

**1.0 CORPORATE INFORMATION****BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Profession/ Occupation</b>	<b>Nationality</b>
Dato' Abdul Rashid bin Ahmad	No. 30, Lorong 12/16A 46200 Petaling Jaya Selangor	Executive Chairman	Malaysian
Lee Peng Joo	12, Jalan Perkasa 5 Taman Maluri Cheras 55100 Kuala Lumpur	Group Managing Director/Chief Executive Officer	Malaysian
Geh Yean Chang	52, Jalan Teratai Jingga Off Taman Sultan Badlishah 05050 Alor Setar Kedah	Executive Director	Malaysian
Lim Chong Ling	4, Jalan 10/146 Bandar Tasik Selatan Sungai Besi 57100 Kuala Lumpur	Executive Director	Malaysian
Lee Peng Seng	42A, Jalan USJ 4/1K 47600 Subang Jaya Selangor	Non-Executive Director	Malaysian
Rezal Zain bin Abdul Rashid	47, Jalan Keruing Bukit Bandaraya 59100 Kuala Lumpur	Non-Executive Director	Malaysian
YB Abd Hamid bin Abd Rahman	44, Jalan Lebah Taman Makmor 83000 Batu Pahat Johor	Independent Non- Executive Director	Malaysian
Dato' Kam U Tee	Unit 2-6-5 Sri Pangkor Condominium Jalan Pangkor 10050 Pulau Pinang	Independent Non- Executive Director	Malaysian
Ho Koon How	1203, Jalan Pegawai 05050 Alor Setar Kedah	Independent Non- Executive Director	Malaysian
Lee Peng Kuan (Alternate to Lee Peng Seng)	44, Jalan USJ 6/4G 47610 Subang Jaya Selangor	Alternate Director	Malaysian

**1.0 CORPORATE INFORMATION****AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
YB Abd Hamid bin Abd Rahman	Chairman	Independent Non-Executive Director
Lee Peng Joo	Member	Group Managing Director/Chief Executive Officer
Dato' Kam U Tee	Member	Independent Non-Executive Director
Ho Koon How	Member	Independent Non-Executive Director

**COMPANY SECRETARY**

: Ng Yim Kong  
(LS 00198)  
97, Jalan USJ 2/4R  
UEP Subang Jaya  
47600 Subang Jaya  
Selangor

**REGISTERED OFFICE**

: 10<sup>th</sup> Floor, Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Telephone number : 03-21454337

**HEAD OFFICE**

: No. 18, Jalan SS2/72  
47300 Petaling Jaya  
Selangor

Telephone number : 03-77252988

Email : [pjindah@po.jaring.my](mailto:pjindah@po.jaring.my)

Website : [www.pjindah.com.my](http://www.pjindah.com.my)

**PRINCIPAL BANKERS**

: Standard Chartered Bank Malaysia Berhad  
No. 30-36, Jalan 52/4  
46700 Petaling Jaya  
Selangor

Overseas Union Bank (M) Berhad  
Ground Floor, Uptown 1  
No. 1, Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor

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**1.0 CORPORATE INFORMATION**


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<b>PRINCIPAL BANKERS (Cont'd)</b>	Malayan Banking Berhad No. 11, Jalan 51A/222 46100 Petaling Jaya Selangor
	United Overseas Bank (M) Berhad No. 2-6, Jalan Tengah 46100 Petaling Jaya Selangor
	Hong Leong Bank Berhad 26, Lorong Rahim Kajai 14 Taman Tun Dr Ismail 60000 Kuala Lumpur
<b>ISSUING HOUSE</b>	: Malaysian Issuing House Sdn Bhd 27 <sup>th</sup> Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
<b>REGISTRAR</b>	: Signet Share Registration Services Sdn Bhd 11 <sup>th</sup> Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur
<b>AUDITOR AND REPORTING ACCOUNTANT</b>	: GEP Associates (AF1030) Public Accountants Wisma GEP 25, Jalan PJU 1/42A Dataran Prima 47301 Petaling Jaya Selangor
<b>SOLICITOR FOR THE PUBLIC ISSUE</b>	: Soo Thien Ming & Nashrah Advocates & Solicitors No. 1, 1 <sup>st</sup> Floor Jalan SS2/55 47300 Petaling Jaya Selangor
<b>ADVISER AND JOINT MANAGING UNDERWRITER</b>	: Southern Investment Bank Berhad 11 <sup>th</sup> Floor, Wisma Genting 28, Jalan Sultan Ismail 50250 Kuala Lumpur
<b>JOINT MANAGING UNDERWRITER</b>	: SBB Securities Sdn Bhd 51-53 Persiaran Greenhill 30450 Ipoh Perak

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**1.0 CORPORATE INFORMATION**

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- UNDERWRITER** : UT Securities Sdn Bhd  
6<sup>th</sup> , 10<sup>th</sup> and 12<sup>th</sup> Floor  
Bangunan Mayban Trust  
3 Penang Street  
10200 Penang
- VALUERS** : Henry Butcher, Lim & Long (Alor Setar) Sdn Bhd  
No. 180, 2<sup>nd</sup> Floor, Kompleks Alor Setar  
Lebuhraya Darulaman  
05100 Alor Setar  
Kedah
- Henry Butcher, Lim & Long (Penang) Sdn Bhd  
142-M, Jalan Burma  
10050 Penang
- Vigers (KL) Sdn Bhd  
Suite 1701, 17<sup>th</sup> Floor Central Plaza  
34 Jalan Sultan Ismail  
50250 Kuala Lumpur
- LISTING SOUGHT** : Second Board of the Kuala Lumpur Stock  
Exchange

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## 2.0 INFORMATION SUMMARY

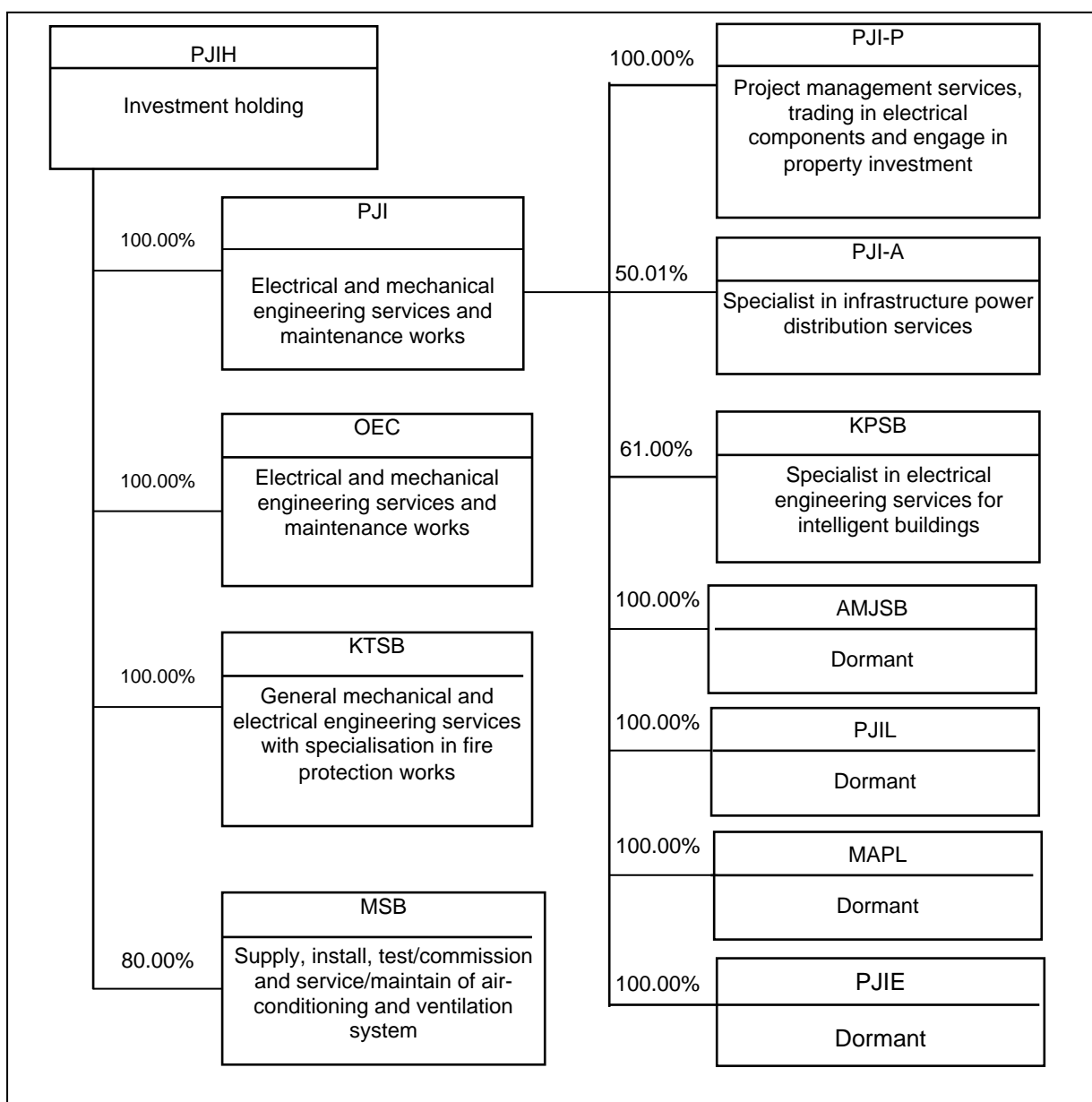
**THE INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION WITH REGARD TO THE PJIH GROUP. INVESTORS SHALL READ AND UNDERSTAND THE ENTIRE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.**

The following information is derived from and should be read in conjunction with the full text of this Prospectus.

### 2.1 History and Business

PJIH was incorporated in Malaysia under the Companies Act, 1965 on 24 November 1999 as a private limited company under the name of PJI Holdings Sdn Bhd. It was converted to a public limited company on 3 December 1999 and has since assumed its present name.

PJIH is principally an investment holding company with interest in four (4) subsidiary companies, namely PJI, OEC, KTSB and MSB. Further information on the PJIH Group is disclosed under Section 5.0 of this Prospectus. The group structure of the PJIH Group is set out below:



## 2.0 INFORMATION SUMMARY

### 2.2 Promoters, Substantial Shareholders, Directors and Key Management Team

#### Promoters

Name	Position in the PJIH Group	After the Public Issue			
		Direct No. of PJIH Shares	%	Indirect No. of PJIH Shares	%
Dato' Abdul Rashid bin Ahmad	Executive Chairman of PJIH	8,089,022 <sup>1</sup>	17.90	1,765,878 <sup>2</sup>	3.91
Lee Peng Joo	Group Managing Director/ Chief Executive Officer and Managing Director of PJI	4,832,212 <sup>1</sup>	10.69	4,856,115 <sup>3</sup>	10.74
Geh Yean Chang	Executive Director and Managing Director of OEC	2,599,797 <sup>1</sup>	5.75	1,843,299 <sup>4</sup>	4.08
Lim Chong Ling	Executive Director and Managing Director of KTSB	1,467,895 <sup>1</sup>	3.25	-	-
Lee Eng Wah	Director of MSB	509,374 <sup>1</sup>	1.13	-	-

#### Substantial Shareholders

Name	Position in the PJIH Group	After the Public Issue			
		Direct No. of PJIH Shares	%	Indirect No. of PJIH Shares	%
Dato' Abdul Rashid bin Ahmad	Executive Chairman	8,089,022 <sup>1</sup>	17.90	1,765,878 <sup>2</sup>	3.91
Lee Peng Joo	Group Managing Director/ Chief Executive Officer	4,832,212 <sup>1</sup>	10.69	4,856,115 <sup>3</sup>	10.74
Geh Yean Chang	Executive Director	2,599,797 <sup>1</sup>	5.75	1,843,299 <sup>4</sup>	4.08
Lee Peng Seng	Non-Executive Director	15,000 <sup>1</sup>	0.03	9,673,327 <sup>5</sup>	21.40
Lee Peng Kuan	Alternate Director	25,000 <sup>1</sup>	0.06	9,663,327 <sup>6</sup>	21.38
Datin Rohani binti Romly	-	1,730,878	3.83	8,124,022 <sup>7</sup>	17.97
Geh Yean Hor	-	1,302,399	2.88	3,140,697 <sup>12</sup>	6.95
Geh Yean Hooi	-	540,900	1.20	3,902,196 <sup>9</sup>	8.63
Yap Mei Leng	-	-	-	9,688,327 <sup>10</sup>	21.43
Rezal Zain bin Abdul Rashid	Non-Executive Director	35,000 <sup>1</sup>	0.08	9,819,900 <sup>8</sup>	21.73
Lim Eng Cheik	Operation Director of OEC	10,000 <sup>1</sup>	0.02	4,055,675 <sup>11</sup>	8.97
Aplink Enterprise Sdn Bhd	Substantial shareholder	4,816,115	10.66	-	-
Apex Term Sdn Bhd	Substantial shareholder	4,055,675	8.97	-	-

## 2.0 INFORMATION SUMMARY

### Directors

Name	Position in the PJIH Group	After the Public Issue			
		Direct No. of PJIH Shares	%	Indirect No. of PJIH Shares	%
Dato' Abdul Rashid bin Ahmad	Executive Chairman	8,089,022 <sup>1</sup>	17.90	1,765,878 <sup>2</sup>	3.91
Lee Peng Joo	Group Managing Director/ Chief Executive Officer and Managing Director of PJI	4,832,212 <sup>1</sup>	10.69	4,856,115 <sup>3</sup>	10.74
Geh Yean Chang	Executive Director and Managing Director of OEC	2,599,797 <sup>1</sup>	5.75	1,843,299 <sup>4</sup>	4.08
Lim Chong Ling	Executive Director and Managing Director of KTSB	1,467,895 <sup>1</sup>	3.25	-	-
Rezal Zain bin Abdul Rashid	Non-Executive Director	35,000 <sup>1</sup>	0.08	9,819,900 <sup>8</sup>	21.73
Lee Peng Seng	Non-Executive Director	15,000 <sup>1</sup>	0.03	9,673,327 <sup>5</sup>	21.40
YB Abd Hamid bin Abd Rahman	Independent Non-Executive Director	15,000 <sup>1</sup>	0.03	-	-
Dato' Kam U Tee	Independent Non-Executive Director	15,000 <sup>1</sup>	0.03	-	-
Ho Koon How	Independent Non-Executive Director	15,000 <sup>1</sup>	0.03	-	-
Lee Peng Kuan (Alternate to Lee Peng Seng)	Alternate Director	25,000 <sup>1</sup>	0.06	9,663,327 <sup>6</sup>	21.38

### Key Management Team

Name	Position in the PJIH Group	After the Public Issue			
		Direct No. of PJIH Shares	%	Indirect No. of PJIH Shares	%

### PJI

Lim Kian Seng	Senior General Manager (Project) and Managing Director of KPSB	35,000 <sup>1</sup>	0.08	-	-
Lee Hong Seng	Deputy General Manager (Project)	18,000 <sup>1</sup>	0.04	-	-
Tan Hong Chuan	Deputy General Manager (Project)	15,000 <sup>1</sup>	0.03	-	-
Dr. Lim Cheong Seng	Deputy General Manager (Project)	4,000	0.01	-	-

**2.0 INFORMATION SUMMARY****Key Management Team (Cont'd)**

Name	Position in the PJIH Group	After the Public Issue			
		Direct No. of PJIH Shares	%	Indirect No. of PJIH Shares	%
Choy Ping Keong	Deputy General Manager and Head of Tender Division	541,264 <sup>1</sup>	1.20	-	-
Yap Chui Fan	Senior Manager, Corporate And Finance	2,000	0.01	-	-
Thomas Daniel	Internal Audit Manager	2,000	0.01	-	-
Looi Mee Hoong	Company Secretarial Assistant	11,000 <sup>1</sup>	0.02	-	-
Lim Pooi Pei	Legal Assistant	11,000 <sup>1</sup>	0.02	-	-
<b><u>OEC</u></b>					
Lim Eng Cheik	Operation Director	10,000 <sup>1</sup>	0.02	4,055,675 <sup>11</sup>	8.97
Ooi See Chin	Project Manager	14,000 <sup>1</sup>	0.03	-	-
Loh Kean Giap	Project Manager	12,000 <sup>1</sup>	0.03	-	-
<b><u>KTSB</u></b>					
Ding Choo Hing	Executive Director	954,713 <sup>1</sup>	2.11	-	-
Zainal Abidin Jailany	Project Director	158,296 <sup>1</sup>	0.35	-	-
Abdul Malek bin Abdul Aziz	General Manager	19,000	0.04	-	-
<b><u>MSB</u></b>					
Lee Eng Wah	Managing Director	509,374 <sup>1</sup>	1.13	-	-
Leong Poh Seng	Project Director	168,046 <sup>1</sup>	0.37	-	-
Lau Chee Khin	Engineering Director	167,159 <sup>1</sup>	0.37	-	-
<b><u>KPSB</u></b>					
Rear Admiral Datuk Tuan Hashim bin Tuan Mohamad (rtd)	Director	15,000 <sup>1</sup>	0.03	-	-
Lim Chin Boo	Project Manager	11,000 <sup>1</sup>	0.02	-	-
<b><u>PJI-A</u></b>					
Tan Choi Lai	Project Manager	15,000 <sup>1</sup>	0.03	-	-



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## 2.0 INFORMATION SUMMARY

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Notes:

- (1) *Based on their respective entitlements under the pink form share allocation to eligible Directors, employees and parties that have contributed to the success of the PJIH Group of the PJIH Group in conjunction with the Public Issue*
- (2) *Deemed interest by virtue of his spouse's, Datin Rohani binti Romly and his son's, Rezal Zain bin Abdul Rashid, direct shareholding in PJIH.*
- (3) *Deemed interest by virtue of his spouse's, Yap Mei Leng, interest of more than 15% in Aplink Enterprise Sdn Bhd and his brothers', Lee Peng Seng and Lee Peng Kuan, direct shareholdings in PJIH.*
- (4) *Deemed interest by virtue of his brothers', Geh Yean Hor and Geh Yean Hooi, direct shareholdings in PJIH.*
- (5) *Deemed interest by virtue of his brothers', Lee Peng Joo and Lee Peng Kuan, direct shareholdings in PJIH and Lee Peng Joo's indirect interest through his spouse's interest of more than 15% in Aplink Enterprise Sdn Bhd.*
- (6) *Deemed interest by virtue of his brothers', Lee Peng Joo and Lee Peng Seng, direct shareholdings in PJIH and Lee Peng Joo's indirect interest through his spouse's interest of more than 15% in Aplink Enterprise Sdn Bhd.*
- (7) *Deemed interest by virtue of her spouse's, Dato' Abdul Rashid bin Ahmad and her son's, Rezal Zain bin Abdul Rashid, direct shareholdings in PJIH.*
- (8) *Deemed interest by virtue of his father's, Dato' Abdul Rashid bin Ahmad and his mother's, Datin Rohani binti Romly, direct shareholdings in PJIH.*
- (9) *Deemed interest by virtue of his brothers', Geh Yean Chang and Geh Yean Hor, direct shareholdings in PJIH.*
- (10) *Deemed interest by virtue of her interest of more than 15% in Aplink Enterprise Sdn Bhd and her spouse's, Lee Peng Joo, direct interest in PJIH and also his indirect interest through his brothers', Lee Peng Seng and Lee Peng Kuan, direct shareholdings in PJIH.*
- (11) *Deemed interest by virtue of his interest of more than 15% in Apex Term Sdn Bhd.*
- (12) *Deemed interest by virtue of his brothers', Geh Yean Chang and Geh Yean Hooi, direct shareholdings in PJIH.*

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## 2.0 INFORMATION SUMMARY

### 2.3 Financial Highlights

The table below has been extracted from the Accountants' Report in Section 11.0 of this Prospectus and should be read in conjunction with the notes thereto. A summary of the proforma consolidated financial results of the PJIH Group for the five (5) years ended 30 June 2001, prepared on the assumption that the current structure of the Group had been in existence throughout the period under review, is as follows:

	<----- Financial year ended 30 June ----->				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Turnover	84,707	156,705	185,012	157,182	174,224
Profit before depreciation and interest	11,226	10,185	10,679	13,980	15,281
Depreciation	(500)	(853)	(876)	(968)	(1,135)
Interest expense	(187)	(619)	(683)	(360)	(635)
Other Income	635	950	1,468	719	814
Operating profit	11,174	9,663	10,588	13,371	14,325
Exceptional item	-	-	-	132	-
Share of profits/(loss) in Joint-Venture	44	(9)	(5)	(5)	(5)
PBT	11,218	9,654	10,583	13,498	14,320
Taxation	(3,205)	(2,924)	(252)	(3,362)	(4,330)
PAT	8,013	6,730	10,331	10,136	9,990
Minority interest	(60)	84	(8)	(159)	(355)
PAT and minority interest	7,953	6,814	10,323	9,977	9,635
<b>Number of PJIH Shares assumed in issue after the Acquisitions but prior to the Rights Issue ('000)</b>	33,545	33,545	33,545	33,545	33,545
Gross EPS (sen) <sup>(1)</sup>	33.26	29.03	31.52	39.76	41.63
Net EPS (sen) <sup>(2)</sup>	23.71	20.31	30.77	29.74	28.72
<b>Number of PJIH Shares assumed in issue after the Acquisitions, Rights Issue and Public Issue ('000)</b>	45,200	45,200	45,200	45,200	45,200
Gross EPS (sen) <sup>(3)</sup>	24.69	21.54	23.40	29.51	30.90
Net EPS (sen) <sup>(4)</sup>	17.60	15.08	22.84	22.07	21.32
Gross dividend (sen)	-	-	-	-	-

**Notes :**

- (1) Based on the PBT but after minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions but prior to the Rights Issue.
- (2) Based on the PAT and minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions but prior to the Rights Issue.
- (3) Based on the PBT but after minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions, Rights Issue and Public Issue.

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## 2.0 INFORMATION SUMMARY

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- (4) *Based on the PAT and minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions, Rights Issue and Public Issue.*
- \* *As the financial accounting dates of OEC, KTSB and MSB are not coterminous with PJIH during the financial years 1997 to 2001, the respective company's financial results have been pro-rated to 30 June in respect of the preparation of proforma consolidated financial results of PJIH Group.*
- \*\* *With the exception of the financial year ended 30 June 2000, there were no extraordinary items and no exceptional items for the period under review. The exceptional item for the financial year ended 30 June 2000 was due to the gain from the disposal of PSE Projects Sdn Bhd recorded by P.J. Indah Sdn Bhd.*
- \*\*\* *The audited financial statements of PJIH and its subsidiaries for the past 5 years have not been subjected to any auditors' qualifications.*

Summarised commentary on the PJIH Group's financial performance throughout the period under review is set out in Section 10.1 of this Prospectus.

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## 2.0 INFORMATION SUMMARY

### 2.4 Summary of the Proforma Balance Sheet as at 30 June 2001

The table below was extracted from the Accountants' Letter in Section 10.11 of this Prospectus and should be read in conjunction with the notes thereto. A summary of the proforma consolidated balance sheets of the PJIH Group for the financial year ended 30 June 2001, prepared on the assumption that the current structure of the Group had been in existence throughout the period under review, is as follows:

	(I)	(II)	(III)
	Audited as at 30 June 2001 RM'000	After Acquisitions RM'000	After (I) & Rights Issue RM'000
			After (I), (II) & Public Issue and Listing Expenses RM'000
<b>ASSETS</b>			
Property, plant and equipment	5,980	18,835	18,835
Investment in an associated company	-	51	51
Investment In Joint Venture	-	111	111
Other Investment	-	110	110
Investment Properties	-	4,479	4,479
<b>CURRENT ASSETS</b>			
Inventories	-	479	479
Trade and other receivables	50	94,110	94,110
Fixed deposits with licensed banks	-	10,188	10,188
Cash on hand and at bank	50	1,384	7,478
	100	106,161	112,255
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,415	54,816	54,816
Amount due to directors	-	147	147
Hire Purchase creditors	-	359	359
Bank borrowings	480	15,065	15,065
Provision for taxation	-	4,426	4,426
	1,895	74,813	74,813
NET CURRENT (LIABILITIES)/ASSETS	(1,795)	31,348	37,442
DEFERRED EXPENDITURE	213	213	213
	4,398	55,147	61,241
Financed by:			
SHARE CAPITAL	300	33,545	38,420
SHARE PREMIUM RESERVES	-	92	1,311
	(214)	14,178	14,178
SHAREHOLDERS' FUND	86	47,815	53,909
MINORITY INTEREST	-	1,072	1,072
<b>LONG TERM AND DEFERRED LIABILITIES</b>			
Hire Purchase creditors	-	458	458
Term loans	4,312	5,611	5,611
Deferred taxation	-	191	191
	4,398	55,147	61,241
	4,398	55,147	70,111

## 2.0 INFORMATION SUMMARY

		(I)	(II)	(III)
	Audited as at 30 June 2001 RM'000	After Acquisitions RM'000	After (I) & Rights Issue RM'000	After (I), (II) & Public Issue and Listing Expenses RM'000
NTA	(127)	47,602	53,696	62,566
NTA per ordinary share (RM)	(0.42)	1.42	1.40	1.38

The detailed proforma consolidated balance sheet as at 30 June 2001 is set out in Section 10.11 of this Prospectus.

As stated in the Accountants' Report under Section 11.0 of this Prospectus, no depreciation is provided for a building on a freehold land of one of the subsidiaries. This is a departure from the Malaysian Accounting Standard Board (MASB) 15. It is the subsidiary's practice to maintain the asset in a high standard and condition with regular maintenance and improvements. Due to this, the assets are considered to maintain its residual value to at least equal to its respective book value such that depreciation would be insignificant. Accordingly, no depreciation is provided. However, subsequent to the completion of the Acquisitions, the said subsidiary will from henceforth comply with MASB 15.

## 2.5 Summary of Material Risk Factors

Investment in shares listed and to be listed on the KLSE involves general risks such as:

- Market risks (general sentiment of the local bourse);
- Industry risks (specific to the industry in which the Group is operating in); and
- Political and economical considerations risks (changes in interest rates, foreign exchange rates, method of taxation and currency exchange controls).

In addition to the general risks associated with any investment in the stock market, there are certain additional risks inherent in investing in the Public Issue Shares. An investment in the Public Issue Shares is likely to involve risks specific to investments in entities engaged in the electrical and mechanical engineering industry such as:

- liquidity (solvency of the Group);
- credit (ability to borrow);
- operational (efficiency of operations);
- legal (in compliance and changes to laws and regulations that governs the Group's businesses); and
- regulatory risks (bound by license or conditions set by the authorities).

Applicants should carefully consider the risks factors that may affect PJIH and the industry in which it operates, as well as other information set forth in this Prospectus. Some of the risk factors that should be considered include, but is not limited to the following:

- (i) There is no prior market for PJIH Shares to indicate the price at which the PJIH Shares will trade on the Second Board of the KLSE upon or subsequent to its listing or that an active market for PJIH Shares will develop and continue upon or subsequent to its listing.
- (ii) Business risks inherent in the electrical and mechanical engineering industry, which includes human resource and supply shortage, rising cost of labour and changes in general economic, business and credit conditions.

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**2.0 INFORMATION SUMMARY**

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- (iii) Availability of manpower resource, especially skilled workforce, is an important consideration for the efficient running of the Group's operations.
- (iv) The ownership and control rest with Dato' Abdul Rashid bin Ahmad, Datin Rohani binti Romly (spouse of Dato' Abdul Rashid bin Ahmad), En Rezal Zain bin Abdul Rashid, Mr Lee Peng Joo, Ms Yap Mei Leng (spouse of Mr Lee Peng Joo), Mr Lee Peng Seng, Mr Lee Peng Kuan, Mr Geh Yean Chang, Mr Geh Yean Hooi and Mr Geh Yean Hor. Therefore it is likely that they are able to effectively control the outcome of certain matters requiring the votes of the Company's shareholders.
- (v) Competitions from other companies that are involved in the electrical and mechanical engineering business.
- (vi) Achievability of forecast is based on assumptions that are subject to uncertainties and contingencies.
- (vii) Exposure to foreign exchange risks as certain projects undertaken by the PJIH Group may require raw materials which are sourced from overseas suppliers.
- (viii) Dependence on key personnel, which could affect the Company's continuing ability to compete in the industry.
- (ix) Adverse developments in the political and economic conditions in Malaysia and other countries where the PJIH Group is currently undertaking or may undertake projects could materially affect the financial prospects of the Group.
- (x) The Group's operations are subject to jurisdiction of numerous governmental agencies with respect to environmental and other regulatory matters.
- (xi) Dependency on certain suppliers and customers and failure of on-going relationships may affect adversely to the current operations of the PJIH Group.
- (xii) The lack of long term contracts may have an impact of the future profitability of the PJIH Group.
- (xiii) The existence of high retention monies may have an adverse effect on the debtors' turnover of PJIH and may increase the level of bad debts.
- (xiv) Delays in completion of projects may have an impact on the future profitability of the Group.
- (xv) Significant fluctuations in the interest rate may pose an impact on the financial performance of the PJIH Group, as some of the working capital requirements are met partially by borrowings and internally generated funds.
- (xvi) The continued success of the Group is also dependent on the Group's ability to keep up with changes in technology.

Please refer to Section 4.0 of this Prospectus for further information on the abovementioned risk factors.

## 2.0 INFORMATION SUMMARY

### 2.6 Highlights of the Consolidated Profit and Dividend Forecast

#### 2.6.1 Profit Forecast

Financial Year Ending 30 June 2002	Forecast RM'000
Consolidated PBT	17,286
Less : Tax	(4,828)
Consolidated PAT	12,458
Less: Minority interest	(258)
Consolidated PAT and minority interest	12,200
Number of enlarged shares in issue ('000)	45,200
Gross EPS (sen)	37.67
Net EPS (sen)	26.99
Gross PE Multiple based on the issue price of RM1.50 per PJIH Share (times)	3.98
Net PE Multiple based on the issue price of RM1.50 per PJIH Share (times)	5.56

Further notes and assumptions on the Profit Forecast are set out in Section 10.7 of this Prospectus.

#### 2.6.2 Dividend Forecast

Barring any unforeseen circumstances, the Directors of PJIH expect that the Company would be able to declare a dividend rate of 6% less 28% tax for the financial year ending 30 June 2002 based on the enlarged issued and paid-up share capital of PJIH of 45,200,000.

