessary support to overcome any legal suits instituted against the Group. However, either party may terminate the said agreements by giving three (3)-month notice in advance. After the expiry of both agreements, no further extension to these agreements will be sought by Ingress as it is confident that the Group can stand on its own from the expertise acquired over the original tenure of the said agreements. Notwithstanding this, Ingress and Katayama are currently finalising the terms for further co-operations between the two of them in newer technologies and/or product lines.

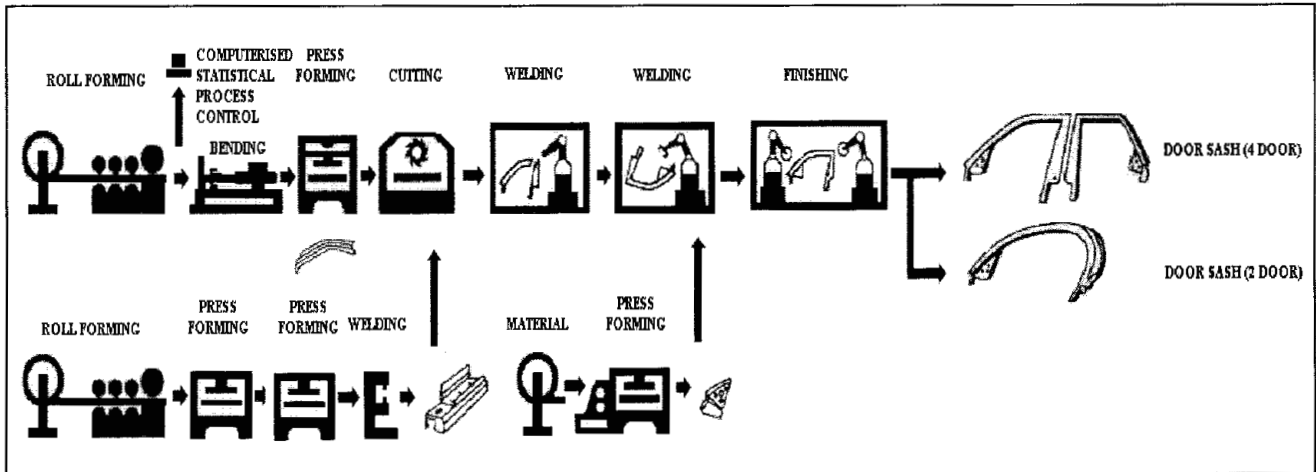
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V. INFORMATION ON THE INGRESS GROUP (Cont'd)

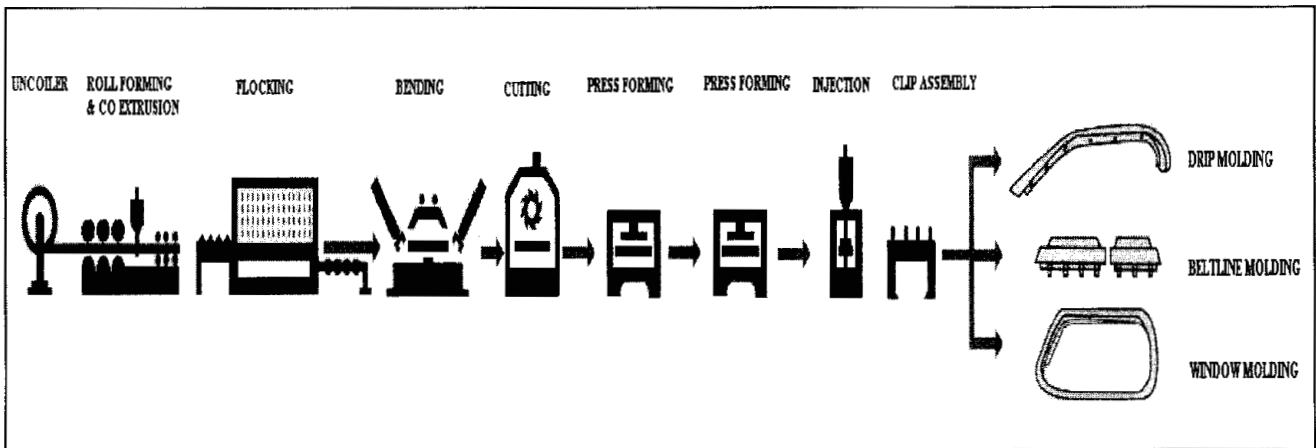
2.5 Production Flow

Depicted below are the flowcharts for processes of mouldings and door sash manufacturings:

Door Sash Manufacturing



Mouldings Manufacturing



2.6 Ingress Group's market position

The Group is currently the sole domestic manufacturer of roll-formed mouldings, weatherstrips and door sash, whilst IAV is one of the two manufacturers of door sash assemblies in the ASEAN region. Furthermore, ITS B is the only automotive vendor who manufactures complete door assemblies in the ASEAN region. The Group, therefore, has very few competitors in ASEAN for roll-formed and hemmed automotive parts.

