

## VII. APPROVALS AND CONDITIONS

The FIC and MITI approved the Flotation on 11 July 2000 and 25 July 2000, respectively. The SC approved the Flotation on 6 October 2000 and a copy of this Prospectus was registered by the SC on 17 January 2001. The conditions imposed by all the authorities and the status of compliance are as follows:

### 1. Approval from the FIC

Conditions Imposed	Status of Compliance
(i) Ingress to maintain at least 51% direct Bumiputera equity interest upon the Flotation; and	At the date of this Prospectus, this condition is complied with and the Directors will ensure its compliance after its listing.
(ii) Ingress to obtain the approval of MITI on Bumiputera equity interest.	Met. Ingress received the approval from MITI on 25 July 2000.

### 2. Approval from MITI

Conditions Imposed	Status of Compliance
(i) Ingress to maintain at least 51% direct Bumiputera equity interest upon the Flotation; and	At the date of this Prospectus, this condition is complied with and the Directors will ensure its compliance after its listing.
(ii) Ingress to obtain the approvals of FIC and SC for the Flotation.	Met. Ingress received the approvals from FIC and the SC on 11 July 2000 and 6 October 2000, respectively

### 3. Approval from the SC

Conditions Imposed	Status of Compliance	
(i) Total gross proceeds of RM21,450,000 arising from the Public Issue, based on the issue price of RM2.20 per share shall be utilised as follows:	To be met, according to the details of the utilisation in Section III(7).	
<b>RM'000</b>		
<i>Core business</i>		
Equity injection in IAV		10,000
Repayment of bank borrowings		2,524
Working capital		1,717
		14,241
<i>Non-Core business</i>		
Acquisition of ITSB		5,709
Estimated listing expenses		1,500
	7,209	

**VII. APPROVALS AND CONDITIONS (Cont'd)**

<b>Conditions Imposed</b>	<b>Status of Compliance</b>
<p>(ii) The utilisation for the above proceeds are subject to the following conditions:</p> <p>(a) Ingress is required to seek the SC's approval for any changes in the intended utilisations if they are used for purposes other than the core business of Ingress;</p> <p>(b) Ingress is required to seek the approval from its shareholders for any changes in the utilisation of the proceeds from the Public Issue by 25% or more from the original utilisation. If the difference is less than 25%, appropriate disclosures must be made to its shareholders;</p> <p>(c) Any extension to the period for the full utilisation of the proceeds must be approved by the Board of Directors of Ingress through a final resolution of the Board of Directors and announced to the KLSE; and</p> <p>(d) Appropriate disclosures must be made regarding the status of the utilisation of the proceeds in the quarterly and annual reports of Ingress until the proceeds are fully utilised;</p>	To be complied with.
<p>(iii) A moratorium is imposed on the sale of shares representing 45% of the enlarged issued and paid-up share capital of Ingress held by the promoters/major shareholders of Ingress (disclosed in Section VIII(1) below) within one (1) year from the date of admission of Ingress to the Official List of the Second Board of the KLSE.</p>	To be complied with as detailed in Section VIII(1).
<p>(iv) Ingress is not allowed to venture into new activities or businesses unrelated to its current core businesses for at least three (3) years subsequent to its listing on the KLSE.</p>	To be complied with
<p>(v) All business, if any, between Ingress and other companies related to its Promoters and/or Directors shall be based on commercial terms which shall not cause a loss to the Ingress Group. Ingress is to fully disclose all current transactions/agreements involving related/interested parties between Ingress and its Promoters and/or Directors in the Company's Prospectus.</p>	Met. Such transaction are disclosed in Section IX of this Prospectus

