
4. INFORMATION ON THE PJSB GROUP

4.1 Incorporation

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. PJSB's current authorised share capital is RM100,000,000 and its issued and paid-up capital is RM43,500,000. As at 31 May 2003, the PJSB Group has a total workforce of 504 employees.

4.2 History of PJSB Group

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 HI-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 SKSP project in Wang Tepus, Kubang Pasu, Kedah to produce FRP sewerage treatment tanks 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. The project has seen its operation uninterrupted with over 34,600 FRP tanks and numerous components produced under the SKSP project with a total of RM4.42 million paid to the participants from its commencement up to May 2003. The SKSP project generates an average annual revenue of approximately RM15 million to the Group.

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, the 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. Today, PJSB is fully engaged in the environmental business with expertise in both sewerage and solid waste management.

4. INFORMATION ON THE PJSB GROUP (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

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4. INFORMATION ON THE PJSB GROUP (Cont'd)**4.3 Share Capital and Changes in Share Capital**

The present authorised share capital of PJSB is RM100,000,000 divided in 100,000,000 ordinary shares of RM1.00 each. On completion of the Acquisitions of PJSS, Bonus Issue, Rights Issue and Public Issue, the issue and paid-up share capital shall be RM50,000,000 comprising of 50,000,000 ordinary shares of RM1.00 each. Details of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital (RM)
02.07.85	2	1.00	Subscribers' shares	2
04.11.86	199,998	1.00	Cash	200,000
26.09.87	160,000	1.00	Cash	360,000
31.10.88	108,000	1.00	Cash	468,000
15.05.90	200,000	1.00	Cash	668,000
07.02.92	332,000	1.00	Capitalisation of amount owing by Company	1,000,000
29.12.93	300,000	1.00	Capitalisation of retained Profits	1,300,000
01.10.94	3,250,000	1.00	Capitalisation of retained Profits	4,550,000
14.11.96	7,962,500	1.00	Cash	12,512,500
21.01.03	413,812	1.00	Acquisition of PJSS	12,926,312
19.05.03	25,333,688	1.00	Bonus Issue	38,260,000
18.06.03	5,240,000	1.00	Rights Issue	43,500,000

4.4 THE LISTING PROPOSALS

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of PJSB on the Second Board of the KLSE, the Company undertook a listing scheme which involved the following:-

(i) Acquisition of PJSS

On 18 June 2002, PJSB and PJSI entered into a conditional Sale and Purchase Agreement for the acquisition by PJSB from PJSI of the entire issued and paid-up share capital of PJSS comprising 250,000 ordinary shares of RM1.00 each from PJSI for a total 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 PJSB shares.

The purchase consideration of RM1,285,077 and the issue price of new PJSB shares of RM3.11 per share were arrived at a willing buyer willing seller basis after taking into consideration the latest audited financial statements of PJSS and PJSB as at 31 December 2001. The Acquisition of PJSS was completed on 21 January 2003.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

(ii) Bonus Issue

PJSB has undertaken a Bonus Issue of 25,333,688 new ordinary shares of RM1.00 each in PJSB to the existing shareholders of PJSB to be 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 the Company. The Bonus Issue was effected by capitalising the unappropriated profits of the Group of RM25,333,688 based on the Group's audited financial statements as at 31 December 2001. The Group's unappropriated profits for the financial year ended 31 December 2001 were reduced to RM2,072,561 after the capitalisation for the Bonus Issue. The Bonus Issue was completed on 19 May 2003.

(iii) Renounceable Rights Issue

PJSB has undertaken a Renounceable Rights Issue, which entails the issuance 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, apart from Tan Sri Dato' (Dr) Ahmad bin Johan, who is a shareholder of PJSB and a shareholder/director of PJSI, has also renounced his entire entitlements for such Rights Issue shares. The Renounceable Rights Issue was completed on 18 June 2003.

(iv) Initial Public Offering

PJSB will make an IPO as follows:

- (i) Public issue of 6,500,000 new ordinary shares of RM1.00 each in PJSB at an issue price of RM1.70 per share; and
- (ii) Offer for sale of 6,500,000 existing ordinary shares of RM1.00 each in PJSB at an offer price of RM1.70 per share.