Financial Year Ending 30 June 2002	Forecast
Net dividend per share (sen)	4.32
Net dividend yield based on the Public Issue price of RM1.50 per share (%)	2.88
Net dividend cover (times)	6.25

### 2.7 Principal Statistics relating to the Public Issue

#### 2.7.1 Share Capital

<b>Authorised:</b> 100,000,000 PJIH Shares	RM100,000,000
<b>Issued and fully paid-up:</b> 38,420,000 PJIH Shares	RM38,420,000
<b>To be issued pursuant to the Public Issue:</b> 6,780,000 new PJIH Shares	RM6,780,000
	RM45,200,000

<b>2.7.2 Public Issue Price per PJIH Share</b>	RM1.50
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## 2.0 INFORMATION SUMMARY

### 2.8 Proforma Consolidated NTA as at 30 June 2001

	Note	NTA RM'000	NTA per PJIH Share RM
Proforma Consolidated NTA after Public Issue	(1)	62,566	1.38

Note:

(1) Based on the enlarged issued and paid-up share capital of 45,200,000 PJIH Shares after the Acquisitions, Rights Issue and Public Issue and after deducting estimated listing expenses of RM1.3 million.

### 2.9 Utilisation of Rights Issue and Public Issue Proceeds

The Rights Issue and Public Issue will raise gross proceeds of approximately RM6.094 million and RM10.170 million respectively.

A summary of the intended utilisation of proceeds is as follows:

Purpose	Total RM
(i) Repayment of bank borrowings	8,089,564
(ii) Establishment of a new integrated information technology system	750,000
(iii) Estimated listing expenses	1,300,000
(iv) Working capital requirements	6,124,437
	16,264,001

Further information on the utilisation of Rights Issue and Public Issue proceeds is disclosed in Section 3.7 of this Prospectus.

### 2.10 Material Litigations, Commitments and Contingent Liabilities

#### 2.10.1 Material Litigation

- (a) Kuala Lumpur High Court Civil Action No: MTI-22-798-99: Hint Lite Sdn Bhd as the Plaintiff v. P.J. Indah Sdn Bhd as the Defendant.
- (b) Shah Alam High Court Originating Summons No: MT4-24-2361-2001: Kejuruteraan R.E. Morris Sdn Bhd as the Plaintiff v. P.J. Indah Sdn Bhd as the Defendant.
- (c) Penang High Court Civil action No: MT3-22-604-99: Ocean Electrical Co Sdn Bhd as the Plaintiff v. Maxifield Management Sdn Bhd as the Defendant.
- (d) Penang High Court Companies action No: 28-103-99: In the matter of Harian Utara Sdn Bhd - Ocean Electrical Co. Sdn Bhd as a Creditor.
- (e) Kuala Lumpur High Court Winding Up No: D5-28-1042-2000: In the matter of Sudut Mewah Sdn Bhd - Megatara Sdn Bhd as a Creditor.

Further information on the Group's material litigations is disclosed in Section 14.5 of this Prospectus.



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**2.0 INFORMATION SUMMARY**

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**2.10.2 Material Commitments**

<b>As at 31 October 2001</b>	<b>RM</b>
Approved and contracted for	577,681
Approved but not contracted for	1,645,500
Total	<u>2,223,181</u>

**2.10.3 Contingent Liabilities**

As at 31 October 2001, the Group has contingent liabilities in respect of a claim from a sub-contractor for electrical and telephone installation services rendered to the Company amounting to RM789,533.

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### 3.0 PARTICULARS OF THE PUBLIC ISSUE

This Prospectus is dated 8 November 2001. A copy of this Prospectus has been registered by the SC and lodged with the ROC who takes no responsibility for its contents.

Application will be made to the KLSE for admission to the Official List of the Second Board of the KLSE and for permission to deal in and for quotation for the entire issued and fully paid-up PJIH Shares, including the Public Issue Shares, which are the subject of this Prospectus. The PJIH Shares will be admitted to the Second Board of the KLSE and official quotation will commence after the receipt of confirmation from MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 3.05 of the Listing Requirements of the KLSE, PJIH is required to demonstrate that, upon listing, at least 25% of the issued and paid-up share capital of the Company is held by a minimum of 750 public shareholders holding not less than 1,000 shares each, of which at least 500 shareholders are members of the public who are not employees of the Company, its subsidiaries or holding company.

Accordingly, acceptance of applications for the Public Issue Shares will be conditional upon permission being granted by the KLSE to deal in and for quotation of all the issued and fully paid-up share capital of PJIH including the Public Issue Shares. Monies paid in respect of any application accepted from the Public Issue will be returned without interest if the said permission is not granted.

#### 3.1 Opening and Closing Date of the Application

The Application Lists will open at **10.00 a.m.** on 22 November 2001 and will remain open until **8.00 p.m.** on the same day or for such further period or periods as the Directors of PJIH in their absolute discretion may decide. Late applications will not be accepted.

#### 3.2 Critical Dates in respect of the Public Issue

Opening subscription	8 November 2001
Closing of subscription	22 November 2001
Tentative balloting date	27 November 2001
Tentative allotment date	7 December 2001
Tentative listing date	13 December 2001

#### 3.3 Purposes of the Public Issue

The purposes of the Public Issue are as follows:

- (i) To obtain the listing and quotation of the entire issued and paid-up share capital of PJIH on the Second Board of the KLSE;
- (ii) To provide an opportunity for the Malaysian public, as well as the eligible Directors, employees of PJIH Group and the parties that have contributed to the success of the Group to participate in the equity and continuing growth of the Group;
- (iii) To enable PJIH to gain access to the capital market for funds to finance the Group's future expansion and growth; and
- (iv) To provide additional funds to meet the Group's capital expenditure and working capital requirements.

### 3.0 PARTICULARS OF THE PUBLIC ISSUE

#### 3.4 Number and Class of Securities to be issued

<b>Authorised share capital:</b>	
100,000,000 PJIH Shares	<u>RM100,000,000</u>
<b>Issued and fully paid-up:</b>	
38,420,000 PJIH Shares	RM38,420,000
<b>To be issued pursuant to the Public Issue:</b>	
6,780,000 new PJIH Shares	RM6,780,000
Enlarged issued and fully paid-up capital	<u>RM45,200,000</u>

The issue price of RM1.50 per PJIH Share is payable in full on application.

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another. The Public Issue Shares will rank pari passu in all respects with the existing issued and paid-up PJIH Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of the Public Issue Shares.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of PJIH Shares shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of the whole of any surplus in the event of the liquidation of the Company.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney or by other duly authorised representative, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

#### 3.5 Information on the Public Issue

The Public Issue is subject to the terms and conditions of this Prospectus and the relevant application forms and shall be allocated in the following manner:

(i) ***Eligible Directors, Employees and Parties that have Contributed to the success of the PJIH Group***

2,260,000 Public Issue Shares have been reserved for the employees and Directors of PJIH Group together with parties that have contributed to the PJIH Group's success; and

(ii) ***Malaysian Investing Public***

4,520,000 Public Issue Shares will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions.

### 3.0 PARTICULARS OF THE PUBLIC ISSUE

The Underwriters have agreed to underwrite in total the 6,780,000 Public Issue Shares to be issued to the Malaysian public, the eligible Directors and employees of PJIH Group and parties which have contributed to the success of the Group. Underwriting commission is payable by the Company at the rate of 2% of the issue price of RM1.50 per PJIH Share.

#### 3.6 Basis of arriving at the Public Issue Price

The issue price of RM1.50 per Public Issue Share was determined and agreed upon by the Company and SIBB as the adviser based on various factors after taking into account the following:

- (i) The forecast net PE Multiple of approximately 5.56 times based on the forecast consolidated net EPS of PJIH of 26.99 sen for the year ending 30 June 2002 and the Issue Price of RM1.50 per PJIH Share.
- (ii) The proforma consolidated NTA per PJIH Share as at 30 June 2001 of RM1.38; and
- (iii) The prospects of the PJIH Group as outlined in Sections 5.7 and 5.8 of this Prospectus.

#### 3.7 Proceeds of the Rights Issue and Public Issue

The Rights Issue and Public Issue will raise total gross proceeds of approximately RM16.264 million. The gross proceeds will be utilised within 6 months from the date of the listing of PJIH Shares on the Second Board of the KLSE.

A summary of the utilisation of proceeds is as follows:

Purpose	Total RM
(i) Repayment of bank borrowings	8,089,564
(ii) Establishment of a new integrated information technology system	750,000
(iii) Estimated listing expenses	1,300,000
(iv) Working capital requirements	6,124,437
	16,264,001

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### 3.0 PARTICULARS OF THE PUBLIC ISSUE

Brief information on the utilisation of proceeds is as follows:

#### (i) Repayment of bank borrowings

An amount of approximately RM8,089,564 of the proceeds from the Rights Issue and Public Issue will be utilised to repay the bank borrowings of the PJIH Group as follows:

Name of Financial Institution	Type of Facilities	Tenure (years)	Limit of facilities RM	Amount outstanding as at 31.10.2001 RM	Interest rate (p.a.) %	Purpose of borrowings
<b>PJIH</b>						
Overseas Union Bank (OUB)	Term Loan I	10.5	4,800,000	4,630,142	BLR+1.25	To finance 85% of the acquisition of the property in Bukit Jelutong for the purpose of the Group's new headquarters cum warehouse
OUB	Term Loan II	6	2,000,000	2,000,000*	BLR+1.25	To finance the renovation cost of the Group's new headquarters cum warehouse
<b>PJI</b>						
Standard Chartered Bank Malaysia Berhad	Fixed Term Loan	5	3,264,000	652,800	BLR+1.5	Financing of current PJI's Head Office
Malayan Banking Berhad	Term Loan	5	590,000	470,786	BLR+1.5	Financing of PJI's branch office at Putrajaya Precinct 9
OCBC Bank (Malaysia) Berhad	Term Loan	10	70,000	49,560	BLR+1.75	Financing of staff retreat at Ulu Behrang Orchard
<b>KTSB</b>						
Bank Utama (M) Bhd	Term Loan	15	199,000	179,505	BLR+2	Financing of branch office in Penang
Bank Utama (M) Bhd	Term Loan	15	116,707	106,771	BLR+2	Financing of branch office in Penang
<b>TOTAL</b>			<b>11,039,707</b>	<b>8,089,564</b>		

\* As at 31 October 2001, RM1,230,900 has been drawn down. The remaining amount of RM769,100 shall be progressively drawn down until completion.

### 3.0 PARTICULARS OF THE PUBLIC ISSUE

#### (ii) Establishment of a new integrated information technology system

PJIH intends to keep abreast with the latest developments in information technology systems in order to stay competitive in the mechanical and electrical engineering field. Accordingly, PJIH proposes to set aside approximately RM750,000 from the proceeds of the Rights Issue and Public Issue to facilitate the establishment of a new integrated information technology system. This new integrated system is expected to enhance the efficiency of the services provided both in terms of time and cost savings.

The breakdown of the establishment costs is set out as follow:

Item	Description	Total Cost (RM)
	Hardware Servers, workstations & Related Peripherals, Networking & Telecommunication Equipments & Cabling, Internet, Software (Operating System, Databases, Development Tools, Applications & Firewall), Training and Implementation Services	750,000
	<b>Total Establishment Costs</b>	<b>750,000</b>

#### (iii) Estimated Listing Expenses

A portion of the proceeds from the Rights Issue and Public Issue will be utilised for the Group's estimated listing expenses as follows:

Item	Description	RM
1.	Professional fees (merchant bankers, auditors, solicitors and other experts)	550,000
2.	SC's fees	53,000
3.	KLSE's initial and annual listing fees	7,000
4.	Issuing house fees and expenses	50,000
5.	Printing expenses for Prospectus, application forms, envelopes and share certificates	160,000
6.	Advertising and related costs	80,000
7.	Lodgement of Prospectus with the ROC	500
8.	Registration of Prospectus by the SC	5,000
9.	Underwriting commission	203,400
10.	Brokerage fees	101,700
11.	Miscellaneous and contingencies	89,400
	<b>TOTAL</b>	<b>1,300,000</b>

### 3.0 PARTICULARS OF THE PUBLIC ISSUE

#### (iv) Working capital requirements

An amount of RM6,124,437 will be utilised for the Group's working capital requirements for project financing purposes as well as other business expansionary plans. As a provider of mechanical and electrical engineering services, most of the jobs are secured through a tendering process. Under a normal tendering process, the Group will be required by the respective project owners to secure bank guarantees so as to ensure performance and timely delivery by the Group. In order to secure a bank guarantee from its bankers, the Group will in turn be required to pledge fixed deposits to the banks. Since the Group has a substantial number of potential projects to tender for, the proceeds raised from the Rights Issue and Public Issue would further strengthen the working capital base of the Group enabling the Group to possess sufficient financial flexibility.

#### 3.7.1 Financial Impact from Utilisation of Proceeds

Cashflow for the Financial Year Ending 30 June 2002	RM'000
<b>Inflow</b>	
Proceeds from listing	16,264
<b>Outflow</b>	
Repayment of bank borrowings	8,090
Establishment of a new integrated information technology system	750
Estimated listing expenses	1,300
Working capital requirements	6,124
Net	0

The repayment of RM8.09 million is expected to register an interest savings of approximately RM0.65 million per annum based on an average cost of borrowings of 8.1% as at 31 October 2001.

The impact on the consolidated balance sheet of the PJIH Group is reflected in the Proforma Balance Sheet as set out in Section 10.11 of this Prospectus.

#### 3.8 Underwriting and Brokerage Commission

The Underwriters have conditionally agreed to underwrite in total the 6,780,000 Public Issue Shares to be issued to the Malaysian public, the eligible Directors, employees of PJIH Group and parties which have contributed to the success of the Group. Underwriting commission is payable by the Company at the rate of 2% of the issue price of RM1.50 per PJIH Share.

Brokerage is payable by the Company in respect of the Public Issue Shares at the rate of 1.00% of the issue price of RM1.50 per PJIH Share in respect of successful applications bearing the stamps of SIBB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

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**3.0 PARTICULARS OF THE PUBLIC ISSUE**

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**3.9 Provisions of the Underwriting Agreement**

Even upon fulfilment of all relevant conditions precedent (further described in Clause 10 of the Conditional Underwriting Agreement) in the Conditional Underwriting Agreement referred to in Section 14.6 (k) of this Prospectus, the Managing Underwriter and Underwriters may at any time before the last date for acceptance, application for and payment of the subscription for PJH's Public Issue Shares (Closing Date), terminate their obligations if any of the following events occur:

- (i) In the reasonable opinion of the Majority Underwriters (comprising at least 2 underwriters) there shall have occurred, happened or come into effect any of the following circumstances:
  - (a) Any material breach by the Company of any of the representations, warranties or undertakings contained in Clause 10 (Representations, Warranties and Undertakings) (details of which are contained in the conditional Underwriting Agreement) which, if capable of remedy, is not remedied within three (3) market days after notice of such breach shall have been given to the Company by the Underwriters or by the Closing Date, whichever is the earlier) or material breach of any of the terms and conditions of this Conditional Underwriting Agreement by the Company;
  - (b) Any change, or any development involving a prospective change, in national or international monetary, financial, economic or political condition (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the abovementioned events or occurrences;
  - (c) Any change in any law, regulation, directive, policy or ruling in any jurisdiction;
  - (d) The average KLSE composite index for five (5) consecutive market days falls below 600 points on or before the Closing Date; or
  - (e) Any events or series of events beyond the reasonable control of the Underwriters including (without limitation) acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, sabotage, acts of God or accidents which has or is likely to have the effect of making any material part of the Conditional Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to the Public Issue or pursuant to the underwriting of the underwritten shares;

which, in the reasonable opinion of the Majority Underwriters, would have or can reasonably be expected to have a material adverse effect on the business or operations of the Group taken as a whole or the success of the Public Issue.



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**3.0 PARTICULARS OF THE PUBLIC ISSUE**

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- (ii) Upon such notice being given, the Underwriters shall be released and discharged of their obligations without prejudice to their rights under the Conditional Underwriting Agreement, and where the Underwriters have terminated or withdrawn their underwriting commitments pursuant to the above, the Conditional Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other parties in respect of the Conditional Underwriting Agreement, except that the Company shall remain liable in respect of any of their obligations and liabilities under Clause 10 (Representations, Warranties and Undertakings) and under Clause 11 (Costs and Expenses) (details of which are contained in the conditional Underwriting Agreement) for the payment of the costs and expenses already incurred up to the date on which such notice was given and under Clause 7.3.2 (Prospectus and Listing) (details of which are contained in the Conditional Underwriting Agreement) for the payment of any taxes, duties or levies.

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## 4.0 RISK FACTORS

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In evaluating an investment in the Public Issue Shares, prospective applicants should carefully consider the following in addition to the other information contained in this Prospectus.

### 4.1 No Prior Market for the Public Issue

Prior to this Public Issue, there has been no market for PJIH Shares. Consequently there can be no assurance that an active market for PJIH Shares will develop upon its listing on the Second Board of the KLSE or if developed, that such market will be sustained. The Public Issue price of RM1.50 per PJIH Share was entirely determined and agreed upon by PJIH and SIBB. The Public Issue price of RM1.50 per PJIH Share for the Public Issue Shares has been determined after taking into consideration a number of factors including but not limited to, the Group's financial and operating history and condition, its prospects and the prospects for the industry in which the Group operates, the strength of the management of the Group, the market prices for shares of companies engaged in related businesses similar to that of the Group and the prevailing market conditions. The prices at which the PJIH Shares are traded on the KLSE after this Public Issue may bear no relationship to the Public Issue price.

### 4.2 Business Risks

The PJIH Group is principally involved in the provision of services in respect of specialist engineering works. The Group was involved in several pioneering jobs which introduce new innovative electrical and mechanical engineering services. Some of the projects involved by the Group include, amongst others, the Kuala Lumpur City Centre Ramlee Tunnel, a unique network of underground ramps/tunnel; Solar photovoltaic grid connected rooftop system, being one of the largest in Asia Pacific; the Light Rail Transit system, being the first city train system in the country; and the Formula One Racing Circuit, being the first grand prix racing circuit in South East Asia. The proven track record of the Group has enabled it to differentiate itself as a specialist from the other 'Class A' contractors.

However, the PJIH Group is subject to certain risks inherent in the electrical and mechanical engineering services industry. These risks include changes in general economic conditions such as, but not limited to, government regulations, inflation, taxation, interest rates and exchange rates of foreign currencies; and changes in business conditions such as, but not limited to, deterioration in market conditions, constraints in labour supply, shortage of raw material, rising costs of labour and raw materials and machinery breakdown.

Any adverse change in the general economic condition or business condition will have a direct impact on the Group. Increase in inflation, interest rates and exchange rates would have minimal impact on the Group's financials as the Group has low gearing and foreign currencies exposure is minimal as only approximately 5% of raw materials are imported. In respect of shortage in labour supply, raw materials and rising direct cost, the impact would affect the financial condition of the PJIH Group.

The Group has taken steps to mitigate these risks such as to diversify into other sectors for its electrical and mechanical engineering business, procure its raw materials from many suppliers who are operating locally and plans to expand its operations to North and South East Asia and Middle East countries where the labour and operational costs are competitive.

Although the Group seeks to limit these risks, no assurance can be given that any change of these factors will not have a material adverse effect on the Group's business.

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## 4.0 RISK FACTORS

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### 4.3 Availability of Resources

Manpower resource, especially skilled workforce, is an important consideration for the efficient running of the Group's operations. The Group emphasises strongly on recruiting and retaining highly qualified specialist engineers as well as technical and professional staff, which has been a major factor contributing to the Group's past success. Most of the employees have been with the Group since its inception and many have gained experience in various specialised engineering fields. No assurance can be given that the Group's employees will remain in the Group subsequent to the listing of PJIH and that there would be future recruitment to manage the Group's existing and future operations.

In addition to skilled workforce, the Group is also dependent, to a certain extent, on the availability of electrical and mechanical materials which are used for the Group's specialist engineering operations. The local market supply for these materials may at times be inadequate. However, as one of the leaders in the electrical and mechanical engineering services industry, the Group has a considerable list of suppliers, both local and foreign. The Group mitigates this risk by sourcing its electrical and mechanical equipments from a number of established suppliers at competitive prices. These suppliers have been supplying to the Group since its commencement of business. However, no assurance can be given that such arrangements can continue to deliver uninterrupted supply of the materials required.

### 4.4 Competition

The PJIH Group faces competition from both local and foreign companies. Competition pose by the local companies come from both listed and unlisted companies. In respect of local unlisted companies, although they do carry out specialised electrical engineering works, competition from these companies focuses mainly on smaller scale contracts due to their relatively small capital base and size of skilled workforce.

The competitive advantage of the PJIH Group over other similar players lies mainly in its ability to manage turnkey projects as well as to offer integrated specialist engineering services. This is proven by the good reputation and excellent track record of the Group over the years. The Group possesses a full range of government registration and licenses, which include amongst others 'Class I' PKK license, enabling them to bid for semi-government and government projects of unlimited size. Due to the relatively few companies that could offer an integrated specialist engineering services, the Group is in a position to grow in tandem with the Government's pump-priming efforts to boost the Malaysian economy in general and the infrastructure, energy, telecommunications, petrochemical and construction industries in particular.

There are only a few local companies that have successfully penetrated the specialist electrical and mechanical engineering services market given the high level of technical expertise, stringent requirement of government legislation and licensing as well as the skilled manpower required. However, the foreign companies may pose greater competitive threat with their technical skills and resources. Nevertheless, foreign threat may be limited to some extent by the Malaysian government's emphasis on the involvement of local companies in the "mega" projects. In addition, the PJIH Group has taken positive steps to stay competitive in this industry. No assurance can, however, be given that the Group will be able to maintain its existing Malaysian market share in the future.

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## 4.0 RISK FACTORS

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### 4.5 Ownership and Control of the Group

Upon completion of the Public Issue, Dato' Abdul Rashid bin Ahmad, Datin Rohani binti Romly (spouse of Dato' Abdul Rashid bin Ahmad), En Rezal Zain bin Abdul Rashid, Mr Lee Peng Joo, Ms Yap Mei Leng (spouse of Mr Lee Peng Joo), Mr Lee Peng Seng, Mr Lee Peng Kuan, Mr Geh Yean Chang, Mr Geh Yean Hooi and Mr Geh Yean Hor will effectively hold 23,986,323 PJIH Shares which represent approximately 53.07% of the enlarged equity interest after the Public Issue in PJIH. Consequently, it is likely that Dato' Abdul Rashid bin Ahmad, Datin Rohani binti Romly, En Rezal Zain bin Abdul Rashid, Mr Lee Peng Joo, Ms Yap Mei Leng, Mr Lee Peng Seng, Mr Lee Peng Kuan, Mr Geh Yean Chang, Mr Geh Yean Hooi and Mr Geh Yean Hor will be able to effectively control the outcome of certain matters requiring the votes of the Company's shareholders unless they are required to abstain from voting by law and/or by the relevant authorities.

### 4.6 Forecasts

This Prospectus contains forecast financial results of the Group for the year ending 30 June 2002, based on assumptions that are subject to uncertainties and contingencies. There can be no assurance that the forecasts results contained herein will be realised due to the subjective judgements and inherent uncertainties of forecasts, and because events and circumstances may not occur as expected, actual results may be materially different from those shown. Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forecasts contained herein.

### 4.7 Foreign Exchange Risks

Currently, the PJIH Group's exposure to foreign exchange risks is minimal since its projects are mainly locally based and it only imports about 5% of the raw materials needed from local agents which import from overseas supplier. No assurance can however be given that future foreign exchange fluctuations will not have an adverse impact on the PJIH Group.

### 4.8 Dependence on Key Personnel

The Directors believe that the Group's continuing success will depend to a large extent upon the abilities and continuing efforts of its existing Board of Directors, senior management, major shareholders and its teams of professional engineers. The Group's management team is headed by Ir Lee Peng Joo, the Group Managing Director/Chief Executive Officer of PJIH. Together with Dato' Abdul Rashid bin Ahmad, the Executive Chairman of PJIH, Geh Yean Chang and Lim Chong Ling, the Executive Directors of PJIH, they oversee all the day to day operations of the PJIH Group. The loss of any of these members could adversely affect the Group's ability to maintain its competitive edge.

Collectively, Ir Lee Peng Joo and Dato' Abdul Rashid bin Ahmad hold 19,543,227 PJIH Shares or approximately 43.24% of PJIH's equity interest. The risk of the resignation of either Ir Lee Peng Joo and Dato' Abdul Rashid bin Ahmad is not expected to arise as, they have individually signed letters of undertaking to remain and manage the PJIH Group for the next five (5) consecutive years upon the successful listing of PJIH on the Second Board of the KLSE.

In addition, the Group has already embarked into a systematic succession planning through investing in training and development programmes organised internally and externally. The Board of Directors of PJIH comprises Executive Directors with similar level of abilities and background.

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## 4.0 RISK FACTORS

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Further, it has been the Group's continuing policy to train its personnel so as to groom the younger members of the management to gradually take over from the senior members to ensure smooth transition in the management team and as part of its employee career advancement programme. The Group's future success will also depend upon its ability to attract new and retain existing skilled personnel. Conscious of the importance of skilled personnel, the Board endeavours to inculcate a conducive working environment among its staff and at the same time giving attention to staff welfare.

### 4.9 Political, Economic and Regulatory Considerations

As in any other business, PJIH is subject to risks inherent in the infrastructure, energy, telecommunication, water supply, petrochemical and construction industries. These industries in turn are considered to be sensitive to the economic conditions in Malaysia.

Adverse developments in the political and economic conditions in Malaysia and other countries where the PJIH Group is currently undertaking or may undertake projects could materially affect the financial prospects of the Group. Political and economic uncertainties include risks of war, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation and currency exchange controls.

Whilst the Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic factors will not materially affect the Group.

### 4.10 Regulatory Framework

The Group's operations are subject to jurisdiction of numerous governmental agencies with respect to environmental and other regulatory matters. Apart from the rules and regulations of the Lembaga Pembangunan Industri Pembinaan Malaysia (LPIPM), Pusat Khidmat Kontraktor (PKK) and Jabatan Bekalan Elektrik (JBE) and Bomba, the Group is also subject to the following environmental legislation:

- Occupational Safety and Health Act, 1994;
- Environmental Quality Act, 1974 (Act 127); and
- Environmental Quality (Clean Air) Regulations 1978.

The Group has always worked to ensure that all the above regulations are complied with strictly. However, no assurance can be given that any future changes to the present regulation or introduction of new regulation by relevant authorities will not have a material impact on the Group's business.

### 4.11 Risk on Dependency on Major Suppliers and Customers

The Group's suppliers are mainly local-based since the majority of the mechanical and electrical engineering material are available locally. The electrical and mechanical engineering materials are cables, switchboards, pipes, busducts, light fittings, trunking etc used for electrical and mechanical installations. Many of these suppliers have maintained their business relationship with the Group since its incorporation and the Group is not dependent on any particular supplier. A summary of the Group's major suppliers is set out in Section 5.10 of this Prospectus.

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## **4.0 RISK FACTORS**

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The Group has established strong business relationships with all its customers from various sub-sectors, namely infrastructure, energy, telecommunication, water supply, petrochemical and construction industries. As at 30 June 2001, Putrajaya Holdings Sdn Bhd is the largest contributor to the Group's total turnover of approximately 11%. The PJIH Group has successfully secured a wide customer base representing the diversified industry group and is not dependent to a single customer or group of customers or industry, as can be inferred from the list of customers which is summarised in Section 5.9 of this Prospectus.

### **4.12 Lack of Long Term Contracts**

Due to the nature of the electrical and mechanical industry, the jobs undertaken by the PJIH Group are on contractual basis and are not long-term in nature. The lack of long term contracts may affect the future profitability of the Group. The Group initiates to minimise this risk by exploring into large-scale overseas projects, concessionaire projects such as in water supply and treatment schemes and long term maintenance contracts with key clients.

The Group has as at 31 October 2001 secured more than 100 contracts totalling in value of over RM380 million of which approximately RM250 million represent the unbuilt portion expected to be completed during the financial years ending 30 June 2002 to 2004. The said secured contracts are expected to provide continuous demand for the Group's services in the years ahead.

### **4.13 Recoverability of Debts**

The risk of potential bad debts is considered to affect most businesses in general. For the PJIH Group, the recoverability of debts are subject to economic conditions and the factors affecting related industries such as infrastructure, energy, telecommunication, water supply, petrochemical and construction industries.

However, the Board of Directors of PJIH is confident that the outstanding debtors of the PJIH Group are recoverable.

### **4.14 Contractual Retention**

It is the general practice for the clients of PJIH to withhold part of the contract sum as retention monies during the liability period of the contract. In the event the retention monies are not recoverable, such outstanding retention amounts could develop into bad debts for PJIH. However, the Board of Directors of PJIH is confident that the retention monies outstanding as at 30 June 2001 are recoverable.

### **4.15 Delay in completion of projects**

The Group's projects are dependent on many external factors, including, amongst others, obtaining the relevant regulatory approvals, sourcing of material on a timely and cost competitive basis and timely completion of projects by main contractors. No assurance can be given that these factors will not lead to delays in completion of projects which may have an impact on the future profitability of the Group.

### **4.16 Risk associated with borrowings**

Significant fluctuations in the interest rate may pose an impact on the financial performance of the PJIH Group, as some of the working capital is funded partially by borrowings. However, the PJIH Group has proposed to utilise part of the proceeds from the Rights Issue and Public Issue to repay its borrowings amounting to approximately RM8.09 million, as explained in Section 3.7 of this Prospectus. The repayment of RM8.09 million is expected to register an interest savings of approximately RM0.65 million per annum based on an average cost of borrowings of 8.1% as at 31 October 2001.

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## **4.0 RISK FACTORS**

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### **4.17 Financial Risk**

It is an inherent risk in a business to face limitations in its growth and its operating and financial flexibilities arising from the businesses existing indebtedness and its capital commitments in its borrowing facilities.

As at 31 October 2001, PJIH Group's bank borrowings amounted to approximately RM23.501 million. All of the loans are interest bearing and were secured from local banks of which approximately RM17.938 million are short term in nature and approximately RM5.563 million are long term. The borrowing facilities were incurred for project financing, financing of PJIH's head-office and as well for working capital purposes and the funds generated in future are expected to be more than adequate to meet the repayment terms of the facilities. Further, PJIH does not expect any foreseeable capital commitments out of the ordinary course of business.

### **4.18 Risks in Rapid Technology Change**

The PJIH Group to a certain extent will be subjected to the inherent risks due to the rapid technology changes. The Group seeks to minimise these risks by actively and continuously pursuing technology innovation, industry best practices and strategic business alliances. The Group also provides continuous staff development to align their skills and knowledge with the requirements of the latest technology in the electrical and mechanical engineering industry.

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## 5.0 INFORMATION ON THE PJIH GROUP

### 5.1 Incorporation and Principal Activities

PJIH was incorporated in Malaysia under the Companies Act, 1965 on 24 November 1999 as a private limited company under the name of PJI Holdings Sdn Bhd. It was converted to a public limited company on 3 December 1999 and has since assumed its present name.

PJIH is principally an investment holding company.