**VII. APPROVALS AND CONDITIONS (Cont'd)**

Conditions Imposed	Status of Compliance
<p>(vi) The Promoters and Directors of Ingress shall not involve themselves in new businesses that could give rise to conflict of interests with the businesses of the Ingress Group. The Offerors and the Directors of Ingress shall fully disclose their involvement and interests in other companies and businesses, if any, which are related/similar which may result in conflict of interests or competition with the businesses of Ingress in the Company's Prospectus. In this respect, they are also required to give detailed explanation on how these conflicts of interests can be resolved in the Company's Prospectus to the shareholders.</p>	<p>Met. Such businesses and/or companies owned by the Promoters, Directors and/or Offerors are disclosed in Section IX(1.3) of this Prospectus.</p>
<p>(vii) Any future dealings between Ingress and companies related to/having interest with the Promoters and the Directors have to be conducted on arm's-length basis and not based on terms detrimental to the Ingress Group. In this respect, the Ingress Audit Committee is to monitor such business terms and the Directors of Ingress should report such dealings annually, if any, in the Company's Annual Report.</p>	<p>The Promoters and Directors of Ingress had, on 30 October 2000, provided a declaration that all business transactions between Ingress and them and/or any companies related to them shall be on an arms length basis and on commercial terms.</p>
<p>(viii) Ingress is required to comply with the conditions imposed by MITI and the FIC;</p>	<p>Met as disclosed in Sections VII(1) and VII(2) above.</p>

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## VIII. MORATORIUM AND OTHER CONDITIONS

### 1. MORATORIUM ON SALE OF SHARES

The SC, in approving the flotation of the Company, has imposed a moratorium on the sale of shares representing 45% of the enlarged issued and paid-up share capital of Ingress held by the promoters/major shareholders of Ingress.

The moratorium as imposed by the SC and the KLSE are as follows:

Shareholders	No. of shares after the IPO	% of the enlarged issued and paid-up share capital	No. of shares to be placed under moratorium	% of the enlarged issued and paid-up share capital
Ramdawi Sdn Bhd	23,316,000	36.4	14,824,000	23.1
Rameli bin Musa	7,159,000	11.2	4,551,000	7.1
Pedaka Waris Sdn Bhd	3,342,000	5.2	2,125,000	3.3
Perbadanan Nasional Berhad	2,988,000	4.7	1,900,000	3.0
Ramli bin Napiah	2,115,000	3.3	1,345,000	2.1
Izham bin Hashim	1,399,000	2.2	889,000	1.4
Abdul Malek bin Othman	1,399,000	2.2	889,000	1.4
Ab. Rahim bin Husain	1,363,000	2.1	867,000	1.3
Dr. Ab Wahab bin Ismail	1,287,000	2.0	818,000	1.3
Ungku Farid bin Ungku Abd. Rahman	466,000	0.7	296,000	0.5
Mohamed bin Abdul Wahab	466,000	0.7	296,000	0.5
	45,300,000	70.7	28,800,000	45.0

The moratorium means that the above shareholders of Ingress will not be allowed to sell, transfer or assign their respective shareholdings in Ingress amounting to a total of 28,800,000 ordinary shares of RM1.00 each, representing 45% of the enlarged issued and paid-up share capital of Ingress, within one (1) year from the date of admission of Ingress to the Official List of the Second Board of the KLSE. Thereafter, these substantial shareholders are permitted to sell or transfer not more than one third per annum (on a straight line basis) of their respective shareholdings in the Company which are under moratorium.

The restriction is specifically endorsed on the notices of allotment representing the respective shareholdings of the shareholders which are under moratorium to ensure that trading of these shares are not allowed in compliance with the restriction imposed by the SC and KLSE. The restriction is fully accepted by the substantial shareholders and the public is deemed to have notice of this restriction.

The remarks to be endorsed on these share certificates are as follows:

*“The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission (“Moratorium Period”). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction”.*

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**IX. RELATED PARTY TRANSACTION / CONFLICTS OF INTERESTS**


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**1. RELATED PARTY TRANSACTIONS****1.1 Promotion of Assets**

Save as disclosed below, none of the Directors and major shareholders of the Company has any interest, directly or indirectly, in the Acquisitions and none of the Directors has any interest, directly and indirectly in the promotion of any assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of by or leased or proposed to be leased to the Company or any of its subsidiary and associated companies.

<b>Acquisitions</b>	
<b>Persons interested</b>	<b>Nature of relationship</b>
Rameli bin Musa, Ungku Farid bin Ungku Abd. Rahman, Ab. Rahim bin Husain, Hassan bin Abd Rahman, Izham bin Hashim, Dr Ab Wahab bin Ismail and Mohamed bin Abdul Wahab, Ramdawi, PNS and Pedaka Waris	Directors and substantial shareholders (either directly or indirectly) of IESB

**1.2 Material Interest in Contracts or Arrangements**

None of the Directors and major shareholders of Ingress and/or its subsidiary companies has any material interest in any contracts or arrangements which are significant in relation to the business of the Group and subsisting at the date of this Prospectus.

