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

(ii) Share Capital

The present authorised share capital of ITSB is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of ITSB is RM20,000,000 comprising 20,000,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of ITSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued Share Capital RM
06.03.92	2	1.00	Subscribers' shares	2
30.06.93	24,998	1.00	Cash	25,000
16.06.98	10,000,000	1.00	Cash	10,025,000
18.11.98	5,000,000	1.00	Cash	15,025,000
06.08.99	1,500,000	1.00	Cash	16,525,000
10.09.99	1,500,000	1.00	Cash	18,025,000
06.10.99	1,975,000	1.00	Cash	20,000,000

(iii) Subsidiary and Associated Company

ITSB does not have any subsidiary or associated companies.

(iv) Directors and Major Shareholders

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

Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Rameli bin Musa	-	-	14,000,000	70.0*
Ungku Farid bin Ungku Abd. Rahman	-	-	-	-
Ab. Rahim bin Husain	-	-	-	-
Zamzuary bin Ahamad Zaini	-	-	-	-
Nor Hadi bin Daud	-	-	-	-
Thevanaigam Rajan Chitty A/L Chitty	-	-	-	-

* *Deemed interested by virtue of his substantial shareholding in Ingress*

The major shareholders of ITSB and their shareholdings are set out below:

Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Ingress	14,000,000	70.0	-	-
Perodua	6,000,000	30.0	-	-

(v) Employees

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), ITSB has 210 employees.

4.10 TSB

(i) History and Business

TSB was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 13 March 1997.

TSB is presently a dormant company.

(ii) Share Capital

The present authorised share capital of TSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of TSB is RM2 comprising 2 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of TSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration RM	Total Issued Share Capital RM
13.03.97	2	1.00	Subscribers' shares	2

(iii) Subsidiary Company and Associated Company

TSB does not have any subsidiary or associated companies.

(iv) Directors and Major Shareholders

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

	Direct		Indirect	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Rameli bin Musa	-	-	2*	100.0
Dr. Ab Wahab bin Ismail	-	-	2*	100.0
Ramli bin Napiah	-	-	-	-

* *Deemed interested by their substantial interests in Ingress*

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

	Direct		Indirect	
Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
IESB	2	100.0	-	-

(v) Employees

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), TSB does not have any employee.

4.11 MSB

(i) History and Business

MSB was incorporated in Malaysia under the Companies Act, 1965 as a private limited on 20 March 1997.

MSB is presently a dormant company.

(ii) Share capital

The present authorised share capital of MSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of MSB is RM2 comprising 2 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of MSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration RM	Total Issued Share Capital RM
20.03.97	2	1.00	Subscribers' shares	2

(iii) Subsidiary company

MSB does not have any subsidiary or associated companies.

(iv) Directors and Major Shareholders

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

	Direct		Indirect	
Directors	No. of Shares	%	No. of Shares	%
Rameli bin Musa	-	-	2*	100.0
Dr. Ab Wahab bin Ismail	-	-	2*	100.0
Ramli bin Napiah	-	-	-	-

* *Deemed interested by their substantial interests in Ingress*

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

	Direct		Indirect	
Shareholders	No. of Shares	%	No. of Shares	%
IESB	2	100.0	-	-

(v) Employees

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), MSB does not have any employees.

4.12 DRSSB

(i) History and Business

DRSSB was incorporated in Malaysia under the Companies Act, 1965 as a private limited on 13 September 1995.

DRSSB principal activities are the provision of engineering services and electrification work for the railway industry.

(ii) Share capital

The present authorised share capital of DRSSB is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of DRSSB is RM750,000 comprising 750,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of DRSSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued Share Capital RM
13.09.95	2	1.00	Subscribers' shares	2
16.05.96	499,998	1.00	Cash	500,000
29.12.97	250,000	1.00	Cash	750,000

(iii) Subsidiary company

DRSSB does not have any subsidiary or associated companies.