The IPO Shares of 13,000,000 ordinary shares will be allocated in the following manner:-

- (i) 2,500,000 of the new ordinary shares of RM1.00 each will be reserved for the eligible employees and Directors of the PJSB Group and PJSI as well as the business associates (which include the suppliers, sales agents and customers) of the PJSB Group. The shareholders/directors of PJSI who are entitled to subscribe for the Rights Issue shares, which are renounced to them will also be eligible for the pink form allocation;
- (ii) 4,000,000 of the new ordinary shares of RM1.00 each will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions; and
- (iii) 6,500,000 of the existing ordinary shares of RM1.00 reserved for places via private placement.

Any shares not subscribed by the eligible employees and the Directors of the PJSB Group and PJSI and the business associates of the PJSB Group will be made available for application by the Malaysian public and/or places via private placement. Any Public Issue Shares under (ii) above which are not taken up will be made available for application to the places under the private placement if the private placement is oversubscribed and vice versa.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

4.5 Business Overview and Activities**PJSB**

PJSB, a holding company, together with its subsidiaries are involved in the supply of a wide range of STP, UST for petroleum and the design and build of RC STP which are part and parcel of systems developed by the Group as well as solid waste collection and area cleansing. The FRP STP includes the SUPER-SEPT, SATS and HI-KLEEN systems.

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 sewage treatment systems and RC STP, UST for petroleum, cleansing and environment 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 locally in Bakar Arang, 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 – HI-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 1994, 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. With the completion of the acquisition of PJSS in 2003, PJSB Group becomes a fully integrated sewage specialist encompassing design, manufacturing, construction, trading and maintenance of STPs.

In 2003, the Group shifted its manufacturing operation from the Bakar Arang Industrial Estate in Sungai Petani, Kedah to Kawasan Perusahaan Sungai Petani, Kedah. The new factory is equipped to perform all the labour and capital intensive manufacturing activities and has sufficient space to store both the raw materials and finished products.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

JFI

JFI was incorporated on 22 June 1979 to manufacture fibreglass-hulled boats. However, it remained dormant until 1994 when it was reactivated, as 100% owned subsidiary of PJSB to manufacture the UST tanks, SUPER-SEPT, SATS and HI-KLEEN systems for PJSB. Prior to this, PJSB imported the products from Thailand. The change to manufacture the products locally by JFI was a response to the encouraging local market in accepting these products and the need to reduce transportation and handling costs. In view of the rising demand and the need to be price competitive, the Group entered into an agreement with Premier International, the Thai company, in 1986 for a technology transfer to produce SUPER-SEPT and SATS systems in Malaysia. The product range was further expanded to include the package STP via a technology transfer from a Japanese partner, Yamasho Sangyo Co. Ltd in 1989. The SUPER-SEPT and SATS systems are produced through a hand laying process whereas the HI-KLEEN system is produced by a computer-controlled filament wound process. In June 1997, a new product HI-KLEEN petrotank was introduced through R&D with external consultant using the existing manufacturing process. In 2003, the Group shifted its manufacturing operation from the Bakar Arang Industrial Estate in Sungai Petani, Kedah to Kawasan Perusahaan Sungai Petani, Kedah.

PJSS

PJSS was incorporated on 14 April 1994 to provide design services to PJSB's products and management expertise in wastewater treatment of STP. It has a working collaboration with Perunding Hashim & Neh Sdn Bhd a Malaysian engineering consulting firm and Hyder Consulting Sdn Bhd and a British based wastewater designer. Furthermore PJSS also has an understanding with Aqua-Aerobics Systems, Inc, a manufacturer and supplier of wastewater treatment systems and equipment from USA and Environ Holdings Sdn Bhd, an environmental engineering company to work in RC sector.