Currently, amongst the companies within the Ingress Group, only IAV's products are targeted wholly for non-Malaysian markets. IAV's products are sold as components to, inter-alia, MSC and AAT to be installed on vehicles meant for the markets in Thailand, Europe, the USA and Latin America. For the financial year ended 31 January 1999, its first year of operations, IAV contributed approximately 4.4% of the Group's turnover and this increased to 10.5% in the financial year ended 31 January 2000.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

2.7 Supply Conditions, Availability of Raw Materials and Vulnerability to Imports**(a) Raw Materials**

For the Automotive Division, the main raw materials used in the production of door sash assemblies and co-extruded mouldings are steel, stainless steel and PVC. The raw materials are procured from Malaysia and overseas.

The unslitted steel and stainless steel (mother coil) are procured from Japan and Korea, after which the materials will undergo slitting into various required sizes by local slitting companies. Meanwhile, polyvinyl chloride (PVC) is sourced locally as well as from Japan and Thailand. Katayama and MC actively participate in resourcing the raw materials used by the Group to ensure final products are consistent in quality, competitively priced and timely delivered to the customers. In addition to assisting the Group in sourcing the materials, Katayama in itself is another source for the raw materials used by the Group. Katayama keeps buffer stock of all the raw materials used in its production. In the event raw materials are difficult to procure, Katayama can be relied on, to some extent, to meet the material requirements of the Group.

The fact that the Group's raw materials are sourced from overseas exposes the Group to the effects of currency fluctuations, especially between Ringgit and the Japanese Yen. To this end, the management, through its suppliers, has taken steps to reduce the risks of currency fluctuations by buying the raw materials at pre-agreed prices.

(b) Labour

The Group has recognised that their greatest asset is its skilled workforce as the Group's activities require skilled workforce to manage and operate the Group's activities. This was evident during the recent economic recession, whereby none of the Ingress Group's staff was retrenched. By retaining all the staff, the Group was in a very advantageous position to regain its production momentum in tandem with the economic recovery.

Furthermore, to ensure the staff are well-equipped with the latest technological know-how, the Group has continuously implemented on-the-job-training programme for its staff. To ensure this, the Group has devised a comprehensive human resource management plan covering the areas of continuous education and training, career development, productivity-linked reward scheme as well as a conducive working environment with emphasis on safety, health and the promotion of positive working cultures. The closeness of relationship with Katayama in the automotive industry has provided the Group with the additional platform to enhance the skill of its workforce through training at Katayama's facilities in Japan and elsewhere. In the Engineering Division, technical trainings are conducted in-house and abroad with the Group's principals namely, SEL, USA for substation protection, SEI, Japan for overhead transmission line and DRSGmbH, Germany for railway electrification.

2.8 Quality Control Procedures

The Ingress Group places much emphasis on quality, both in its products and services. This is reflected in a number of accreditation and awards achieved/obtained to-date such as the MS ISO 9002 and QS 9000 certifications obtained by the Group in August 1997 and September 1999, respectively. The certificates cover the area of the manufacturing of mouldings and weatherstrips as well as door sash to be used in the automotive industry.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

The Group has implemented total quality management (TQM) throughout the Company and its subsidiaries. All standards and procedures are guided by the principles of TQM in accordance to the requirements of MS ISO 9002 and QS 9000. Implementation by the TQM team at the respective divisions and subsidiaries will assist the Group to deliver quality products and services, which will ultimately contribute to the customers' satisfaction.

2.9 Research and Development ("R&D")

The Group emphasises heavily on R&D and has been operating a systematic operating procedure to ensure its products and services are of consistent quality as well as within adequate safety standards for both of its business divisions.