### 5.2 Share Capital

**Authorised:**

100,000,000 PJIH Shares RM100,000,000

**Issued and fully paid-up:**

38,420,000 PJIH Shares RM38,420,000

**To be issued pursuant to the Public Issue Shares:**

6,780,000 new PJIH shares RM6,780,000

RM45,200,000

The changes in the issued and paid-up share capital of the Company since its incorporation are summarised as follows:

Date of allotment	No. of PJIH Shares	Consideration	Total issued & paid-up capital RM
24.11.99	2	Subscribers' shares	2
30.11.99	299,998	Cash	300,000
07.08.01	17,395,330	Issued pursuant to the Acquisition of PJI at an issue price of RM1.13 per PJIH Share	17,695,330
07.08.01	12,673,986	Issued pursuant to the Acquisition of OEC at an issue price of RM1.13 per PJIH share	30,369,316
07.08.01	2,465,904	Issued pursuant to the Acquisition of KTSB at an issue price of RM1.13 per PJIH Share	32,835,220
07.08.01	709,579	Issued pursuant to the Acquisition of MSB at an issue price of RM1.13 per PJIH Share	33,544,799
20.09.01	4,875,201	Rights Issue of approximately 100 PJIH Shares for every 688 PJIH Shares held at an issue price of RM1.25 per PJIH Share	38,420,000



## 5.0 INFORMATION ON THE PJIH GROUP

### 5.3 Restructuring Scheme

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of PJIH on the Second Board of the KLSE, PJIH undertook a restructuring exercise involving the following:

a) **Acquisitions**

PJIH had on 20 December 1999 and 10 July 2001 entered into four (4) Conditional Sale and Purchase Agreements and Supplemental Agreements respectively to acquire the entire issued and paid-up share capitals of PJI, OEC and KTSB and 80.00% of MSB's issued and paid-up share capital for a total purchase consideration of RM37,566,623. The purchase consideration was arrived at based on the audited NTA of PJI, KTSB, OEC and MSB as at 30 June 1999 amounting to RM19,656,723, RM2,786,472, RM14,321,604 and RM1,002,280 respectively as follows:

	Audited as at 30 June 1999			
	PJI RM	KTSB RM	OEC RM	MSB RM
Share capital	6,432,000	1,000,000	1,000,000	550,000
Retained earnings	13,022,471	1,768,999	12,654,057	454,610
Capital reserve	383,164	17,473	667,547	-
Shareholders' funds	19,837,635	2,786,472	14,321,604	1,004,610
less: Intangibles	(180,912)	-	-	(2,330)
NTA	19,656,723	2,786,472	14,321,604	1,002,280
% acquired	100	100	100	80
Purchase consideration (RM)	19,656,723	2,786,472	14,321,604	801,824

The Acquisitions were completed on 7 August 2001 and the purchase consideration of RM37,566,623 was satisfied by the issue of 33,244,799 new PJIH Shares at an issue price of RM1.13 per PJIH Share to the following vendors of PJI, OEC, KTSB and MSB:

Vendors of OEC	No. of OEC Shares acquired	% of share capital	Purchase consideration RM	No. of new PJIH Shares issued
Geh Yean Hor	100,000	10.00	1,432,160	1,267,399
Aplink Enterprise Sdn Bhd	380,000	38.00	5,442,210	4,816,115
Geh Yean Chang	200,000	20.00	2,864,321	2,534,797
Apex Term Sdn Bhd	320,000	32.00	4,582,913	4,055,675
	1,000,000	100.00	14,321,604	12,673,986

**5.0 INFORMATION ON THE PJIH GROUP**

<b>Vendors of PJI</b>	<b>No. of PJI Shares acquired</b>	<b>% of share capital</b>	<b>Purchase consideration RM</b>	<b>No. of new PJIH Shares issued</b>
Dato' Abdul Rashid bin Ahmad	1,521,000	23.65	4,648,302	4,113,541
Lee Peng Joo	1,759,000	27.35	5,375,649	4,757,212
Koh Tiew Seng	800,000	12.44	2,444,866	2,163,598
Mohamad Nasir bin Long	720,000	11.19	2,200,379	1,947,238
Datin Rohani binti Romly	640,000	9.95	1,955,892	1,730,878
Tamran bin Abd Aziz	400,000	6.22	1,222,433	1,081,799
Choy Ping Keong	192,000	2.98	586,768	519,264
Geh Yean Hooi	200,000	3.11	611,217	540,900
Tan Chor Ee	200,000	3.11	611,217	540,900
	<b>6,432,000</b>	<b>100.00</b>	<b>19,656,723</b>	<b>17,395,330</b>

<b>Vendors of KTSB</b>	<b>No. of KTSB Shares acquired</b>	<b>% of share capital</b>	<b>Purchase consideration RM</b>	<b>No. of new PJIH Shares issued</b>
Lim Chong Ling	575,000	57.50	1,602,221	1,417,895
Ding Choo Hing	375,000	37.50	1,044,927	924,713
Zainal Abidin Jailany	50,000	5.00	139,324	123,296
	<b>1,000,000</b>	<b>100.00</b>	<b>2,786,472</b>	<b>2,465,904</b>

<b>Vendors of MSB</b>	<b>No. of MSB Shares acquired</b>	<b>% of share capital</b>	<b>Purchase consideration RM</b>	<b>No. of new PJIH Shares issued</b>
Lee Eng Wah	275,550	50.10	502,142	444,374
Leong Poh Seng	82,500	15.00	150,342	133,046
Lau Chee Khin	81,950	14.90	149,340	132,159
	<b>440,000</b>	<b>80.00</b>	<b>801,824</b>	<b>709,579</b>

All new PJIH Shares issued pursuant to the Acquisitions will, upon allotment and issue, rank pari passu in all respects with the existing PJIH Shares, save and except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the Acquisition Shares.

The Acquisitions were completed on 7 August 2001.

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**5.0 INFORMATION ON THE PJIH GROUP**

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**(b) Rights Issue**

Following completion of the Acquisitions, PJIH undertook a Rights Issue of 4,875,201 new PJIH Shares at an issue price of RM1.25 per PJIH Share. The Rights Issue was carried out on the basis of approximately 100 new PJIH Shares for every 688 existing PJIH Shares held after the Acquisitions. Further information on the utilisation of the proceeds from the Rights Issue is set out in Section 3.7 of this Prospectus.

Madam Kor Shiok Hoon, Madam Yeong Yoke Lin, En Mohamad Nasir bin Long, Datin Rohani binti Romly, Mr Lee Peng Joo, Mr Choy Ping Keong, Madam Koh Tiew Seng, Mr Geh Yean Hooi, Mr Tan Chor Ee, Mr Lee Eng Wah, Mr Leong Poh Seng, Mr Lau Chee Khin, En Zainal Abidin Jailany, Mr Lim Chong Ling, Mr Ding Choo Hing, Mr Geh Yean Hor, Mr Geh Yean Chang, Aplink Enterprise Sdn Bhd and Apex Term Sdn Bhd have renounced all their respective entitlements to the new PJIH Shares pursuant to the Rights Issue to Dato' Abdul Rashid bin Ahmad and En Tamran bin Abd Aziz.

Pursuant to the Rights Issue, the issued and paid-up share capital of PJIH increased from RM33,544,799 to RM38,420,000 comprising 38,420,000 PJIH Shares. All new PJIH Shares issued pursuant to the Rights Issue will, upon allotment and issue, rank pari passu in all respects with the existing PJIH Shares, save and except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the Rights Shares.

The Rights Issue was completed on 20 September 2001.

**(c) Public Issue**

In conjunction with the flotation of PJIH, the Company will implement a Public Issue of 6,780,000 PJIH Shares at an issue price of RM1.50 per PJIH Share. The Public Issue is the subject to this Prospectus. Further information on the utilisation of proceeds from the Public Issue is set out in Section 3.7 of this Prospectus.

All new PJIH Shares issued pursuant to the Public Issue will, upon allotment and issue rank pari passu in all respects with the existing PJIH Shares, save and except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the Public Issue Shares.

**(d) Listing and Quotation**

The listing and quotation of the entire issued and paid-up share capital of PJIH comprising 45,200,000 PJIH Shares on the Second Board of the KLSE.

**5.4 Approvals Obtained from the Authorities**

The restructuring scheme was approved by the FIC, MITI and SC on 20 March 2000, 8 April 2000 and 16 May 2001 respectively.

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**5.0 INFORMATION ON THE PJIH GROUP**

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**5.5 Business Overview****5.5.1 Group Structure**

The Group structure of PJIH is depicted in Section 2.1 of this Prospectus.

**5.5.2 Principal Services**

The Group offers a wide range of electrical and mechanical engineering services for, amongst others, infrastructure, energy, petrochemical, telecommunication and construction industries.

The electrical and mechanical engineering services provided by the Group are different from the normal building construction works as they do not involve physical building but instead, complement the building industry by providing value added services such as the design and installation of electrical system, air conditioning and ventilation system, fire fighting services, pumping system for water treatment plants, solar energy system, etc.

As a whole, the principal services provided by the Group can be broadly classified into the following categories:

**(i) Design and installation works*****Electrical Engineering Services***

Services offered are design and installation of electrical systems which involves high tension (HT) and low voltage (LV) electrical works, generator sets, frequency converter and motor, uninterruptible power supply, lightning protection system, airfield ground lighting system, floodlights, streetlights, compound lights, security and tunnel lighting for high rise complexes, government buildings, hospitals, universities, ports, airports, stadiums, military camps, factories, highways, tunnels, infrastructure systems, LRT systems and water supply project.

***Mechanical Engineering Services***

These involve the design and installations of air-conditioning and ventilation systems, hot and cold water systems, LPG piping and compressed air system, water-pumping system, fire protection system and related control system.

***Electrical Power Supply Systems***

These involve design and installations of 275/132/33 kilo volt (kV) transmission lines, High Voltage switchgears and transformers up to 275kV, power cable distribution system up to 132kV, solar photovoltaic energy systems and communication lines for power stations, sub-stations and infrastructure projects together with related engineering works.

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**5.0 INFORMATION ON THE PJIH GROUP**

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***Instrumentation and Building Automation Control Systems***

Instrumentation involves design and installation of total building management system, plant instrumentation/control system, tunnel management systems, stadium flooding control, stage lighting and airfield ground lighting control systems. The automation systems are based on the “intelligent building” concept where electrical and mechanical installations are flexible to changes in office layouts and arrangements. The “intelligent” computerised control systems will also enable centralised supervisory control of electrical and mechanical equipment i.e. for automatic lighting, air-conditioning, security and fire detection systems.

***Extra Low Voltage, Telecommunication and Computer Network System***

These include work of design and installation of telephone ducting/manhole, private automatic branch exchange (PABX), fibre optic, under-floor trunking system and computer structure cabling works, data centre and network system, master antenna television system, public address systems, audio visual and sound reinforcement systems.

The design and installation process of the Group is illustrated in Section 5.5.3 of this Prospectus.

***(ii) “Turnkey” Projects***

A “turnkey” package which involves mechanical and electrical engineering works are generally sophisticated and large scale in nature. The work involves co-ordinating with clients from initial conceptual stage to working out of design solutions up to physical project completion and maintenance work. This one-stop “turnkey” concept enables efficient project management which results in time and cost saving for clients.

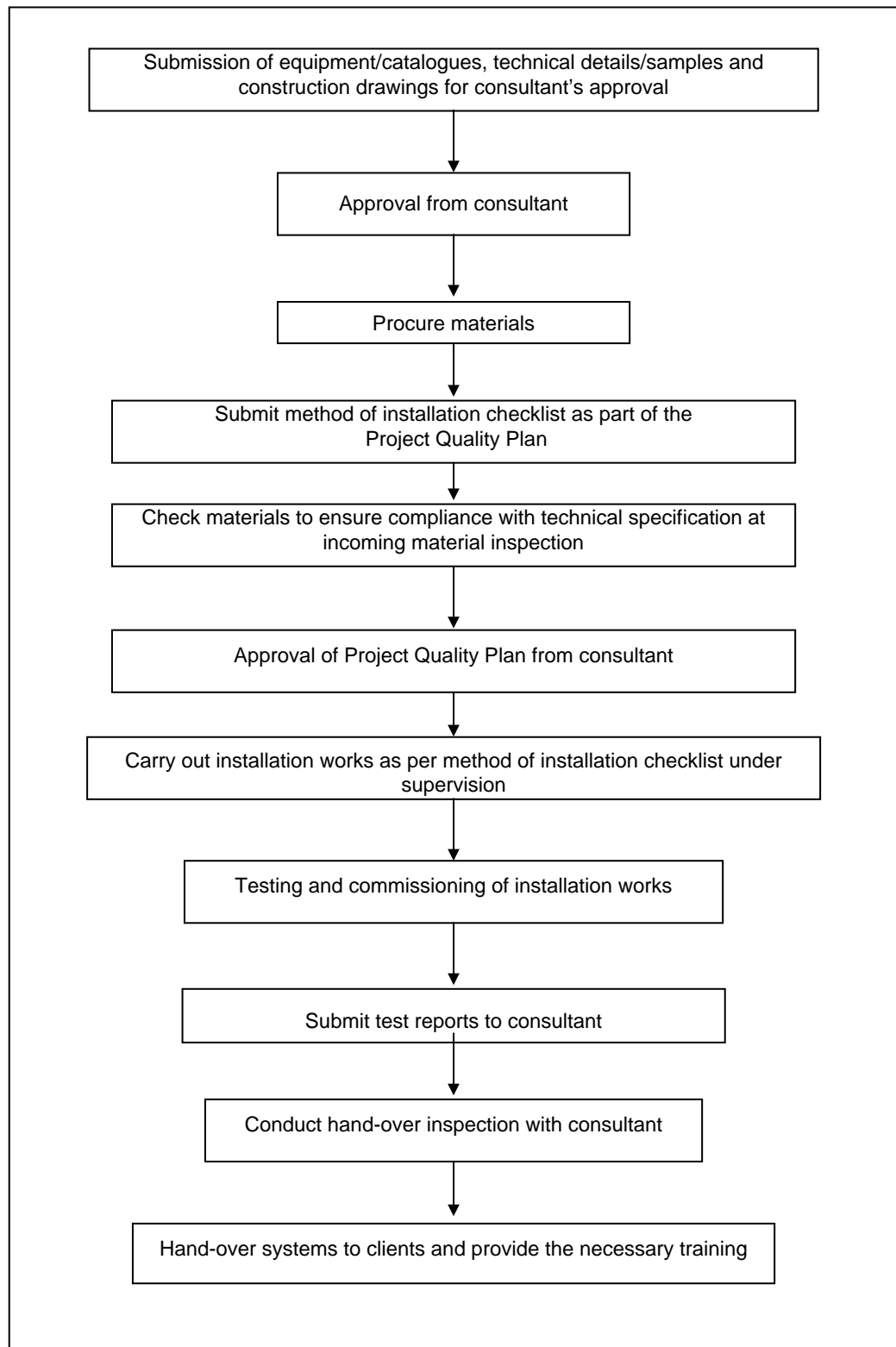
***(iii) Maintenance of Electrical and Mechanical Systems***

The Group, while remaining focused on specialist mechanical and electrical engineering services, has also widen its operation based to encompass maintenance works in the form of the following:

- (a) Routine preventive maintenance - this involves regular inspections on the electrical and mechanical systems installed in accordance with the project quality plan and the operation/maintenance manuals which are developed for every project, upon discussions and information provided by suppliers/manufacturers and the site implementation teams.
- (b) Comprehensive maintenance - this involves repairs and replacement of parts of the systems upon receiving reports from customers or as and when detected by maintenance engineers.

## 5.0 INFORMATION ON THE PJIH GROUP

### 5.5.3 Design and Installation Process



## 5.0 INFORMATION ON THE PJIH GROUP

### 5.5.4 Principal Markets and demand for the Group's services

Over the years, the Group has carved a niche for itself in the provision of electrical and mechanical engineering support services to the local infrastructure, energy, telecommunication, petrochemical and construction industries.

The Directors of PJIH estimates that the Group has a good market share of the electrical and mechanical engineering services in Malaysia. As at 31 October 2001, the Group has managed to secure on-going projects valued at over RM380 million of which over RM250 million represent the unbuilt portion which is expected to be undertaken up to the financial year ending 30 June 2004. The unbuilt contracts secured to-date will ensure continuous demand for the Group's services in the years ahead.

The major completed and on-going projects of the Group are summarised below.

### 5.5.5 Major Completed Projects

Some of the major completed projects between the years 1993 to 2001 are as follows:

Description of projects	Owner/ Client	Contract Value RM'000	Completion Date
Kuala Lumpur Light Rail Transit System 1 - Phase 1 - Electrical and Telephone Services for LRT Stations at Masjid Jamek, Dang Wangi, Sultan Ismail, Plaza Rakyat, Maluri, Miharja, Pudu, Hang Tuah and 11kV TNB Substations	Sistem Transit Aliran Ringan / Taylor Woodrow Project (M) Sdn Bhd	3,680	March 1996
MATV & Genset Acoustic Works, External Cabling, Streetlighting, external & internal telephone systems for 1824 units public housing at Bandar Tun Razak, Kuala Lumpur	Dewan Bandaraya Kuala Lumpur / YTL / Ministry of Housing	3,740	September 1997
Mechanical and Electrical Works comprising HT & LT System, Uninterruptible Power Supply, Genset, Tunnel Lighting, BAS, EDP, Ventilation System, Air-cond System and Fire Fighting services for the turnkey project on Design and Build of the Ramlee Car Ramps and the Connecting Tunnel at the Kuala Lumpur City Centre Development	Kuala Lumpur City Centre	22,504	September 1997
33kV System, LV System, Highbay Lighting, Busduct and Cabling, installation of security system for MAS Advance Cargo Centre at Kuala Lumpur International Airport, Sepang	Malaysia Airline System Bhd	9,914	July 1999
33kV, Underground Cable Distribution System for Peninsular Malaysia (Contract No. 638/97)	Tenaga Nasional Berhad	28,240	June 2001

**5.0 INFORMATION ON THE PJIH GROUP**

<b>Description of projects</b>	<b>Owner/ Client</b>	<b>Contract Value RM'000</b>	<b>Completion Date</b>
HT System, LT System, Genset, Highbay Lighting, Fire Fighting Services, Ventilation and Air -Cond System for Air Mail and Courier Complex Pos Malaysia at Kuala Lumpur International Airport, Sepang	Pos Malaysia	8,361	July 1999
33kV Underground Cable and Fibre Optic Cable Distribution System for Putrajaya Development Phase 1A (Contract No. 955/97)	Tenaga Nasional Berhad	190,125	August 2000
The Supply, Delivery, Installation, Testing and Commissioning of Electrical and Telephone Services for the Proposed Formula One Racing Circuit Facility and Associated Works at Kuala Lumpur International Airport, Sepang	Malaysia Airport Berhad	14,093	December 1998
33kV Genset, AMF Control, Acoustic & Building Construction at Loji Air Pinang Tunggal, Sungai Petani, Kedah	Jabatan Kerja Raya Negeri Kedah	3,373	July 1999
HT & LT System, Genset & Acoustic, Busduct, External Compound & Street Lighting for MayBank, Bangsar Utama, Jalan Bangsar for UDA Holdings Sdn. Bhd.	Maybank	9,651	February 2000
Installation and maintenance of street and decorative lights in Wilayah Persekutuan Kuala Lumpur for 1999/2000	Dewan Bandaraya Kuala Lumpur	3,750	July 2000
HT & LT Electrical System, Standby Genset, Acoustic Treatment & Battery, Underfloor Trunking System, Busduct, Uninterruptible Power Supply, SMATV, PABX, Internal and External Telephone Works at Multimedia Centre (Technology Park Malaysia - Phase II)	Technology Park Malaysia	17,800	March 2001
Tower and overhead transmission lines for Project Express Rail Link Kuala Lumpur <ul style="list-style-type: none"> <li>- Kuala Lumpur International Airport Relocation of existing TNB 275/132kV transmission Line (Design and Built Sub-Contract No.1)</li> <li>- Kuala Lumpur International Airport Relocation of existing TNB 132/33kV transmission Line (Design and Built Sub-Contract No.2)</li> </ul>	Express Rail Link / YTL	2,914	April 2000
Design, fabricate, install, testing and commissioning of the Solar Energy Utilisation system for 1 block of "enterprise 4" on Lot P.T. 5517, at Bukit Jalil, Cheras, Wilayah Persekutuan	Technology Park Malaysia	14,080	June 2001



## 5.0 INFORMATION ON THE PJIH GROUP

Description of projects	Owner/ Client	Contract Value RM'000	Completion Date
Electrical works for Berjaya Premier Beach Resort, Burau Bay, Langkawi.	Bridgecon Engineering Sdn Bhd	3,000	December 1993
Installation of electrical, generator set, external & internal telephones, MATV, fire-fighting and air- conditioning systems for Chalet on Sub-Lot 8 (Kota Langkawi-Phase 1) Kuah, Langkawi, Kedah	Project Kota Langkawi Sdn. Bhd.	2,023	June 1994
Telephone and electrical installations for Kulim Water Supply, Phase II, Contract No. 4, Kedah	Mewah Kota Sdn Bhd	10,467	October 1995
Electrical services installation including telephone and data wireways for Taman Teknologi Malaysia, Bukit Jalil, Kuala Lumpur-TPM ( Phase I )	Technology Park Malaysia	10,300	April 1996
Electrical, telephone, sound system and Uninterruptible Power Supply system installation for Makmal Klinik Diagnostik dan Komplek Kemudahan Klinik di Hospital Universiti, Kuala Lumpur (Fasa 2)	Jabatan Kerja Raya	5,078	December 1996
Installation of fire protection services, security system, electrical high voltage and low voltage services, standby generator set, telephone & PABX services, public address BGM and fireman intercom system and Uninterruptible Power Supply system for Measat Satellite Control facility and ancillary site works at Gunung Raya, Langkawi, Kedah	Bridgecon Engineering Sdn Bhd	3,642	November 1995
Electrical, MATV, internal and external telephone installation for one (1) block of 28-storeys apartments and two (2) blocks of five (5) storey apartments, situated between the junction of Jalan Pangkor and Jalan Kelawai, Pulau Pinang	Jurutama Sdn Bhd	2,244	October 1999
Electrical works for Penang indoor stadium, Penang	Bridgecon Engineering Sdn Bhd	6,433	July 1999
Electrical services installation for Gurney Park Development (Parcel 2 – Shopping mall) ("Block C"), Pulau Pinang - LV Electrical Services Installation	Penas Management Sdn Bhd	3,498	July 1999
Installation of electrical and filter components for the upgrading and refurbishment of the Guillermond Filtration Plant, Pulau Pinang	China International Water and Electrical Corporation (M) Sdn Bhd	1,412	September 1999

**5.0 INFORMATION ON THE PJIH GROUP**

<b>Description of projects</b>	<b>Owner/ Client</b>	<b>Contract Value RM'000</b>	<b>Completion Date</b>
Mechanical and electrical works for the upgrading and refurbishment of Sungai Dua Filtration Plant, Pulau Pinang	Mewah Kota Sdn Bhd	4,823	December 1999
Scada system, instrumentation and ancillary works for Package WS4-Putrajaya Water Supply Development project Phase 1A (Stage 2), Selangor	Mewah Kota Sdn Bhd	4,656	September 2000
Upgrading to Dinding Treatment Plant – Supply, Delivery, Installation, Testing and Commissioning of Mechanical and Electrical Equipments	Mewah Kota Sdn Bhd	2,244	January 2000
Mechanical & Electrical works for Pusat Teknologi Tinggi (ADTEC) at Lot 635 Mukim Sedim, Daerah Kulim, Kedah Darul Aman	Wayteam Builders Sdn. Bhd.	8,137	October 2000
Fire Protection Works for Shopping/Office Building Daerah Ulu Langat, Selangor Darul Ehsan	Abra Development Sdn Bhd	1,343	August 1995
Fire Protection Works for Service Apartment, Melaka	Ayer Keroh Resorts Sdn Bhd	1,159	November 1996
Fire Protection Works for Hospital UKM Cheras, Kuala Lumpur	University Kebangsaan Malaysia	5,092	April 1996
Fire Protection Works for Hotel Mukim Damansara, Pusat Bandar Sunway, Petaling Jaya	Sunway Lagoon Resort Hotel Sdn Bhd	3,081	October 1996
Fire Protection Works for KL International Airport -Short Term Carpark	Malaysia Airport Berhad	3,063	May 1998
Fire Protection Works for Pusat Kompleks Pusat Bekalan Polis Subang (Phase 2)	Jabatan Kerja Raya	2,066	September 1997
Fire Protection Works for Hospital Melaka	Kementerian Kesihatan Malaysia	1,510	November 1998
Fire Protection Works for office and apartments – service; Jalan Kia Peng, Kuala Lumpur	Kia Peng Development Sdn Bhd	2,150	December 1998
Fire protection works for Ericsson factory at Shah Alam	Ericsson Mobile Telecommunications Sdn Bhd	1,570	September 1999
Fire Protection Works for Kampus Tetap Universiti Malaysia Sabah Di Likas, Kota Kinabalu, Sabah	Universiti Malaysia Sabah	2,000	November 1999

**5.0 INFORMATION ON THE PJIH GROUP**

<b>Description of projects</b>	<b>Owner/ Client</b>	<b>Contract Value RM'000</b>	<b>Completion Date</b>
Design, supply and maintenance of fire protection services for Pembinaan Infrastruktur dan Fasilitas for Pesawat CN 235 at Pengkalan TUDM, Kuching, Sarawak	Jabatan Kerja Raya	1,737	November 2000
Fire Protection Works for Kompleks Pusat Latihan KWSP Diatas Lot 8827, 8828 & 8829, Mukim Kajang, Selangor	Kumpulan Wang Simpanan Perkerja	1,207	September 2001
Air conditioning and Ventilation systems for RSL flight simulator at TUDM, Butterworth	TUDM	1,150	February 1994
Air conditioning and Ventilation systems for Airmail and courier Complex at Kuala Lumpur International Airport, Sepang	POS Malaysia Berhad	2,050	April 1998
Air Conditioning and Ventilation Systems for Commercial Complex Part of Lot 3256, Jalan Sentul, Mukim Setapak, Kuala Lumpur	Master Resources Development Sdn Bhd	1,470	January 2000
Air Conditioning and Ventilation Systems for Sunway Medical Centre Mukim Damansara, Daerah Petaling Selangor Darul Ehsan untuk Mukim Setapak, Kuala Lumpur	Sunway Medical Centre Sdn Bhd	4,280	September 1999
Air Conditioning and Ventilation Systems for 1 Blok Pusat Multimedia (6 Tingkat & 1 Basement) Di atas Sebahagian Lot P T 5517 Di Bukit Jalil, Cheras, Wilayah Persekutuan untuk Tetuan Technology Park Malaysia Corporation Sdn Bhd	Technology Park Malaysia	5,916	November 2000
Air Conditioning and Ventilation System for the design, construction, testing and commissioning of chiller plant room for Dyna Plastic Sdn Bhd factory extension	Dyna Plastics Sdn. Bhd.	1,083	January 2001

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## 5.0 INFORMATION ON THE PJIH GROUP

### 5.5.6 Major On-Going Projects

Some of the major on-going projects are as follows:

Description of projects	Owner/ Client	Contract Value RM'000	Commencement Date	Expected Completion Date
22kV HT & LT electrical services including Hospital Extra Low Voltage Services for Hospital at Pandan, Johor Bahru, Johor Darul Takzim (704 beds)	Kementerian Kesihatan Malaysia	21,003	June 1999	July 2002
Supply, delivery, installation and commissioning of new diesel-engine driven generator sets and control system	Telekom Malaysia Berhad	31,111	April 2000	April 2003
Design, supply, installation, configuration, testing and commissioning of network system for general office area and common facilities of government administrative offices in Parcel C, D, Wisma Putra & IDHL, Putrajaya	Putrajaya Holdings Sdn Bhd	7,707	May 2000	November 2001
Installation and maintenance of street and decorative lights in Wilayah Persekutuan Kuala Lumpur for 2000/2003	Dewan Bandaraya Kuala Lumpur	8,000	July 2000	July 2002
Network infrastructure works for Putrajaya Data Centre	Putrajaya Holdings Sdn Bhd	10,896	October 2000	November 2001
M & E Infrastructural Works For Phase I UNIMAS Permanent Campus, Kota Samarahan, Sarawak	University Malaysia Sarawak	26,327	November 2000	November 2001
Marudi Water Supply Scheme Phase II, Marudi, Miri, Sarawak	Edward & Sons (East Malaysia) Sdn Bhd	8,484	March 2001	August 2002
M & E Works At Lot P.T. 111, Parcel E For Government Buildings, Putrajaya	Putrajaya Holdings Sdn Bhd	54,636	April 2001	November 2002

**5.0 INFORMATION ON THE PJIH GROUP**

<b>Description of projects</b>	<b>Owner/ Client</b>	<b>Contract Value RM'000</b>	<b>Commencement Date</b>	<b>Expected Completion Date</b>
Electrical, telephone, intercom and SMATV installation works for Miami Green medium-cost apartments at Jalan Pantai Miami, Batu Ferringhi, Pulau Pinang	Seng Seng Construction Sdn Bhd	6,778	September 1997	December 2001
Electrical, Telephone, Mechanical and Fire Fighting services installation for proposed 44 units 3 & 6 storey shop/office on lot 592, Jalan Perak/ Jalan Jelutong, Section 1, Bandar Jelutong, D.T.L., Pulau Pinang	Choongcons (Penang) Sdn Bhd	1,053	August 2000	June 2002
Mechanical & Electrical Works for the construction and completion of suction tank, pumphouse, reservoir and associated works at Bukit Jelutong, Selangor	MSPM Bina Sdn Bhd	1,775	September 2000	December 2001
Electrical and telephone services for Kota Setar Sports Complex, Kedah	Kompleks Sukan Alor Setar	1,808	April 2001	January 2002
Penempatan Semula Di Sg. Pau Sik, Kedah Darul Aman (Projek Empangan Beris) - The Supply, Installation, Testing and Commissioning and Maintenance Of The Mechanical & Electrical Works For The Raw Water Treatment	Trans Resources Corporation Sdn. Bhd.	1,830	May 2001	December 2002
Fire Protection works for Semula Hospital, Kangar, Perlis (Pakej B – Pembinaan bangunan blok dianostik & rawatan 3 tingkat, blok wad 6 tingkat, pusat loji tenaga 1 tingkat dan kerja kerja berkaitan)	Kementerian Kesihatan Malaysia	1,088	September 1998	November 2001
Fire Protection works for new hospital at Pandan, Johor Bahru	Kementerian Kesihatan Malaysia	3,050	February 2000	February 2002
Fire protection services for 1 Block 35 storey Hotel Diatas lot 388,389 & 391 section 7, Jalan Bukit Bintang KL	Arena Warni Sdn. Bhd.	3,650	July 2000	June 2002
Fire Protection Services for Palace of The Justice, Putrajaya	Bina Goodyear Bhd	2,850	January 2001	June 2003

## 5.0 INFORMATION ON THE PJIH GROUP

Description of projects	Owner/ Client	Contract Value RM'000	Commencement Date	Expected Completion Date
Fire Protection Works for Kolej Matrikulasi Labuan Kampung Meninding	Kementerian Pendidikan Malaysia	1,591	April 2001	December 2002
Fire Protection Works for Bangunan Pejabat 27 Tingkat dengan mezanin dan Tingkat Basemen diatas Lot 1406, Jalan Raja Laut, Kuala Lumpur	Permodalan Nasional Berhad	1,604	August 2001	August 2002
Air Conditioning and ventilation systems for Kompleks Kejiranan at lot PT No 2493, 2499, 2598 and part of lot 2497, Precint 16, Putrajaya, Selangor	Ahmad Zaki Sdn. Bhd.	2,480	April 2001	December 2001
Air conditioning and ventilation systems for Komplek Islam Selangor at Section 5, Shah Alam, Selangor	Crest Builders Sdn Bhd	3,920	November 2001	May 2003

### 5.5.7 Method of securing contracts

The projects secured by the Group are mainly by invitation and open tenders. A large portion of the tenders submitted by the Group is on an invitation basis of a repetitive nature which highlights the confidence and recognition of the services provided by the Group. As at 31 October 2001, the Group has submitted tenders of up to an aggregate value of over RM350 million. The Group has further undertaken that it will continue to be actively involved in the tendering for more contracts.