AJSB

AJSB, incorporated on 23 April 1994, is an investment holding company of the Group's 15.79% stake in Alam Flora Sdn Bhd - a consortium company represented by other parties, such as HICOM Holdings Bhd, Kumpulan Jetson Berhad, and the State Government of Pahang. This stake was awarded by the Federal Government to the Group in its efforts to privatise solid waste management in the central and eastern region of Malaysia. Due to AJSB's active participation in the privatisation programme, the Company was awarded a job in Kuala Lumpur by Alam Flora Sdn Bhd. Under its scope of works, AJSB is allocated solid waste collection and area cleansing in Zone 2-1 & Zone 2-2 in Kuala Lumpur. The award, which was given in June 2001, can contribute positively to the Group's turnover from 2002 until 2007.

4.5.1 Principal Products and Services

The principal products of the PJSB Group comprise a range of STP and UST produced and supplied by the Group. These include the SUPER-SEPT, SATS, HI-KLEEN, HI-KLEEN Petrotank i.e. UST and RC systems. The Group is also involved in solid waste management and cleansing services.

The table below summarises the range of products offered by the PJSB Group and its usage:

4. INFORMATION ON THE PJSB GROUP (Cont'd)

PRODUCT	TARGET MARKET	CONCEPT	PE PER TANK	NO. OF MODELS	SITES
SUPER-SEPT	Individual residential/ industrial unit, guard-house, small-scale housing/industrial development highway lay-by & office	Decentralize concept	3 to 18	5	<i>Example</i> Gua Tempurung lay-by, Weigh bridge station in Gombak, Taman UDA, Sg. Isap, Kuantan, MIEL Light Industrial Area in Sg. Petani and Kuantan
SATS	Small and medium size industrial development extension/up grading of existing school projects, petrol kiosks, highway lay-by, highway R & R	Decentralize concept	9 to 70	3	<i>Example</i> R&R Gunung Semanggol Arah Utara & Selatan, ESSO Station in Kajang and Klang, SHELL Station in Wangsa Maju and Nilai, PETRONAS Station in Gcngting Sempah, Sekolah Rendah Bentong
III-KLEEN	Large-scale residential/industrial development, petrol kiosks, highway R&R, office & commercial complex, hotel, mosque or religious institution, school, army camp, shopping complex, bus terminal, hospital, university, airport terminal, rehabilitation centre, correctional institution, police station, fire station, national park, hotel resort, golf resort, refurbishment projects, state & Federal Complex, sport & games facilities	Medium Centralize concept	50 to 5,000	60	<i>Example</i> Desa Tun Hussein Onn, UIA Campus, Ampang Puteri Specialist Hospital, Stadium Darulaman, Penjara Pokok Sena, Sekolah Menengah Teknik Seberang Jaya, Taman-taman Sabah Kota Kinabalu, Bus Terminal Kuala Terengganu, Bukit Tinggi Golf Resort, Kem Tentera Batu 5, Mentakah, Masjid Kerteh BP Station Klang/Sg. Besi
RC System	Huge scale residential/ industrial development, township	Centralise concept	5,000 onwards	Various capacity	<i>Example</i> Putrajaya Phase I, Kulim Hi Tech Phase II, Gurun Industrial Park
III-KLEEN Petrotank	Petronas Dagangan Bhd, other automotive fuel trading companies, Government agencies and other corporations which require their own storage depots in Malaysia and abroad which are gradually replacing their steel underground storage tanks to FRP hulled tanks for economic and safety reasons such as longer shelf life and product warranty guaranteed by vendors and that FRP material has non corrosive characteristics which steel does not have.	Decentralise d, planted below petrol station.	3,000 IG to 12,000 IG	10	Petronas petrol stations in Taman PKNK Alor Setar, Santah Segu Kuching, Sg Merah Sibu, Taman Universiti Skudai, Jln SAS Bayan Baru, Parit Subong Batu Pahat, Setapak Indah, Segambut, Bandar Sri Alam Johor Baru, Klebang Jaya Ipoh, Kubang Pasu Jitra, JB-Singapore 2 nd link, Jln Utara Sandakan, Bkt Kemuning Klang and 68 other Petronas petrol stations.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

SUPER-SEPT System

The SUPER-SEPT system is a factory moulded septic tank that has a built-in anaerobic up-flow filter system. The Group currently supplies five (5) models, all tanks are manufactured by JFI via their 'Satu Kampung Satu Pengeluaran' ("SKSP") project. This system is designed using polyform bio-media which provide an optimum bed for the growth of anaerobic bacteria to aid decomposition of organic substrates. The SUPER-SEPT tanks require minimum space and can be easily installed by any building contractor. The system mainly caters for individual residential units with population not more than 30 PE. Other areas of use include small-scale industrial development, office, guard-house and highway lay-by.