Underlining the importance of R&D, the Ingress Group set up a wholly-owned subsidiary, namely IRSB in 1996, to undertake all the R&D for the Automotive Division. IRSB comprises a team of experienced personnel set up to provide the design and development of mouldings and door sash and their related production facilities. A substantial investment in technology has been made to equip IRSB with the latest CAD/CAM facilities. For the past three (3) financial years Ingress had invested RM4.3 million on R&D. The CAD/CAM methodologies are fully utilised throughout the processes of product and manufacturing design for shorter development time in order to meet stringent customers' demands. In addition, to accelerate the transfer of technology in the relevant areas, IRSB has an ongoing technical assistance with Katayama enabling IRSB to have an on-line data transfer and consultancy. This also paves the way for joint development and work sharing.

With its own in-house utility and design centre ("UDC"), the Engineering Division has the competitive advantage in the market as it can offer independent system integration capabilities and multi-branding equipment outsourcing. Currently UDC is also developing designs for panel-based electrical equipment to cater for various makes of components. This would not only help to reduce the equipment price through the economies of scale but also to assist the customers in making accurate comparisons.

2.10 Interruption/Disruption in Business

The Group did not experience any disruption in business having significant effect on its operations for twelve (12) months prior to the date of this Prospectus.

2.11 Key Achievements

The certifications and awards received by the Ingress Group are summarized as follows:

Date	Company	Accreditation/ Awards	Awarded By:	Product/Area
August 1995	IPSB	Appreciation for product development	Proton	Door sash
August 1995	IESB	Most Improved Vendor Award, 1994 to 1995	Proton	Mouldings and weatherstrips
August 1997	IESB	ISO 9002	SIRIM	Mouldings and weatherstrips

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

Date	Company	Accreditation/ Awards	Awarded By:	Product/Area
August 1997	IPSB	ISO 9002	SIRIM	Door sash
September 1999	IAV	QS 9000 / ISO 9000	TUV Anlagentechnik GmbH	<ul style="list-style-type: none"> • Mouldings and weatherstrips • Door sash
October 2000	IESB	Appreciation for quality and delivery	Proton	Mouldings and weatherstrips

2.12 Methods of Distribution
(a) Automotive Division

The automotive industry is noted for the close relationship between the components manufacturers and the vehicles manufacturers or assemblers. These relationships are governed by three main principles, namely **quality, competitive pricing and timely delivery** of products. These are the very same principles adopted by the Ingress Group in establishing and maintaining good relationships with its principal customers, namely Proton Perodua, MSC and AAT. The Division believes that timely delivery of quality and competitively priced products are the ingredients in satisfying its customers. The Group is committed to keeping up its present performance whilst continuously looking for new ways to satisfy the needs and requirement of each of its customers better.

The Division has also planned an aggressive approach to promote its products to other car assemblers with global reach. This is demonstrated by their venture into the Thailand market. In Thailand, the Division has already started supplying MSC and AAT and obtained the approval from GM and Isuzu to supply mouldings and bellows. All these were made possible by the proven track record of the management as well as the strategic alliance with Katayama and MC, which gives the Group opportunities and access to the overseas markets.

(b) Engineering Division

The Division utilises in-house design competency and independent system integration as its strategic approach to promote its services to these major customers. As most customers emphasise on early involvement during budgeting and the development of specification stages. This is to ensure accurate estimation of the project costs and local content for the project can be increased.

To ensure the Division is awarded new contracts by its principal customers as well as potential customers, the Group is making every attempt to enhance the customer-client relationship by following the marketing strategies listed below:

- Early participation in the initial stages of the projects, ensuring valuable input can be given for their eventual successful implementations; and
- Prompt after sales service, demonstrated by the ability to despatch its skilled personnel to site upon short notice.

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2.13 Location of Manufacturing Facilities and/or Principal Place of Business

The address of the Head Office of the Group is as follows:

PT 2475-2476,
Kawasan Perindustrian Nilai,
PO Box 45,
71807 Nilai,
Negeri Sembilan Darul Khusus

The list of the principal assets and manufacturing facilities of the Group is set out in Section X(2) of this Prospectus.