### 5.5.8 Method of marketing

PJIH's major shareholders and Directors, i.e, Dato' Ir. Abdul Rashid Ahmad, Ir Lee Peng Joo, Mr Geh Yean Chang, Mr Lim Chong Ling and Ir Lee Eng Wah, plays an important role in the marketing of the PJIH's services. The abovementioned major shareholders and Directors have drawn upon their wide experience and past track records in implementing both public and private projects in successfully marketing PJIH's services over the years.

New projects are secured through tenders, invitations and negotiations, as stated in Section 5.5.7 above.

PJI, being one of the major contributors to the Group's turnover and profits, has also established a website as a marketing tool to tap the international and local market.

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**5.0 INFORMATION ON THE PJIH GROUP**

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**5.5.9 Market Share/ Ranking**

Having had many years of experience in specialist electrical and mechanical engineering works, the Group is considered to have established itself a strong track record and fine reputation in the market through its timely delivery and technological innovation. These have not only earned the Group numerous reputable projects but often than not, also lead to the award of preventive and comprehensive maintenance contracts for the subsequent years. All these contracts are evidence of the confidence that the clients and engineering consultants have in the Group's capabilities in undertaking large projects which require highly sophisticated engineering expertise.

Listed below are some of the large projects which have been successfully completed by the Group:

- RM190.13 million worth of contract for the supply and commissioning of 33kV power distribution system in Putrajaya;
- Electrical, ventilation, air-condition system, telephone services and fire fighting systems for the Kuala Lumpur International Airport, POS Airmail & Courier Complex and Malaysia Airlines Advance Cargo Complex;
- Electrical and mechanical works in respect of the design and building of the Ramlee car ramps and the connecting tunnel for Kuala Lumpur City Centre;
- Supply, installation, testing and commissioning of electrical and telephone services including HT/LT System, Generator set, uninterruptible power supply and Lighting System for Technology Park Malaysia, Bukit Jalil.
- Electrical and telephone works for the Sepang Formula One Racing Circuit;
- Telephone and electrical installations for Kulim Water Supply in Kedah;
- Solar Energy Utilisation System for Technology Park Malaysia; and
- Installation of fire protection services, security system, electrical high and low voltage services, standby generator set, telephone and PABX services and uninterruptible power supply system for Measat Satellite Control facility at Gunung Raya, Langkawi, Kedah.

From the above, it is evident that the Group is a serious contender in both the electrical and mechanical engineering services sectors.

The listed companies which have similar business to PJIH are Bintai Kinden Corporation Berhad (BKCB), SRII Berhad, MESB Berhad, Ranhill Berhad and Bell & Order Berhad. Below, we have tabled the turnover of the PJIH Group, BKCB, SRII Berhad, MESB Berhad, Ranhill Berhad and Bell & Order Berhad for comparison purposes.

## 5.0 INFORMATION ON THE PJIH GROUP

Company	Main/ Second Board	Financial Year end	1998 RM'000	1999 RM'000	2000 RM'000
<b>PJIH</b>	<b>Second Board</b>	<b>30 June</b>	<b>156,705</b>	<b>185,012</b>	<b>157,182</b>
BKCB	Main Board	31 March	101,734	123,018	132,643
SRII Berhad	Second Board	30 September	73,611	78,678	68,249
MESB Berhad	Second Board	30 April	145,820	66,790	44,559
Ranhill Berhad*	Main Board	30 June	141,603	137,971	95,669
Bell & Order Berhad	Second Board	31 December	43,159	34,198	30,415

\* *Based on the assumption that the Group structure has been in existence throughout the years under review.*

### 5.5.10 Quality

Apart from timeliness of delivery and technological innovation as mentioned above, the Group also stresses on high quality of work being undertaken by all levels of personnel, which is fundamental for all works undertaken by the Group.

In conjunction with ISO 9001, the quality assurance system practised by PJIH basically sets out the procedures to be followed for the estimation, project management, procurement, installation and commissioning of electrical and mechanical projects undertaken by the Group. This ensures that all work undertaken by the Group in terms of methods or methodologies used are clearly defined and documented, which ultimately ensures a certain quality standard is achieved to the satisfaction of all concerned.

The Group's commitment to quality is evidenced by the numerous awards obtained as set out in Section 5.5.16 of this Prospectus.

### 5.5.11 Research and Development (R&D)

The Group is actively and continuously pursuing electrical and mechanical engineering's advanced practices to further enhance its competitive edge. The R&D activity is headed by Ir. Dr. Lim Cheong Seng and he is assisted by a panel of engineers and managers.

Project management control is a major emphasis of the Group's R&D activities. The Group has developed a project management system that is considered effective, efficient and flexible.



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**5.0 INFORMATION ON THE PJIH GROUP**

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The following are some of the R&D activities undertaken by the Group:

- Value engineering/ management;
- Developed the Group's business process model;
- Developed innovative project mobilisation and demobilisation procedures;
- Project Planning, monitoring and control using advanced software during project implementation phase;
- Evaluate and improve the Group's computer network system
- Conduct post project evaluation of completed projects to identify weaknesses and suggest possible solutions for continuous improvement.

The Group also provides continuous staff training to enable them with the necessary skills and knowledge of the latest engineering methods. The training is focused on the usage of current project management software such as Primavera Project Management, Cablemaster Electrical Design Software amongst others. Internal training which forms part of the project implementation, will be conducted by Ir Dr Lim Cheong Seng.

In the near future, the Group will be emphasising on improving current process and to develop other innovative R&D processes, such as, setting up of training laboratory for electric wireman, implement in-house training on technical skills, doing market research into overseas markets, and investigate into possible product developments etc.

**5.5.12 Availability of raw materials**

The main expenditure of the Group is electrical materials such as pipes, floodlights, busducts, cables, HT switchgear transformer, chiller, cooling tower, pumps, control panels and LV switchboards. Approximately 95% of the materials are sourced locally with the remaining 5% purchased from local agents who import from overseas suppliers. These include the uninterruptible power supply and generator sets which cannot be obtained in Malaysia. Further, the Group will only purchase at the most competitive prices and specifications required for their projects without compromising on lower quality materials. As there are numerous source of suppliers and manufacturers for the above mentioned electrical and mechanical materials, the availability of raw materials are ensured.

Before the commencement of any project, PJIH will estimate the resources and materials it needs for the entire project and hence make arrangement with the respective suppliers so as to ensure continuous supply of materials throughout the implementation of the projects. For example, PJI has successfully entered into an arrangement with Leader Cable Industry Bhd to supply approximately RM30 million worth of XLPE cables for the duration of the 33kv Underground Cable Distribution System and Fibre Optic Cable project.

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## 5.0 INFORMATION ON THE PJIH GROUP

### 5.5.13 Employees

As at 31 October 2001, PJIH Group has a total workforce of 321 employees.

The breakdown of the employees is as follows:

Category of employee	<-----MALAYSIANS----->				Total	Foreign	TOTAL
	Bumiputera	Chinese	Indian	Others			
Directors and Senior Management	3	9	-	-	12	-	12
Deputy General Manager/ Senior Managers	-	13	-	-	13	-	13
Manager/ Deputy Manager/ Professional/ Executive/ Officer	29	81	3	-	113	-	113
Technical and Supervisory	94	51	6	-	151	-	151
Clerical and General	18	10	4	-	32	-	32
<b>TOTAL</b>	<b>144</b>	<b>164</b>	<b>13</b>	<b>-</b>	<b>321</b>	<b>-</b>	<b>321</b>

None of the employees belong to any union. The relationship between the management and employees is good and the majority of the employees have been with the Group for over two (2) years. The training and development programmes undertaken by the Group are discussed in Section 5.5.11 of this Prospectus.

### 5.5.14 Principal Place of Business

The location of principal assets and business of the PJIH Group is as follows:

Head Office: PJI Holdings Berhad  
No. 18 Jalan SS2/72  
47300 Petaling Jaya  
Selangor

By the end of November 2001, the Head Office is expected to be relocated to the following address:

No 17 & 19, Jalan U8/83  
Seksyen U8  
Bukit Jelutong  
40120 Shah Alam  
Selangor

## 5.0 INFORMATION ON THE PJIH GROUP

Subsidiary companies:

**OEC**  
No. 41, Jalan Utara 4  
Kawasan Perusahaan Mergong  
Jalan Lencong Barat  
05050 Alor Setar  
Kedah

**KTSB**  
No. 41A, Jalan SG 1/6  
Taman Sri Gombak  
68100 Batu Caves  
Selangor

**MSB**  
No. 71-A, Jalan SS2/2  
47300 Petaling Jaya  
Selangor

### 5.5.15 Patents, trademarks, licences and franchises

The Group possesses a full range of government registration and licences, enabling them to bid for semi-government as well as government projects of unlimited size. The types of licences held are as follows:

Registration Body	Class
<b><u>PJI</u></b>	
Lembaga Pembangunan Industri Pembinaan Malaysia	G7
Jabatan Bekalan Elektrik & Gas	A
Kementerian Kewangan Malaysia	-
Pusat Khidmat Kontraktor, Electrical Licence	I
Tenaga Nasional Bhd (TNB)	I
Telekom Malaysia Berhad	I
Sabah Electricity Sdn Bhd	I
Electrical Contractor (Bintulu, Sarawak)	-
UPK Sarawak	II & C
Perbadanan Stadium Merdeka	-
The Electrical And Electronics Association of Malaysia	-
<b><u>OEC</u></b>	
Pusat Khidmat Kontraktor, Electrical Licence	I
Pusat Khidmat Kontraktor, Civil and Mechanical Licence	A
Jabatan Bekalan Elektrik & Gas	A
Lembaga Pembangunan Industri Pembinaan Malaysia	G7
Kementerian Kewangan Malaysia	-
Tenaga Nasional Berhad	I, A
Telekom Malaysia Berhad	-
The Electrical And Electronics Association of Malaysia	-

## 5.0 INFORMATION ON THE PJIH GROUP

Registration Body	Class
<b>KTSB</b> Pusat Khidmat Kontraktor Malaysia Airport Berhad Lembaga Pembangunan Industri Pembinaan Malaysia	BX - G7
<b>MSB</b> Pusat Khidmat Kontraktor Lembaga Pembangunan Industri Pembinaan Malaysia	BX G5

### 5.5.16 Key achievement/ Awards

- Best engineering contractor in Malaysia by ASEAN Federation of Electrical Engineering Contractors (AFEEC) on October 1998.
- Enterprise 50 Award Year 2000.
- ISO 9001: 2000 Quality Assurance Certification.
- The Malaysian Construction Industry Lower Medium Scale Project Award 2001.

## 5.6 Information on Subsidiary and Associated Companies

The information on the subsidiary companies of PJIH is as follows:

Name	Date & place of incorporation	Issued & paid-up capital	Equity interest %	Principal Activities
PJI (141041-T)	14.06.1985 Malaysia	RM6,432,000	100.00	Electrical and mechanical engineering services and maintenance works
OEC (143075-P)	02.08.1985 Malaysia	RM1,000,000	100.00	Electrical and mechanical engineering services and maintenance works
KTSB (157615-W)	19.11.1986 Malaysia	RM1,000,000	100.00	General mechanical and electrical engineering services with specialisation in fire protection
MSB (148415-K)	13.12.1985 Malaysia	RM550,000	80.00	Supply, install, test, commission and services / maintain for air-conditioning and ventilation system
PJI-A * (417754-W)	21.01.1997 Malaysia	RM150,000	50.01	Specialist in infrastructure power distribution services
PJI-P * (338681-X)	04.04.1995 Malaysia	RM350,000	100.00	Project management services, trading in electrical components and engage in property investment

**5.0 INFORMATION ON THE PJIH GROUP**

Name	Date & place of incorporation	Issued & paid-up capital	Equity interest %	Principal Activities
KPSB * (427648-T)	14.04.1997 Malaysia	RM300,000	61.00	Specialist in electrical engineering services for intelligent buildings
AMJSB * (497318-V)	25.10.1999 Malaysia	RM2	100.00	Dormant
PJIL * (367381)	3.2.2000 British Virgin Islands	USD2	100.00	Dormant
MAPL * (376718)	20.3.2000 British Virgin Islands	USD4	100.00	Dormant
PJIE * (200101525-K)	08.03.2001 Singapore	S\$2	100.00	Dormant

\* *By virtue of PJI's shareholdings in these companies.*

The information on the associated company of PJIH is as follows:

Name	Date & place of incorporation	Issued & paid-up capital	Equity interest %	Principal Activities
Megatara Services Sdn Bhd * (460749-K)	13.04.1998 Malaysia	RM3	33.33	Services, maintenance and installation of air-conditioning and other mechanical and electrical systems and trading in air-conditioning

\* *By virtue of MSB's shareholdings in the company*

**5.6.1 PJI*****History & Business***

PJI was incorporated in Malaysia on 14 June 1985 under the Companies Act, 1965 as a private limited company under the name of Perunding Balem Sdn Bhd. Subsequently it changed its name to Consortium Consultant Project Sdn Bhd on 24 November 1990. On 11 May 1994, the Company changed its name to P.J. Indah Sdn Bhd and assumed its present name. PJI's current issued and paid-up share capital is RM6,432,000. Its principal activity is providing service in the form of electrical and mechanical engineering services and maintenance works.

As at 31 October 2001, PJI has a total of 145 employees.

## 5.0 INFORMATION ON THE PJIH GROUP

### *Changes in Share Capital*

The authorised share capital of PJI is RM10,000,000 comprising 10,000,000 PJI Shares of which 6,432,000 PJI Shares are fully issued and paid-up. The changes in the issued and paid-up share capital of PJI since its incorporation are set out below:

Date of allotment	No. PJI Shares allotted	Par value RM	Consideration	Total issued and paid-up capital RM
14.06.85	2	1.00	Subscribers' shares	2
23.07.85	8	1.00	Cash	10
05.07.94	225,000	1.00	Cash	225,010
01.08.94	75,000	1.00	Cash	300,010
19.08.94	115,000	1.00	Cash	415,010
05.10.94	75,000	1.00	Cash	490,010
18.12.94	9,990	1.00	Cash	500,000
24.03.95	19,500	1.00	Cash	519,500
14.06.95	60,000	1.00	Cash	579,500
13.07.95	19,500	1.00	Cash	599,000
27.10.95	19,500	1.00	Cash	618,500
28.12.95	32,500	1.00	Cash	651,000
09.02.96	579,500	1.00	Bonus issue on the basis of approximately 3.6 : 4	1,230,500
28.06.96	370,000	1.00	Cash	1,600,500
04.02.97	1,600,500	1.00	Bonus issue on the basis of 1 : 1	3,201,000
26.08.97	15,000	1.00	Cash	3,216,000
24.10.97	3,216,000	1.00	Bonus issue on the basis of 1 : 1	6,432,000

### *Subsidiary and Associated Companies*

The subsidiary companies of PJI as at the date of this Prospectus are as follows:

Name	Date & place of incorporation	Issued & paid-up capital	PJI's effective equity interest %	Principal activities
PJI-A	21.01.1997 Malaysia	RM150,000	50.01	Specialist in infrastructure power distribution services
PJI-P	04.04.1995 Malaysia	RM350,000	100.00	Project management services, trading in electrical components and engage in property investment
KPSB	14.04.1997 Malaysia	RM300,000	61.00	Specialist in electrical engineering services for intelligent buildings
AMJSB	25.10.1999 Malaysia	RM2	100.00	Dormant
PJIL	3.2.2000 British Virgin Islands	USD2	100.00	Dormant

**5.0 INFORMATION ON THE PJIH GROUP**

Name	Date & place of incorporation	Issued & paid-up capital	PJI's effective equity interest %	Principal activities
PJIE	8.3.2001 Singapore	S\$2	100.00	Dormant
MAPL	20.3.2000 British Virgin Islands	USD4	100.00	Dormant

**Other shareholder of PJI-A**

The other shareholder of PJI-A is as follows:

Shareholder	Place of incorporation	No of shares			
		Direct	%	Indirect	%
Adco Sdn Bhd	Malaysia	74,985	49.99	-	-

**Other shareholder of KPSB**

The other shareholder of KPSB is as follows:

Shareholder	Nationality/ Place of incorporation	No of shares			
		Direct	%	Indirect	%
Maxprise Sdn Bhd	Malaysia	60,000	20.00	-	-
Lim Kian Seng	Malaysian	57,000	19.00	-	-

As at the date of this Prospectus, PJI does not have any associated company.

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## 5.0 INFORMATION ON THE PJIH GROUP

### *Profit and Dividend Record*

The profit and dividend record of PJI based on its audited accounts for the past five (5) financial years ended 30 June 2001 is summarised set out below:

	Financial year ended 30 June				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Turnover	36,351	111,332	138,150	101,141	114,212
Profit before taxation	5,600	6,073	7,445	6,760	9,191
Taxation	(1,654)	(1,750)	(4)	(1,762)	(2,602)
Profit after taxation	3,946	4,323	7,441	4,998	6,589
Number of shares in issue ('000)	3,201	6,432	6,432	6,432	6,432
Gross EPS (RM)	1.75	0.94	1.16	1.05	1.43
Net EPS (RM)	1.23	0.67	1.16	0.78	1.02
Gross dividend rate (%)	-	-	-	-	112

#### Commentary on the profit record

- (1) Turnover improved significantly by 206.3% for the financial year ended 30 June 1998 due to contracts secured by the company, which consist mainly of infrastructure works. However, PBT only increased marginally by 8.4% due to lower profit margin of certain large Government contracts secured.
- (2) For the financial year ended 30 June 1999, turnover improved by a further 24.1% due to continuous success of the company in securing more infrastructure contracts. In tandem with the increase in turnover, PBT increased by 22.6%.
- (3) The decrease in turnover for the financial year ended 30 June 2000 of 26.8% was due to the management's decision to be more selective in securing contracts with better margin which is reflected by the lower rate of decrease in PBT..
- (4) The increase in turnover and PBT of 12.9% and 36.0% respectively for the financial year ended 30 June 2001 were due to the increase in contracts secured with better margin as the economy recovers.
- (5) There were no extraordinary items in all the financial years under review.

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## 5.0 INFORMATION ON THE PJIH GROUP

### 5.6.2 OEC

#### *History and Business*

Prior to incorporation, the business was carried out under the partnership of Ocean Electrical Co.. OEC was incorporated in Malaysia on 2 August 1985 under the Companies Act, 1965 as a private limited company under the name of Ocean Electrical Co. Sendirian Berhad with an initial paid-up share capital of RM4.00 comprising 4 OEC Shares. The current issued and paid-up share capital of OEC is RM1,000,000. Its principal activity is electrical and mechanical engineering services and maintenance works.

As at 31 October 2001, OEC has a total of 118 employees.

#### *Changes in Share Capital*

The authorised share capital of OEC is RM1,000,000 comprising 1,000,000 OEC Shares of which 1,000,000 OEC Shares are fully issued and paid-up.

The changes in the issued and paid-up share capital of OEC since its incorporation are set out below:

<b>Date of allotment</b>	<b>No. of OEC Shares allotted</b>	<b>Par value RM</b>	<b>Consideration</b>	<b>Total issued and paid-up capital RM</b>
02.08.85	4	1.00	Subscribers' share	4
06.04.86	19,996	1.00	Cash	20,000
02.03.87	1	1.00	Cash	20,001
22.03.94	479,999	1.00	Cash	500,000
12.06.96	500,000	1.00	Cash	1,000,000

#### *Subsidiary and Associated Companies*

As at the date of this Prospectus, OEC does not have any subsidiary or associated company.

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## 5.0 INFORMATION ON THE PJIH GROUP

### ***Profit & Dividend Track Record***

The profit and dividend record of OEC based on its audited accounts for the past five (5) financial years ended 31 August 2000 and ten (10)-month period ended 30 June 2001 is summarised below:

	Financial year ended 31 August					(10)-month period ended 30 June 2001 RM'000
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	
Turnover	27,642	36,241	28,096	22,789	22,272	26,973
Profit before taxation	4,999	5,017	2,829	1,729	3,177	3,132
Taxation	(1,400)	(1,350)	(867)	(344)	(897)	(1,030)
Profit after taxation	3,599	3,667	1,962	1,385	2,280	2,102
Number of shares in issue ('000)	1,000	1,000	1,000	1,000	1,000	1,000
Gross EPS (RM)	5.00	5.02	2.83	1.73	3.18	3.76*
Net EPS (RM)	3.60	3.67	1.96	1.39	2.28	2.52*
Gross dividend rate (%)	100	-	-	-	-	150

\* *Annualised*

### Commentary on the profit track record

- (1) For the financial year ended 31 August 1997, turnover and PBT increased by 31.1% and 0.4% respectively due to increase in contracts secured but with lower margin.
- (2) Turnover for the financial year ended 31 August 1998 was 22.5% lower due to fewer contracts secured by the company. PBT had also reduced substantially by 43.6% due to lower margins for new projects secured.
- (3) During the financial year ended 31 August 1999, turnover and PBT decreased further by 18.9% and 38.9% as a result of the regional economic crisis and also due to projects which have a lower margin than those secured in previous year.
- (4) Despite the marginal decrease in turnover of 2.3% for the financial year ended 31 August 2000, PBT improved significantly by 83.7% as a result of higher margin projects secured and recovery in the economy.
- (5) The annualised turnover for 10-month period ended 30 June 2001 increased by 45.3% due to increase in contracts secured by the company. In addition, the annualised PBT has also increased by 18.3%.
- (6) There were no extraordinary items in all the financial years under review.

## 5.0 INFORMATION ON THE PJIH GROUP

### 5.6.3 KTSB

#### *History and Business*

KTSB was incorporated in Malaysia on 19 November 1986 under the Companies Act, 1965 as a private limited company with an initial paid-up share capital of RM3.00 comprising 3 KTSB Shares. The present issued and paid-up share capital of KTSB is RM1,000,000. Its principal activity is general mechanical and electrical engineering services with specialisation in fire protection.

As at 31 October 2001, KTSB has a total 42 employees.

#### *Changes in Share Capital*

The authorised share capital of KTSB is RM1,000,000 comprising 1,000,000 KTSB Shares of which 1,000,000 KTSB Shares are fully issued and paid-up.

The changes in the issued and paid-up share capital of KTSB since its incorporation are summarised below:

Date of allotment	No. of KTSB Shares allotted	Par value RM	Consideration	Total issued and paid-up capital RM
19.11.86	3	1.00	Subscribers' shares	3
01.12.86	39,997	1.00	Cash	40,000
30.05.89	10,000	1.00	Cash	50,000
21.11.89	20,000	1.00	Cash	70,000
30.01.90	30,000	1.00	Cash	100,000
05.12.91	80,000	1.00	Cash	180,000
01.12.96	300,000	1.00	Bonus Issue on the basis of 5 : 3	480,000
17.08.98	520,000	1.00	Bonus Issue on the basis of 6.5 : 6	1,000,000

#### *Subsidiary and Associated Companies*

As at the date of this Prospectus, KTSB does not have any subsidiary or associated company.

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## 5.0 INFORMATION ON THE PJIH GROUP

### *Profit & Dividend Track Record*

The profit and dividend record of KTSB based on its audited accounts for the past five (5) financial years ended 31 December 2000 and six (6)-month period ended 30 June 2001 is summarised below:

	Financial year ended 31 December					(6)-month period ended 30 June 2001
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	RM'000
Turnover	12,239	16,620	13,974	22,812	18,226	8,931
Profit before taxation	243	462	371	3,212	769	888
Taxation	(82)	(166)	(160)	(1)	(269)	(272)
Profit after taxation	161	296	211	3,211	500	616
Number of shares in issue ('000)	480	480	1,000	1,000	1,000	1,000
Gross EPS (RM)	0.51	0.96	0.37	3.21	0.77	1.78*
Net EPS (RM)	0.34	0.62	0.21	3.21	0.50	1.23*
Gross dividend rate (%)	-	-	-	24	-	100

\* Annualised

### Commentary on the profit record

- (1) Except for financial year ended 31 December 1999, the turnover of the company in relation to quantum is considered to be fairly consistent. The significantly higher growth in turnover of 63.2% and PBT of 765.8% for 1999 was due to a change in the accounting policy on the recognition of income to the percentage completion method and the recognition of retention sum in respect of projects completed in prior years.
- (2) Turnover for the financial year ended 31 December 2000 decreased by 20.1% due to fewer contracts secured by the company. On the other hand, PBT is comparatively higher than the previous year due to change in accounting policy since 1999.
- (3) There has been marginal drop in the annualised turnover of 2% for the 6-month period ended 30 June 2001. Nonetheless, the annualised PBT has increased by 130.9% due to better cost control system.
- (4) There were no extraordinary items in all the financial years under review.

## 5.0 INFORMATION ON THE PJIH GROUP

### 5.6.4 MSB

#### *History and Business*

MSB was incorporated in Malaysia on 13 December 1985 under the Companies Act, 1965 as a private limited company under the name of Aufzug Engineering (M) Sdn Bhd with an initial paid-up share capital of RM2.00 comprising 2 MSB Shares. On 8 June 1990, the Company changed its name to Megatara Sdn Bhd and assumed its present name. The current issued and paid-up share capital of MSB is RM550,000. Its principal activity is to supply, install, test, commission and services / maintain for air-conditioning and ventilation system.

As at 31 October 2001, MSB has a total 16 employees

#### *Changes in Share Capital*

The authorised share capital of MSB is RM1,000,000 comprising 1,000,000 MSB Shares of which 550,000 MSB Shares are fully issued and paid-up.

The changes in the issued and paid-up share capital of MSB since its incorporation are summarised below:

Date of allotment	No. of MSB Shares allotted	Par value RM	Consideration	Total issued and paid-up capital RM
13.12.85	2	1.00	Subscribers' shares	2
26.06.90	39,998	1.00	Cash	40,000
31.05.91	20,000	1.00	Cash	60,000
21.11.94	45,000	1.00	Cash	105,000
04.03.97	105,000	1.00	Cash	210,000
31.03.98	200,000	1.00	Cash	410,000
07.12.98	140,000	1.00	Cash	550,000

#### *Subsidiary and Associated Companies*

The associated company of MSB as at the date of this Prospectus is as follows:

Name	Date & place of incorporation	Issued & paid-up capital RM	MSB's effective equity interest %	Principal activities
Megatara Services Sdn Bhd	13.04.1998 Malaysia	3	33.33	Services, maintenance and installation of air-conditioning and other mechanical and electrical systems and trading in air-conditioning

As at the date of this Prospectus, MSB does not have any subsidiary company.

## 5.0 INFORMATION ON THE PJIH GROUP

### Other shareholder of MSB and Megatara Services Sdn Bhd

The other shareholder of MSB is as follows:

Shareholder	Nationality	No of MSB Shares			
		Direct	%	Indirect	%
Lee Eng Wah	Malaysian	110,000	20.00	-	-

The other shareholders of Megatara Services Sdn Bhd are as follows:

Shareholder	Nationality	No of shares			
		Direct	%	Indirect	%
Lee Eng Wah	Malaysian	1	33.33	-	-
Leong Poh Seng	Malaysian	1	33.33	-	-

### Profit & Dividend Track Record

The profit and dividend record of MSB based on its audited accounts for the past five (5) financial years ended 31 December 2000 and six (6)-month period ended 30 June 2001 is summarised below:

	Financial year ended 31 December					(6)-month period ended 30 June 2001 RM'000
	1996	1997	1998	1999	2000	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Turnover	1,095	3,981	2,228	5,909	10,034	4,518
Profit/(Loss) before taxation	65	202	114	271	404	(42)
Taxation	(4)	(63)	(38)	(7)	(128)	7
Profit/(Loss) after taxation	61	139	76	264	276	(35)
Number of shares in issue ('000)	105	210	550	550	550	550
Gross EPS (RM)	0.62	0.96	0.21	0.49	0.73	(0.15)*
Net EPS (RM)	0.58	0.66	0.14	0.48	0.50	(0.13)*
Gross dividend rate (%)	-	-	-	-	-	-

\* Annualised

### Commentary on the profit track record

- (1) The rate of increase in turnover and PBT of 263.6% and 210.8% for the financial year ended 31 December 1997 were due to the company securing more contracts for the year.
- (2) Both turnover and PBT decreased by 44.0% during the financial year ended 31 December 1998 due to fewer contracts secured by the company as a number of projects were postponed to a later date.

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## 5.0 INFORMATION ON THE PJIH GROUP

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- (3) For the financial year ended 31 December 1999, the previous years' projects were reactivated which resulted in the increase in turnover and PBT of 165.2% and 137.7% respectively.
- (4) Turnover and PBT increased by 69.8% and 49.1% respectively during the financial year ended 31 December 2000 due to increase in contracts secured by the company.
- (5) The annualised turnover for the 6-month period ended 30 June 2001 decreased by 9.9% mainly due to fewer contracts secured by the company. The lower turnover and low margin profits secured has resulted a loss of RM42,000 for that period.
- (6) There were no extraordinary items in all the financial years under review.

## 5.7 Industry Overview

### 5.7.1 General Overview

The Malaysian economic activity in 2000 expanded strongly under the stimulus of strong export growth and rising domestic expenditure. The gross domestic product (GDP) increased by 8.5% (1999: 5.8%). The real output in value terms exceeded the pre-crisis level and nominal per capita income increased strongly by 8.6% to RM13,361.

The growth in Malaysia was possible because of prompt policy response and adjustments in the banking sector that strengthened and became more resilient during the course of 2000. The relative strength and speed of the economic recovery and stronger financial system and relatively stable markets demonstrated the underlying strength of the economy, which has allowed policy flexibility to respond to external shocks to the system.