SATS System

The SATS system operates by an aerobic process whereby air current is induced into the system by a special electric operated diaphragm pump capable of running continuously for 24 hours. The process flow for the SATS system is illustrated in the figure below. Raw sewage flows into the separation tank in which primary treatment (anaerobic process) takes place. Heavier solids settle down to form a sludge zone while the floatable matters form a scum zone on top. The secondary treatment occurs in the aeration chamber whereby the sewage is aerated by a current of induced air. The treated sewage flows through a specially designed "baffle plate" that separates the aeration and settling chamber where the sludge settles. The fully treated wastewater flows by gravity through the effluent pipe. The SATS are prefabricated FRP units that can be installed individually or in multiple tanks depending on requirements for treating domestic wastewater. The principle of the treatment process is activated sludge. Currently, three (3) models of the above systems are being produced by JFI via their SKSP Project.

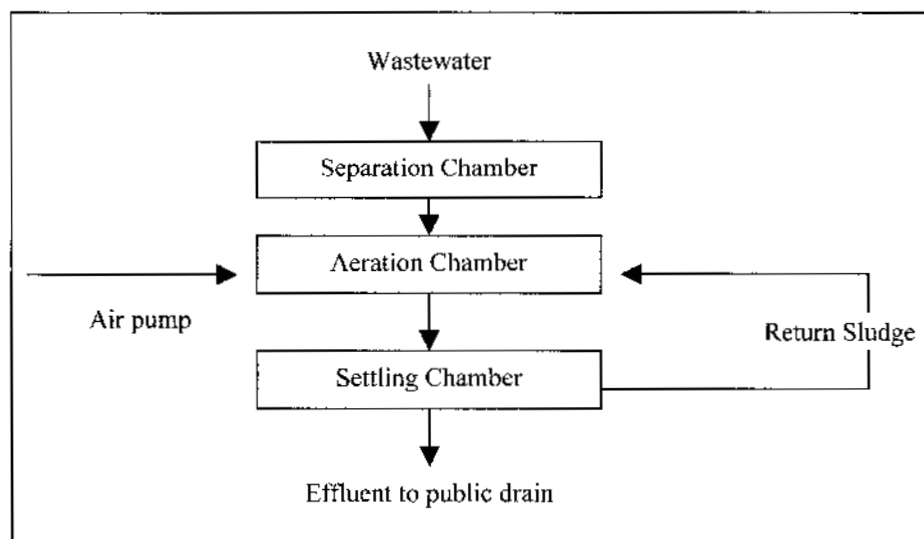


Figure 4.5.1: SATS System Process Flow

4. INFORMATION ON THE PJSB GROUP (Cont'd)

HI-KLEEN System

The HI-KLEEN FRP system is specially designed by PJSB for treatment of domestic wastewater. The system consists of modular tanks that are fast to install, require small land areas, lesser excavation and can be upgraded when necessary. The biological process of HI-KLEEN system is based on an activated sludge process adopting the design criteria of an extended aeration. The figure below illustrates the process flow for the HI-KLEEN system. Incoming raw sewage passes through a screen and grit chambers to remove garbage and inorganic matters. The effluent is then mixed with a current of diffused air in the equalisation tank before it is pumped into the flow-control box, which regulates the flow into the aeration tank. Turbulence is then induced using the diffused air for a period of at least 18 hours in the aeration tank. The activated sludge process uses the macro-organisms in suspension to oxidise soluble and colloidal organic matters in the presence of molecular oxygen. The sludge generated is subsequently separated from the supernatant in the sedimentation tank. Excess sludge will be channelled to the sludge storage tank. The effluent discharged by HI-KLEEN complies with the standards set by the Environmental Quality Act, 1978.