2.14 Production Capacities and Output

The annual production capacities and output for the relevant subsidiary companies of Ingress for the last five (5) financial years (in number of car sets) or for the number of years in operations (if less than five years in operations) are as follows:

(a) IESB

Products	Capacity Car Sets	Volume of Production for the Financial Year Ended 31 January				
		1996 Car Sets	1997 Car Sets	1998 Car Sets	1999 Car Sets	2000 Car Sets
Proton						
Beltline	200,000	89,787	108,519	115,625	34,420	84,965
Weatherstrip	200,000	75,615	109,601	118,059	35,820	85,552
Roofdrip	60,000	17,530	23,645	34,366	19,395	36,782
Pillardrip	140,000	73,356	84,874	87,850	16,289	54,503
Perodua						
Weatherstrip outer	200,000	0	30,430	62,852	43,773	71,278
Weatherstrip inner	200,000	0	30,430	62,852	73,773	72,278

(b) IPSB

Products	Capacity Car Sets	Volume of Production for the Financial Year Ended 31 January				
		1996 Car Sets	1997 Car Sets	1998 Car Sets	1999 Car Sets	2000 Car Sets
Proton						
Door sash assemblies	140,000	31,402	108,683	117,765	39,358	90,613
Perodua						
Door sash assemblies	140,000	-	-	-	-	37,344

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(c) IAV

Products	Capacity Car Sets	Volume of Production for the Financial Year Ended 31 January	
		1999 Car Sets	2000 Car Sets
Mouldings and weatherstrips	150,000	38,021	61,048
Door sash and related components	150,000	9,085	52,584

(d) ITSB

Products	Annual Capacity Car Sets	Volume of Production for the Year Ended 31 January 2000 Car Sets
Door assemblies	90,000	30,908

2.15 Employees

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), the Ingress Group has a total of 827 employees, none of whom belongs to any union and they enjoy a good relationship with the management. The total number of employees with the breakdown into categories and average number of years of services as at the date of this Prospectus is as follows:

Category	> 10 years of service	>5 & < 10 years of service	< 5 years of service	Total
Management	6	27	42	75
Executive	-	21	79	100
Clerical	-	5	58	63
General Worker	-	99	490	589
Total	6	152	669	827

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V. INFORMATION ON THE INGRESS GROUP (Cont'd)

3. RESTRUCTURING EXERCISE**3.1 Incorporation of Revaluation Surplus Prior to Restructuring Exercise**

Prior to its restructuring exercise, and as part of the Group's policy, the subsidiary companies of Ingress undertook a revaluation exercise of their properties undertaken by Messrs Jurunilai Bersekutu on 18 January 2000. The surplus arising from the said revaluation exercise was incorporated in the accounts of the respective companies for the financial year ended 31 January 2000. The summary of the revaluation is as follows:

Name of company/details of properties	Market value @ 31/1/2000 RM	NBV @ 31/1/2000 RM	Revaluation Surplus/ (Deficit) RM
<i>IESB</i>			
- Bangi, Selangor	5,000,000*	4,686,849	313,151
- Nilai, Negeri Sembilan	20,000,000*	20,798,625	(798,625)
<i>IAV</i>			
- Rayong, Thailand	8,000,000	7,049,420	950,580
<i>ITSB</i>			
- Bukit Beruntung, Selangor	16,300,000	14,510,666	1,789,334
	49,300,000	47,045,560	2,254,440

* *These properties owned by IESB have been revalued downward by the SC vide its letter dated 28 August 2000 in which the Bangi and Nilai properties were valued at RM3,500,000 and RM14,500,000, respectively. The difference of RM7,000,000, net off against the amount appearing in the revaluation surplus account of IESB, have been expensed off into the accounts of IESB for the six (6) month period ended 31 July 2000.*

3.2 Restructuring Exercise

In conjunction with the admission to the Official List and the listing of and quotation for its entire issued and paid-up share capital on the KLSE Second Board, the Company undertook a restructuring scheme, the details of which are as follows:

(i) Conversion of Preference Shares

The conversion of 3,000,000 cumulative redeemable convertible preference shares of RM0.10 each in IESB, held by Ekuiti Teroka to 1,876,000 new ordinary shares of RM1.00 each in IESB pursuant to the subscription agreement dated 20 September 1995 and supplemental agreements dated 25 June 1997 and 15 May 2000. The Conversion of Preference Shares was completed on 19 October 2000.