**1.3 Interest in Similar Business**

Save as disclosed below, none of the other Directors or major shareholders of Ingress and/or its subsidiary companies are interested, directly or indirectly, in any business carrying on a similar trade as the Company and/or its subsidiary companies and which is not quoted on a recognised stock exchange:

Rameli bin Musa is a Director and a 10% shareholder of Sapura Holdings Sdn Bhd ("Sapura"), an investment holding company. One of Sapura's subsidiaries, Sapura Motors Berhad ("Sapura Motors") is involved in the manufacturing of machined components and spare-parts for the automotive, electronic and electrical industries.

Notwithstanding that Sapura Motors is a vendor of Proton, the components it produces are different from those produced by the Ingress Group. Furthermore, the Ingress Group is also the exclusive supplier to Proton and Perodua for the components it supplies to them. Accordingly, the Directors, other than Rameli bin Musa, are of the opinion that Rameli bin Musa's substantial interest in Sapura will not result in a conflict of interest.

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**IX. RELATED PARTY TRANSACTION / CONFLICTS OF INTERESTS (Cont'd)****1.4 Transactions Between the Ingress Group and the Promoters/Directors of the Group**

Save as disclosed below, there are no other transactions between Ingress and its Promoters, Directors and/or their related parties:

<b>Name</b>	<b>Related Parties</b>	<b>Description of Transactions</b>	<b>Value</b>
Ungku Farid bin Ungku Abd. Rahman	Prudent Region Sdn Bhd	RESB awarded a contract to Prudent Region Sdn Bhd for cable laying and termination works at 43 contract sites at RM4,000.00 per site.  Ungku Farid bin Ungku Abd. Rahman has, in August 2000, disposed his interest and relinquished his directorship in Prudent Region Sdn Bhd.	RM172,000
<ul style="list-style-type: none"> <li>• Rameli bin Musa</li> <li>• Dr. Ab. Wahab bin Ismail</li> <li>• Ungku Farid bin Ungku Abd. Rahman</li> </ul>	Ramdawi Sdn Bhd	Ramdawi was engaged to provide professional and advisory services to IESB for 24 months from 15 August 1999 to 14 August 2001 at RM13,440 per month.	RM322,560
Rameli bin Musa	Sigma Trans Sdn Bhd (Sigma Trans)	Sigma Trans, a company substantially owned by Rameli bin Musa, provided professional / advisory services to MDSB from December 1997 to April 2000 at RM3,750 per month.	RM108,750
Mohd Shaari bin Omar	Integwealth Sdn Bhd (Integwealth)	Mohd Shaari bin Omar is a Director of RESB and a substantial shareholder of Integwealth. RESB have, in the past, awarded Integwealth contracts to supply earthing materials for several contracts (namely for contracts PJ29/98, PJ36/99 and PJ48/00) amounting to RM397,687. Furthermore MPSSB has also contracted Integwealth to supply earthing materials for contract PJ7/97 for RM18,760	RM416,447

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**IX. RELATED PARTY TRANSACTION / CONFLICTS OF INTERESTS (Cont'd)**

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**2. DECLARATION OF THE ADVISERS**

PAMB hereby confirms that, as at the date of this Prospectus, there are no existing or potential conflicts of interest in its capacity as the Adviser for the Flotation.

Messrs Allen & Gledhill has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Solicitor for the Flotation.

Messrs Arthur Andersen & Co has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Reporting Accountants for the Flotation.

ARA has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Market Research Consultant in relation to the Flotation.

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**X. OTHER INFORMATION ON THE INGRESS GROUP**

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**1. APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED**

**(i) M.S. ISO 9002 certifications to IESB and IPSB**

A certificate for MS ISO 9002 : 1994 Quality System Registration by SIRIM awarded to IESB and IPSB since 21 July 1997.

**(a) Ingress Engineering Sdn Bhd**

- A certificate for MS ISO 9002 : 1994 Quality Systems – Models for Quality Assurance in Production Installation and Servicing has been awarded to IESB vide Certificate Registration No. AR 1151 by SIRIM QAS Sdn Bhd since 1997 on a yearly basis. The award is renewable subject to an annual surveillance audit and a reassessment after the third year of the award being given. The current certificate expired on 21 August 2000, and it is currently in the process of being renewed.
- The scope of registration is for the manufacture of mouldings and weatherstrips to be used in the automotive manufacturing.
- No conditions are attached to this certificate.

**(b) Ingress Precision Sdn Bhd**

- A certificate for MS ISO 9002 : 1994 Quality Systems – Models for Quality Assurance in Production Installation and Servicing has been awarded to IESB vide Certificate Registration No. AR 1151 by SIRIM QAS Sdn Bhd since 1997 on a yearly basis. The award is renewable subject to an annual surveillance audit and a reassessment after the third year of the award being given. The current certificate expired on 21 August 2000, and it is in the process of being renewed.
- The scope of registration is for the manufacture of door sash (door frames) to be used in the automotive industry.
- No conditions are attached to this certificate.

**(ii) QS 9000 certification to IAV**

- Ingress' subsidiary company, IAV, was awarded the QS 9000 : 1998 and ISO 9002 : 1994 certification by TUV Anlagentechnik GmbH, a certification body in Germany, since September 1999 under the Certificate Registration No. 09 101 99372.
- The award is given for the manufacture of moulding parts and door sash to be used in the automotive industry. The award is renewable subject to an annual surveillance audit and a reassessment after the third year of the award being given. The current certificate will expire in September 2002.

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**X. OTHER INFORMATION ON THE INGRESS GROUP (Cont'd)****2. LANDED PROPERTIES OF THE INGRESS GROUP**

The landed properties of the Ingress Group as at the date of this Prospectus are as follows:

Location/ Description	Tenure	Intended/ Existing use	Approximate age of building (years)	Land area (square feet)/ Built-up area (square feet)	Net book value as at 31 January 2000 RM'000	Open Market Value RM'000	Revaluation Date	Revaluation As Approved by the SC RM'000	Revaluation Surplus/ (Deficit) as at 31 January 2000 RM'000	Net Revaluation Surplus/ (Deficit) As Approved RM'000
<b>IESB</b> Nilai Industrial Estates PT 2475 & PT 2476, HS(D) 75367 and HS(D) 75368, Mukim of Setul, District of Seremban, Negert Sembilan	Leasehold for 99 years (expiry 03- 07-2092)	Industrial	6	303,074/ 97,821	20,799	20,000	5 April 2000	14,500	(799) <sup>(1)</sup>	(5,500) <sup>(3)</sup>
PT No. 11469, HS(M) 96338, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan	Leasehold for 99 years (expiry 29- 09-2086)	Industrial	10	43,560/ 24,327	4,687	5,000	5 April 2000	3,500	313 <sup>(1)</sup>	(1,500) <sup>(3)</sup>
Unit 17-1-1 to 17-1-14, HS(D) 75362, PT No. 2193, Mukim of Setul, District of Seremban	Freehold	Staff Accommodat- ion	7	9,562	327	327	-	-	-	-
<b>ITSB</b> Bukit Beruntung Industrial Estates, HS(D) 8183, 8184, 8186 and 8187 Lot No. PT 7105, 7106, 7108, and 7109, Mukim Serendah, Daerah Hulu Selangor, Selangor Darul Ehsan	Freehold	Industrial	3	365,197/ 57,313	14,511	16,300	5 April 2000	16,300	1,789	1,789

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

Location/ Description	Tenure	Intended/ Existing use	Approximate age of building (years)	Land area (square feet) Built-up area (square feet)	Net book value as at 31 January 2000 RM'000	Open Market Value RM'000	Revaluation Date	Revaluation As Approved by the SC RM'000	Revaluation Surplus/ (Deficit) as at 31 January 2000 RM'000	Net Revaluation Surplus/ (Deficit) As Approved RM'000
IAV Title Deed No. 6763 Land No. 62, 39,957 Survey Page No. 2706 Tambol Pluak Daeng, Amphur Pluak Daeng, Rayong Province Thailand	Freehold	Industrial	4	220,183/ 39,957	7,049	8,000	5 April 2000	8,000	951	951
					47,373	49,627			2,254 (2)	(4,260)

Note:

- (1) This deficit has been expensed off in the accounts of IESB for the financial year ended 31 January 2000.
- (2) The revaluation surplus, excluding the deficit explained in (1) above, has been credit into the accounts of the respective companies for the financial year ended 31 January 2000.
- (3) The net deficit of RM6,687,000 has been reflected in the audited profit and loss accounts of IESB for the six-month period ended 31 July 2000

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