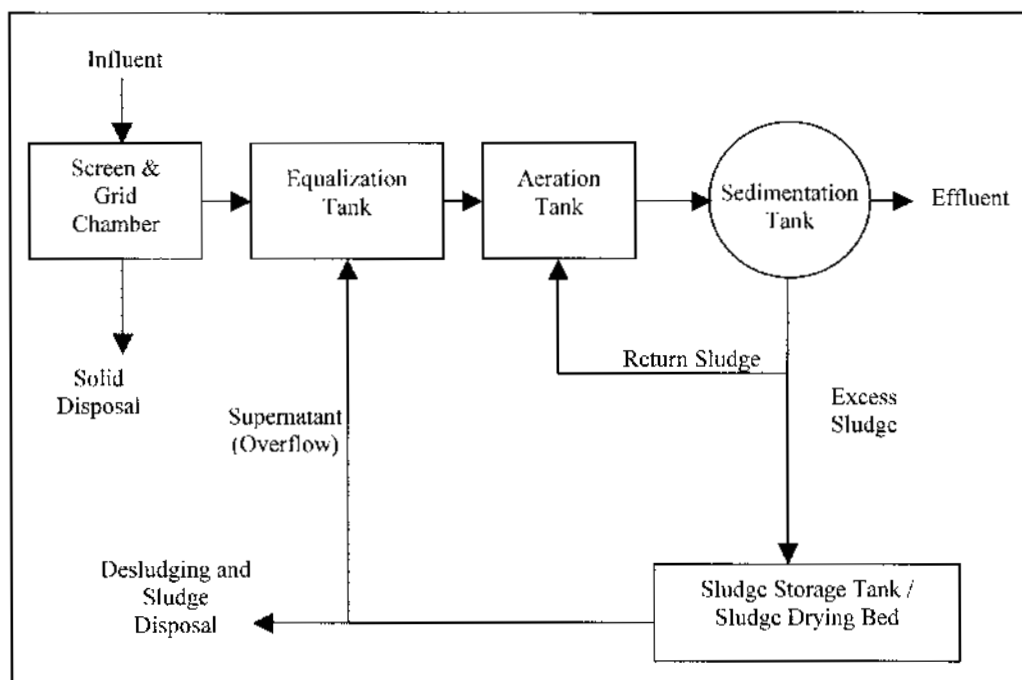


Figure 4.5.2: HI-KLEEN System Process Flow

- *The capacity of the system is suitable for population from 50 to 5,000 PE. Thus, HI-KLEEN can be installed in large-scale residential and industrial developments, hotels, office/commercial complexes, mosques, schools/universities, army camps, hospitals, airport/bus terminals, resorts and other developments which are meant to accommodate huge traffic of people.*

4. INFORMATION ON THE PJSB GROUP (Cont'd)

RC System

Unlike other systems, the RC plant is constructed on site and requires extensive site preparation normally using concrete, reinforced with steel bars. The RC system is used for centralised sewerage treatment of large-scale property development and which is usually for PEs above 5,000. Development projects such as Putrajaya Phase IA and Kulim Hi-Tech Phase II are of this system.

PJSB Group has acquired the design and management expertise in wastewater treatment systems with qualified design engineers to design RC STPs which are one of the sewage treatment systems developed by the Group. It has a working collaboration with Perunding Hashim & Neh Sdn Bhd a Malaysian engineering consulting firm and Hyder Consulting Sdn Bhd and a British based wastewater designer. The Group also has an understanding with Aqua-Aerobics Systems, Inc, a manufacturer and supplier of wastewater treatment systems and equipment from USA and Environ Holdings Sdn Bhd, an environmental engineering company to work in RC sector. The PJSB Group works together with mechanical and electrical engineering consultants when providing design. Among the RC plants designed by the Group are:-

- Putrajaya Phase I (100,000 PE) – completed in June 1999;
- Taman Mutiara, Kulim (20,000 PE) – completed in December 1999;
- Kulim Hi-Tech Phase II (14,600 PE) – completed in April 2002;
- Gurun Light Industrial Park (13,600 PE) – expected to be completed by end 2003; and
- Taman Mahsuri, Kulim (18,500 PE) – expected to be completed in May 2004.

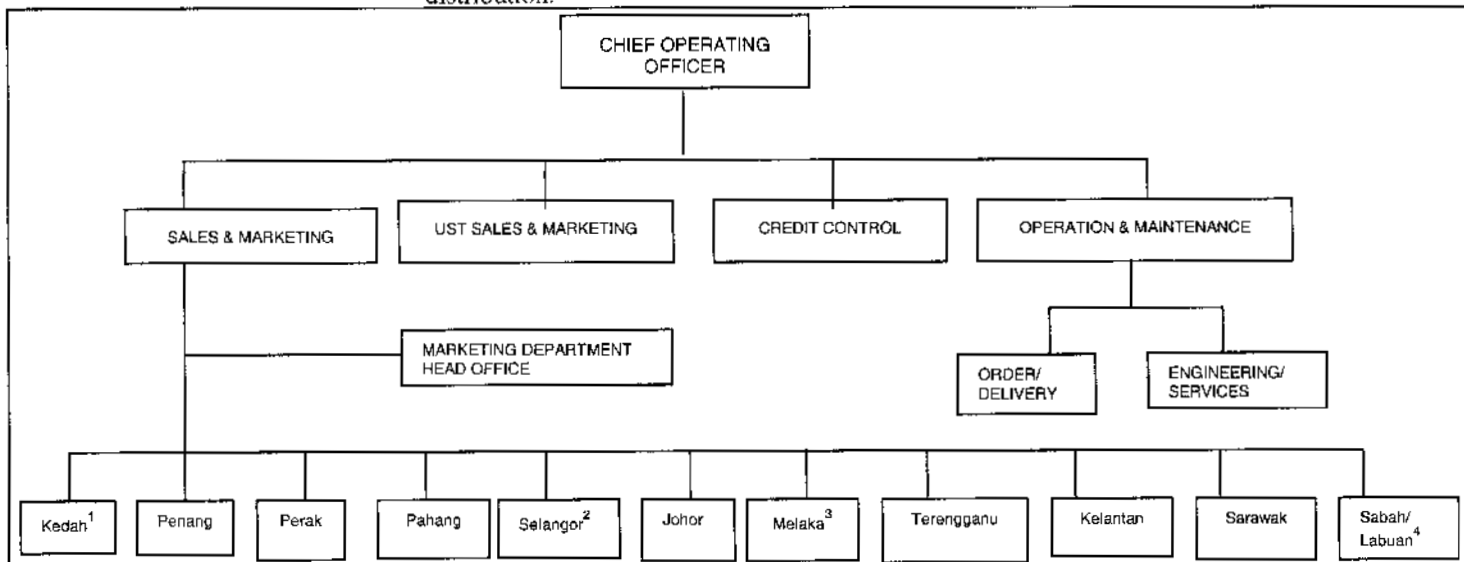
HI-KLEEN Petrotank

The HI-KLEEN Petrotank is a UST used for the storage of petroleum. All tanks are manufactured by JFI. It has a unique fibreglass design and construction. The adoption of advanced filament winding technology in its production leads to a significant improvement in its structural strength and stability. The tanks are made of 100% resin and fibreglass reinforcement with no filler materials. Its lightness eliminates the need for heavy equipment during field installation. PJSB is in the process of certifying its HI-KLEEN Petrotank to the requirement of both the USA-based Underwriters Laboratory (“UL”) and the American Society for Testing and Materials (“ASTM”) standards. PJSB is also researching into producing a doubled walled version of its HI-KLEEN petrotanks which details can be found in Section 4.13 (a) of this Prospectus.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

4.5.2 Methods Of Distribution

The Group's products are sold directly to the government ministries and/or its relevant departments and agencies including government owned companies, private contractors, developers and individual end-users through a nationwide network of branches. For East Malaysia, the distribution network is further enhanced by appointment of agents. The following chart illustrates PJSB Group's network for distribution.