*(Source: The 2000 Bank Negara Malaysia Annual Report)*

The Malaysian economy registered a real GDP growth of 0.5% in the second quarter of 2001 (3.1% in the first quarter). The manufacturing sector, notably the electronics industry, was adversely affected by the downturn in the global electronics cycle, which was more pronounced than anticipated. Growth in all the other sectors remained in the positive territory. The effects of the Government's expansionary fiscal and monetary policies have begun to filter through the economy in terms of stronger growth in the construction and services sectors. This together with positive performance in the agriculture and mining sectors contributed to sustain the overall GDP growth of the economy.

*(Source: Bank Negara Malaysia, Second Quarter of 2001)*

The performance of the Malaysian economy in 2001 has been adversely affected by the greater-than-expected slowdown in the world economy, particularly in the United States (US) as well as the continuing weak performance of the Japanese economy. The recent attack on the US has led to greater uncertainties with respect to the severity and duration of the recovery in the US. There are concerns on the risks of the US economy entering into a recession and its contagion on other industrialised and developing economies. In the light of the more difficult environment, real GDP growth of the Malaysian economy is projected to grow by 1-2% for 2001.

*(Source: Economic Report 2001/2002)*

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## 5.0 INFORMATION ON THE PJIH GROUP

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In the long term, under the Third Outline Perspective Plan (OPP3), Malaysia's GDP is targeted to grow at an average rate of 7.5% per annum in real terms, taking into account the projected trend in the world economy, growth in domestic savings and investments as well as expected productivity improvements. In addition, the development of a knowledge based economy will equip Malaysia with the capability to develop indigenous technology and create new products, thereby providing the basis for endogenously driven growth. To support the strategy, measures will be introduced to increase the pool of skilled human resources, accelerate technology adoption and utilisation, strengthen hard and soft infrastructure as well as the adoption of pro-business strategies and policies.

During the OPP3 period, the manufacturing, services and agriculture sectors will continue to provide the impetus for growth.

*(Source: The Third Outline Perspective Plan 2001 – 2010)*

### 5.7.2 Dependence on other industries

The electrical and mechanical engineering services industry is directly and indirectly correlated to the dynamism of the following industries:

#### **(i) Infrastructure and construction industries**

Being an integral part of the infrastructure and construction industries, the electrical and mechanical engineering sector which involves specialised engineering works plays an important role in providing support to ensure the sustained growth of the overall infrastructure construction works such as water supply, rails, ports, power stations, telecommunication etc.

Value added of the construction sector is expected to expand at a higher rate of 4.9% (2000: 1.0%), spurred by the Government's fiscal expansion programme, particularly for infrastructure projects and the construction of low and medium cost residential housing.

*(Source: Economic Report 2001/2002)*

The construction sector is expected to grow at 6.6% per annum during the OPP3 period. The major contributor to this growth will be the ongoing infrastructure projects initiated towards the end of the OPP2 period, such as the Express Rail link for Kuala Lumpur International Airport and the development of Putrajaya, as well as other projects to strengthen the social infrastructure.

*(Source: The Third Outline Perspective Plan 2001 – 2010)*

#### **(ii) Electrical & Mechanical-Related Industries**

The rapid growth of the specialised electrical and mechanical engineering sub-sector has led to an increased demand for electrical and mechanical related materials such as high tension switchgear, transformer, switchboards, conduit, light fittings, busbars, cables, transmission tower, generator sets, uninterruptible power supply, telephone MDF, PABX, Fire Alarm panels, extinguishers, air conditioners, chillers, cooling towers, ductings, valves etc. These materials are currently sourced from local manufacturers / importers.



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**5.0 INFORMATION ON THE PJIH GROUP**

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**(iii) Manufacturing industry**

The manufacturing sector is expected to decelerate significantly to 0.2% in 2001 (2000: 21%) after seven consecutive quarters of robust double-digit growth. The decline is largely attributable to a depressed global market for electronic products. Given that electronics account for close to half of Malaysian manufactured exports, the output performance of the electronics industry, which has deteriorated to 13.1% during the first seven months of 2001 (January-July 2001: 15.1%), has impacted significantly on the growth of the manufacturing sector.

The manufacturing sector is projected to expand by 6.5% (2001: 0.2%), following the recovery in the global electronics demand which is already reflected in the considerable reduction in the stock overhang of chips. Improved domestic demand arising from the fiscal stimulus will also enhance output from the sector, in particular construction related industries.

*(Source: Economic Report 2001/2002)*

The Government's concerted efforts in developing small and medium industries and its move towards developing Malaysia into an industrialised nation by 2020 has also resulted in the emergence of more industrial estates and properties. This has directly provided more infrastructure and construction activities in Malaysia, thus spurring further opportunities for electrical and mechanical engineering works.

**(iv) Tourism, hospitality and services industries**

Tourism industry in Malaysia has been identified as a key driver in the growth of the services sector under the OPP3 period. In this regard, tourist arrivals are expected to grow at an average rate of 7.5% per annum.

The major programmes that will be implemented to boost tourism include amongst others, the preservation and conservation of historic sites, the improvement in the quality of tourism products and services and the provision and upgrading of tourism related infrastructure. Eco-tourism, rural tourism, education, health, culture and heritage, cruise, sports and recreation tourism as well as meetings, incentives, conventions and exhibitions will be further developed under the OPP3 period.

*(Source: The Third Outline Perspective Plan 2001 – 2010)*

The expansion of the tourism industry through a wider range of recreational and entertainment activities as well as better infrastructure and facilities will lead to the construction of new stadiums, complexes, and conventions and exhibition centres throughout the country, which will, in turn support the growth of the infrastructure and construction activities.

**(v) Putrajaya and Cyberjaya development**

The aggressive development of Putrajaya administrative centre and Cyberjaya Multimedia Super Corridor has resulted in the construction of government buildings, offices and R&D buildings.

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**5.0 INFORMATION ON THE PJIH GROUP**


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**5.7.3 Growth**

Based on past events, the infrastructure industry played a major role in the growth of the Malaysian economy. Some of the critical infrastructure projects over the past few years which had contributed to the economic growth of Malaysia are as follows:

- **Infrastructure** for the Commonwealth Games 1998, the Kuala Lumpur International Airport, the Commonwealth Games Village, the National Sports Stadium, hotel facilities for the greater influx of tourists and the various expressways around the East Coast and West Coast;
- **Power generation and transmission** to facilitate the industrial growth in Malaysia;
- **Privatisation of ports, water and sewerage systems** in response to the robust economic growth. The aim of the privatisation of ports is to accommodate the need for specialised requirements of structural changes in cargo handling, while the water resource sector was given one of the top priorities to preserve and secure water resources as well as provide sufficient water supplies for residential and industrial users.
- **Industrial and residential townships development** arising from the newly completed North-South Expressway. The Government under its social development programme has pushed for low to medium cost housing schemes to assist civil servants as well as the lower income group.

Recognising the importance of infrastructure development to facilitate economic recovery, the Government announced in July 1998 an initial fund of RM5 billion for the development of infrastructure. The fund would assist in reviving selected infrastructure projects which have low import content and high spin-off effects on the economy. The 1999 Budget had also dedicated RM4.04 billion specifically for the building of roads, bridges, rail, ports and civil aviation.

During the year 2000, the Government maintained an expansionary fiscal policy to stimulate domestic demand. In terms of expenditure allocation by the Federal Government, priority was continued to be given to, amongst others, infrastructure development.

*(Source : Bank Negara Malaysia, Annual Report 1998 and 2000)*

The Government will continue with its fiscal stimulus, marking its fifth year of deficit budgeting, as a measure to support domestic economic activities. In terms of development allocation, priority will continue to be given to human resource development, agriculture and rural development and social services. The smaller gross development expenditure, amounting to RM28,382 million, will be expended for education and training, particularly training for K-workers, enhancing computer literacy and the use of ICT, agriculture development, upgrading of basic amenities and facilities such as rural and village roads as well as water and electricity supply, housing, medical and health services and infrastructure projects including highways, bridges and rail based projects.

*(Source: Economic Report 2001/2002)*

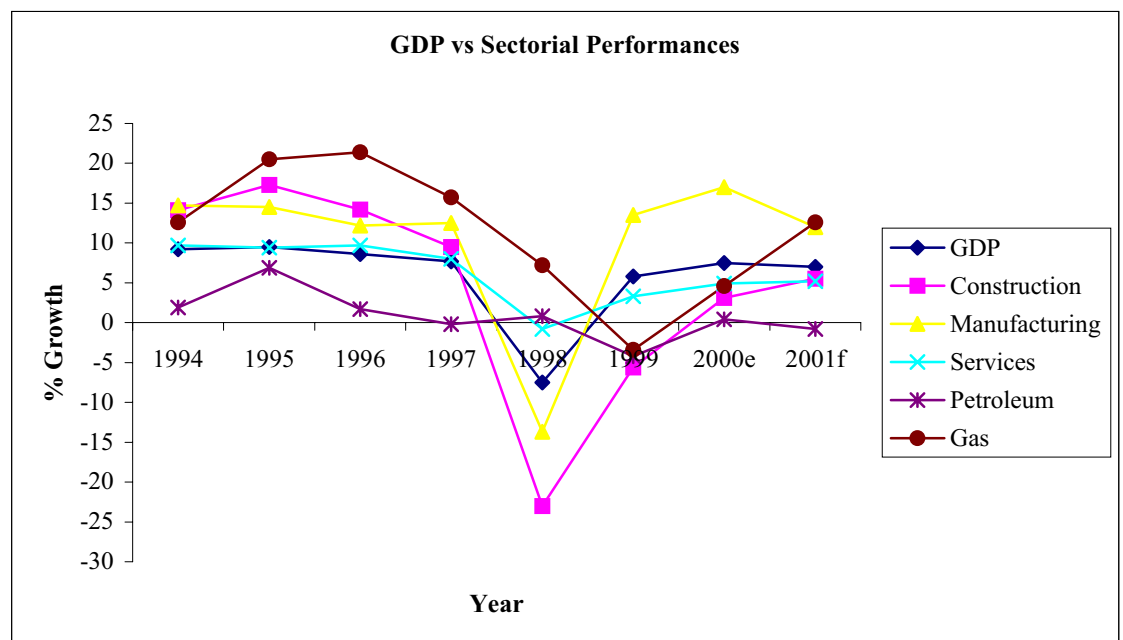
## 5.0 INFORMATION ON THE PJIH GROUP

### 5.7.4 Industry life cycle

The growth of the electrical and mechanical engineering services industry is closely related to the performance of the infrastructure and construction industries, in addition to the manufacturing, services, energy, telecommunication, oil and gas industries. These industries are in turn fundamentally linked to the country's economic growth.

The following illustrates the performance of the construction, manufacturing, services and oil and gas industries over a period of time. The graph shows that these sectors are strongly linked to the performance of the Malaysian economy and is currently in the process of recovery. The said sectors are expected to register higher positive growth in the future due to the various measures undertaken by the Government to revive the industries so as to support the country's economic growth.

(Source: Economic Reports 1985-2001)



(Source: Economic Reports 1985-2001)

### 5.7.5 Supply and demand of products/ services

According to the management of PJIH, there are many local engineering companies registered with PKK in Malaysia. It is estimated that the majority of these are small contractors (the PKK also issues Class "B", "BX", "C", "D", "E", "EX" and "F" Licences for smaller contractors, all of which have their limits on size of contract tendered for) who mainly tender for small Government jobs. Generally, only the larger firms registered under the PKK Class "A" or Class "I" Licence have the proven track record, financial strength, technical expertise and professional skills to bid for and win large scale electrical and mechanical engineering work tenders.

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**5.0 INFORMATION ON THE PJIH GROUP**

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With the implementation of various mega-sized projects and the Government's vision to develop the country into an industrialised nation by 2020, there is expected to be adequate demand for infrastructure and construction projects from both the private and public sectors. The mega-projects available presently are highly technical and sophisticated in nature. As the country moves into the next millennium towards realising its ambition to become an industrialised nation, greater demand for more specialised engineering services is expected. This should augur well for the Group which is involved in highly specialised electrical and mechanical engineering works.

**5.7.6 Industry players and competition**

According to the management of PJIH, the structure of the electrical and mechanical engineering services industry is dominated by a handful of major operators. To date, there are a large number of licenses approved by Jabatan Bekalan Elektrik, Pusat Khidmat Kontraktor and Lembaga Pembangunan Industri Malaysia. However, only a small number of companies of Class "I" status are currently active and are actually undertaking large scale electrical and mechanical engineering works.

The management of PJIH are of the opinion that the major players in the industry include Bintai Kinden Corporation Berhad, SRII Berhad, MESB Berhad, Ranhill Berhad and Bell & Order Berhad. For comparison purposes the turnover of the respective companies are as detailed in Section 5.5.9 of this Prospectus.

**5.7.7 Relevant laws and regulations governing the industry**

PJI and OEC hold a Class "I" PKK licence issued by Kementerian Pembangunan Usahawan which allows them to tender for projects of unlimited size from any Government and statutory agencies. This license also allows the said companies to undertake special job categories such as airfield ground lighting and special floodlighting systems. In addition, PJI also has the Class "I" Tenaga Nasional Bhd and Class "SM4" Petronas licences that enable PJI to undertake special job categories such as oil and gas, petrochemical plants and extra high voltage power distribution systems. According to the management of PJIH, there are currently only a handful of companies with similar licences that are qualified to undertake these job categories due to the high level of technical expertise and experience required.

Apart from the above and those stipulated in the Occupational Safety & Health Act, 1994, Environmental Quality Act, 1974 (Act 127), Lembaga Pembangunan Industri Pembinaan Malaysia, Uniform Building By-Laws, Fire Services Act and Jabatan Bekalan Elektrik Law and Regulations, the Group is not governed by any other special laws and regulations.

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**5.0 INFORMATION ON THE PJIH GROUP**

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**5.7.8 Summary of prospect and outlook of the industry**

The prospects for an improved world economic performance remain uncertain with world recovery expected to be delayed to a later part of 2002. Although uncertainties regarding the US economy and, hence, world growth have increased, the setback has been minimised through concerted actions taken by the major economies in enhancing liquidity as well as adopting continued monetary and fiscal easing. Taking cognisance of the uncertainties in the external environment, growth for the Malaysian economy will continue to be spearheaded by domestic activities. In this regard, the Government will continue to adopt an expansionary fiscal policy to further strengthen domestic demand to generate growth. At the same time, to increase business confidence and commitment, the Government, will ensure a more conducive business environment for the private sectors expansion and initiative. The Malaysian economy, it is expected to recover from a slower growth in 2001 to register a higher real GDP growth of 4-5% in 2002.

*(Source: Economic Report 2001/2002)*

Looking ahead, the Malaysian economy will continue to be subjected to the vagaries of the global business cycle. As an open, trade oriented economy, the slowdown in the external environment will have an impact on the domestic economy. While slower growth is a matter of some concern, it is important to recognise that Malaysia's underlying economic fundamentals remain on track for sustainable long-term growth. The Government's growth strategies will continue to emphasise the contribution of domestic demand to broaden the sources of growth and to develop a more diversified and resilient economy. The conduct of macroeconomic policy will remain focused on ensuring no imbalance may arise. The priority will be on maintaining low inflation and strong external liquidity position that will avoid a misalignment of the exchange rate and that will provide a conducive environment for sustainable growth. At the same time, measures have been introduced to expedite corporate reforms. Recent measures include initiatives to further deleverage corporate debt and to improve operational restructuring. A strong and efficient corporate sector together with a strong and competitive banking system would constitute an important element in supporting the future growth of the Malaysian economy. This would provide the foundation for the Malaysian economy to respond promptly and effectively to the upturn in the global business cycle.

*(Source: Bank Negara Malaysia, Second Quarter of 2001)*

In view of the Government's emphasis on certain critical infrastructure project sectors such as polytechnics, universities, hospitals, power-plants, water supply and treatment plants, Tenaga Nasional Berhad's power sub-station and distribution systems, the Group is confident of bidding and securing contracts from the implementation of these projects, as the PJIH Group has the experience and the technical know how to undertake such projects.

In view of the threat of potential new entrants into the electrical and mechanical engineering services industry, companies that wish to thrive in the future must find their core strength in the niche market so as to be able to provide real value added services.

Based on the above and the preceding paragraphs, the specialised electrical and mechanical engineering services sector is expected to grow in tandem with the expected recovery of the infrastructure, energy, telecommunication, petrochemical and construction industries.

## 5.0 INFORMATION ON THE PJIH GROUP

### 5.8 Prospect and Future Plans of the PJIH Group

The PJIH Group is one of the few engineering specialists servicing the infrastructure, energy, telecommunication, water supply, petrochemical and construction sectors in the country. These sectors alone, in a developing country such as Malaysia, represent business opportunities and generate profitable returns for the Group.

The Group has extensive experience in these industries. Together with continuous efforts to further expand and improve the quality of specialised engineering services provided, the Group has its philosophy aligned with the nation's plan for industrialisation by the year 2020. The Group aims to enhance its diversification and growth within the engineering services sector so as to position itself as one of the nation's premier engineering specialists.

The Group also intends to penetrate the overseas market, initially targeting the North and South East Asia and Middle East countries.

In line with the nation's Vision 2020 the Group's future plans include expanding, diversifying and venturing into specialised engineering services and related information and communication technologies. The targeted national and regional presence of the Group is also expected to place the Group in good stead to further these national goals.

PJIH, as an investment holding company, will also be on the lookout for any other business opportunities that will enhance growth and profitable returns to its shareholders.

With clear corporate vision and implementation of strategic planning, the PJIH Group has introduced value-based management with strong focus on value creation. The emphasis on economic profit and generation of free cashflow is expected to go a long way in establishing PJIH as a potentially strong growth company.

### 5.9 Major Customers

The PJIH Group has a diversified customer base ranging from various sub-sectors, namely infrastructure, energy, telecommunication, water supply, petrochemical and construction industries. The Group's customers come from both the public and private sector organisation including Government agencies, public listed companies and private companies. The Group is not over-dependent on any single customer. The following are the Group's major clients and its contribution to turnover for the financial year ended 30 June 2001 based on the percentage of completion basis of income recognition:

Client/ Main Contractor	Length of Relationship (Years)	% of total turnover	Turnover (RM'000)
Putrajaya Holdings Sdn Bhd	4	11.2	19,596
Technology Park Malaysia Corporation Sdn Bhd	6	8.0	14,024
Dewan Bandaraya Kuala Lumpur	6	7.6	13,206
Putrajaya Bumi Construction Sdn Bhd	1	6.3	10,963
Metronic Engineering Sdn Bhd	2	5.8	10,184
Pronas Bina Goodyear – JV/ Putrajaya Holding Sdn Bhd	3	5.4	9,347
Teamwork Corporation Sdn Bhd	4	4.5	7,900
Nadi Cergas Sdn Bhd	3	4.4	7,669
Ireka Construction Bhd/ Technology Park Malaysia	6	4.1	7,065
Seng Seng Construction Sdn Bhd	5	2.9	5,058
Telekom Malaysia Bhd	2	2.8	4,855
BJM Construction Sdn Bhd	2	2.1	3,699

## 5.0 INFORMATION ON THE PJIH GROUP

Client/ Main Contractor	Length of Relationship (Years)	% of total turnover	Turnover (RM'000)
PPES Works (Sarawak) Sdn Bhd	1	1.6	2,729
NetCommunication Holdings Sdn Bhd	1	1.3	2,195
Wayteam Builders Sdn Bhd	3	1.2	2,126
Tenaga Nasional Bhd	5	1.2	2,124
Langgak Perkasa Sdn Bhd	3	1.2	2,052
Zenith Engineering & Trading Sdn Bhd	3	1.2	2,038
PGL Sdn Bhd	3	1.1	1,886
Bina Struktur Sdn Bhd	3	0.7	1,198

### 5.10 Major Suppliers

Most of the Group's suppliers are local-based since the majority of electrical and mechanical engineering materials such as cables, switchboards, pipes, busducts, light fittings, trunking etc used for electrical and mechanical installations are available locally. Occasionally, when there is a requirement for imported specialist equipment from overseas manufacturers, orders are made through foreign suppliers or local suppliers who will then source from their foreign affiliates. Generally, replacement parts for equipment and machines are also available locally.

The Group is not dependent on any single supplier as most of the suppliers supply not more than 5% to the Group. Listed below are the Group's major suppliers and total purchases from them for the financial year ended 30 June 2001.

Supplier	Length of Relationship (Years)	% of total purchases	Purchases (RM'000)
Siemens Showa Solar Pte Ltd	2	9.2	7,322
Leader Cable Industry Bhd	6	4.7	3,725
Masburan Sdn Bhd	4	4.6	3,671
Jinora Corporation Sdn Bhd	1	3.7	2,969
Carrier Sdn Bhd	10	2.4	1,870
Volvo Malaysia Sdn Bhd	6	1.8	1,418
Starlite Projects & Manufacturing Sdn Bhd	7	1.6	1,270
SNJ Lite Trading Sdn Bhd	2	1.5	1,227
Tamco Corporate Holdings Sdn Bhd	6	1.3	1,035
Electrical Power Switchgear Sdn Bhd	4	1.2	982
Terra Remote Sensing Inc	2	1.2	923
Lim Kim Hai Sales and Services Sdn Bhd	5	1.2	917
Tractors Malaysia	6	1.1	870
ESA - Switchgear Sdn Bhd	10	1.1	845
Brighten Switchgear Sdn Bhd	1	1.0	772
Sim Lectric	2	0.9	697
MGE UPS Systems (M) Sdn Bhd	1	0.8	657
Nettco Electrical Engineering Sdn Bhd	5	0.8	644
Total Integrated Systems Sdn Bhd	1	0.8	626
Syarikat See Wide Letrik Sdn Bhd	7	0.7	568

## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

### 6.1 Directors, substantial shareholders and Promoters

The particulars of the Directors, substantial shareholders and promoters of PJIH after the Public Issue are as follows:

Promoters Name	No. of PJIH Shares held				Nationality/ place of incorporation
	Direct	%	Indirect	%	
Dato' Abdul Rashid bin Ahmad	8,089,022 <sup>11</sup>	17.90	1,765,878 <sup>1</sup>	3.91	Malaysian
Lee Peng Joo	4,832,212 <sup>11</sup>	10.69	4,856,115 <sup>2</sup>	10.74	Malaysian
Geh Yean Chang	2,599,797 <sup>11</sup>	5.75	1,843,299 <sup>3</sup>	4.08	Malaysian
Lim Chong Ling	1,467,895 <sup>11</sup>	3.25	-	-	Malaysian
Lee Eng Wah	509,374 <sup>11</sup>	1.13	-	-	Malaysian

Directors Name	No. of PJIH Shares held				Nationality/ place of incorporation
	Direct	%	Indirect	%	
Dato' Abdul Rashid bin Ahmad	8,089,022 <sup>11</sup>	17.90	1,765,878 <sup>1</sup>	3.91	Malaysian
Lee Peng Joo	4,832,212 <sup>11</sup>	10.69	4,856,115 <sup>2</sup>	10.74	Malaysian
Geh Yean Chang	2,599,797 <sup>11</sup>	5.75	1,843,299 <sup>3</sup>	4.08	Malaysian
Rezal Zain bin Abdul Rashid	35,000 <sup>11</sup>	0.08	9,819,900 <sup>4</sup>	21.73	Malaysian
Lim Chong Ling	1,467,895 <sup>11</sup>	3.25	-	-	Malaysian
Lee Peng Seng	15,000 <sup>11</sup>	0.03	9,673,327 <sup>5</sup>	21.40	Malaysian
Lee Peng Kuan	25,000 <sup>11</sup>	0.06	9,663,327 <sup>6</sup>	21.38	Malaysian
YB Abd Hamid bin Abd Rahman	15,000 <sup>11</sup>	0.03	-	-	Malaysian
Ho Koon How	15,000 <sup>11</sup>	0.03	-	-	Malaysian
Dato' Kam U Tee	15,000 <sup>11</sup>	0.03	-	-	Malaysian

Substantial Shareholders Name	No. of PJIH Shares held				Nationality/ place of incorporation
	Direct	%	Indirect	%	
Dato' Abdul Rashid bin Ahmad	8,089,022 <sup>11</sup>	17.90	1,765,878 <sup>1</sup>	3.91	Malaysian
Lee Peng Joo	4,832,212 <sup>11</sup>	10.69	4,856,115 <sup>2</sup>	10.74	Malaysian
Geh Yean Chang	2,599,797 <sup>11</sup>	5.75	1,843,299 <sup>3</sup>	4.08	Malaysian
Rezal Zain bin Abdul Rashid	35,000 <sup>11</sup>	0.08	9,819,900 <sup>4</sup>	21.73	Malaysian
Lee Peng Seng	15,000 <sup>11</sup>	0.03	9,673,327 <sup>5</sup>	21.40	Malaysian
Lee Peng Kuan	25,000 <sup>11</sup>	0.06	9,663,327 <sup>6</sup>	21.38	Malaysian
Datin Rohani binti Romly	1,730,878	3.83	8,124,022 <sup>7</sup>	17.97	Malaysian
Geh Yean Hor	1,302,399	2.88	3,140,697 <sup>9</sup>	6.95	Malaysian
Geh Yean Hooi	540,900	1.20	3,902,196 <sup>8</sup>	8.63	Malaysian
Yap Mei Leng	-	-	9,688,327 <sup>10</sup>	21.43	Malaysian



## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

Substantial Shareholders Name	No. of PJIH Shares held				Nationality/ place of incorporation
	Direct	%	Indirect	%	
Aplink Enterprise Sdn Bhd	4,816,115	10.66	-	-	Malaysia
Apex Term Sdn Bhd	4,055,675	8.97	-	-	Malaysia
Lim Eng Cheik	10,000 <sup>11</sup>	0.02	4,055,675 <sup>12</sup>	8.97	Malaysian

Notes:

- (1) Deemed interest by virtue of his spouse's, Datin Rohani binti Romly and his son's, Rezal Zain bin Abdul Rashid, direct shareholding in PJIH.
- (2) Deemed interest by virtue of his spouse's, Yap Mei Leng, interest of more than 15% in Aplink Enterprise Sdn Bhd and his brothers', Lee Peng Seng and Lee Peng Kuan, direct shareholdings in PJIH.
- (3) Deemed interest by virtue of his brothers', Geh Yean Hor and Geh Yean Hooi, direct shareholdings in PJIH.
- (4) Deemed interest by virtue of his father's, Dato' Abdul Rashid bin Ahmad and his mother's, Datin Rohani binti Romly, direct shareholdings in PJIH.
- (5) Deemed interest by virtue of his brothers', Lee Peng Joo and Lee Peng Kuan, direct shareholdings in PJIH and Lee Peng Joo's indirect interest through his spouse's interest of more than 15% in Aplink Enterprise Sdn Bhd.
- (6) Deemed interest by virtue of his brothers', Lee Peng Joo and Lee Peng Seng, direct shareholdings in PJIH and Lee Peng Joo's indirect interest through his spouse's interest of more than 15% in Aplink Enterprise Sdn Bhd.
- (7) Deemed interest by virtue of her spouse's, Dato' Abdul Rashid bin Ahmad and her son's, Rezal Zain bin Abdul Rashid, direct shareholdings in PJIH.
- (8) Deemed interest by virtue of his brothers', Geh Yean Chang and Geh Yean Hooi, direct shareholdings in PJIH.
- (9) Deemed interest by virtue of his brothers', Geh Yean Chang and Geh Yean Hor, direct shareholdings in PJIH.
- (10) Deemed interest by virtue of her shareholding of more than 15% in Aplink Enterprise Sdn Bhd and her spouse's, Lee Peng Joo, direct interest in PJIH and also his indirect interest through his brothers', Lee Peng Seng and Lee Peng Kuan, direct shareholdings in PJIH.
- (11) All directors are entitled to pink forms under the pink form share allocation to eligible Directors, employees and parties that have contributed to the success of the PJIH Group in conjunction with the Public Issue
- (12) Deemed interest by virtue of his interest of more than 15% in Apex Term Sdn Bhd.

Further information on the substantial shareholders of PJIH is as follows:

### 6.1.1 Apex Term Sdn Bhd

#### **History and business**

Apex Term Sdn Bhd was incorporated in Malaysia on 21 October 1999 under the Companies Act, 1965 as a private limited company. Apex Term Sdn Bhd has an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which 1,000 has been issued and fully paid-up.

The principal activity of Apex Term Sdn Bhd is that of investment holding.

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## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

### Shareholders

The shareholders of Apex Term Sdn Bhd as at 31 October 2001 are as follows:

Name	No. of shares		% holding		Country of incorporation/ Nationality
	Direct	Indirect	Direct	Indirect	
Lim Eng Cheik	990	-	99.00	-	Malaysian
Ng Tsooi Feung	10	-	1.00	-	Malaysian

### Board of Directors

The particulars of the Directors of Apex Term Sdn Bhd as at 31 October 2001 are as follows:

Name	No. of shares		% holding		Country of incorporation/ Nationality
	Direct	Indirect	Direct	Indirect	
Lim Eng Cheik	990	-	99.00	-	Malaysian
Ng Tsooi Feung	10	-	1.00	-	Malaysian

### 6.1.2 Aplink Enterprise Sdn Bhd

Aplink Enterprise Sdn Bhd was incorporated in Malaysia on 20 October 1999 under the Companies Act, 1965 as a private limited company. Aplink Enterprise Sdn Bhd has an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which 20,000 has been issued and fully paid-up.

The principal activity of Aplink Enterprise Sdn Bhd is that of investment holding.

### Shareholders

The shareholders of Aplink Enterprise Sdn Bhd as at 31 October 2001 are as follows:

Name	No. of shares		% holding		Country of incorporation/ Nationality
	Direct	Indirect	Direct	Indirect	
Yap Mei Leng	19,800	-	99.00	-	Malaysian
Lee Peng Joo	200	-	1.00	-	Malaysian

### Board of Directors

The particulars of the Directors of Aplink Enterprise Sdn Bhd as at 31 October 2001 are as follows:

Name	No. of shares		% holding		Country of incorporation/ Nationality
	Direct	Indirect	Direct	Indirect	
Yap Mei Leng	19,800	-	99.00	-	Malaysian
Lee Peng Joo	200	-	1.00	-	Malaysian

## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

### 6.2 Promoters', Directors' and Major Shareholders' directorships and major shareholdings in all other public companies in Malaysia for the past two (2) years

Save as disclosed below, none of the promoters/directors/major shareholders of PJIH has any directorships or major shareholdings in other public companies in Malaysia for the past two (2) years.

#### *Dato' Abdul Rashid bin Ahmad*

Name of Company	Country of incorporation	Principal Activities	% Shareholding		Date of Appointment as Director
			Direct Interest	Indirect Interest	
RHB Bank (L) Limited	Labuan	Offshore Banking	-	-	03.03.2001
RHB Delta Finance Berhad	Malaysia	Financial Services	-	-	01.03.2001
RHB Bank Berhad	Malaysia	Banking Services	-	-	23.06.1999

#### *Y.B. Abd Hamid bin Abd Rahman*

Name of Company	Country of incorporation	Principal Activities	% Shareholding		Date of Appointment as Director
			Direct Interest	Indirect Interest	
Plantation & Development Bhd	Malaysia	Plantation	0.531	-	15.05.1996

#### *Lee Peng Seng*

Name of Company	Country of incorporation	Principal Activities	% Shareholding		Date of Appointment as Director
			Direct Interest	Indirect Interest	
Alliance Putra Asset Management Berhad (formerly known as Bumiputra Merchant Bankers Berhad)	Malaysia	Dormant	-	-	09.01.2001
Sabah Advance Berhad (Formerly known as Sabah Finance Berhad)	Malaysia	Dormant	-	-	02.01.2001

## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

### 6.3 Knowledge and experience of promoters

Please refer to profiles of Dato' Abdul Rashid bin Ahmad, Lee Peng Joo, Geh Yean Chang, Lim Chong Ling and Lee Eng Wah in Sections 6.5 and 6.9 of this Prospectus.

### 6.4 Changes in Shareholdings for Substantial Shareholders /Promoters of PJIH for the past three (3) years

PJIH was incorporated on 24 November 1999. The changes in the shareholding of substantial shareholders /promoters of PJIH for the past three (3) years are as follows:

Shareholders	Substantial shareholder/ Promoter	As at 30.06.99 <-Shareholdings->		As at 30.06.2000 <-Shareholdings->		As at 31.10.2001 <-Shareholdings->	
		No. of shares	%	No. of shares	%	No. of shares	%
Kor Shioh Hoon	Substantial shareholder	150,000	50.00	150,000	50.00	150,000	0.33
Yeong Yoke Lin	Substantial shareholder	150,000	50.00	150,000	50.00	150,000	0.33
Dato' Abdul Rashid bin Ahmad	Substantial shareholder/ Promoter	-	-	-	-	8,029,022	20.90
Lee Peng Joo	Substantial shareholder/ Promoter	-	-	-	-	4,757,212	12.38
Geh Yean Chang	Substantial shareholder/ Promoter	-	-	-	-	2,534,797	6.60
Lim Chong Ling	Promoter	-	-	-	-	1,417,895	3.14
Lee Eng Wah	Promoter	-	-	-	-	444,374	0.98
Rezal Zain bin Abdul Rashid	Substantial shareholder	-	-	-	-	-	-
Lee Peng Seng	Substantial shareholder	-	-	-	-	-	-
Lee Peng Kuan	Substantial shareholder	-	-	-	-	-	-
Datin Rohani binti Romly	Substantial shareholder	-	-	-	-	1,730,878	3.83
Geh Yean Hor	Substantial shareholder	-	-	-	-	1,267,399	2.80
Geh Yean Hooi	Substantial shareholder	-	-	-	-	3,802,196 <sup>1</sup>	8.41

## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

Shareholders	Substantial shareholder/ Promoter	As at 30.06.99 <-Shareholdings->		As at 30.06.2000 <-Shareholdings->		As at 31.10.2001 <-Shareholdings->	
		No. of shares	%	No. of shares	%	No. of shares	%
Yap Mei Leng	Substantial shareholder	-	-	-	-	9,573,327 <sup>2</sup>	21.18
Aplink Enterprise Sdn Bhd	Substantial shareholder	-	-	-	-	4,816,115	10.66
Apex Term Sdn Bhd	Substantial shareholder	-	-	-	-	4,055,675	8.97

Notes:

- (1) Deemed interest by virtue of his brothers', Geh Yean Chang and Geh Yean Hor, direct shareholdings in PJIH.  
(2) Deemed interest by virtue of her shareholding of more than 15% in Aplink Sdn Bhd and her spouse's, Lee Peng Joo, direct interest in PJIH.

## 6.5 Brief profile of the Board of Directors of PJIH

### **Dato' Ir. Abdul Rashid Ahmad DSNS, SMJ, PIS, PPT**

Dip. BCT (UK), MBA (USA), FIEM, P. Eng, FIEE, C. Eng., MMIM

Aged 61, Dato' Ir. Abdul Rashid was appointed as the Executive Chairman of PJIH on 29 August 2001. Dato' Abdul Rashid obtained his Diploma in electrical engineering from Brighton College of Technology, United Kingdom (UK) in 1963. In 1981, Dato' Abdul Rashid obtained his Masters in Business Administration from Ohio University, United States of America. Dato' Abdul Rashid is a Fellow Member of the Institution of Engineers, Malaysia; a Fellow Member of the Institution of Electrical Engineers, London, UK; and a Member of the Malaysian Institute of Management. He is also a Professional Engineer registered with the Board of Engineers, Malaysia and a Chartered Engineer registered with the Engineering Council, UK.

He has immense amount of experience in the electrical power industry holding various key positions in the National Electricity Board of Malaysia and its privatised successor company, Tenaga Nasional Berhad (TNB). He was formerly the chief operating officer/executive director of TNB until his retirement in November 1995. During his career, Dato' Ir. Abdul Rashid has been actively involved in numerous professional organisations, having served as the President of the Institution of Engineers Malaysia, the Chairman of the Institution of Electrical Engineer, London (Malaysia Centre) and a member of the Board of Engineers, Malaysia. He is still active in the engineering professional organisation and is currently serving as a member of a few special committees of the Board of Engineers, Malaysia. He is also the Executive Chairman of PJI, Chairman of KPSB and Director of RHB Bank Berhad, SME Industries Sdn Bhd and a few other private companies.

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**

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***Ir. Lee Peng Joo***

B.Sc (Eng), P. Eng, FIEM, MMIM, MIEE, C. Eng., JBE “Jurutera Elektrik Kompeten”

Aged 46, Ir. Lee was appointed as the Group Managing Director/ Chief Executive Officer of PJIH on 29 August 2001. He obtained his Bachelor of Science in Electrical Engineering and Electronics from University of Dundee, Scotland, UK in 1980. Ir. Lee is a Fellow Member of the Institution of Engineers, Malaysia; a Member of the Institute of Electrical Engineers, UK; and a Member of the Malaysian Institution of Management. He is also a Professional Engineer registered with the Board of Engineers, Malaysia and a Chartered Engineer registered with the Council of Engineer, UK.

With more than 21 years of experience in project implementation and management, he has successfully established PJI as one of the leading electrical and mechanical engineering services company in Malaysia. He is also currently the Managing Director of PJI. Ir. Lee has introduced new techniques in project management control and implementation and has successfully completed many projects for PJI in a relatively short period. To date, Ir. Lee has successfully implemented more than RM500 million worth of contracts. He has wide experience in high-rise building, military camp, underground bunker, tunnel, university, airport, hospital, oil and gas, LRT and stadium projects. Ir. Lee has also led PJI to win the coveted AFEEC (ASEAN Federation of Electrical Engineering Contractors) award for ‘The Best Engineering Contractor in Malaysia’. He sits on the board of a number of other private companies. He is currently the Deputy President of the Electrical and Electronic Association of Malaysia (TEEAM), the Chairman of the AFEEC Joint-Venture Task Force and an External Examiner for Jabatan Bekalan Elektrik (JBE) wiremen/ chagemen examination.

***Geh Yean Chang***

Competent Wireman Nil

Aged 43, Mr. Geh was appointed as an Executive Director of PJIH on 29 August 2001. He is the founder and Managing Director of OEC. He is a competent ‘Wireman Nil’ with valuable hands-on experience and knowledge of the industry for more than 21 years. Mr. Geh has a wide experience in high rise buildings, water supply and treatment systems, factories, stadiums, hospitals, airports, tunnel projects involving high tension and low voltage electrical distribution system, low and high voltage electrical works, generator set, special lighting, telecommunication systems etc. He also sits on the board of several private companies.

***Lim Chong Ling***

Dip. in Mech. Eng., B. Business Adm.

Aged 40, Mr. Lim was appointed as an Executive Director of PJIH on 29 August 2001. He is currently the Managing Director of KTSB. He obtained his diploma in Mechanical Engineering from Federal Institute of Technology, Malaysia in 1982 and his bachelor degree in Business Administration from Royal Melbourne Institution of Technology, Australia in 2001. He started his career in fire protection industry with Mark Jaya Engineering Sdn Bhd in 1982. In 1990, he joined KTSB as the Executive Director responsible for managing the business of the company. With his experience in the fire protection industry, he has successfully implemented several major government and private projects such as the Hospital Universiti Kebangsaan Malaysia, Perpustakaan Negara Malaysia, Kompleks CKIM, Terengganu, 4 Block Short Term Carpark at KLIA, Pos Malaysia Warehouse at KLIA, MAB Administration Office at KLIA, Sunway Lagoon Resort Hotel, Teluk Datai Resorts Hotel, Hyatt Saujana Hotel, Kuantan General Hospital, Kota Bahru General Hospital and many more. He had served as a committee member of the Malaysian Fire Protection Association from 1995 to March 2001.

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**


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***Rezal Zain bin Abdul Rashid***

B.A. in Accountancy, MIA

Aged 34, En. Rezal was appointed as a Non-Executive Director of PJIH on 29 August 2001. He is currently a Director of PJI and he plays an important role as the advisor to PJI in respect of its corporate and financial matters. He obtained his Bachelor of Arts degree in Accountancy from University of Canberra, Australia in 1989. He has over 6 years of experience as an auditor and consultant with KPMG Peat Marwick. Before joining PJI, he was attached to the Corporate Finance Department of Arab-Malaysian Merchant Bank Berhad, involving in numerous corporate exercises undertaken by listed companies. En. Rezal was formerly the Chief Operating Officer of a company listed on the Main Board of the KLSE. He is a qualified Accountant by profession and is registered with the Australian Society of CPAs and MIA.

***Lee Peng Seng***

B.Sc (Resource Economics), AIBM

Aged 44, Mr. Lee was appointed as a Non-Executive Director of PJIH on 29 August 2001. He graduated with a Bachelor of Science (Resource Economics) degree from Universiti Pertanian Malaysia in 1980 and is an Associate Member of the Institute Bank-Bank Malaysia. He started his career with Malaysian Industrial Development Finance Bhd in April 1980 as a Project Officer evaluating loan applications for a wide range of industrial projects until 1983. Subsequently, he joined Malaysian French Bank Bhd (which was later renamed Multi-Purpose Bank Bhd) in August 1983 as a Credit and Marketing Officer and ascended to the position of First Vice President of Corporate Banking in January 1997.

Presently, he is General Manager, Commercial Banking of Alliance Bank Malaysia Berhad (formerly known as Multi-Purpose Bank Bhd). He has also been a Director of AllianceGroup Nominees (Tempatan) Sdn Bhd (formerly known as Multi-Purpose Bank Nominees (Tempatan) Sdn Bhd) and AllianceGroup Nominees (Asing) Sdn Bhd (formerly known as Multi-Purpose Bank Nominees (Asing) Sdn Bhd) since 1992 and 1994 respectively.

***Y.B. Abd Hamid Bin Abd Rahman***

Diploma in Land Survey

Aged 48, Y.B Abd Hamid was appointed as an Independent Director of PJIH on 29 August 2001. He holds a Diploma in Land Survey from Universiti Teknologi Malaysia in 1976. His vision and diligence enabled him to rise up rapidly in his political career to assume the position of the UMNO Deputy Chairman and later, the Chairman of Sungai Benut Division of the Johor State. He is also the Member of Parliament for that Division since 1990. Y.B. Abd Hamid sits on the Board as the Director of Federal Agricultural Marketing Authority and Executive Directors for Jasa Vista Sdn. Bhd., Citra Tani Sdn. Bhd., Redztikah Sdn. Bhd., Plantation & Development Bhd, Chairman for Yayasan Tekun Malaysia and Chairman of Perbadanan Kemajuan Kraftangan Malaysia.

***Ho Koon How***

F.C.C.A

Aged 48, Mr. Ho was appointed as an Independent Director of PJIH on 29 August 2001. He joined Kassim Chan & Co., an affiliated firm of Deloitte, Haskins & Sells, in 1976 as an audit assistant and resigned in 1980 to start his own public accounting practice, Ho Associates. He qualified as an Associate Member of The Association of Chartered Certified Accountants, UK in 1979. Presently, he is a Fellowship Member of the Association of Chartered Certified Accountants, UK and is also a member of the Malaysian Institute of Accountants.

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**

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***Dato' Ir. Kam U Tee DMPN, JSKL, DJN, KMN, PJK***

B.C.E. (Melbourne), F.I.E.M., P. Eng.,

Aged 70, Dato' Kam was appointed as an Independent Director of PJIH on 29 August 2001. Dato' Kam is an engineer by profession. Dato' Kam obtained his Bachelor of Civil Engineering degree from University of Melbourne, Australia in 1956. He is a Fellow Member of the Institute of Engineers, Malaysia and is a Professional Engineer registered with the Board of Engineers, Malaysia. Dato' Kam started his career as an Assistant Bridge Design Engineer for the Country Roads Board, Victoria, Australia in 1956. A year later, he joined the City Council, Penang as an Assistant Engineer for the City Water Department. Subsequently, in 1973 he was appointed to the Penang Water Authority (PBA) as a General Manager. His tenure with PBA lasted till 1991, after which he set up his own consulting practice, specialising in management reviews and upgrading of filtration plants in Malaysia as well as other Asian countries. With more than 35 years of experience in waterworks engineering and water supply, Dato' Kam has led PBA to win a first Quality award by the Malaysian Administration Modernization and Planning Unit of the Prime Minister Department in 1991. In 1994, Dato' Kam was chosen as the Manager of the year by the Malaysian Waterworks Association (MWA), being the first of such award to be given out by MWA.

***Lee Peng Kuan***

MBA (Finance), B. Commerce

Aged 40, Mr. Lee was appointed as an Alternate Director to Mr. Lee Peng Seng on 29 August 2001. He is presently the Corporate Operations Director in PJI. He holds a Bachelor of Commerce degree from Memorial University of Newfoundland, Canada in 1984 and a Masters in Business Administration (Finance) from International Islamic University Malaysia in 1998. A member of the Malaysian Institute of Management, Mr. Lee has 17 years of experience in the Business Operations and Information and Communications Technology (ICT) field. He had held positions ranging from Research Assistant to General Manager with responsibilities that include work assignments in Canada and listed companies in countries in the Asia Pacific region. He had successfully led his team to win the National PIKOM IT Award twice for the innovative use of IT for competitive advantage in both the Malaysian public listed companies that he had worked for in 1990 and 1998. Apart from implementing major projects that involve the review of existing business process/models (re-engineering and change management) and the introduction of new leading ICT technologies, he had also actively participated as a senior management member that oversees the management of business as well as defining its overall business strategies, directions, finance and operations.

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## 6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP

### 6.6 Declaration by the Directors, Senior Executive Officers or person nominated to become a Director or Senior Executive Officer

No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:

- (i) A petition under any bankruptcy laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- (ii) Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) Such person was the subject of any order, judgement or ruling of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### 6.7 Aggregate remuneration and benefits of directors

For the financial year ended 30 June 2001, the amount of remuneration and fees paid to the Directors for services in all capacities to the Company and its subsidiaries was about RM1.086 million. The aggregate remuneration is summarised as follows:

Directors' remuneration and fees RM	No. of Directors	
	Executive	Non-Executive
0-100,000	3	7
100,001-200,000	5	-
Above 200,000	2	-

For the financial year ending 30 June 2002, the amount of remuneration and fees proposed to be paid to the Directors for services to the Company and its subsidiary companies is estimated to be RM2.316 million.

### 6.8 Audit Committee

Name	Designation	Directorship
Y.B. Abd Hamid bin Abd Rahman	Chairman	Independent Non-Executive Director
Lee Peng Joo	Member	Group Managing Director/ Chief Executive Officer
Dato' Kam U Tee	Member	Independent Non-Executive Director
Ho Koon How	Member	Independent Non-Executive Director

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**


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**6.9 Brief profile of the Senior Management of the PJIH Group**

The day-to-day management of PJIH Group is entrusted to the Senior Management Committee headed by Mr Lee Peng Joo, the Group's Managing Director/Chief Executive Officer. Apart from Mr Geh Yean Chang, Mr Lim Chong Ling and Mr Lee Peng Kuan, the Senior Management Committee is supported by the following key management staff:

**PJI**
***Lim Kian Seng***

MSc (Electronics)

Aged 37, Mr. Lim was appointed as the General Manager (Project) of PJI in 1997. He has more than 10 years of invaluable experience in the mechanical and electrical engineering field. He graduated from the Queen's University of Belfast, UK with a Master of Science in Electronics in December 1989. In 1990, he started his career in Singapore as a Process Engineer in the telecommunication industry. A year later, he moved to the engineering services industry in Malaysia and joined Kejuruteraan Bintai Kindenko Sdn Bhd (KBK) as an Electrical Engineer and was later promoted to Assistant Manager in 1993. He was very much involved with the design, tender, installation and implementation as well as supervision of KBK's electrical services projects. He was also involved in setting up the sales and marketing activities as well as providing technical support for the power quality and energy saving devices during his service in KBK. In 1995, he moved to UEM Genisys Sdn Bhd, a subsidiary of the United Engineers (M) Berhad, as the Project Manager overall in charge of LRT 2 project for the mechanical and electrical services. Mr. Lim is also the Managing Director of KPSB and the Senior General Manager of PJI in charge of the overall project management.

***Lee Hong Seng***

B.Sc in Elec. Eng.

Aged 50, Mr. Lee was appointed as the Assistant General Manager (Project) of PJI in November 1996 and currently the Deputy General Manager. He is involved in the planning, management and co-ordination of the major projects in PJI. He graduated from National Cheng Kung University, Taiwan with a Bachelor of Science degree in Electrical Engineering in 1975. He has more than 20 years of invaluable experience in the mechanical and electrical engineering field, of which 5 years are in project management. He has extensive experience in site management and project co-ordination both as a contractor and a consulting engineer previously. He was attached to Hicom Telecommunication Sdn Bhd from 1995 to late 1996 as the Senior Project Manager. Prior to that, he was a project manager for Isolectra (M) Sdn Bhd, senior engineer for Hong Leong Property Management Sdn Bhd from 1990 to mid 1993 and seven (7) years with Dr. Huang Consulting Engineer as an electrical engineer.

***Tan Hong Chuan***

*MBA, B. Eng. (Elect.), Cert. in Proj. Mgt. & Contract Adm.*

Aged 39, Mr. Tan joined PJI in 1998 and is currently the Deputy General Manager (Project). He has over 15 years of experience in the electrical engineering field. His experience encompasses areas in project feasibility study, project management and implementation, business development, sales and marketing for both local and international market. He has also been actively involved in the design, research and development of electrical/electronics power systems. Mr. Tan graduated from the University of New South Wales, Australia in 1986 with a Bachelor of Engineering (Electrical) degree and went on to obtain his Masters in Business Administration from the Heriot Watts University, UK in 1995. He also holds a certificate in Project Management and Contract Administration. Mr. Tan began his career as

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**


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a research engineer in Australia. Between 1987 to 1998, he worked with several local and multinational corporations namely Siemens and Hong Leong groups of companies in a few different senior roles. He has vast exposure in international business around the South East Asian countries.

***Ir. Dr. Lim Cheong Seng***

B.E.(Electrical), Mgt. Dip.(NZIM), MBA (Technology Management). Ph.D (Management), MIEM, P. Eng., PMI member

Ir. Dr. Lim, aged 47, joined PJI in 2001 as the Deputy General Manager (Project). He is in charge of the project services and support function. He obtained his Bachelor of Engineering (Electrical) from the University of Auckland, New Zealand in 1980 and his Masters in Business Administration from APESMA-Deakin University, Australia in 1996. Since graduation, his career has progressed from that of a Project Engineer to General Manager with local and international engineering companies (MSI Honeywell Ltd, ASEA Brown Boveri Sdn Bhd and First Nationwide Engineering Sdn Bhd), consulting firm (Tenaga Ewbank Preece Sdn Bhd) and Independent Power Utility Company (Northern Utility Resources Sdn Bhd). He has keen interest in the practise and education of project management. He was awarded a Ph.D degree in July 2001 by the University Putra Malaysia for his research work in the field of project management.

***Choy Ping Keong***

Dip in Elect. Eng & Architectural Building

Aged 37, Mr. Choy is Deputy General Manager and Head of the Tender/Contract Division of PJI. He joined PJI in 1994 and is currently in charge of tendering and contract management. He has more than 12 years of experience in design, tender evaluation, estimation, contract management and implementation. Prior to joining PJIH, he was attached to S.M Consulting Engineers Sdn Bhd and Light and Power Construction Sdn Bhd, undertaking specialised projects such as Aeronautical Ground Lighting and explosion-proof electrical works. He graduated from Institute Teknologi Jaya in 1985 with a diploma in Architectural Building and the Federal Institute of Technology, Malaysia in 1992 with a diploma in Electrical Engineering.

***Yap Chui Fan***

CA(M), ACCA

Aged 38, Ms. Yap joined PJI in 2001 and is the Senior Manager-Corporate and Finance of PJI. She has over 19 years of experience in the field of Financial and Management Accounting. She has previously served in 2 public listed companies and a multinational company. She is an Associate Member of the Association of Chartered Certified Accountants, UK and also a member of the Malaysian Institute of Accountants.

***Thomas Daniel***

ACCA, CIIAM

Aged 31, Mr Thomas joined PJI in 2001 as an Internal Audit Manager. He is an Associate member of the Association of Chartered Certified Accountants (ACCA) and a Professional Chartered member of the Institute of Internal Auditors Malaysia (CIIAM). He has over 6 years experience in the audit field working as an external auditor, internal auditor and as an internal audit consultant prior to joining PJI. He has performed various types of audits namely Financial, Operational, Due Diligence, Management and Investigation audits. He has also performed audit reviews within the key functions such as Human Resources, Finance, Administration, Marketing, Credit Control and Information Systems. His job functions include performing financial, operational and management reviews, carrying out investigations, conducting due diligence exercise, participative and consultative role in an

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**


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advisory capacity as well as promoting an integrated control and risk management culture within the Group.

***Looi Mee Hoong***

ICSA, ACIS

Aged 30, Ms Looi joined PJI in 2000 and is the company secretarial assistant of PJI. She is an Associate Member of The Malaysian Association of the Institute of Chartered Secretaries And Administrators. Her wide scope of experiences covers the fields of management consulting with Usaha Tegas Group of Companies. She has also gained hands-on experience in the areas of human resource management and corporate secretarial work for a range of reputable companies.

***Lim Pooi Pei***

LL.B (Hons) London, CLP

Aged 28, Ms Lim joined PJI in 2000 and is the Legal Assistant in PJI. She has gained hands-on experience in the legal aspects of work. She obtained a degree in Bachelor In

Law (Honours) from University of London in 1997 and her Certificate In Legal Practise (CLP) in 2001.

**OEC**

***Ir. Lim Eng Cheik***

B.E.(Hons), P. Eng., MIEM

Aged 46, Ir. Lim is currently the Operation Director of OEC and is in charge of corporate affairs as well as project planning and implementation. He graduated from the University of Canterbury, New Zealand in 1979 with an honours degree in Bachelor of Engineering. He is a Professional Engineer and a corporate member of the Institution of Engineers, Malaysia. Since graduation, he has served in both the public sector as an engineer with Jabatan Perairan dan Saliran and in the commercial sector as an engineer and a project manager with a number of construction companies. He joined OEC in year 2000 and has contributed to the company in the areas of project and corporate management.

***Ir. Ooi See Chin***

B.Eng (Elect.), P.Eng., MIEM

Aged 35, Mr. Ooi is currently the Project Manager of OEC and the Head of its Electrical Engineering Department. He graduated from Southern Illinois University, United States of America (USA) in 1989 with a Bachelor Degree in Electrical Engineering. He is a professional engineer and a corporate member of the Institution of Engineers, Malaysia. Following his graduation, he was attached to several electrical engineering companies for approximately four (4) years. He joined OEC in 1994 and was appointed as the Site Engineer for Kulim Water Supply Phase 2 Project. He was involved in a number of prestigious projects such as Measat Satellite Monitoring Control at Gunung Raya, Langkawi and Penang Indoor Stadium Project.

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**

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***Loh Kean Giap***

B.Sc (Hons) in Mech. Eng.

Aged 47, Mr. Loh is currently the Project Manager of OEC and the Head of its Mechanical Engineering Department. He graduated from Plymouth Polytechnic, UK with a Bachelor of Science (Honours) Degree in Mechanical Engineering in 1979. Following his graduation, he was attached with a Canadian Consultant Company engaged by LLN for the construction of Bersia and Kenering Hydro Electric Projects. Subsequently, he joined a local construction company and was the Site Engineer for the Sungai Semenyih Water Treatment Plant Project. In 1990, he joined SISMA Management, a company involved in privatisation of the operation and maintenance of four (4) major Water Treatment Plants in Kedah. He was the Mechanical and Electrical Co-ordinator for the Kulim Water Supply Phase 2 Project, Langkawi Water Supply Storage Project and upgrading of Pelubang and Sungai Petani Water Treatment Plants. In May 1997, he joined OEC and is involved in the SCADA and Instrumentation System for Putrajaya Water Supply Development Project Package WS4, upgrading of Guilemard, Sg. Dua and Teluk Kepayang water treatment plants. In addition, he is actively involved in other Mechanical and Electrical Projects for high-rise building and booster pumping system for housing development.

**KTSB*****Ding Choo Hing***

B.Sc &amp; Dip. in Mech. Eng.

Aged 41, is the Executive Director of KTSB. Mr. Ding began his career as a Technical Assistant with the Public Works Department, involved in the designing and supervising of mechanical services in Government Building. In 1985 he graduated from the University of Glasgow, Scotland with a Bachelor of Science in Mechanical Engineering. He resumed his service as Mechanical Engineer in the Public Works Department from 1986 to 1991. From 1991 to 1992 he served as a Maintenance Engineer in Tentera Laut Diraja Malaysia, Lumut. Occasionally, he was the guest lecturer in IKRAM, Bangi giving lecture in fire fighting services subjects. In 1992, he joined KTSB as Technical Director and was responsible for overseeing the running and implementation of projects in the fire protection industry. Mr. Ding's experience in fire protection covers both the commercial and industrial buildings. Some of the projects handled by him include Hospital Universiti Kebangsaan Malaysia, TCL Industrial Kemaman and hotels.

***Zainal Abidin Jailany***

Cert. In Architectural &amp; Draughtsmanship

Aged 36, he completed his secondary school in 1981 and obtained his Certificate in Architectural & Draughtsmanship from the Malaysian Institute of Architects in 1986. Upon completing his certificate in 1987, he joined a contracting firm involved in the fire fighting services, Kumpulan Protection Sdn Bhd as a Project Supervisor. He joined KTSB in 1989 as the Project Supervisor and after 8 years of service, he was appointed to the post of Project Director in 1997. He has successfully completed projects for both the Government and for the private sectors such as MOU Hawk TUDM Kuantan, Bangunan Gunasama Labuan, District Hospital Baling, District Hospital Kuala Pilah, Polytechnic Shah Alam, Sekolah Sri Damansara, Sekolah-Sekolah Negeri Pahang, Sekolah-Sekolah Negeri Kedah, Sekolah-Sekolah Negeri Terengganu, International School Kuala Lumpur, TCL Petrochemical Plant Kemaman, Bangi Equatorial Hotel and GPP 4 Kerteh.

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**

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***Ir. Abdul Malek bin Abdul Aziz***

B. Eng. (Hons), CNAAB in Mechanical Engineering, P. Eng., MIEM

Aged 40, Ir. Abdul Malek is the General Manager of KTSB. Ir. Abdul Malek has 19 years of experience in the field of mechanical engineering services. He graduated with honours degree in Bachelor of Engineering from University of Portsmouth, UK in 1988. He started his career in the engineering consultant field from 1982 to 1995 and subsequently joined K.L. International Airport Berhad (KLIAB) as an Assistant Construction General Manager. During his tenure in KLIAB, he is responsible for the construction of the air traffic control tower and DCA operation block, aviation emergency services, air field safety unit and flight crew briefing centre. He was also involved in the construction of Labuan water treatment plant using thermal oxidation technology. He is a Professional Engineer registered with Institution of Engineers, Malaysia and Board of Engineers, Malaysia

**MSB*****Ir. Lee Eng Wah***

B.Eng (Hons) (Malaya), P.Eng, MIEM

Aged 35, Ir. Lee holds an honours degree in Bachelor of Engineering (Mechanical) from University of Malaya in 1991. He is a Corporate Member of the Institution of Engineer Malaysia and is also a professional Engineer of the Board of Engineer Malaysia. He has been involved in the electrical and mechanical engineering sector for more than 10 years. He started his career in a Japanese air conditioner manufacturer as a QC Engineer and later joined one of the well-known air conditioning contractors as a Senior Project Engineer. He is currently the Managing Director of MSB. Ir. Lee is well-versed in design, installation, testing and commissioning as well as service and maintenance for mechanical system, process cooling system, ventilation fan, water pump, water chiller, air handling unit, air cooled split unit, cooling tower, pressurisation system, car park ventilation system, smoke spill system, air filtration and heat exchanging. He has successfully completed mechanical projects in wide variety sectors, such as underground bunker, factory, office, warehouse, airport, tunnel, hotel, hospital, library, apartment and shopping complex.

***Leong Poh Seng***

Dip. in Architecture

Aged 43, Mr. Leong joined MSB in 1995 and is currently the Project Director. Mr. Leong graduated with a Diploma in Architecture from the Federal Institute of Technology Malaysia in 1978 and has been involved in the mechanical and electrical engineering field for the past 19 years. He joined Brisma International in 1980 as a Mechanical and Electrical Designer and left the company in 1983. From 1983 to 1984 Mr. Leong worked as a Technical Assistant in Ranhill Bersekutu. He resigned from Ranhill Bersekutu in 1984 and in 1986 he joined Vibran Engineering as a Project Sales Executive until 1995. In the same year Mr. Leong joined MSB. To date, Mr. Leong has been involved in a number of sizeable local and overseas projects such as the Awana Golf Resort, Newmount Development, Hospital UKM in Cheras, KLCC Ramlee Ramps, KLCC Fountain Room, KLIA Pos Malaysia and the High Court of Brunei, Artillery Regiment and the Armour Squadron of Brunei.

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**


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***Ir. Lau Chee Khin***

B.Sc in Engineering (Hons), P.Eng., MIEM

Aged 49, Ir Lau graduated from University of London in 1975 with an honours degree in Bachelor of Science (Engineering). Ir. Lau is the founder and currently the Engineering Director of MSB. He oversees the design and implementation of air-conditioning systems. He is a Corporate Member of the Institute of Engineer Malaysia and is also a Professional Engineer of Lembaga Jurutera Malaysia. He has more than 20 years of experience in this field. Mr. Lau started his career with Brisma International Consultants, Brunei as a Mechanical Engineer in 1979. In 1982, he joined the State Electricity Commission of Victoria, Australia as a Design Engineer for 2 years. Upon returning to Malaysia, he was employed by Zenith Engineering & Trading Sdn Bhd as the Project Engineer from 1984 to 1988. One of his notable achievements was to oversee the design and installation of the air-conditioning systems in the 52-storey Menara Maybank. He became a Director in Primacon Engineering Sdn. Bhd. from 1988 to 1990. Since 1990, he has been with MSB as the Engineering Director.