(ii) Acquisitions

The Acquisitions involved the acquisition by Ingress of MDSB, ITSB, IPSB and IESB from their respective vendors. The Acquisitions were based on the following:

Company	Basis
MDSB	Cost
IESB, IPSB and ITSB	NTA

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

The aggregate purchase consideration for the Acquisitions of approximately RM89.5 million was satisfied as follows:

- RM54.4 million by the issuance of 54,249,998 new ordinary shares of RM1.00 each in Ingress, at an issue price of approximately RM1.00 per share; and
- RM35.1 million in cash.

The principal statistics of the Acquisitions are summarised below:

	ITSB RM'000	IPSB RM'000	MDSB RM'000	IESB RM'000
Initial cost of investment	20,000	7,000	9,000	45,000
Adjusted NTA	22,388	14,047	22,920	52,183
Basis of purchase consideration	NTA	NTA	Cost	NTA
Percentage acquired (%)	70	90	100	100
Purchase consideration	15,671	12,642	9,000	52,183
Satisfied by:				
Cash	15,671	10,395	9,000	-
New Ingress shares	-	2,247	-	52,183
Total	15,671	12,642	9,000	52,183
New Ingress Shares issued at approximately RM1.00 per share	-	2,240,000	-	52,009,998

In respect of the Acquisitions, the details of the vendors of ITSB, IPSB, MDSB and IESB are tabulated below:

(a) Acquisition of ITSB

Vendors	ITSB		Consideration	
	No. of shares held	%	No. of new Ingress shares issued	Cash RM'000
IESB	8,900,000	44.5	-	9,962
Ramdawi	5,100,000	25.5	-	5,709
	14,000,000	70.0	-	15,671

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

(b) Acquisition of IPSB

Vendors	IPSB		Consideration	
	No. of shares acquired	%	No. of new Ingress shares issued	Cash RM'000
IESB	5,180,000	74.0	-	10,395
Katayama	700,000	10.0	1,400,000	-
MC	420,000	6.0	840,000	-
	6,300,000	90.0	2,240,000	10,395

(c) Acquisition of MDSB

Vendors	MDSB		Consideration	
	No. of shares acquired	%	No. of new Ingress shares issued	Cash RM'000
IESB	1,000,000	100.0	-	9,000
	1,000,000	100.0	-	9,000

(d) Acquisition of IESB

Vendors	IESB		Consideration	
	No. of shares acquired	%	No. of new Ingress shares issued	Cash RM'000
PNS	15,000,000	32.0	16,643,000	-
Ramdawi	9,530,000	20.3	10,575,998	-
Rameli bin Musa	6,910,589	14.7	7,667,000	-
Pedaka Waris	3,225,739	6.9	3,579,000	-
Ramli bin Napiah	2,041,607	4.4	2,265,000	-
Ekuiti Teroka	1,876,000	4.0	2,081,000	-
Izham bin Hashim	1,350,000	2.9	1,498,000	-
Abdul Malek bin Othman	1,350,000	2.9	1,498,000	-
Ab. Rahim bin Husain	1,315,702	2.8	1,460,000	-
Dr. Ab Wahab bin Ismail	1,242,363	2.6	1,378,000	-
Mohd Izhar bin Che Tak	740,000	1.6	821,000	-
Amin Hussain bin Harun	680,000	1.4	754,000	-
Taman Bakti Sdn Bhd	525,000	1.1	582,000	-
Ungku Farid bin Ungku Abd. Rahman	450,000	1.0	499,000	-
Mohamed bin Abdul Wahab	450,000	1.0	499,000	-
Mohamed Nor bin Manap	189,000	0.4	210,000	-
	46,876,000	100.0	52,009,998	-

The Acquisitions were completed on 20 October 2000.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

(iii) Buyback

The Buyback involved the exercising of an option by Ramdawi on PNS whereby Ramdawi will be required to acquire 13,443,000 ordinary shares of RM1.00 each in Ingress from PNS at a cash consideration stated in a subscription agreement entered into by PNS, IESB and the shareholders of IESB on 5 October 1998 and as amended by a supplemental agreement dated 14 October 2000.

Pursuant to the Buyback, Ramdawi, Rameli Musa, Ungku Farid bin Ungku Abd. Rahman, Dr Ab. Wahab bin Ismail and Pedaka Waris ("the Parties") have increased their shareholdings in Ingress from 23,699,000 ordinary shares of RM1.00 each or 43.7% before the Buyback to 37,142,000 ordinary shares of RM1.00 each or 68.5%, based on the number of shares in issue after the Acquisitions of 54,250,000 ordinary shares of RM1.00 each.