(iv) Directors and Major Shareholders

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

	Direct		Indirect	
Directors	No. of Shares	%	No. of Shares	%
Rameli bin Musa	15,000	2.0	367,500*	49.0
Izham bin Hashim	-	-	-	-
Abdul Malek bin Othman	-	-	-	-
Fan Boon Heng	-	-	-	-
Mikael Nordstrand	-	-	-	-

* *Deemed interested by virtue of his substantial interests in Ingress*

The major shareholders of DRSSB and their respective shareholdings are set out below:

Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
MDSB	367,500	49.0	-	-
Rameli bin Musa	15,000	2.0	367,500*	49.0
DaimlerChrysler Rail Systems (Malaysia) Sdn Bhd	367,500	49.0	-	-

* *Deemed interested by virtue of his substantial interests in Ingress*

(v) Employees

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

4.13 SPSSB

(i) History and Business

SPSSB was incorporated in Malaysia under the Companies Act, 1965 as a private limited on 22 December 1995.

SPSSB principal activities are the provision of engineering services for turbo-machinery and electrical maintenance in energy industry.

(ii) Share capital

The present authorised share capital of SPSSB is RM250,000 comprising 250,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of SPSSB is RM250,000 comprising 250,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of SPSSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued Share Capital RM
22.12.95	2	1.00	Subscribers' shares	2
23.02.98	99,998	1.00	Cash	100,000
31.03.99	150,000	1.00	Cash	250,000

(iii) Subsidiary company

SPSSB does not have any subsidiary or associated companies.

(iv) **Directors and Major Shareholders**

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

Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Zainol Izzet bin Mohamed Ishak	-	-	-	-
Rameli bin Musa	-	-	100,000**	40.0
Izham bin Hashim	-	-	-	-
Affandi bin Mohktar	-	-	-	-
Kenneth Gerard Pereira	-	-	-	-

* *Deemed interested by virtue of his indirect substantial interests in Sapura Energy Sdn Bhd*
** *Deemed interested by virtue of his substantial interest in Ingress*

The major shareholders of SPSSB and their respective shareholdings are set out below:

Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Sapura Energy Sdn Bhd	150,000	60.0	-	-
MDSB	100,000	40.0	-	-

(v) **Employees**

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), SPSSB has 6 employees.

4.14 SIV

(i) **History and Business**

SIV was incorporated in Malaysia under the Companies Act, 1965 as a private limited on 9 July 1996.

SIV is presently a dormant company.

(ii) **Share capital**

The present authorised share capital of SIV is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of SIV is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of SIV since its incorporation are as follows:

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

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued Share Capital RM
09.07.96	2	1.00	Subscribers' shares	2
19.09.96	49,999	1.00	Cash	50,001
19.05.97	49,999	1.00	Cash	100,000

(iii) Subsidiary company

SIV does not have any subsidiary or associated companies.

(iv) Directors and Substantial Shareholders

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

	Direct		Indirect	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Rameli bin Musa	-	-	50,000*	50.0
Dr. Ab Wahab bin Ismail	-	-	50,000*	50.0

* *Deemed interested by their substantial interests in IESB*

The substantial shareholder of SIV and its shareholding is set out below:

	Direct		Indirect	
Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
IESB	50,000	50.0	-	-
Sapura Holdings Sdn Bhd	50,000	50.0	-	-

(v) Employees

As at 15 January 2001 (being the latest practicable date prior to the printing of this Prospectus), SIV does not have any employees.

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5. INDUSTRY OVERVIEW

5.1 Overview of the Malaysian Economy

In 1999, the Malaysian economy recovered from the severe deflationary impact of the regional financial crisis which had resulted in a 7.5% contraction of the economy in 1998 to record a strong positive growth in real Gross Domestic Product ("GDP") of 5.4%. The economic recovery has been underpinned by policies initiated by the National Economic Action Council in line with its National Economic Recovery Plan as well as other favourable domestic and external developments. In addition, fiscal stimulus provided through an expansionary budget in 1999, the easing of monetary policies as well as enhanced efforts to speed up the implementation of approved public sector projects have assisted in reviving domestic demand associated with public sector spending and private consumption. Reforms introduced by the Malaysian Government to strengthen and restructure the banking system have enabled the banking sector to carry out its intermediation function more effectively and, thereby, support the economic recovery.

Growth in the Malaysian economy is expected to be sustained in the year 2000, while the external sector will continue to strengthen. Against the more favourable external environment and strengthening domestic economy, the forecast GDP growth for 2000 has been revised upwards to 5.8%, from the earlier estimate of 5%. The favourable outlook is manifested by another strong expansion of 11.7% in the first quarter of 2000 compared to a contraction of 1.5% in the first quarter of 1999. This is the second successive double-digit increase since the onset of the financial crisis in July 1997. Given the strong recovery in the regional economies and the generally favourable world economic outlook for 2000, export growth is expected to be sustained at a high level. The external sector is expected to remain strong although the current account will narrow in line with higher output growth. Underpinning the expected higher output growth would be domestic demand which is forecast to strengthen further due to stronger growth in private consumption and a recovery in private sector investment as well as through additional fiscal stimulus.

(Sources: Economic Report 1999/2000, Bank Negara Malaysia Annual Report 1999 and Bank Negara Malaysia Quarterly Bulletin, 1st Quarter 2000)

The Malaysian economy continued to perform strongly in the third quarter of 2000. Real GDP increased by 7.7%, the fifth consecutive quarter of growth exceeding 7%. The strong expansion in output in the third quarter was supported by both strong external and domestic demand. Compared with the preceding quarter, the level of real GDP was also higher by 2%. As a result, a new record level of quarterly GDP was achieved, amounting to RM53.3 billion.

Growth in the third quarter was supported by further expansion in the manufacturing and services sector. In the manufacturing sector, strong growth was sustained in both the export-oriented and domestic-oriented industries. The electronic sector continued to expand strongly by 46.3% in the third quarter. Demand components of GDP strengthened further, with real aggregate demand rising by 12.2%. Growth was equally strong in investment and private consumption, supported by a combination of the fiscal stimulus programmes and sustained consumption spending as well as the strengthening of private sector investment activities. In particular, growth in consumption reflected spending patterns that was influenced by income effects arising from job security.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2000 – BNM Press Release, 29 November 2000)

5.2 The Manufacturing Sector

Growth in the third quarter of 2000 was supported mainly by further expansion in the manufacturing and services sectors. Value added in the manufacturing sector grew strongly by 20.3%. The manufacturing production index recorded a new high of 218.2 during the quarter, an annual rate of increase of 23.7%. Of significance, the performance of the electronics remained strong despite some concern on the sustainability of world demand for electronics. Overall growth in export-oriented industries was sustained at a higher level of 31.7%, while growth in domestic-oriented industries continued to expand at the double digit rate of 14.4%.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2000 – BNM Press Release, 29 November 2000)

5.3 The Automotive Industry

The Malaysian vehicle market reached 288,000 units in 1999 and is forecast to climb more gradually to 400,000 units in 2005. Proton has exported 15,000 – 30,000 vehicles per annum, and this rate is expected to rise to 40,000 units per annum by 2005. Malaysia's exports would likely jump if automotive trade within ASEAN were liberalised, but countering this effect would be increased imports. It is forecast that production will reach 430,000 units pa by 2005, an average growth rate from 1999 of 6% per annum.

(Source: ARA, Independent Market Report)

As an illustration on the performance of the Malaysian automotive sector, the breakdown in the motor vehicles sales volume in Malaysia is given in the table below:

No. of Units/ Type	Forecast 2000	Actual 1999	Actual 1998	Actual 1997
Passenger Cars				
PROTON/USPD	165,125	155,720	87,489	196,806
PERODUA	81,375	66,499	38,921	58,255
Others	43,500	17,428	11,281	52,846
Sub-total	290,000	239,647	137,691	307,907
Commercial vehicles	35,000	26,171	17,641	70,334
4-Wheel Drives	25,000	22,729	8,519	26,596
Total Industrial Volume ("TIV")	**350,000**	**288,547**	**163,851**	**404,837**
Percentage growth	21.3%	76.1%	(59.5%)	11%

(Source: MMA; Malaysian Business, 1-15 October 2000)

ASEAN Automotive Industry

Within the ASEAN region, Indonesia, Malaysia, the Philippines and Thailand have significant auto manufacturing industries. However the approach taken by the respective countries are different. Malaysia and Indonesia decided to develop national auto industries whereas Thailand and the Philippines are pursuing a strategy of attracting foreign companies to use their countries as off-shore manufacturing bases.

Sales in the ASEAN's four main automotive countries increased from 320,000 units in 1986 to approximately 1.44 million units in 1996. The economic crisis in 1997 and 1998, however, resulted in a significant drop in sales and production volumes. In 1998, total vehicle sales dropped to 420,000 units. However, it is forecast that in the five years to 2004, sales will rise at an average rate of 15% per annum to 1.6 million units a year. As a summary, the growth in ASEAN vehicle sales from 1995 to 1999 is tabulated below:

	1995	1996	1997	1998	1999
Indonesia	384,000	326,000	392,000	64,000	86,000
Malaysia	**285,792**	**364,788**	**404,837**	**163,851**	**288,547**
Philippines	125,000	163,000	144,000	66,000	74,000
Thailand	572,000	589,000	355,000	134,000	218,000
TOTAL	**1,366,792**	**1,442,788**	**1,295,837**	**427,851**	**666,547**

(Sources: Economic Reports 1994/1995 to 1999/2000; ARA, Independent Market Report; MMA)

5.3.1 Policies and Incentives

The Government is very supportive of the local automotive industry. This is best highlighted in the Government's national car projects which have given birth to Proton, Perodua as well as the numerous vendors supplying components for these two national automotive manufacturers. Other major policies of the Government benefitting the industry can be seen with the local material content requirement. The use of local component parts has contributed to local content (by value) of 70% and 50% for Proton and Perodua, respectively, and around 30% to 45% for other assemblers of passengers and commercial vehicles.

(Source: Second Industrial Master Plan; Malaysian Industrial Development Authority)

5.3.2 Vulnerability to Imports

The coming on-stream of the AFTA may result in an adverse impact on the market position/share presently held by local automotive manufacturers. With regards to this, the Malaysian automotive industry can no longer depend on government assistance and protection. With the liberalisation of domestic markets arising from Malaysia's commitments to AFTA and World Trade Organisation, the national car assemblers and local vendors will face increased competition and hence will have to turn to foreign markets for their long term survival.

Under AFTA, tariffs on vehicles and components are expected to be lowered gradually commencing in 2005 to less than 5%. Thus Malaysia's automotive industry is in no danger of sudden upheaval as it could be a while before effects of trade liberalisation are felt. In summary, liberalisation of automotive trade may see Ingress' orders from its Malaysian customers decline slightly, but its orders from customers in Thailand increase production. The region's vehicle production would be consolidated, boosting production volumes and making more projects economically viable for Ingress.

5.3.3 Product Substitution

The major products manufactured by the Group are door sash and complete door assemblies. However, not all vehicles use door sash. Some automotive manufacturers have been making greater use of "sashless" designs in their vehicles. Notwithstanding this, the majority of the vehicles manufacturers and/or assemblers still use door sash in their vehicle manufacturing processes. Furthermore, sashless doors still rely on some sub-components produced in the door sash manufacturing. As such it is highly unlikely door sash will become obsolete in the near future.

5.4 The Power Industry

The power industry growth usually exceeds the GDP growth under normal circumstances, even during the economic crisis. Although electricity demand was affected in 1999 due to lower industrial and commercial consumption from low manufacturing and administrative service activities, the industry is expected to register higher growth in tandem with the country's improving economy.

The units sold and sales revenue for the past five years are tabulated as follows:

Year	Unit Sold (GWh)	Unit Sold Growth %	Sales Revenue (RM million)	Sales Revenue Growth %
1995	33,657.4	15.5	6,622.7	22.5
1996	38,033.9	13.0	7,885.9	19.0
1997	43,747.1	15.0	9,699.9	23.0
1998	47,197.3	7.9	11,075.6	14.2
1999	49,322.4	4.5	11,716.1	5.8

(Source: Statistical Bulletin For The Year Ending 31 August 1998, Annual Report 1999, Tenaga Nasional Berhad)

5.4.1 Policies and Incentives

(a) Power Pooling

The Malaysian Government is promoting the restructuring in the domestic power industry. The intention is to allow electricity to be eventually traded as a commodity in what is to be known as power pooling system. An Independent Grid System Operator ("IGSO") will be established soon to manage the National Grid. The IGSO, which is likely to be owned by the Government, will act as a non profit making exchange to enable price competition through the implementation of a system of open bidding for power.

(b) Decentralisation

TNB has made significant inroads in improving its performance and streamlining operations to enhance efficiency of its internal operation through its operational restructuring by splitting the three main operating divisions – Generation, Transmission and Distribution into subsidiaries with the aim of improving its performance, efficiency, technical and non-technical losses. With the new structure, the subsidiaries will outsource the non-core activities to the contractors. Thus, creating increased opportunities in power engineering.

(c) Open Market

The government has liberated the generation sector by opening up the market for the power generation through independent power producers ("IPP"). Currently, 40 per cent of electricity sold to customer is purchased by TNB from IPPs. With the proposed open market in the near future, consumers will be able to purchase electricity directly from the IPPs based on competitive bidding. This will perpetuate the current oligopoly structure to make the industry more efficient and effective and distributorship will be deregulated.

5.5 Summary of Outlook and Prospect of the Industries

Automotive Industry

Vehicle production in ASEAN is recovering strongly from Asia's recent economic crisis and is expected to continue sustaining its growth. It is forecast that in the five years to 2005 sales will rise at an average rate of 13% pa to 1.42 million units per annum. Thailand and Malaysia are expected to remain the region's two largest vehicle markets, with sales of 450,000 and 400,000 units per annum respectively by 2005, Indonesia 350,000 units pa and Philippines grow 220,000 units annually.

(Source: ARA)

Notwithstanding the expected growth in the automotive industry in the region as forecast above, the real test for the players in the industry in Malaysia, in particular, and in the ASEAN region, in general, would be their capabilities in penetrating the export markets. Moreover, within an open multilateral trading system, like the Asean Free Trade Area ("AFTA"), the domestic market will no longer be a captured market for local assembler unless new technology and competitive strategies are implemented.

Power Industry

In line with the economic recovery and our progress to achieve industrialised nation status, the energy sector is estimated to grow between 6% and 7% per annum for the years to come with the assumption that there is also a steady growth on the country's GDP.

Notwithstanding the expected growth in the power industry as forecasted above, the real test for the players in the industry would be their capabilities in staying competitive in the bidding process and controlling cost of the project implementation.

To remain competitive, the players in the industry should be able to mitigate and deal as follows:

- to diversify its pool of suppliers for materials and equipment in order to obtained a competitive prices and hence will reduce its cost for a price competitiveness.

- enhancement of in-house expertise by creating alliances with reputable partners for an effective, faster transfer of technology and technical-know-how in the revolving advancement of technology and new areas of businesses.

- Strategic manufacturing of high valued equipment such as Low Voltage Switchboard, Control Relay Panel to support the group as a base and outside market.

- Manufacture and assemble high end product locally where there are hardly any local competitors in the market in line with the Government policy of preference for local products.

- Improving its good track records with clients for repetitive orders.

6. MAJOR CUSTOMERS

The major customers of the Ingress Group, in their respective categories, together with the number of years of relationship and the contribution of each customer to the Group's turnover for the financial year ended 31 January 2000, are as follows:

Customers	Length of Relationship (Year)	Contribution to Group's Turnover (%)
Automotive Division		
• Proton	8	26.8%
• Perodua	5	11.9%
• AAT	3	2.8%
• MSC	3	3.1%
Engineering Division		
• TNB	5	41.6%
• Jabatan Kerja Raya	15	2.6%
• KTM	5	9.0%*

* *This reflects the contribution of KTM to the Group's profit rather than turnover as the projects for KTM are undertaken by DRSSSB, an associate company of the Group. As such, the contributions from KTM are reflected only in the Group's profits and not the turnover.*

Although the Group is dependent on the above customers, for the Automotive Division in the long term, the Group endeavours to maintain its favourable position in the domestic market, whilst diversifying its customer base especially in the fast growing ASEAN market. Additionally, through IRSB and TSSB, the Group shall actively participate in providing engineering services to the fast growing sub-sectors of industrial automation, computer-aided design and manufacture (CAD/CAM) of jigs, tools and dies.

The Directors of Ingress believe that the Group's continuing efforts in maintaining its competitiveness in terms of cost efficiency, products and services quality and reliability will enable the Group to expand its businesses, both in the domestic and export markets and to further reduce its dependence on any particular customers.

7. MAJOR SUPPLIERS

The raw materials for the Group are sourced from various suppliers and the Group is not reliant on on any single supplier for its raw materials. For the Engineering Division none of the existing suppliers supply more than 10% of the Division's requirements. This is because the selection for the Division's suppliers is made per contract basis to meet the customers' requirements. For the Automotive Division, very few suppliers supply more than 10% of the Division's purchases. The list of major suppliers for the Group and the lengths of relationship as well as the percentage of purchases from each supplier to the total Group's purchases for the financial year ended 31 January 2000 is as follows:

Raw Materials	Suppliers	% of the Group's purchase	Length of relationship (year)
Stainless Steel	Sumiputeh Steel Centre Sdn. Bhd.	5.3	2.5
PVC	Polymer Resources Sdn Bhd	11.1	0.5
Cold Rolled Steel	Sumiputeh Steel Centre Sdn. Bhd.	13.1	2.5
Steel	Proton MC Metal	10.9	0.8
Galvanized Steel	TSSC, Thailand	12.3	0.1

8. FUTURE PLANS, STRATEGIES AND PROSPECTS OF THE INGRESS GROUP

The Directors of Ingress are of the opinion that, the Group will be able to maintain its competitive edge and take full advantage of the recovering Malaysian as well as the ASEAN region's economies. In order to maintain its position and sustain growth, the Group intends to do the following within the next five (5) years:

(a) Automotive Components Manufacturing

(i) To establish itself as an ASEAN based regional player by winning more customers with global reach;

(ii) To rationalise its operations and embark on continuous improvement programmes in Malaysia and Thailand so that they become more competitive and benefit from the Group's synergy, such as group purchasing, capacity sharing etc.;

(iii) To look at the possibility of direct exports to other assemblers outside ASEAN, such as Japan (possibly) through Katayama, and the growing markets in India and Turkey; and

(iv) To participate actively in global bidding of projects in partnership with Katayama.

(b) Power Engineering and Railway Electrification

(i) To market its core competence, especially in project management, system integration and in-house consultancies to other important sectors of the economy, in particular the water industry and oil and gas industry;

(ii) To expand its capabilities in the maintenance sector and develop into a major income earner for the Group; and

(iii) To derive synergy from the Group, especially in developing a common R&D centre to support both business divisions of Ingress.