**KPSB**

***Rear Admiral Datuk Tuan Hashim bin Tuan Mohamad (rtd) DPKK, PGDK, PSAT, JMN, PSK, KMN, SSA, AMT, PPA, PPM, ndc (India), ncc (USA)***

Age 58, Datuk Tuan Hashim joined KPSB in 2000 and is a Director of KPSB. He is a graduate of Britannia Royal Naval College, UK in 1965; Naval War College, USA in 1980; Master Mariner, British Board of Trade in 1975 and Resource Management, Naval Post Graduate School, USA in 1981; National Defence College, India in 1989.

After completing secondary school at the Royal Military College, end of 1961, he was selected to undergo officers training at Britannia Royal Naval College, Dartmouth, England. He was commissioned three (3) years later on 1 September 1965 as a Sub-Lieutenant in the Royal Malaysian Navy (RMN) and returned to Malaysia to serve his King and country.

Rear Admiral Datuk Tuan Hashim (rtd) retired from active service on 29 October 1998 after serving 37 years in RMN. He advises KPSB in business development matters.

***Ir. Lim Chin Boo***

B. Eng (Hons) Electrical, P. Eng.

Aged 31, Mr. Lim joined KPSB in 2000 and is currently the Project Manager of KPSB and responsible for project implementation. He obtained his Bachelor of Electrical Engineering degree from University Technology Malaysia in May 1994. Upon graduation, he started his career in KBK as an Assistant Engineer and was promoted to an Assistant Manager until February 2000.

**PJI-A*****Tan Choi Lai***

MBA, B.Eng (Electrical and Electronics)

Aged 30, Mr Tan joined PJI-A in 1997 and currently holds the position as a Project Manager. He holds a bachelor Degree (Honours) of Electrical and Electronics Engineering from the Imperial College, University of London and a Master Degree in Business Administration from the University of Hull, UK Previously, he was attached to Unisys (M) Sdn Bhd, a multinational company specialising in business process re-engineering and change management. He was

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**6.0 INFORMATION ON THE SHAREHOLDERS/ DIRECTORS/ KEY MANAGEMENT OF THE PJIH GROUP**

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later trained at Sepakat Setia Perunding (M) Sdn Bhd as an electrical engineer for two (2) years.

**6.10 Family Relationships**

Ms. Yap Mei Leng is the wife of Mr. Lee Peng Joo while Mr. Lee Peng Seng and Mr. Lee Peng Kuan are the brothers of Mr. Lee Peng Joo.

Datin Rohani binti Romly and En. Rezal Zain bin Abdul Rashid are the wife and son of Dato' Abdul Rashid bin Ahmad, respectively.

Mr. Geh Yean Hor and Mr. Geh Yean Hooi are the brothers of Mr. Geh Yean Chang.

Save as disclosed above, there is no other family relationship between the substantial shareholders with Directors and senior management of the PJIH Group.

**6.11 Employees**

As at 31 October 2001, the PJIH Group has 321 employees under its employment and the relationship between the management and employees is good. The employees of the PJIH Group do not belong to any union.

**6.12 Management Agreement and Service Contracts**

There are no existing management agreement and service contracts entered into between the PJIH Group and any of the Directors and key Management of the PJIH Group.

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## 7.0 APPROVAL AND CONDITIONS

### 7.1 Approvals Required

The Restructuring Scheme is conditional upon the following approvals being obtained:

- (i) The SC, the approval of which was obtained on 16 May 2001;
- (ii) The MITI, the approval of which was obtained on 8 April 2000; and
- (iii) The FIC, the approval of which was obtained on 20 March 2000.

### 7.2 Conditions to the Approvals and Status of Compliance

	Conditions Imposed	Status of Compliance
<b>FIC</b>	<ul style="list-style-type: none"> <li>(i) PJIH is to maintain at least 30% Bumiputera equity interest upon listing; and</li> <li>(ii) PJIH is to obtain the approval of the MITI.</li> </ul>	<p>To be complied</p> <p>Met</p>
<b>MITI</b>	<ul style="list-style-type: none"> <li>(i) The existing 30.69% Bumiputera equity interest in PJIH recognised by the MITI is subject to a moratorium. Any sale or transfer of shares is not allowed without the prior written approval from the MITI.</li> </ul>	To be complied
<b>SC</b>	<ul style="list-style-type: none"> <li>(i) Conditions to be met in respect of the utilisation of proceeds are as follows: <ul style="list-style-type: none"> <li>• The SC's approval must be obtained for any changes to the original utilisation of proceeds if the said change involve utilisation other than for the core business of PJIH;</li> <li>• Approval of the shareholders of PJIH must be obtained for the utilisation of proceeds and for any change of 25% or more of the original utilisation of proceeds. If the change to be affected is less than 25%, the necessary disclosure is to be made to the shareholders of PJIH;</li> <li>• Any extension of time in relation to the given period by PJIH for the utilisation of proceeds must be approved through a final resolution by the Board of Directors of PJIH and must be fully disclosed to the KLSE;</li> <li>• The relevant disclosure in respect of the status of the utilisation of proceeds must be made in the Quarterly Reports and Annual Reports of PJIH until the said proceeds is completely utilised</li> </ul> </li> </ul>	<p>Will be complied</p> <p>Will be complied</p> <p>Will be complied</p> <p>Will be complied</p>

**7.0 APPROVAL AND CONDITIONS**

	<b>Conditions Imposed</b>	<b>Status of Compliance</b>
(ii)	<p>Moratorium is to be imposed on the 20,340,000 PJIH Shares representing 45% of the enlarged issued and paid-up share capital, held by the substantial shareholders/promoters of PJIH, as stated under paragraph 10.12 of SC's Policies and Guidelines on Issue/Offer of Securities (Guidelines).</p> <p>The substantial shareholders/promoters of PJIH, whose shares are subject to moratorium, are not allowed to sell, transfer or surrender their shareholding for at least one (1) year from the date of listing of the said shares. Thereafter, they are only allowed to sell, transfer or surrender not more than one third (1/3) of the moratorium shares for each subsequent year. The shareholders of PJIH who are subject to the moratorium are detailed in Section 7.3 of the Prospectus.</p> <p>The moratorium is only applicable to the substantial shareholders and/or ultimate shareholders and promoters of PJIH detailed in Section 7.3 of the Prospectus. Henceforth, each said substantial shareholder and/or ultimate shareholder and promoter must provide a written undertaking that they will not sell, transfer or surrender the rights of their shareholding in the said private company during the duration of the moratorium.</p>	<p>To be complied</p> <p>To be complied</p> <p>Met</p>
(iii)	<p>The promoters and Directors of the PJIH Group will not be involved in new businesses that will give rise to a conflict of interest with the existing PJIH Group's operations. The Directors of PJIH is also required to provide full disclosure in respect of their involvement and interest in companies and businesses, if any, which are related/similar which may be conflicting or in competition to the PJIH Group's business in the listing Prospectus of PJIH.</p>	<p>Will be complied</p>
(iv)	<p>All future businesses between the PJIH Group and any businesses which are related/ interested promoters and directors of PJIH must be made based on "arm's-length" and not on terms which will be detrimental to the PJIH Group. In relation to this, the Audit Committee of PJIH must monitor and the Directors of PJIH must report all such transactions, if any, in the Annual Report of PJIH Group every year.</p>	<p>Will be complied</p>
(v)	<p>PJIH is to submit a report by the auditors confirming the status on the trade debtors collection prior to the issue of the listing Prospectus.</p>	<p>Met</p>

## 7.0 APPROVAL AND CONDITIONS

	Conditions Imposed	Status of Compliance
(vi)	<p>PJIH is to make detail disclosure in the listing Prospectus on the following matters:</p> <ul style="list-style-type: none"> <li>▪ The risks involved in the business of the PJIH Group, including risk related to the non-existence of long term contracts with clients, and steps taken and to be taken to overcome the said risks; and</li> <li>▪ Business relationship between SIBB and the PJIH Group.</li> </ul>	<p>Met</p> <p>Met</p>
(vii)	PJIH is to fully comply with the requirements in relation to the listing of a company as provided under the SC's Guidelines on Issue/ Offer of Securities.	To be complied
(viii)	SIBB and PJIH are required to provide written confirmation on the compliance in respect of all the terms and conditions imposed as stipulated in the SC's approval letter at the end of each financial year of the company until the said proposals are fully implemented and all the conditions are fully complied.	To be complied

### 7.3 Moratorium on Disposal of PJIH Shares

The SC in approving the flotation of the Company on the Second Board of the KLSE has imposed that moratorium be placed on the disposal of PJIH Shares by certain shareholders of PJIH.

The shareholders of PJIH, namely Dato' Abdul Rashid bin Ahmad, Mohamad Nasir bin Long, Datin Rohani binti Romly, Lee Peng Joo, Koh Tiew Seng, Lim Chong Ling, Aplink Enterprise Sdn Bhd, Geh Yean Chang and Apex Term Sdn Bhd, will not be allowed to sell, transfer or assign part of their shareholdings in PJIH amounting to 20,340,000 PJIH Shares, representing 45% of the issued and paid-up share capital of PJIH, within one (1) year from the date of admission of PJIH to the Official List of the Second Board of the KLSE.

Dato' Abdul Rashid bin Ahmad, Mohamad Nasir bin Long, Datin Rohani binti Romly, Lee Peng Joo, Koh Tiew Seng, Lim Chong Ling, Aplink Enterprise Sdn Bhd, Geh Yean Chang and Apex Term Sdn Bhd are permitted to divest or transfer up to a maximum of one-third (1/3) per annum (on a straight-line basis) of their respective shareholdings under the moratorium after the said one (1) year period.

## 7.0 APPROVAL AND CONDITIONS

The shareholders of PJIH who are subject to the moratorium are listed below:

	No. of PJIH Shares held after the Public Issue	% of share capital	No. of PJIH Shares placed under moratorium	% of share capital
Dato' Abdul Rashid bin Ahmad	8,089,022	17.90	4,340,000	9.60
Lee Peng Joo	4,832,212	10.69	3,000,000	6.64
Mohamad Nasir bin Long	1,947,238	4.31	1,500,000	3.32
Datin Rohani binti Romly	1,730,878	3.83	1,000,000	2.21
Koh Tiew Seng	2,163,598	4.79	1,500,000	3.32
Lim Chong Ling	1,467,895	3.25	1,000,000	2.21
Geh Yean Chang	2,599,797	5.75	2,500,000	5.53
Apex Term Sdn Bhd	4,055,675	8.97	2,500,000	5.53
Aplink Enterprise Sdn Bhd	4,816,115	10.66	3,000,000	6.64
	31,702,430	70.15	20,340,000	45.00

### 7.4 Allocation of securities to Directors, employees and parties who have contributed to the success of PJIH

As part of the listing scheme, 2,260,000 of the Public Issue Shares have been reserved for the Directors and employees of the PJIH Group together with parties that have contributed to the PJIH Group's success.

The criteria for the allocation of the securities to the eligible Directors, employees and parties that have contributed to the success of PJIH Group as approved by the Board of Directors of PJIH are as follows:

- (1) Length of service;
- (2) Position in the Group; and
- (3) Contribution to the success of the Group.

As at 30 September 2001, a total of 258 directors, employees and parties that have contributed to the success of the Group are eligible for the allocation.

## 7.0 APPROVAL AND CONDITIONS

The Directors of PJIH and its subsidiary companies that are eligible for the allocation and the number of PJIH Shares that they are entitled to are as follows:

Name	Position in the PJIH Group	No. of PJIH Shares allocated
Dato' Abdul Rashid bin Ahmad	Executive Chairman	60,000
Lee Peng Joo	Group Managing Director/ Chief Executive Officer and Managing Director of PJI	75,000
Geh Yean Chang	Executive Director and Managing Director of OEC	65,000
Lim Chong Ling	Executive Director and Managing Director of KTSB	50,000
Rezal Zain bin Abdul Rashid	Non-Executive Director	35,000
Lee Peng Seng	Non-Executive Director	15,000
YB Abd Hamid bin Abd Rahman	Independent Non-Executive Director	15,000
Dato' Kam U Tee	Independent Non-Executive Director	15,000
Ho Koon How	Independent Non-Executive Director	15,000
Lee Peng Kuan	Alternate Director	25,000
Geh Yean Hor	Chairman of OEC	35,000
Lim Eng Cheik	Operation Director of OEC	10,000
Ding Choo Hing	Executive Director of KTSB	30,000
Zainal Abidin Jailany	Project Director of KTSB	35,000
Lee Eng Wah	Managing Director of MSB	65,000
Leong Poh Seng	Project Director of MSB	35,000
Lau Chee Khin	Engineering Director of MSB	35,000
Datuk Tuan Hashim bin Tuan Mohamad	Director of KPSB	15,000
Lim Kian Seng	Senior General Manager (Project) of PJI and Managing Director of KPSB	35,000
Tan Kim Lien	Managing Partner of PJI-A	35,000

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## **8.0 RELATED PARTY TRANSACTIONS/ CONFLICT OF INTEREST**

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### **8.1 Related Party Transactions/Conflict of Interest**

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries.

As at the date of this Prospectus, save as disclosed below and those transactions within the PJIH Group, the Directors of PJIH are not aware of any existing or potential business transaction which involve the interest of a Director or substantial shareholder of PJIH.

Mr Lim Chong Ling, the Executive Director of PJIH and the Managing Director of KTSB, disclosed that there was a maintenance contract awarded to Commutech Engineering Sdn Bhd. The Directors of Commutech Engineering Sdn Bhd are Mr Lim Chong Chiew (Mr Lim Chong Ling's brother) and Mr Lim Ai Lee. The value of contract awarded to the company was RM1,476,263 for the duration from September 2000 to September 2001. However, there is no conflict of interest on the said transaction as KTSB's principal activity is not the supply of maintenance services.

### **8.2 Declaration by Advisers, Auditors, Solicitors and Valuers**

Save as disclosed below, there are no existing or potential interests or conflicts of interest in an advisory capacity between the PJIH Group and its Advisers, Auditors, Solicitors and Valuers.

- (a) Facility Agreement dated 20 August 2001 between SIBB and Dato' Abdul Rashid bin Ahmad and En Tamran bin Abd Aziz (Borrowers) for the granting of a revolving credit facility of RM3,600,000 to finance the Borrowers' rights issue entitlement of 4,875,201 PJIH Shares at an issue price of RM1.25 per PJIH Share pursuant to the Listing of PJIH; and
- (b) As at 31 October 2001, SIBB is a 50.1%-owned subsidiary company of Southern Band Berhad which in turn has a 100% equity interest in Southern Finance Berhad (SFB). SFB has entered into a Facility Agreement dated 29 August 2001 and 25 September 2001 with the employees of PJIH who are entitled to participate in the Company's Public Issue (Employees) for the granting of a term loan facility of RM3,390,000 to finance the purchase of PJIH Shares at a Public Issue price of RM1.50 per PJIH Share by the Employees pursuant to the Listing of PJIH.

SIBB, the Adviser and Managing Underwriter to PJIH in respect of the listing exercise confirms that save as disclosed above, it does not have any other business relationships with PJIH. SIBB also confirms that there is no conflict of interest in its capacity as the Adviser for the Public Issue.

Messrs Soo Thien Ming & Nashrah has given its confirmation that there is no conflict of interest in its capacity as the Solicitor for the Public Issue.

Messrs GEP Associates has given its confirmation that there is no conflict of interest in its capacity as Reporting Accountants for the Public Issue.

Messrs Henry Butcher, Lim & Long (K) Sdn Bhd has given its confirmation that there is no conflict of interest in its capacity as the Valuer in relation to the Public Issue.

Messrs Henry Butcher, Lim & Long (N) Sdn Bhd has given its confirmation that there is no conflict of interest in its capacity as the Valuer in relation to the Public Issue.

Messrs Vigers (KL) Sdn Bhd has given its confirmation that there is no conflict of interest in its capacity as the Valuer in relation to the Public Issue.

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**9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP**


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**9.1 Approvals, Major Licences and Permits Obtained, Conditions Attached (if any) and Status of Compliance**

Type of Licence/Authority	Major conditions imposed	Compliance
<b>PJI</b>		
Lembaga Industri Pembinaan Malaysia (CIDB) - Class G7	0.25% levy on all projects exceeding RM500,000	Met
Jabatan Bekalan Elektrik & Gas - Class A	-	-
Kementerian Kewangan Malaysia	-	-
PKK - Class I	-	-
Tenaga Nasional Bhd (TNB) - Class I	-	-
Telekom Malaysia Berhad - Class I	-	-
Petronas	-	-
<b>OEC</b>		
PKK - Class I & A	-	-
Jabatan Bekalan Elektrik & Gas - Class A	-	-
CIDB - Gred G7	0.25% levy on all projects exceeding RM500,000	Met
Kementerian Kewangan Malaysia	-	-
TNB - Class I & A	-	-
Telekom Malaysia Berhad - Registered Contractor	-	-

**9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP**

Type of Licence/Authority	Major conditions imposed	Compliance
<b>KTSB</b>		
PKK - Class BX	-	-
Malaysia Airport Berhad	-	-
CIDB - Class G7	0.25% levy on all projects exceeding RM500,000	Met
CIDB - Class G5	0.25% levy on all projects exceeding RM500,000	Met

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## 9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP

### 9.2 Summary of Landed Properties

The summarised information on the PJIH Group's landed properties is set out below:

Proprietor	Location	Existing Use	Expiry dates for leasehold land	Approximate Age of Buildings (years)	Land area (sq. ft.)	Built up area (sq. ft.)	Net book value as at 30/6/2001 RM'000	Open Market valuation RM'000
PJIH	Three storey semi-detached factory –H.S. (D) 132118, P.T. 17304 Mukim Damansara, District of Petaling.  No. 17 & No. 19, Jalan U8/83, Sekyen U8 Bukit Jelutong, 40150 Shah Alam.	New HQ (Three (3) Storey Semi Detached Factory)	Freehold	0.3*	-	18,382.0 sq. ft. (No. 17)  25,098.4 sq. ft. (No. 19)	2,400 (No. 17)  3,300 (No. 19)	-
PJI	HS(D) 23362 PT 189, Mukim Bandar, Petaling Jaya, Daerah Petaling, Negeri Selangor	Rented out (single storey shoplot)	Leasehold 03/04/2086	14.3^	-	1,875 sq. ft.	230	-
PJI	Lot No. 1015, Diamond Creeks Country Retreat at HS (D) BP394, PT 4020 & HS (D) BP 395 PT 4021, Mukim Batang Padang, Daerah Ulu Bernam, Perak	Vacant orchard resort land (under construction)	Freehold	-	43,777 sq. ft. (4,067 sq. m.)	-	273	-
PJI	HS(M) 2996 PT No. 11232, Mukim Sungai Buloh, Batu 7½, Jalan Damansara, State of Selangor	Existing Head Office (four storey shoplot, No. 18, Jln SS2/72, 47300 PJ)	Freehold	23.6^	-	1,650 sq. ft. (153.28 sq. m.) 1,650 k.p	2,009	-
PJI	Parcel No. 313 & Parcel No. 314 at HS (D) 104168 PT 33358, Mukim Sungai Buloh, District of Petaling, State of Selangor. No. 313, Block E 3 <sup>rd</sup> Floor, Okid 2 of 5 Storey Apartments, Section 2 Phase 3 Bandar Pinggiran, Subang.	Residential Apartment	Leasehold 99 years	-	-	831 sq. ft. (Parcel No. 313) 831 sq. ft. (Parcel No. 314)	74 (80% completed) (Parcel No. 313) 74 (80% completed) (Parcel No. 314)	-

## 9.0 OTHER INFORMATION CONCERNING THE PJH GROUP

Proprietor	Location	Existing Use	Expiry dates for leasehold land	Approximate Age of Buildings (years)	Land area (sq. ft.)	Built up area (sq. ft.)	Net book value as at 30/6/2001 RM'000	Open Market valuation RM'000
PJI	H.S. (D) 42490, P.T. No.35290 Mukim of Kajang, District of Ulu Langat, Selangor. No.74, Taman Industri Balakong Jaya.	1 ½ storey terrace factory under construction	Freehold	-	-	6727 sq. ft.	678 (90% completed)	-
PJI	H.S (M) 200, No. P.T. 530, H.S.(M) 201, No. P.T. 531, H.S. (M) 202, No. PT 532, HS(M) 203, No.PT533, H.S. (M) 204, No. P.T. 534, H.S. (M) 205, No. PT 535, H.S. (M) 206, No. P.T. 536 H.S.(M) 207, No. P.T. 537 Mukim of Dengkil, State of Selangor Darul Ehsan  Putrajaya-Precint 9 (sub-Commercial centre (Putramas 1 at Putrajaya) 10.0 G-533 11.0 1-533 12.0 2-533  Mukim Putrajaya, Daerah Sepang, Selangor Darul Ehsan, Western Area of Putrajaya	Store Site Office Site Office	Freehold Freehold Freehold	1.0*	- - -	126.63 sq.m. 171.88 sq.m. 168.35 sq.m.	836	- - -
PJI	HS(D) 94674 ,P.T. No. 28600 Mukim of Sungai Buluh District of Petaling, State of Selangor Block A, , Shop Office, Bukit Rahamn Putra – Phase 7E Mukim of Sungei Buloh Phase 7E, Bukit Rahman Putra	Shop Office (1 <sup>st</sup> Floor of the Building No. Block A)		1.0*	-	1,360 sq. ft.	171	-
PJI-P	HS(M) 2995, PT No. 11231, Mukim Sungai Buloh, Tempat Batu 7½, Jalan Damansara, State of Selangor	Existing corporate office (four storey shoplot, No. 16, Jln SS2/72, 47300 PJ)	Freehold	23.6^	-	2296 sq. ft. 2296 k.p	2,006	-
KTSB	HS(D) 8992 Lot No. PT 7446, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan. 41, Jalan SG 1/6 Taman Sri Gombak 68100 Batu Caves, Selangor.	Existing corporate office (three storey office building)	Freehold	19.0^	1,400 sq. m.	130.06 sq. m.	561	550^^

## 9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP

Proprietor	Location	Existing Use	Expiry dates for leasehold land	Approximate Age of Buildings (years)	Land area (sq. ft.)	Built up area (sq. ft.)	Net book value as at 30/6/2001 RM'000	Open Market valuation RM'000
KTSB	HS(D) No. 5163 Lot PT No, 3682, Mukim 1, Seberang Prai Tengah, Pulau Pinang, C-G-1, , C-1-1 Pusat Bandar, Seberang Jaya	C-G-1 Branch office (commercial centre comprising of 2 block of 8 storey building ) 100 % completion	Leasehold 99 years 21/10/2092	1.0 <sup>^</sup>	-	1,023 sq. ft. (C-G-1)	297 (C-G-1)	-
		C-1-1 Vacant (commercial centre comprising of 2 block of 8 storey building ) 100 % completion				807 sq. ft. (C-1-1)	174 (C-1-1)	-
OEC	HS(D) 19, MK 12, No. PT 39, Mukim 12, Sungei Nibong, Daerah Barat Daya, Geran First Grade, Daerah Barat Daya, Negeri Pulau Pinang	Branch office (double storey shoplot)	Freehold	28.0 <sup>^</sup>	344.58 sq. m	167.23 sq. m.	511	550 <sup>^^</sup>
OEC	HS(M) 84/1991 PT 1798 and HS(M) 85/1991 PT 1799, both in Mukim Mergong, District of Kota Setar, Kedah	Existing corporate office cum workshop (double storey office building cum workshop)	Leasehold 99 years 25/05/2090	12.0 <sup>*</sup>	1,197.24 sq. m.	1,131.65 sq. m.	680	600 <sup>^^</sup>
OEC	Juru Prime Industrial Park Unit No. J/A/02-12 At no. 672 Mukim 13, Daerah Seberang Perai Tengah and Lot No. 675 comprised in Geran Mukim No. G.M. 95, Mukim 13, Daerah Seberang Perai Tengah	Investment purpose, currently vacant (11/2 Storey Semi Detached Factory)	Freehold	3.2 <sup>*</sup>	10,488sq ft	3,300sq ft	471	-
OEC	Bukit Jambul Indah Apartment Unit No. B/G/18/05 at Lot No. 2494, Mukim 13, North East District, Penang.	Investment purpose, currently vacant	Leasehold 99 years 14/8/2095	2.2 <sup>*</sup>	78,728sq.m	151.99sq.m	269	-

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**9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP**


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Proprietor	Location	Existing Use	Expiry dates for leasehold land	Approximate Age of Buildings (years)	Land area (sq. ft.)	Built up area (sq. ft.)	Net book value as at 30/6/2001 RM'000	Open Market valuation RM'000
OEK	Block B, 5 <sup>th</sup> Floor, Parcel No. 1 Type (A1) ,Block B, 6 <sup>th</sup> Floor, Parcel No. 2 , Type (A2), Block B, 4 <sup>th</sup> Floor, Parcel No. 3 , Type (B1) , of Miami Green Resort Condominium at Lot Nos 650 Grant (1 <sup>st</sup> Grade) Nos 21365, Lot No. 652 Grant (1 <sup>st</sup> Grade) No. 21367 and Lot No 655 Grant (1 <sup>st</sup> Grade), No. 21370, Section 2 , Town of Batu Ferringhi, North East District, Penang.	Investment purpose, currently 55% complete (Condominium)	Freehold	-	48,829sq.m of Block B, 5 <sup>th</sup> Floor, Parcel No. 1 Type (A1)	1,060 sq .ft of Block B, 5 <sup>th</sup> Floor, Parcel No. 1 Type (A1)	382	-
					48,829sq.m of Block B, 6 <sup>th</sup> Floor, Parcel No. 2, Type (A2)	1,060sq.f t of Block B, 6 <sup>th</sup> Floor, Parcel No. 2, Type (A2)		
					48,829sq.m of Block B, 4 <sup>th</sup> Floor, Parcel No. 3, Type (B1)	1050sq.ft of Block B, 4 <sup>th</sup> Floor, Parcel No. 3,Type (B1)		
OEK	Unit No. B 03-03, Unit No. B 06-02, Unit No. B 06-03, Unit No. B 09-03, Greensfields Apartment H.S.(D) 81311, P.T. No 4796, Mukim Petaling, Daerah Wilayah Persekutuan Negeri Wilayah Persekutuan	Investment purpose Apartment, rented out	Freehold	-	33,743 sq. m of Unit No. B 03-03	994 sq. ft. of Unit No. B 03-03	749	-
					33,743 sq. m of Unit No. B 06-02	994 sq. ft. of Unit No. B 06-02		
					33,743 sq. m of Unit No. B 06-03	994 sq. ft. of Unit No. B 06-03		
					33,743 sq. m of Unit No. B 09-03	994 sq. ft. of Unit No. B 09-03		

**9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP**

Proprietor	Location	Existing Use	Expiry dates for leasehold land	Approximate Age of Buildings (years)	Land area (sq. ft.)	Built up area (sq. ft.)	Net book value as at 30/6/2001 RM'000	Open Market valuation RM'000
OEC	Unit No. D 09-02, Unit No. D 08-02, Unit No. D 10-02, Petaling Indah Condominium PN 20253, Lot No. 35927, Off Jalan Sungai Besi, Mukim of Petaling, District and State of Wilayah Persekutuan	Investment purposes, Condominium, vacant	Leasehold 13-10-2079	3.4*	-	855 sq. ft. of Unit No. D 09-02  855 sq. ft. of Unit No. D 08-02  855 sq. ft. of Unit No. D 10-02,	415	-
OEC	A flat factory premises at F-20, Bulatan Cherry, Ipoh, erected on part of land held under Geran 8384, Lot No. 4327N, Town of Ipoh Negeri Perak	Investment purposes, Factory, vacant	Freehold	5.4*	-	2,005 sq. ft.	98	-

**9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP**

Proprietor	Location	Existing Use	Expiry dates for leasehold land	Approximate Age of Buildings (years)	Land area (sq. ft.)	Built up area (sq. ft.)	Net book value as at 30/6/2001 RM'000	Open Market valuation RM'000
OEC	Unit No. 1-26-C, Unit No. 1-28-C, Unit No. 1-30-A, Unit No. 1-30-C, Unit No. 1-31-A, Unit No. I1-33-A, Unit No. 1-38-F, Unit No. 1-38-G, Gurney Park Apartment at Lot No. 2192, Section 1, Taman Angsana, Town of Georgetown, North East District, Penang	Investment purpose, currently rented out (condominium)	Freehold	2.2*	16.1336 acres of Unit No. 1-26-C 16.1336 acres of Unit No. 1-28-C, 16.1336 acres of Unit No. 1-30-A, 16.1336 acres of Unit No. 1-30-C  16.1336 acres of Unit No. 1-31-A 16.1336 acres of Unit No. I1-33-A, 16.1336 acres of Unit No. 1-38-F, and 16.1336 acres of Unit No. 1-38-G.	79.53 sq. m. of Unit No. 1-26-C 79.53 sq. m. of Unit No. 1-28-C, 79.53 sq. m. of Unit No. 1-30-A, 79.53 sq. m. of Unit No. 1-30-C  79.53 sq. m. of Unit No. 1-31-A 79.53 sq. m. of Unit No. I1-33-A, 79.53 sq. m. of Unit No. 1-38-F, and 79.53 sq. m. of Unit No. 1-38-G.	2,575	-