Pursuant to Part II of the Malaysian Code on Take-Overs and Mergers, 1998 ("Code"), the Parties are obliged to extend a mandatory general offer to acquire the remaining ordinary shares in Ingress not owned by them after the Buyback. However, Section 6(2)(a) of the Code further states that Part II of the Code shall not apply to the Parties when:

"an acquisition, or holding of, or entitlement to exercise or control the exercise of more than 33% of the voting shares of a company by an allotment made in accordance with a proposal, particulars of which were set out in a prospectus where:

- (i) the prospectus was the first prospectus for an initial public offer of voting shares by the company;*
- (ii) the person who acquires the voting shares was a promoter in respect of the prospectus and the effect of the acquisition on the person's voting power in the company has been disclosed in the prospectus; and*
- (iii) the prospectus will be/has been registered under Section 42 of the Companies Act, 1965".*

Accordingly, under the provisions of Section 6.2(a) of the Code, the Parties will not be required to extend a mandatory general offer as a result of the Buyback.

The Buyback was completed on 20 December 2000.

3.3 Flotation**(i) Public Issue**

Ingress shall carry out a Public Issue of 9,750,000 new ordinary shares of RM1.00 each in Ingress at an issue price of RM2.20 per share. The Public Issue Shares represent approximately 15.2% of the enlarged issued and paid-up share capital of Ingress of 64,000,000 ordinary shares of RM1.00 each, upon completion of the IPO.

(ii) Offer for Sale

The Offerors shall carry out an offer for sale of 2,262,000 ordinary shares of RM1.00 each in Ingress at an offer price of RM2.20 per share. The Offer Shares represent approximately 3.5% of the enlarged issued and paid-up share capital of Ingress of 64,000,000 ordinary shares of RM1.00 each.

V. INFORMATION ON THE INGRESS GROUP (Cont'd)

(iii) Listing and Quotation

The listing of and quotation for the entire enlarged issued and paid-up share capital of Ingress comprising 64,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE.

The restructuring exercise was approved by the FIC, MITI, and SC on 11 July 2000, 25 July 2000 and 6 October 2000, respectively.

4. SUBSIDIARY AND ASSOCIATED COMPANIES

The detailed background of Ingress' subsidiary and associated companies are as follows:

4.1 MDSB**(i) History and Business**

MDSB was incorporated in Malaysia under the Companies Act, 1965 on 13 January 1994. It is principally engaged in the provision of engineering services for the power and utility industry.

(ii) Share Capital

The present authorised share capital of MDSB is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, all of which are issued and fully paid-up. The changes in the issued and paid-up share capital of MDSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued Share Capital RM
13.01.94	2	1.00	Subscribers' shares	2
28.10.94	199,998	1.00	Cash	200,000
15.09.95	300,000	1.00	Cash	500,000
15.08.96	150,000	1.00	Cash	650,000
31.10.96	350,000	1.00	Cash	1,000,000

(iii) Subsidiary and Associated Company

MDSB has two (2) subsidiary companies, namely RESB and MPSSB as well as two (2) associated companies, namely DRSSB and SPSSB.

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V. INFORMATION ON THE INGRESS GROUP (Cont'd)

(iv) Directors and Major Shareholders

The Directors of MDSB and their respective shareholdings are set out below:

Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Rameli bin Musa	-	-	1,000,000*	100.0
Ungku Farid bin Ungku Abd. Rahman	-	-	-	-
Izham bin Hashim	-	-	-	-
Mohamed bin Abdul Wahab	-	-	-	-
Abdul Malek bin Othman	-	-	-	-

* Deemed interested by virtue of his substantial shareholding in Ingress

The major shareholder of MDSB and its shareholding is set out below:

Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Ingress	1,000,000	100.0	-	-

(v) Employees

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), MDSB has 44 employees.

4.2 RESB

(i) History and Business

RESB was incorporated in Malaysia under the Companies Act, 1965 on 6 November 1982 under the name of Ramusa Enterprise Sdn Bhd, which was subsequently changed to its present name on 23 August 1985.

RESB is principally engaged in the provision of electrical engineering services for the power and utility industry, particularly in building, infrastructure and distribution network.

(ii) Share Capital

The present authorised share capital of RESB is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The present issued and fully paid-up share capital is RM500,002 divided comprising 500,002 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of RESB since its incorporation are as follows: