

PROSPECTUS



PEMBINAAN JAYABUMI (SARAWAK) BERHAD

(Company No. 141337-M)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE

OF 6,500,000 NEW ORDINARY SHARES OF RM1.00
EACH AT AN ISSUE PRICE OF
RM1.70 PER ORDINARY SHARE
PAYABLE IN FULL ON APPLICATION

AND

OFFER FOR SALE

OF 6,500,000 ORDINARY SHARES OF RM1.00
EACH AT AN OFFER PRICE OF
RM1.70 PER ORDINARY SHARE
PAYABLE IN FULL ON APPLICATION

PURSUANT TO ITS LISTING ON THE
SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE
CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN
SECTION 3 HEREOF

Adviser, Managing Underwriter and Placement Agent



AmMerchant Bank Berhad

(22761-0) A member of the AmBank Group



This Prospectus is dated 30 June 2003

This Prospectus has been seen and approved by the Directors, Promoters and Offerors of PEMBINAAN JAYABUMI (SARAWAK) BERHAD (“PJSB” or the “Company”) and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statements herein false or misleading.

The Adviser and Managing Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public and offer for sale issue and are satisfied that the profit forecast (for which the Directors of PJSB are fully responsible) prepared for inclusion in the Prospectus have been stated by the Directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission has approved the public issue and offer for sale in respect of the public offering and the approval shall not be taken to indicate that the Securities Commission recommends the public issue and offer for sale.

The Securities Commission shall not be liable for any non-disclosure on the part of PJSB and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

The Kuala Lumpur Stock Exchange assumes no responsibility for the correctness of any statements made or opinions expressed in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of PJSB or of its securities.

A copy of this Prospectus has been registered by the Securities Commission and lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for PJSB's entire enlarged share capital on the Second Board of the Kuala Lumpur Stock Exchange is set out below:

<u>Date</u>	<u>Event</u>
30 June 2003	➤ Issue of Prospectus/Opening date of the Issue
17 July 2003	➤ Closing date of the Issue
24 July 2003	➤ Tentative date for Balloting of Applications
11 August 2003	➤ Tentative allotment date
20 August 2003	➤ Tentative listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8.00 P.M. ON 17 JULY 2003 OR FOR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND PROMOTERS OF PJSB TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:

“Act”	:	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
“Acquisition of PJSS”	:	Acquisition by PJSB of the entire issued and paid-up share capital of PJSS comprising 250,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,285,077 satisfied by the issuance of 413,812 new ordinary shares of RM1.00 each in PJSB at an issue price of approximately RM3.11 per new ordinary share
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“AJSB”	:	Aeration Job Sdn. Bhd. (297271-M), a wholly-owned subsidiary company of PJSB
“AmMerchant Bank”	:	AmMerchant Bank Berhad (23742-V)
“Bonus Issue”	:	The Bonus Issue of 25,333,688 new ordinary shares of RM1.00 each in PJSB to the existing shareholders of PJSB credited as fully paid up on the basis of approximately 195 new ordinary shares for every 100 existing ordinary shares held by the shareholders of PJSB.
“CDS”	:	Central Depository System
“Central Depositories Act”	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
“Central Depository” or “MCD”	:	Malaysian Central Depository Sdn. Bhd. (165570-W), a subsidiary of KLSE
“CCM”	:	Companies Commission of Malaysia
“Deposited Security”	:	A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
“Depositor”	:	A holder of a Securities Account
“DOE”	:	Department of Environment of Malaysia
“EBIDTA”	:	Earnings before interest, depreciation, taxation and amortisation
“EI”	:	Exceptional items
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee
“FRP”	:	Fibre reinforced plastic
“Initial Public Offering” or “IPO”	:	Public Issue and Offer For Sale collectively
“IPO Shares”	:	Public Issue Shares and Offer Shares collectively
“IWK”	:	Indah Water Konsortium Sdn Bhd (211763-P)

DEFINITIONS (Cont'd)