\* Based on the date of certificate of fitness

^ Based on the date of title/deed of assignment

^ The open market valuation is intended for information purposes only

## 9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP

### 9.3 Acquisition of any of the Properties During the Two (2) Years Preceding the Valuation

Registered Owner	Location	Date of Acquisition	Purchase Consideration (RM'000)
PJIH	Three storey semi-detached factory –H.S. (D) 132118, P.T. 17304 Mukim Damansara, District of Petaling. No. 17 & No. 19, Jalan U8/83, Sekyen U8 Bukit Jelutong, 40150 Shah Alam.	17/12/1999	2,400 (for No. 17) 3,300 (for No. 19)
PJI	H.S (M) 200, No. P.T. 530, H.S.(M) 201, No. P.T. 531, H.S. (M) 202, No. PT 532, HS(M) 203, No.PT533, H.S. (M) 204, No. P.T. 534, H.S. (M) 205, No. PT 535, H.S. (M) 206, No. P.T. 536 H.S.(M) 207, No. P.T. 537 Mukim of Dengkil, State of Selangor Darul Ehsan  Putrajaya-Precint 9 (sub-Commercial centre (Putramas 1 at Putrajaya) 13.0 G-533 14.0 1-533 15.0 2-533 Mukim Putrajaya, Daerah Sepang, Selangor Darul Ehsan, western Area of Putrajaya	17/09/1999	415 for G-533 241 for 1-533 189 for 2-533
PJI	Parcel No. 313 & Parcel No. 314 at HS (D) 104168 PT 33358, Mukim Sungai Buloh, District of Petaling, State of Selangor. No. 313,Block E 3 <sup>rd</sup> Floor, Okid 2 of 5 Storey Apartments, Section 2 Phase 3 Bandar Pinggiran, Subang.	05/11/1999 Leasehold : 99 years	92
PJI	HS(D) 94674 ,P.T. No. 28600 Mukim of Sungai Buluh District of Petaling, State of Selangor Block A, Shop Office, Bukit Rahman Putra – Phase 7E Mukim of Sungei Buloh Phase 7E, Bukit Rahman Putra	07/12/1999	173
PJI	H.S. (D) 42490, P.T. No.35290 Mukim of Kajang, District of Ulu Langat, Selangor. No.74, Taman Industri Balakong Jaya.	23/11/1999	848
OEC	Block B, 5 <sup>th</sup> Floor, Parcel No. 1 Type (A1), Block B, 6 <sup>th</sup> Floor, Parcel No. 2, Type (A2), Block B, 4 <sup>th</sup> Floor, Parcel No. 3, Type (B1), of Miami Green Resort Condominium at Lot Nos 650 Grant (1 <sup>st</sup> Grade) Nos 21365, Lot No. 652 Grant (1 <sup>st</sup> Grade) No. 21367 and Lot No 655 Grant (1 <sup>st</sup> Grade), No. 21370, Section 2, Town of Batu Ferringhi, North East District, Penang	15/03/2000	691
OEC	Juru Prime Industrial Park Unit/No. J/A/02/12 at No. 675 Mukim 13, Daerah Seberang Perai Tengah and Lot No. 676 comprised in Geran Mukim No. G.M. 95, Mukim 13, Daerah Seberang Perai Tengah	15/03/2000	506
OEC	Bukit Jambul Indah Apartment Unit No. B/G/18/05 at Lot no. 2494, Mukim 13, North East District, Penang	22/03/2000 (Leasehold)	275

**9.0 OTHER INFORMATION CONCERNING THE PJIH GROUP**

Registered Owner	Location	Date of Acquisition	Purchase Consideration (RM'000)
OEC	Unit No. B 03-03, Unit No. B 06-02, Unit No. B 06-03, Unit No. B 09-03, Greenfields Apartments H.S. (D) 81311, P.T. No 4796, Mukim Petaling, Daerah Wilayah Persekutuan Negeri Wilayah Persekutuan	11/01/1999	749
OEC	Unit No. D 09-02, Unit No. D 08-02, Unit No. D 10-02, Petaling Indah Condominium PN 20253, Lot No. 35927, Off Jalan Sungai Besi, Mukim of Petaling, District and State of Wilayah Persekutuan	11/01/1999 (Leasehold)	415
OEC	Unit No. I-26-C, Unit No. I-28-C, Unit No. I-30-A, Unit No. I-30-C, Unit No. I-31-A, Unit No. II-33-A, Unit No. I-38-F, Unit No. I-38-G, Gurney Park Apartment at Lot No. 2192, Section 1, Taman Angsana, Town of Georgetown, North East District, Penang	09/03/1999	2,575
OEC	A flatted factory premises at F-20 Bulatan Cherry, Ipoh erected on part of land held under Geran 8384, Lot No. 4327n, Town of Ipoh, Negeri Perak	14/05/2001	98
OEC	One block of 3-storey shop-office identified as Lot No. 16, Vantage Point, Penang erected on part of Lot No. 592, Section 1, Town of Jelutong, North East District Penang, held under Grant (First Grade) No. Pendaftaran 52341	14/10/2001	889
PJI	Double storey-Link End Lot, Lot 118, Jalan Zuhrah U5/151, Taman Subang Murni, Bandar Pinggiran Subang, 40150 Shah Alam	09/08/2001	235



## 10.0 FINANCIAL INFORMATION

### 10.1 Profit and Dividend Records

The table below has been extracted from the Accountants' Report in Section 11.0 of this Prospectus and should be read in conjunction with the notes thereto. A summary of the proforma consolidated financial results of the PJIH Group for the five (5) years ended 30 June 2001 prepared on the assumption that the current structure of the Group had been in existence throughout the period under review, is as follows:

	<----- Financial year ended 30 June ----->				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	84,707	156,705	185,012	157,182	174,224
Profit before depreciation and interest	11,226	10,185	10,679	13,980	15,281
Depreciation	(500)	(853)	(876)	(968)	(1,135)
Interest expense	(187)	(619)	(683)	(360)	(635)
Other Income	635	950	1,468	719	814
Operating profit	11,174	9,663	10,588	13,371	14,325
Exceptional item	-	-	-	132	-
Share of profits/(loss) in Joint-Venture	44	(9)	(5)	(5)	(5)
PBT	11,218	9,654	10,583	13,498	14,320
Taxation	(3,205)	(2,924)	(252)	(3,362)	(4,330)
PAT	8,013	6,730	10,331	10,136	9,990
Minority interest	(60)	84	(8)	(159)	(355)
PAT and minority interest	7,953	6,814	10,323	9,977	9,635
<b>Number of PJIH Shares assumed in issue after the Acquisitions but prior to the Rights Issue ('000)</b>	33,545	33,545	33,545	33,545	33,545
Gross EPS (sen) <sup>(1)</sup>	33.26	29.03	31.52	39.76	41.63
Net EPS (sen) <sup>(2)</sup>	23.71	20.31	30.77	29.74	28.72
<b>Number of PJIH Shares assumed in issue after the Acquisitions, Rights Issue and Public Issue ('000)</b>	45,200	45,200	45,200	45,200	45,200
Gross EPS (sen) <sup>(3)</sup>	24.69	21.54	23.40	29.51	30.90
Net EPS (sen) <sup>(4)</sup>	17.60	15.08	22.84	22.07	21.32
Gross dividend (sen)	-	-	-	-	-

*Notes:*

- (1) *Based on the PBT but after minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions but prior to the Rights Issue.*
- (2) *Based on the PAT and minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions but prior to the Rights Issue.*

## 10.0 FINANCIAL INFORMATION

- (3) *Based on the PBT but after minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions, Rights Issue and Public Issue.*
- (4) *Based on the PAT and minority interest divided by the number of PJIH Shares assumed in issue after the Acquisitions, Rights Issue and Public Issue.*
- (i) *As the financial accounting dates of OEC, KTSB and MSB are not coterminous with PJIH during the financial years 1997 to 2001, the respective company's financial results have been pro-rated to 30 June, where appropriate.*
- (ii) *With the exception of the financial year ended 30 June 2000, there were no extraordinary items and no exceptional items for the period under review. The exceptional item for the financial year ended 30 June 2000 was due to the gain from the disposal of PSE Projects Sdn Bhd recorded by P.J. Indah Sdn Bhd.*
- (iii) *The audited financial statements of PJIH and its subsidiaries for the past 5 years have not been subjected to any auditors' qualifications.*
- (iv) *Turnover in 1998 increased by approximately 85.0% due to increase in contracts secured by PJI comprising mainly infrastructure works. Despite the increase in turnover, PBT on the other hand declined by 13.9% due to the lower profit margin of certain large Government contracts secured by PJI.*
- (v) *Turnover for 1999 continue to increase albeit at a lower percentage of 18.1%. PBT on the other hand grew by a lower rate of 9.62% due to lower project margin jobs secured.*
- (vi) *The decrease in turnover of 15.0% for the financial year ended 30 June 2000 was due to the management's decision to be more selective and secure jobs with better margin. This was reflected in improvements in the profit margin where the Group recorded a PBT margin of 8.6% during the year compared to 5.7% the previous year.*
- (vii) *The increase in turnover and PBT of 10.8% and 6.1% respectively during the financial year ended 30 June 2001 was due to the increase in contracts secured by PJI and OEC.*
- (viii) *PBT for the financial years ended 30 June 1997 to 2001 includes share of profit or losses from a 55% : 45% unincorporated joint venture between PJI and Adco Sdn Bhd. The joint venture is principally involved in the provision of electrical engineering works.*

## 10.2 Segmental Analysis of Revenue and Profits

### 10.2.1 Analysis of turnover by companies

Company	Year ended 30 June				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
PJIH	0	0	0	0	0
PJI Group	36,451	114,253	143,130	106,392	125,810
OEC	34,808	29,453	21,275	23,396	29,587
KTSB	14,430	15,297	16,859	22,952	17,127
MSB	2,538	3,104	5,062	7,243	9,220
	88,227	162,107	186,326	159,983	181,744
Less : Proforma consolidation adjustments	(3,520)	(5,402)	(1,314)	(2,801)	(7,520)
Proforma consolidated turnover	84,707	156,705	185,012	157,182	174,224

**10.0 FINANCIAL INFORMATION*****Analysis of PBT by companies***

Company	Year ended 30 June				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
PJIH	0	0	0	0	(214)
PJI Group	5,718	5,886	7,368	6,946	10,100
OEC	5,014	3,194	1,332	3,925	3,252
KTSB	352	417	1,590	2,331	1,133
MSB	134	157	293	296	49
Proforma consolidated PBT	11,218	9,654	10,583	13,498	14,320

**10.3 Impact of Interest Rates on Operating Profit**

The impact of interest rates on operating profit is minimal as the Group has low gearing for the past five (5) financial years ended 30 June 2001. The interest coverage ranges from 15.64 times to 60.03 times.

The following table sets out the interest expense and profits before depreciation, interest and taxation for the past five (5) financial years ended 30 June 2001:

	Year ended 30 June				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Interest expense	187	619	683	360	635
Profit before depreciation, interest, other income and taxation	11,226	10,185	10,679	13,980	15,281
Interest coverage (times)	60.03	16.45	15.64	38.83	24.06

**10.4 Directors' Declaration on Financial Performance**

As at 31 October 2001, being the latest practicable date prior to the printing of this Prospectus, the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:

- (i) Known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) Material commitment for capital expenditure;
- (iii) Unusual, infrequent events or transactions or any significant economic change that materially affected the financial performance, position and operations of the PJIH Group; and
- (iv) Known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

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**10.0 FINANCIAL INFORMATION**

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**10.5 Working Capital, Borrowings and Contingent Liabilities****10.5.1 Working Capital**

The Directors of PJIH are of the opinion that after taking into account the cashflow projections and the banking facilities available, the Company and its subsidiary companies will have adequate working capital for its foreseeable requirements.

**10.5.2 Borrowings**

As at 31 October 2001, the Group's total bank borrowings comprising term loans, overdrafts, hire purchases, leases and trade facilities amounted to RM23.501 million. All of the loans are interest bearing and were secured from local banks of which approximately RM17.938 million are short term in nature and approximately RM5.563 million are long term.

Save for the above, the PJIH Group does not have any other loan capital created but unissued or mortgages or charges outstanding as at that date.

**10.5.3 Contingent Liabilities**

As at 31 October 2001, the Group has contingent liabilities in respect of a claim from a sub-contractor for electrical and telephone installation services rendered to the Company amounting to RM789,533. Should the contingent liabilities crystallise, the profit for the Group shall reduce accordingly. Further details are set out under Section 14.5 of this Prospectus.

**10.5.4 Material Litigation**

Saved as disclosed in Section 14.5 of this Prospectus, the PJIH Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration (other than those legal actions engaged as plaintiff or defendant arising in the ordinary course of business) or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which may materially and adversely affect the position or business of PJIH and its subsidiaries.

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**10.0 FINANCIAL INFORMATION**


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**10.6 Consolidated Profit Forecast**

Barring any unforeseen circumstances and the bases and assumption set out below, the Directors of the PJIH Group forecast that the consolidated profit after taxation and minority interests of PJIH for the year ending 30 June 2002 will be as follows:

<b>Year ending 30 June 2002</b>	<b>Forecast RM'000</b>
Turnover	<u>233,036</u>
Consolidated PBT and MI	17,286
Less : Taxation	<u>(4,828)</u>
Consolidated PAT but before MI	12,458
Less : MI	<u>(258)</u>
Consolidated PAT and MI	<u>12,200</u>

Based on 33,544,799 PJIH Shares in issue after the Acquisitions

Net EPS (sen)	36.37
PE multiple (times) *	4.12

Based on the enlarged share capital of 45,200,000 PJIH Shares in issue

Net EPS (sen)	26.99
PE multiple (times) *	5.56

\* *Based on Public Issue price of RM1.50 per share*

The principal assumptions upon which the consolidated profit forecast has been made, are set out in the Reporting Accountants' letter which is set out in Section 10.7 of this Prospectus.

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## 10.0 FINANCIAL INFORMATION

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### 10.7 Auditors' Letter on the Consolidated Profit Forecast (Prepared for inclusion in this Prospectus)

**GEP ASSOCIATES**  
PUBLIC ACCOUNTANTS AF 1030  
A member firm of AGN International

5 November 2001

The Board of Directors  
PJI Holdings Berhad  
10th Floor, Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Gentlemen,

Wisma GEP  
25 Jalan PJU 1/42A  
Dataran Prima  
47301 Petaling Jaya  
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**Other Offices**  
Penang  
Johor Bahru


### AUDITORS' LETTER ON THE CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 30 JUNE 2002

We have reviewed the accounting policies and calculations for the consolidated profit forecast of PJI Holdings Berhad and its subsidiaries ("the Group") for the financial year ending 30 June 2002 for which the directors are solely responsible, as set out in the Prospectus dated 8 November 2001 in connection with the Public Issue of 6,780,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share and the listing and quotation for its entire issued and paid up share capital on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the directors as set out in the Prospectus and is presented on a basis consistent with the policies normally adopted by the Group.

Yours faithfully,

  
GEP ASSOCIATES  
AF 1030  
Public Accountants

  
GONG WOUI TEIK  
741/04/02 (J)  
Partner of the Firm

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**10.0 FINANCIAL INFORMATION**


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**CONSOLIDATED PROFIT FORECAST**

The directors of PJIH forecast that, barring any unforeseen circumstances and on the bases and assumptions set out below, the consolidated profit after taxation and minority interest for the financial year ending 30 June 2002 will be as follows:

	<b>Forecast 2002 RM'000</b>
Turnover	<u>233,036</u>
Consolidated profit before taxation	17,286
Taxation	<u>(4,828)</u>
Consolidated profit after taxation	12,458
Minority interest	<u>(258)</u>
Consolidated profit after taxation and minority interest	<u>12,200</u>
Number of ordinary shares assumed to be in issue	45,200,000
Gross earnings per share (sen)	*37.67
Net earnings per share (sen)	**26.99
Gross price earnings multiple based on the issue price of RM1.50 per ordinary share (times)	*3.98
Net price earnings multiple based on the issue price of RM1.50 per ordinary share (times)	**5.56

\* Calculate based on the consolidated profit before taxation but after minority interest.

\*\* Calculate based on the consolidated profit after taxation and minority interest.

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**10.0 FINANCIAL INFORMATION**

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**BASES AND ASSUMPTIONS**

The principal bases and assumptions upon which the consolidated profit forecast has been arrived at are set out below:

- a) There will be no significant changes in the principal activities, management structure, accounting and business policies adopted by the Group.
- b) The existing terms and conditions of contracts and agreements entered by the Group will remain in force.
- c) There will be no adverse change in the legislation and regulations which will adversely affect the operations of the Group.
- d) There will be no material setback in the growth of the economy and political conditions which will adversely affect the operations of the Group or the markets in which it operates.
- e) There will be no major industrial disputes or any abnormal circumstances which will adversely affect the operations of the Group.
- f) There will be no significant changes in the pricing of the Group's contracts.
- g) The revenue and related costs are based on estimates of the directors after taking into consideration the present condition of the contract revenue and related costs of the Group.
- h) The contract costs will not be adversely affected by any abnormal circumstances or events.
- i) There will be no significant changes in current demand and in the prevailing market conditions which will adversely affect the performance of the Group.
- j) The rates and bases of taxation and government duties applicable to the Group will be consistent at their present level.
- k) There will be no major fluctuation in the contract costs (including administrative and other operating costs). Any increase in the contract costs will be compensated through an equivalent increase in contract value.
- l) There will be no major capital and revenue cost item variations that are beyond the control of the Group.
- m) The inflation rate and exchange rates of foreign currencies will not fluctuate significantly from their present level.
- n) There will be no significant incidence of bad debts.
- o) The capital expenditure programme will be implemented, incurred and paid as anticipated with no material changes in cost or price. There will be no material acquisition or disposal of property, plant and equipment other than those that have been budgeted for.
- p) The Group will continue to enjoy the existing credit facilities and interest rates will not vary significantly.
- q) The Public Issue of 6,780,000 new ordinary shares of RM1.00 each in PJIH at an issue price of RM1.50 each will be fully subscribed. The Public Issue will be completed by November 2001.
- r) The estimated listing expenses of RM1.3 million will be set-off against the share premium account.



## 10.0 FINANCIAL INFORMATION

### 10.8 Directors' Analysis on Profit Forecast for the Financial Year Ending 30 June 2002

With the projected growth in the electrical and mechanical engineering services industry in line with the Government's efforts to boost the Malaysian economy, the Group is forecasting a turnover of RM233.036 million or a 33.76% growth from a turnover of RM174.224 million in the financial year ended 30 June 2001. The main contributor to the Group's turnover will be the PJI Group which forecasted to register a turnover of RM155.000 million (before inter-company elimination). The Directors of the PJI Group are confident of achieving the forecasted turnover due to its proven track record.

Correspondingly, the PJIH Group forecast a 20.71% growth in PBT of RM17.286 million for the year 2002 (2001: RM14.320 million). The better performance of the Group is attributable mainly to the following:

- The continuing positive growth in profit contributions;
- Better profit margins from the new projects to be undertaken by the PJI Group and OEC; and
- Economies of scale and cost efficiency that the Group is able to benefit from as a result of the expansion of the Group's electrical and mechanical engineering activities throughout Malaysia.

The Board of Directors of PJIH confirm that the profit forecast of the PJIH Group and the underlying bases and assumptions stated therein have been reviewed by the Directors after due and careful enquiry, and that the Directors, having taken into account the future prospects of the industry, future plans of the PJIH Group and its level of gearing liquidity and working capital requirements, are of the opinion that the profit forecast of the PJIH Group are achievable and the assumptions made are reasonable.

### 10.9 Sensitivity Analysis for the financial year ending 30 June 2002

#### Variation in Gross Profit

	Forecast 2002	
	PBT RM'000	PAT and MI RM'000
As forecasted	17,286	12,200
Up 10%	20,323	14,323
Up 5%	18,805	13,255
Down 5%	15,768	11,121
Down 10%	14,250	10,054

#### Variation in Operating Expenses

	Forecast 2002	
	PBT RM'000	PAT and MI RM'000
As forecasted	17,286	12,200
Up 10%	15,961	11,260
Up 5%	16,624	11,724
Down 5%	17,949	12,652
Down 10%	18,612	13,116

## 10.0 FINANCIAL INFORMATION

The principal assumptions upon which the sensitivity analysis has been made, are the same with those set out in the Reporting Accountants' letter which is set out in Section 10.7 of this Prospectus.

### 10.10 Dividend Forecast Policy

Barring unforeseen circumstances, the Directors of PJIH expect to declare a gross dividend of 6 sen per share for financial year ending 30 June 2002 based on the enlarged issued and paid-up share capital of 45,200,000 PJIH Shares.

The intended appropriation of the consolidated profit forecast after tax in respect of the financial year ending 30 June 2002 would be as follows:

<b>For the year ending 30 June</b>	<b>Forecast 2002 RM'000</b>
Consolidated PBT	17,286
Less : Tax	<u>(4,828)</u>
Consolidated PAT	12,458
MI	<u>(258)</u>
Consolidated PAT and MI	12,200
Proposed dividend	<u>(1,953)</u>
Retained profit for the year	<u>10,247</u>
Gross dividend per share (sen)	6.00
Net dividend per share (sen)	4.32
Gross dividend yield based on the Public Issue price of RM1.50 per share (%)	4.00
Net dividend yield based on the Public Issue price of RM1.50 per share (%)	2.88
Net dividend cover (times)	6.25

Future dividends may be waived if:

- (a) The Group is in a loss position for the relevant financial period; or
- (b) The Group has insufficient cashflow to meet any dividend payment.

Notwithstanding the above, the Directors of PJIH have full discretion not to propose any future dividend payment as and when deemed necessary, if it is in the best interest of the Company.

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## 10.0 FINANCIAL INFORMATION

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### 10.11 Auditors' Letter on Proforma Consolidated Balance Sheet (Prepared for inclusion in this Prospectus)

**GEP ASSOCIATES**  
PUBLIC ACCOUNTANTS AF 1030  
A member firm of AGN International

5 November 2001

The Board of Directors  
PJI Holdings Berhad  
10th Floor, Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Wisma GEP  
25 Jalan PJU 1/42A  
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Johor Bahru

Gentlemen,

#### AUDITORS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of PJI Holdings Berhad ("PJIH") and its subsidiary companies ("the Group") as at 30 June 2001 together with the notes and assumptions thereon for which the Directors are solely responsible, as set out in the Prospectus dated 8 November 2001 in connection with the public issue of 6,780,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per ordinary share and the listing of and quotation for the entire issued and paid-up share capital of PJIH on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the above-mentioned Proforma Consolidated Balance Sheets together with the notes thereon which are provided for illustrative purposes only, have been prepared on the accounting principles and bases consistent with those normally adopted by the Group and are presented in a form suitable for the inclusion in the said Prospectus.

Yours faithfully,



GEP ASSOCIATES  
AF 1030  
Public Accountants



GONG WOOI TEIK  
741/04/02 (J)  
Partner of the Firm

**10.0 FINANCIAL INFORMATION****PJI HOLDINGS BERHAD  
PROFORMA CONSOLIDATED BALANCE SHEETS**

The Proforma Consolidated Balance Sheets of PJI Holdings Berhad (PJIH) and its proposed subsidiaries set out below have been prepared solely for illustrative purposes to show the effects of acquisition of the proposed subsidiaries, proposed rights issue and the proposed public issue on the assumption that these transactions were completed as at 30 June 2001.

		Proforma I	Proforma II	Proforma III
	Audited Balance Sheet	After Acquisition of Subsidiaries	After Proforma I and Rights Issue	After Proforma II and Proposed Public Issue
Note	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
Property, plant and equipment	5,980	18,835	18,835	18,835
*Investment in an associated company	-	51	51	51
Investment in joint-venture	-	111	111	111
Other investments	-	110	110	110
Investment properties	-	4,479	4,479	4,479
<b>CURRENT ASSETS</b>				
Inventories	-	479	479	479
Trade and other receivables	50	94,110	94,110	94,110
Fixed deposits with licensed banks	-	10,188	10,188	10,188
Cash on hand and at banks	50	1,384	7,478	16,348
	100	106,161	112,255	121,125
<b>CURRENT LIABILITIES</b>				
Trade and other payables	1,415	54,816	54,816	54,816
Amount due to directors	-	147	147	147
Hire purchase creditors	-	359	359	359
Bank borrowings	480	15,065	15,065	15,065
Provision for taxation	-	4,426	4,426	4,426
	1,895	74,813	74,813	74,813
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(1,795)	31,348	37,442	46,312
<b>DEFERRED EXPENDITURE</b>	213	213	213	213
	4,398	55,147	61,241	70,111

(forward)

**10.0 FINANCIAL INFORMATION**

Financed by:

SHARE CAPITAL	3	300	33,545	38,420	45,200
SHARE PREMIUM	4	-	92	1,311	3,401
RESERVES	5	(214)	14,178	14,178	14,178
SHAREHOLDERS' FUND		86	47,815	53,909	62,779
MINORITY INTEREST		-	1,072	1,072	1,072
LONG TERM AND DEFERRED LIABILITIES					
Hire purchase creditors		-	458	458	458
Term loans		4,312	5,611	5,611	5,611
Deferred taxation		-	191	191	191
		4,398	55,147	61,241	70,111
NET TANGIBLE ASSETS ("NTA")		(127)	47,602	53,696	62,566
NTA PER SHARE (RM)		(0.42)	1.42	1.40	1.38

\* This represents cost of investment of RM1 (33.33%) in Megatara Services Sdn. Bhd. by MSB as mentioned in Note 1(iv) below.

**1. NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS.****BASIS OF PREPARATION OF PROFORMA STATEMENT**

- i) The Proforma Consolidated Balance Sheets of the PJIH and its proposed subsidiaries are extracted from the audited consolidated financial statements of P.J. Indah Sdn. Bhd. (PJI) and its subsidiaries [namely P.J. Indah Adco Sdn. Bhd., PJ Indah Properties Sdn. Bhd., Kejuruteraan Putrajaya Sdn. Bhd., Aset Manis Jaya Sdn. Bhd., P.J. International Ltd. (formerly known as Parkwealth Limited), Monolite Asia Pacific Ltd. (formerly known as Rockfeller Venture Limited) and PJ Indah Engineering (S) Pte. Ltd. hereinafter referred to as PJI Group], audited financial statements of Ocean Electrical Co. Sendirian Berhad (OEC), Kejuruteraan Trolka Sdn. Bhd.(KTSB) and Megatara Sdn. Bhd. (MSB) for the financial year / period as at 30 June 2001.
- ii) The Proforma Consolidated Balance Sheets of PJIH and its proposed subsidiaries (PJI Group, OEC and KTSB) have been prepared in accordance with the principle of merger accounting as stated in the Malaysian Accounting Standard No. 2 which has been adopted by the Malaysian Accounting Standards Board, except for MSB which has been prepared using the acquisition method of accounting. Under the merger accounting method, results of the subsidiaries are included in the Proforma Consolidated Balance Sheets without any adjustments in respect of the period prior to merger. Under the acquisition method of accounting, the results of the subsidiaries are included in the balance sheet from the date of acquisition.
- iii) The Proforma Consolidated Balance Sheets have been prepared based on audited balance sheets of PJIH and its proposed subsidiaries as at 30 June 2001 and accounting principles and bases consistent with those previously adopted in the preparation of their audited financial statements.

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## 10.0 FINANCIAL INFORMATION

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- iv) The results of Megatara Services Sdn. Bhd. is not equity accounted in this report as its results are not material and do not have a significant impact on the overall listing exercise.
- v) The Proforma Consolidated Balance Sheets incorporate on a proforma basis the following transactions as though they were effected as at 30 June 2001.

### **Proforma I**

Proforma I incorporates the effect of the following events:

- a) PJIH to acquire PJI's entire paid up capital for a purchase consideration of RM19,656,723 to be satisfied by the issue of 17,395,330 new ordinary shares of RM1.00 each in PJIH at an issue price of RM1.13 per share which is based on the audited consolidated net tangible assets of PJI as at 30 June 1999.
- b) PJIH to acquire 80% of MSB's paid up capital for a purchase consideration of RM801,824 to be satisfied by the issue of 709,579 new ordinary shares of RM1.00 each in PJIH at an issue price of RM1.13 per share which is based on the audited net tangible assets of MSB as at 30 June 1999.
- c) PJIH to acquire KTSB's entire paid up capital for a purchase consideration of RM2,786,472 to be satisfied by the issue of 2,465,904 new ordinary shares of RM1.00 each in PJIH at an issue price of RM1.13 per share which is based on the audited net tangible assets of KTSB as at 30 June 1999.
- d) PJIH to acquire OEC's entire paid up capital for a purchase consideration of RM14,321,604 to be satisfied by the issue of 12,673,986 new ordinary shares of RM1.00 each in PJIH at an issue price of RM1.13 per share which is based on the audited net tangible assets of OEC as at 30 June 1999.

### **Proforma II**

Proforma II incorporates the effects of Proforma I and the rights issue of 4,875,201 new ordinary shares to increase the issued and paid-up share capital of PJIH from 33,544,799 to 38,420,000 ordinary shares of RM1.00 each, on the basis of approximately 100 new ordinary shares for every 688 existing ordinary shares held at an issue price of RM1.25 per share.

### **Proforma III**

Proforma III incorporates the effects of Proforma II and the proposed public issue of 6,780,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share and after deducting estimated listing expenses amounting to RM1,300,000.

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**10.0 FINANCIAL INFORMATION**


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**3. SHARE CAPITAL**

The movement in the issued and paid up share capital of PJIH after implementation of the proposed restructuring and listing exercise set out in Proforma I, II and III above are as follows:

	<b>RM'000</b>
As per PJIH 's accounts as at date of incorporation (RM2.00)	-
Subsequent increase in paid up capital	300
Issue of 33,244,799 new ordinary shares of RM1.00 each in respect of the proposed acquisition of PJI, OEC, KTSB and MSB	<u>33,245</u>
As shown in <b>Proforma I</b>	33,545
Rights issue of 4,875,201 new ordinary shares of RM1.00 each	<u>4,875</u>
As shown in <b>Proforma II</b>	38,420
Public issue of 6,780,000 ordinary shares of RM1.00 each	<u>6,780</u>
As shown in <b>Proforma III</b>	<u><u>45,200</u></u>

**4. SHARE PREMIUM**

The movement in the share premium account of PJIH after implementation of the proposed restructuring and listing exercise set out in Proforma I, II and III above are as follows:

	<b>RM'000</b>
Premium arising from the issue of 709,579 new ordinary shares of RM1.00 each at an issue price of RM1.13 per share in respect of acquisition of MSB	<u>92</u>
As shown in <b>Proforma I</b>	92
Premium arising from the rights issue of 4,875,201 new ordinary shares of RM1.00 each at an issue price of RM1.25 per share	<u>1,219</u>
As shown in <b>Proforma II</b>	1,311
Premium arising from the public issue of 6,780,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share	3,390
Listing expenses	<u>(1,300)</u>
As shown in <b>Proforma III</b>	<u><u>3,401</u></u>

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**10.0 FINANCIAL INFORMATION**


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**5. RESERVES**

The reserves comprise of the following:

	<b>Revaluation Reserves RM'000</b>	<b>Reserves on Consolidation RM'000</b>	<b>Revenue Reserves RM'000</b>	<b>Total RM'000</b>
Total before set-off	685	300	37,296	38,281
Merger deficit set-off	(685)	(300)	(23,118)	(24,103)
	-	-	14,178	14,178

**6. MERGER DEFICIT**

The merger deficit arising from the acquisition of PJI, OEC and KTSB is as follows:

	<b>On Acquisition of</b>			<b>Total</b>
	<b>PJI RM'000</b>	<b>OEC RM'000</b>	<b>KTSB RM'000</b>	<b>RM'000</b>
Par value of shares issued	17,395	12,674	2,466	32,535
Par value of shares acquired	(6,432)	(1,000)	(1,000)	(8,432)
Merger deficit	10,963	11,674	1,466	24,103

The total merger deficit has been set off against reserves as mentioned in Note 5 to this Statement.