“JFI”	:	Johan Fibres Industries Sdn. Bhd. (048806-A), a wholly-owned subsidiary company of PJSB															
“JPP”	:	Jabatan Perkhidmatan Pembentungan or Sewerage Services Department of the Ministry of Housing and Local Government															
“KLSE”	:	Kuala Lumpur Stock Exchange (30632-P)															
“M&E”	:	Mechanical and Electrical															
“Malaysian Public”	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia															
“Market Days”	:	Means any day between Mondays and Fridays which is not a market holiday or Public holiday															
“Member”	:	Means unless otherwise expressed to the contrary, includes a depositor who shall be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depository) Act but excludes the Central Depository in its capacity as a bare trustee member															
“MI”	:	Minority interest															
“MIH” or “Issuing House”	:	Malaysian Issuing House Sdn Bhd (Company No. 258345-X)															
“MITI”	:	Ministry of International Trade and Industry															
“NTA”	:	Net tangible assets															
“Offerors”	:	PJSI, Tan Sri Dato’(Dr) Ahmad bin Johan and Haji Mokhsen bin Ibrahim collectively. Their respective Offer Shares are as follows:-															
		<table border="1"> <thead> <tr> <th>Offerors</th> <th>No. of Offer Shares</th> <th>% of enlarged share capital</th> </tr> </thead> <tbody> <tr> <td>PJSI</td> <td>5,658,283</td> <td>11.32</td> </tr> <tr> <td>Tan Sri Dato’(Dr) Ahmad bin Johan</td> <td>606,148</td> <td>1.21</td> </tr> <tr> <td>Haji Mokhsen Ibrahim</td> <td>235,569</td> <td>0.47</td> </tr> <tr> <td>Total</td> <td>6,500,000</td> <td>13.00</td> </tr> </tbody> </table>	Offerors	No. of Offer Shares	% of enlarged share capital	PJSI	5,658,283	11.32	Tan Sri Dato’(Dr) Ahmad bin Johan	606,148	1.21	Haji Mokhsen Ibrahim	235,569	0.47	Total	6,500,000	13.00
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Tan Sri Dato’(Dr) Ahmad bin Johan	606,148	1.21															
Haji Mokhsen Ibrahim	235,569	0.47															
Total	6,500,000	13.00															
“Offer For Sale” or “Offer”	:	Offer for sale by the Offerors of 6,500,000 ordinary shares of RM1.00 each in PJSB, at an offer price of RM1.70 per ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus															
“Offer Shares”	:	The 6,500,000 ordinary shares of RM1.00 each in PJSB which are the subject of the Offer For Sale															
“p.a”	:	Per annum															
“PAT”	:	Profit after taxation															
“PBT”	:	Profit before taxation															
“PE”	:	Population Equivalent - denotes the amount of wastewater discharged by one person which is equivalent to 225 litres per day, as specified in the Malaysian Standards (MS 1228 : 1991)															
“PE Multiple”	:	Price earnings multiple															
“PJSB” or “Company”	:	Pembinaan Jayabumi (Sarawak) Berhad (141537-M)															
“PJSB Group” or “Group”	:	PJSB and its subsidiary companies, namely JFI, AJSB, PJSS and PJSTS															
“PJSI”	:	PJS Industries Sdn. Bhd. (344285-X)															

DEFINITIONS (Cont'd)

“PJSS”	:	PJS Services Sdn. Bhd. (295553-M), a wholly-owned subsidiary company of PJSB
“PJSTS”	:	PJS Technology System Sdn Bhd (392539-P), a wholly-owned subsidiary company of AJSB
“Premier International”	:	Premier International Co. Ltd, Thailand
“Public Issue”	:	The public issue of 6,500,000 new ordinary shares of RM1.00 each in PJSB at an issue price of RM1.70 per new ordinary share, subject to the terms and conditions of this Prospectus
“Public Issue Shares”	:	The 6,500,000 new ordinary shares of RM1.00 each in PJSB which are the subject of the Public Issue
“Renounceable Rights Issue”	:	Renounceable rights issue of 5,240,000 new ordinary shares of RM1.00 each in PJSB to the existing shareholders of PJSB at par on a proportionate basis who renounced their entire entitlements for such Rights Issue shares to the existing shareholders/directors of PJSI equally, except for Tan Sri Dato’ (Dr) Ahmad bin Johan.
“RC”	:	Reinforced concrete
“R&D”	:	Research and development
“Record of Depositors”	:	A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
“RM” and “sen”	:	Malaysian Ringgit and sen respectively
“Rules”	:	The Rules of the Central Depository
“SC”	:	Securities Commission
“Securities Account”	:	An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
“sq.ft”	:	Square foot/feet
“sqm”	:	Square metres
“SATS”	:	Sewage Aeration Treatment System
“STP”	:	Sewage Treatment Plant
“UIA”	:	Universiti Islam Antarabangsa Malaysia
“Unimas”	:	Universiti Malaysia Sarawak
“UPM”	:	Universiti Putra Malaysia
“UPSI”	:	Universiti Pendidikan Sultan Idris
“UUM”	:	Universiti Utara Malaysia
“USD”	:	US Dollars
“UST”	:	Underground petroleum storage tanks
“8MP”	:	Eight Malaysia Plan (2001 to 2005)
“7MP”	:	Seventh Malaysia Plan (1996 to 2000)
“¥”	:	Japanese Yen

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CORPORATE DIRECTORY**BOARD OF DIRECTORS OF PJSB**

Name	Nationality	Address	Occupation
Tan Sri Dato' (Dr) Ahmad bin Johan	Malaysian	5A-06-C1 & 5A-06-B1 Bungaraya Condominium Saujana Resort 40150 Shah Alam Selangor Darul Ehsan	Chairman
Dato' Ch'ng Siok Eik	Malaysian	No. 2, Jalan Eksekutif 4 U1/6D, Glenmarie Court 40000 Shah Alam Selangor Darul Ehsan	Executive Director
Dato' Mohamad Yunus bin Ariffin	Malaysian	Seri Padang, K.M 8.5 Jalan Gunung 06570 Alor Setar Kedah Darul Aman	Non-Executive Director
Haji Mokhsen bin Ibrahim	Malaysian	54-A Jalan Rubber Barat 93400 Kuching Sarawak	Non-Executive Director
Dato' Haji Mohamad bin Sham	Malaysian	38, Jalan Setiabakti 10 Damansara Heights 50490 Kuala Lumpur	Executive Director
Dato' Dr. Muhammad bin Nong	Malaysian	No 1, Lorong Taman Pantai 4, Bukit Pantai 59100 Kuala Lumpur	Executive Director
Ng Lin Fatt	Malaysian	16, Jalan 4M Ampang Jaya 68000 Kuala Lumpur	Non-Executive Director
Dato' Mohamed Zain bin Mohamed Yusuf	Malaysian	No 7 Jalan Damansara Permai Damansara Heights 50490 Kuala Lumpur	Independent Non-Executive Director
Dato' Prof. Zainuddin bin Muhammad	Malaysian	22, Jalan 45/70A Desa Sri Hartamas 50490 Kuala Lumpur	Independent Non-Executive Director
Prof. Ahmad Kamal bin Abdullah Al-Yafii	Malaysian	2, Jalan 7/2, 46050 Petaling Jaya Selangor Darul Ehsan	Independent Non-Executive Director

AUDIT COMMITTEE

Name	Responsibility	Directorship
Prof. Ahmad Kamal bin Abdullah Al-Yafii	Chairman	Independent Non-Executive Director
Dato' Mohamed Zain bin Mohamed Yusuf	Member	Independent Non-Executive Director
Dato' Prof. Zainuddin bin Muhammad	Member	Independent Non-Executive Director
Dato' Haji Mohamad bin Sham	Member	Executive Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Hidayah Bte Haji Haron
(Licence No : 07117)
No.19-1-4, Intan Apartment
Taman Setiawangsa
Kuala Lumpur
- Azmi Faez bin Mohd Yusoh
(Licence No : 06734)
25 Jalan SS 3/41
Taman Subang
47300 Petaling Jaya
Selangor Darul Ehsan
- REGISTERED OFFICE** : Bangunan National Aerospace & Defence Industries (NADI)
P.T. 192, Jalan Lapangan Terbang Subang
47200 Subang
Shah Alam
Selangor Darul Ehsan
Tel: 03-7844-7100
Fax: 03-7859-1824
E-mail: hq@jayabumi.com
- HEAD OFFICE** : Lot 32-2 and 3, Jalan Setiawangsa 11A
Taman Setiawangsa
54200 Kuala Lumpur
Tel: 03-4257-0764
Fax: 03-4252-0929
E-mail: hq@jayabumi.com
Website : <http://www.jayabumi.com>
<http://www.jayabumi.com.my>
- AUDITORS AND REPORTING ACCOUNTANTS** : Ernst & Young (Firm No: AF0039)
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
- SOLICITORS FOR THE PUBLIC OFFERING** : Abdullah, Abd Rahman & Co.
Advocates & Solicitors
10th Floor, Block B, Wisma Yakin
Jalan Masjid India
50100 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS** :
- AFFIN Bank Berhad (20546-T)
135 & 137 Wisma Chow Kim Lin
Jalan Bunus Off Jalan Masjid India
50100 Kuala Lumpur
 - RHB Bank Berhad (6171-M)
1st Floor, President House
No. 54 Jalan Sultan Ismail
50250 Kuala Lumpur
 - Bumiputra-Commerce Bank Berhad (13491-P)
6, Jalan Tun Perak
PO Box 10753
50050 Kuala Lumpur
- MARKET RESEARCH CONSULTANT** :
- ACNielsen (Malaysia) Sdn Bhd (10909-V)
19th Floor, Menara MPPJ
Jalan Tengah
46200 Petaling Jaya
Selangor Darul Ehsan
- ISSUING HOUSE** :
- Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
- REGISTRAR** :
- Malaysian Share Registration Services Sdn Bhd (378993-D)
7th Floor, Exchange Square,
Bukit Kewangan,
50200 Kuala Lumpur
- ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT** :
- AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

UNDERWRITERS

: AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

MIDF Sisma Securities Sdn Bhd (423833-U)
17th & 18th Floor, Empire Tower,
182 Jalan Tun Razak,
50400 Kuala Lumpur

M & A Securities Sdn Bhd (15017-H)
M & A Building,
52A Jalan Sultan Idris Shah,
30000 Ipoh Perak Darul Ridzuan

PM Securities Sdn Bhd (66299-A)
Ground, 1st & 5th Floor MUI Plaza, Jalan P Ramlee,
50250 Kuala Lumpur

LISTING SOUGHT

: Second Board of the KLSE

1. SUMMARY INFORMATION

The summary information is only a summary of the salient information about the PJSB Group and investors should read and understand the whole Prospectus prior to deciding whether or not to invest in the shares of the Company. The summary information set out below is derived from this Prospectus and should be read in conjunction with the full text of this Prospectus.

1.1 History And Business

PJSB was incorporated on 2 July 1985 as a private company and was later converted to a public company on 15 January 1997. PJSB Group's principal activity is to undertake all business relating to the designing, manufacturing, trading, installation, construction and maintenance of all kinds of FRP sewerage treatment systems and RC STP, UST for petroleum, cleansing and environmental services and trading of M&E equipment.

The Group's business began in 1985 under PJSB, which started business by trading small pre-fabricated FRP septic tanks called SUPER-SEPT and SATS imported from Premier International Co. Ltd of Bangkok, Thailand. The Company's clients then consist of developers of light industrial estates, shop lots, low cost housing units and resort operators. As PJSB's market grew, it began to evolve from trading company to a manufacturing concern. In 1989, PJSB manufactured the SUPER-SEPT and SATS systems at a factory in Sungai Petani, Kedah. In the same year, it entered into a technology transfer agreement with its then Japanese partner, Yamasho Sangyo Co. Ltd to acquire the technology, know-how and information on raw materials and lamination technique in producing Activated Sludge Process Treatment System III-STAR for sale and distribution in Malaysia, Thailand, Singapore and Brunei Darussalam.

The HI-STAR system is manufactured and distributed in Malaysia under a new brand name HI-KLEEN. The HI-KLEEN together with SUPER-SEPT and SATS systems extended the Group's product range enabling it to serve a wider market.

In 1992, PJSB launched the One Village One Product or "Satu Kampung Satu Pengeluaran" ("SKSP") project in Wang Tepus, Kubang Pasu, Kedah to produce FRP STP and components in rural villages. The project is aimed at reducing the incidence of rural poverty while easing PJSB's labour requirements for production. For the project, PJSB supplies all raw materials and manufacturing equipment to the rural villagers participating in the project. The Company also manages all logistical requirements and quality control process to enable the SKSP project participants to focus on producing the FRP tanks.

Pre 1994, the design and technical services were handled by design and service department of PJSB. In 1994, the design department of PJSB was transferred to PJSS, a wholly-owned subsidiary of PJSI, which was incorporated to provide design and management services in wastewater industry including RC. In the same year, the production division of PJSB was transferred to JFI, a wholly owned subsidiary of PJSB. In 2001, PJSB acquired AJSB, an investment holding company involved in solid waste management and the trading of M&E equipments. At the same time, PJSB through its subsidiary, AJSB, has also embarked on the solid waste management with its 15.79% share in Alam Flora. Upon completion of the acquisition of PJSS in 2003, PJSB Group becomes a fully integrated sewerage specialist with expertise encompassing design, manufacturing, construction, trading and maintenance of sewerage treatment systems. At the same time, PJSB Group through its subsidiary company AJSB, is involved in solid waste management business through its investment in Alam Flora Sdn Bhd. Today, PJSB is fully engaged in the environmental business with expertise in both sewerage and solid waste management.

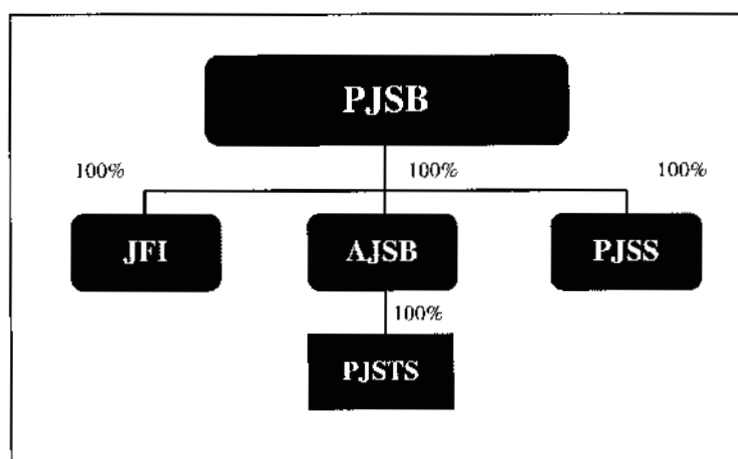
1. SUMMARY INFORMATION (Cont'd)

The principal activities of PJSB and its subsidiaries are described as follows:

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
PJSB	2 July 1985 Malaysia	43,500,000		To design, trade, install and maintain all kinds of work of FRP and RC STP and UST.
<i>Subsidiary of PJSB</i>				
JFI	22 June 1979 Malaysia	4,000,000	100	Manufacture and sale of FRP STP, UST and other FRP products.
PJSS	14 April 1994 Malaysia	250,000	100	Provision of management expertise in wastewater treatment and as a subcontractor to design, install and maintain STP.
AJSB	23 April 1994 Malaysia	6,000,000	100	Investment holding, solid waste management, garbage collection, area cleansing and other related business.
<i>Subsidiary of AJSB</i>				
PJSTS	2 July 1996 Malaysia	2	100	Dormant.

Further details of the PJSB Group are set out in Section 4 of this Prospectus.

The structure of the PJSB Group after the Acquisition of PJSS is as set out below:



1. SUMMARY INFORMATION (Cont'd)**1.2 Promoters, Substantial Shareholders, Directors, and Key Management of PJSB**

The direct and indirect shareholdings of the Promoters, substantial shareholders, Directors and key management of the PJSB Group are as follows

Name	Nationality / Place of Incorporation	No. of Ordinary Shares Held in PJSB After the Public Issue and Offer For Sale			
		Direct	%	Indirect	%
Promoters					
PJSI	Malaysia	27,647,243	55.30	-	-
Tan Sri Dato' (Dr) Ahmad bin Johan	Malaysian	² 3,009,729	6.02	¹ 27,647,243	55.30
Haji Mokhsen bin Ibrahim	Malaysian	² 1,189,028	2.38	-	-
Substantial Shareholders					
PJSI	Malaysia	27,647,243	55.30	-	-
Tan Sri Dato' (Dr) Ahmad bin Johan	Malaysian	² 3,009,729	6.02	¹ 27,647,243	55.30
Haji Mokhsen bin Ibrahim	Malaysian	² 1,189,028	2.38	-	-
Directors					
Tan Sri Dato' (Dr) Ahmad bin Johan	Malaysian	² 3,009,729	6.02	¹ 27,647,243	55.30
Dato' Ch'ng Siok Eik	Malaysian	² 703,000	1.41	-	-
Dato' Haji Mohamad Yunus bin Ariffin	Malaysian	² 695,000	1.39	-	-
Dato' Dr. Muhammad bin Nong	Malaysian	² 698,000	1.40	-	-
Dato' Haji Mohamad bin Sham	Malaysian	² 697,000	1.39	-	-
Haji Mokhsen bin Ibrahim	Malaysian	² 1,189,028	2.38	-	-
Ng Lin Fatt	Malaysian	³ 30,000	0.06	-	-
Dato' Mohamed Zain bin Mohamed Yusuf	Malaysian	³ 20,000	0.04	-	-
Dato' Prof. Zainuddin bin Muhammad	Malaysian	³ 20,000	0.04	-	-
Prof. Ahmad Kamal bin Abdullah Al-Yafii	Malaysian	³ 20,000	0.04	-	-

Notes:-

1. Deemed interested by virtue of his substantial interest in PJSI.
2. Inclusive of their respective entitlements under the pink form allocation.
3. Being their respective entitlements under the pink form allocation.

1. SUMMARY INFORMATION (Cont'd)

Name	Nationality / Place of Incorporation	No. of Ordinary Shares Held in PJSB After the Public Issue and Offer For Sale			
		Direct	%	Indirect	%
<i>Key Management</i>					
Dato' Dr Muhammad bin Nong	Malaysian	¹ 698,000	1.40	-	-
Dato' Ch'ng Siok Eik	Malaysian	¹ 703,000	1.41	-	-
Dato' Haji Mohamad bin Sham	Malaysian	¹ 697,000	1.39	-	-
Dato' Dr Mohd Nasir bin Ismail	Malaysian	¹ 665,000	1.33	-	-
Zamzuri bin Othman	Malaysian	² 10,000	0.02	-	-
Yusdi Madeonus bin Dato' Mohd Yunus	Malaysian	² 13,000	0.03	-	-
Ahmad Imran bin Zainul Abidin	Malaysian	² 10,000	0.02	-	-
Azman Yaacob	Malaysian	² 20,000	0.04	-	-
Ng Cheng Lim	Malaysian	² 10,000	0.02	-	-
Paramassivam S/O Perianan	Malaysian	² 20,000	0.04	-	-
Nor Hashimah binti Hashim	Malaysian	² 13,000	0.03	-	-
Rogayah binti Mohd Zain	Malaysian	² 5,000	0.01	-	-
Abdul Rashid Ali	Malaysian	² 8,000	0.01	-	-
Ibrahim Ayub	Malaysian	² 10,000	0.02	-	-

- Inclusive of their respective entitlements under the pink form allocation.*
- Being their respective entitlements under the pink form allocation.*

Details of the Promoters, Substantial shareholders, Directors and key management of the PJSB Group are set out in Section 5 of this Prospectus.

1. SUMMARY INFORMATION (Cont'd)**1.3 Financial Highlights**

The following table sets out a summary of the proforma consolidated results of the PJSB Group for the past five (5) financial years ended 31 December 2002, prepared on the assumption that the Group has been in existence throughout the period under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus.

Financial year ended 31 December	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
Turnover	69,527	49,419	53,833	65,169	80,224
Gross Profit	36,245	22,825	26,544	30,016	41,979
EBIDTA	16,990	8,736	11,691	15,108	17,956
Interest Expense	2,790	3,204	3,311	2,854	2,183
Depreciation	1,846	1,587	1,314	1,346	1,494
Profit before taxation	12,354	3,945	7,066	10,908	14,279
Taxation	(5,133)	798	(2,529)	(2,704)	(5,311)
Profit after taxation	7,221	4,743	4,537	8,204	8,968
Minority interest	-	-	-	-	-
Profit after taxation and minority interest	7,221	4,743	4,537	8,204	8,968
No. of ordinary shares in issue ⁽¹⁾ ('000)	38,260	38,260	38,260	38,260	38,260
Gross EPS (sen)	32.29	10.31	18.47	28.51	37.32
Net EPS (sen)	18.87	12.40	11.86	21.44	23.44
Dividend (sen)	-	-	-	-	-

Notes:

- (1) Based on the issued share capital of RM38,260,000 comprising 38,260,000 ordinary shares of RM1.00 each in PJSB after the Acquisition of P.JSS and Bonus Issue.
- (2) There are no exceptional or extraordinary items during the period under review.

1. SUMMARY INFORMATION (Cont'd)**1.4 Proforma Consolidated Balance Sheets of PJSB Group as at 31 December 2002**

The Proforma Consolidated Balance Sheets set out below are extracted from the Proforma Consolidated Balance Sheet as at 31 December 2002 set out in Section 9.10. The Proforma Consolidated Balance Sheet is provided for illustrative purposes only to show the effects on the audited balance sheet of PJSB as at 31 December 2002 after taking into account the Acquisition of PJSS, Bonus Issue, Renounceable Rights Issue, Public Issue and Offer For Sale, had these proposals been effected on that date.

	Audited as at 31 December 2002	Proforma 1 ⁽¹⁾	Proforma 2 ⁽²⁾	Proforma 3 ⁽³⁾	Proforma 4 ⁽⁴⁾
	RM'000	RM'000	RM'000	RM'000	RM'000
PROPERTY, PLANT AND EQUIPMENT	38,422	38,563	38,563	38,563	38,563
OTHER INVESTMENTS	29,942	29,942	29,942	29,942	29,942
INTANGIBLE ASSETS	2,679	2,679	2,679	2,679	2,679
CURRENT ASSETS					
Inventory	3,417	3,417	3,417	3,417	3,417
Trade and other receivables	20,982	23,868	23,868	23,868	23,868
Amount due from customers	-	143	143	143	143
Amount due from related companies	765	830	830	830	830
Deposits with licensed bank	10,776	10,776	10,776	10,776	10,776
Cash and bank balances	4,307	4,324	4,324	4,324	4,324
	<u>40,247</u>	<u>43,358</u>	<u>43,358</u>	<u>43,358</u>	<u>43,358</u>
CURRENT LIABILITIES					
Trade creditors	8,293	9,337	9,337	4,097	-
Other creditors	7,040	7,564	7,564	7,564	4,036
Hire purchase creditors	558	560	560	560	560
Amount due to ultimate holding Company	129	724	724	724	724
Amount due to related Companies	832	391	391	391	391
Amount due to directors	116	116	116	116	116
Secured borrowings	13,554	13,554	13,554	13,554	13,554
Taxation	11,325	11,500	11,500	11,500	11,500
	<u>41,847</u>	<u>43,746</u>	<u>43,746</u>	<u>38,506</u>	<u>30,881</u>
NET CURRENT ASSETS/ (LIABILITIES)	<u>(1,600)</u>	<u>(388)</u>	<u>(388)</u>	<u>4,852</u>	<u>12,477</u>
	<u>69,443</u>	<u>70,796</u>	<u>70,796</u>	<u>76,036</u>	<u>83,661</u>
REPRESENTED BY:					
SHARE CAPITAL	12,513	12,926	38,260	43,500	50,000
SHARE PREMIUM ACCOUNT	-	871	871	871	3,621
CAPITAL RESERVE	2,000	2,000	2,000	2,000	2,000
RESERVE ON CONSOLIDATION		69	69	69	69
RETAINED PROFITS	<u>36,306</u>	<u>36,306</u>	<u>10,972</u>	<u>10,972</u>	<u>10,972</u>
	50,819	52,172	52,172	57,412	66,662
HIRE PURCHASE CREDITORS	1,117	1,117	1,117	1,117	1,117
TERM LOANS (SECURED)	17,263	17,263	17,263	17,263	15,638
DEFERRED TAXATION	244	244	244	244	244
	<u>69,443</u>	<u>70,796</u>	<u>70,796</u>	<u>76,036</u>	<u>83,661</u>
NTA	48,140	49,493	49,493	54,733	63,983
NTA PER SHARE	<u>3.85</u>	<u>3.83</u>	<u>1.29</u>	<u>1.26</u>	<u>1.28</u>

1. SUMMARY INFORMATION (Cont'd)

Notes:-

- (1) The Proforma Consolidated Balance Sheet I is stated after the acquisition of the entire issued and paid-up share capital of PJSS comprising of 250,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,285,077 satisfied by the issuance of 413,812 new ordinary shares of RM1.00 each in PJSB at an issue price of approximately RM3.11 per ordinary share. The Acquisition of PJSS was completed on 21 January 2003.
- (2) The Proforma Consolidated Balance Sheet II is stated after the effects of Proforma I and the bonus issue of 25,333,688 new ordinary shares of RM1.00 each in PJSB on the basis of approximately 195 new bonus shares for every 100 existing ordinary shares of RM1.00 each held in PJSB after the Acquisition of PJSS by capitalizing the unappropriated profits of the Group. The Bonus Issue was completed on 19 May 2003.
- (3) The Proforma Consolidated Balance Sheet III is stated after the effects of Proforma II and the Renounceable Rights Issue of 5,240,000 new ordinary shares of RM1.00 each in PJSB to the existing shareholders of PJSB at par on a proportionate basis, who renounced their entitlements to the existing shareholders/directors of PJSI equally, except for Tan Sri Dato' (Dr) Ahmad bin Johan. The Renounceable Rights Issue was completed on 18 June 2003.
- (4) The Proforma Consolidated Balance Sheet IV is stated after the effects of Proforma III and the Public Issue and Offer For Sale. The net proceeds of Renounceable Rights Issue and Public Issue of RM12.865 million (net of estimated listing expenses of RM1.8 million and repayment of borrowings of RM1.625 million) will be utilised for working capital purposes.

Detailed Proforma Consolidated Balance Sheets and the Reporting Accountants' letter thereon are set out in Sections 9.10 and 9.11 of this Prospectus respectively.

1.5 Summary of Material Risk Factors

An investment in the shares listed/to be listed on the KLSE involves a number of risks, some of which, including market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in the business of the Group.

Prospective investors should rely on their own evaluations and to carefully consider the investment considerations before buying any of the Public Issue/Offer Shares, which are the subject of this Prospectus. The investment consideration that should be considered includes, but not limited to, the following:

- (i) No Prior Market for PJSB's Shares – There can be no assurance of an active market for PJSB shares upon its listing on the Second Board of the KLSE;
- (ii) Business Risks – The PJSB Group is subject to certain general risks inherent in the wastewater industry, cleansing and UST business.
- (iii) Investment Activities Risk– As at 31 May 2003, the Company is not involved in any investment activities;
- (iv) Financial Risks – Save as disclosed in section 9.4 of this Prospectus, the Group does not have any other borrowings and indebtedness in the form of borrowings;
- (v) Foreign Currency Risk - FRP materials and M&E equipment are imported by the Group and paid in USD and Japanese Yen;
- (vi) Industry Life-Cycle – Domestic wastewater treatment industry is cyclical in nature and dependent on the economic and political conditions of the country;
- (vii) Dependence on Contractor/Suppliers – The Group actively adopts various measures to minimize risk of dependency on certain suppliers by maintaining alternative suppliers to assure a steady supply;
- (viii) Dependence on Key Personnel – The Group's success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and key management;

1. SUMMARY INFORMATION (Cont'd)

- (ix) Dependence on Government Central Contracts – The Group had been awarded the central contract by the government and therefore receives a major portion of its orders from the government sector.
- (x) Insurance Coverage on Assets – The Group reviews and ensures adequate coverage for its assets and projects on a continuous basis;
- (xi) Competitive Risks – The Group faces competition from new entrants and established players in the wastewater industry, cleansing and UST business;
- (xii) Dependence on Particular Markets and Geographical Locations – The PJSB Group currently focuses on wastewater industry, cleansing and UST business in Malaysia;
- (xiii) Political, Economic, Regulatory and Environmental Considerations – Adverse developments in political, economic, regulatory and environment conditions in Malaysia and other countries where the Group may operate could materially and adversely affect the financial prospects of the Group;
- (xiv) Control by Promoters – After the Public Issue, the Promoters and the persons connected with the Promoters will collectively control 63.7% of PJSB's issued and paid-up share capital. They will effectively control the outcome of certain matters requiring voting of shareholders;
- (xv) Material Litigation – Save as disclosed in Section 13.7, as at 31 May 2003, the PJSB Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the PJSB Group;
- (xvi) Delay In Completion of RC Projects and FRP STPs – There can be no assurance that external factors, such as weather condition, obtaining the regulatory approvals as scheduled and satisfactory performance of building contractors, acts of god etc. will not lead to delays in completion of projects;
- (xvii) Related Party Transactions/ Conflict of Interest – The Directors, substantial shareholders and key management have provided an undertaking that all business transactions between the PJSB Group and the Directors and substantial shareholders (and their connected persons) and the key management shall be based on arms length basis;
- (xviii) Forecasts – Forecasts are based on reasonable assumptions that are nevertheless subject to uncertainties and contingencies. Investors will be deemed to have read and understood the assumptions and uncertainties underlying the forecasts that are contained herein;
- (xix) Disclosure Regarding Forward-Looking Statements – there can be no assurance that forward-looking statements in relation to the PJSB Group as contained in the Prospectus will prove to be correct. Any differences in the expectations of the Group may materially affect the Group's financial and business performances and plans;
- (xx) Termination of Underwriting Agreement – the Underwriter reserves the rights to terminate the Underwriting Agreement if the Underwriter is of the opinion that the success of the Public Issue is likely to be materially and adversely affected by certain events as detailed in Section 2.10 of this Prospectus; and
- (xxi) Delay in or Abortion of the IPO – there can be no assurance that there might be factors causing a delay in or abortion of the IPO.

Details of the material risk factors are set out in Section 3 of this Prospectus.

I. SUMMARY INFORMATION (Cont'd)**1.6 Profit and Dividend Record****CONSOLIDATED PROFIT FORECAST**

Financial Year Ending 31 December	2003
	RM'000
Turnover	88,970
Consolidated PBT	17,419
Taxation	(4,877)
Consolidated PAT	12,542
Weighted average number of shares ('000)	43,600
Enlarged issued share capital ('000)	50,000
Gross EPS (sen)	
• Based on weighted average number of shares	39.95
• Based on enlarged share capital of 50,000,000 shares	34.84
Net EPS (sen)	
• Based on weighted average number of shares	28.77
• Based on enlarged share capital of 50,000,000 shares	25.08
Gross PE Multiple based on the issue/offer price of RM1.70 per ordinary share (times)	
• Based on weighted average number of shares	4.26
• Based on enlarged share capital of 50,000,000 shares	4.88
Net PE Multiple based on the issue/offer price of RM1.70 per ordinary share (times)	
• Based on weighted average number of shares	5.91
• Based on enlarged share capital of 50,000,000 shares	6.78

DIVIDEND FORECAST**Financial Year Ending 31 December 2003**

Tax-exempt dividend per share (sen)	5.00
Tax-exempt dividend yield based on Public Issue/Offer price of RM1.70 per share (%)	2.94
Net dividend cover (times)	5.02

Details of the profit forecast and assumptions thereon are set out in Section 9.5 of this Prospectus.

1. SUMMARY INFORMATION (Cont'd)**1.7 Proforma Group NTA as at 31 December 2002**

	Proforma Group NTA RM'000 ⁽¹⁾	NTA per ordinary Share RM
After adjusting for the Public Issue and Offer For Sale	63,983	1.28

(1) After deducting the estimated listing expenses of RM1,800,000. Please refer to Section 2.7 for details of the estimated listing expenses.

The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 50,000,000 ordinary shares of RM1.00 each in PJSB. Detailed calculations of the proforma consolidated NTA are set out in Section 9.10 of this Prospectus.

1.8 Principal Statistics Relating to the Initial Public Offering**1.8.1 Share Capital**

The following statistics relating to the IPO are derived from the full text of the Prospectus and should be read in conjunction with the text.

	RM
AUTHORISED SHARE CAPITAL	
100,000,000 ordinary shares of RM1.00 each	100,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL:	
• 43,500,000 ordinary shares of RM1.00 each	43,500,000
<i>To be issued pursuant to :</i>	
• Public Issue of 6,500,000 new ordinary shares of RM1.00 each	6,500,000
Enlarged Share Capital	50,000,000
<i>To be offered pursuant to :</i>	
• Offer For Sale of 6,500,000 new ordinary shares of RM1.00 each	6,500,000
ISSUE/OFFER PRICE PER SHARE	1.70

I. SUMMARY INFORMATION (Cont'd)

1.8.2 Class of shares

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 IPO Shares will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of the IPO Shares.

1.9 Utilisation of Proceeds

The total gross proceeds arising from the Renounceable Rights Issue and the Public Issue will be utilised by the Group in the following manner :

	RM'000
Working Capital	12,865
Repayment of Bank Borrowings	1,625
Estimated Listing Expenses	1,800
Total Utilisation of Proceeds	16,290

Details of the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

1.10 Material Litigations, Borrowings, Contingent Liabilities and Commitment**(i) Material Litigations**

As at 31 May 2003, PJSB Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration 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 of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of PJSB and its subsidiaries.

(ii) Borrowings

As disclosed in Section 9.4(ii) of this Prospectus, as at 31 May 2003, being the latest practicable date prior to the printing of this Prospectus, the total Group's borrowings amounted to approximately RM33.897 million.

(iii) Material Contingent Liabilities

As at 31 May 2003, the Group has no contingent liabilities.

(iv) Material Commitments

As disclosed in Section 9.4(iv) of this Prospectus, as at 31 May 2003 being the latest practicable date prior to the printing of this Prospectus, the Group's total material commitment amounted to RM3.473 million.

I. SUMMARY INFORMATION (Cont'd)

1.11 Manufacturing Process

(a) Contact Moulding or Hand Lay Up Method

This labour intensive method is employed to produce all the structural components and the body parts of the SUPER SEPT and SATS models. Heavy machinery is not used whereby only a mould and sufficient covered workspace are required. It does not require highly trained operators, only care and diligence in handling the resin which can harden and be rendered useless if not stored and handled properly.

(b) Filament Winding Method

This method is automated and precision controlled. Although it is costly, it is very effective and efficient in producing the big cylindrical body parts of the H1-KLEEN models fast and with consistent quality. The system at JFI's factory, acquired from USA, employs state of art computer controlled process. Hence, it minimises human interference during production.

Details of the manufacturing process are set out in Section 4.5.11 of this Prospectus.

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