Notes

1. *The Kedah branch is responsible for sale and development activities in the states of Kedah and Perlis.*
2. *The Selangor branch is responsible for sale and development activities in Wilayah Persekutuan and Selangor.*
3. *The Melaka branch is responsible for sale and development activities in Melaka and Negeri Sembilan.*
4. *The Sabah and Labuan will be handled by the appointed agents.*

Distribution of the Group's products and services is broken down into 4 activities, namely the Operations and Maintenance, Credit Control, Sales and Marketing and UST Sales and Marketing. A division, headed by a General Manager who in turn reports to the Chief Operating Officer, handles each of these activities.

The sales executives at the branch level usually establish first contact with potential customers directly or via consultants who are actively involved in the planning and implementation of new property developments throughout the country. Upon securing the central contract in 1993, the Group set up a special task force to provide technical and consultancy services to the technical division of various ministries and Government agencies at both Federal and State levels in order to ensure that the technical specifications of the Group's systems were correctly stated. Their counterparts in the branches assist the task force members either at the preliminary stages or subsequent to receiving confirmed orders. However, the task force division was later transformed into the marketing department and assumed a bigger role covering both the public and private sectors.

The sales and marketing personnel are backed by qualified design engineers from PJSS who are based at the head office whilst making contacts with customers and concluding sales. When sales are concluded, they are supported by the well trained and highly mobile and equipped engineering support teams who are based at every branch for the installation works and the preventive and corrective maintenance works at sites.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

No significant change is expected in the structure and methodology of existing distribution channel save for the improvement in the procedural and reporting system, which is aimed at increasing the productivity of the sales force, boosting the efficiency of inter divisional communication and tightening the internal controls within the Group.

4.5.3 Principal Markets

The composition of the target market is made up of private and public sector. In the past, the private sector took up 60% of the annual sales turnover of the PJSB Group. However, during the recent economic downturn, orders from the private sector plummeted and sales collection deteriorated due to cashflow problem faced by PJSB's customers from this sector. As a result, sales performance for the years 1999 and 2000 fell below that of year 1998, which recorded the highest annual revenue performance since the Group's inception. Sales performance in year 2001 has however rebounded to the level of year 1998 result. The sales in 2002 further improved due mainly to the increase in projects from the government sector for schools, community colleges, universities and house quarters for armed forces. This is in line with the implementation of various measures by the government to boost up the domestic construction and building sectors.

The Group is taking a precautionary stand towards accepting orders from the private sector. Various measures are taken to improve and tighten the credit assessment, administration and control in order to avoid repeating earlier mistakes. Emphasis is given to increase sales to the public sector in order to improve the Group's cashflow. Hence, the target market focus is expected to shift towards the public sector because of the increased public sector spending on infrastructure, educational and public utilities as tabled in the 8MP.

The table below highlights some of the Group's major orders from the government and corporate customers that have been successfully delivered as follows:

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
GOVERNMENT CUSTOMERS				
SUPER SEPT				
JPP	Kampung Tekek, Pulau Tioman, Pahang	37,423.20	Nov ' 00	July ' 01
JPP	Kampung Salang, Pulau Tioman, Pahang	37,423.20	Nov ' 00	Dec ' 01
JKR Segamat	Rumah Guru Sek. Men. Keb. Jementah, Segamat, Johor.	37,048.99	Mar ' 02	May ' 02
JKR Kuala Lipis	Membekal & Menghantar Ke Tapak Projek Pusat Kesihatan Benta Kuala Lipis, Pahang.	47,153.26	Mar ' 02	April ' 02
JKR Kuantan	Rumah Guru Lepar Hilir Kuantan, Pahang	80,834.16	Aug ' 02	Oct ' 02
JKR Malaysia, Terengganu	Rumah Guru Di Sek Men Neram, Kemaman, Terengganu	40,417.08	Sept ' 02	Nov ' 02
JKR Jelebu	Tapak Projek membina dan Menyiapkan 30 Unit Rumah Org Asli dan 1 Dewan Utk Perkampungan Baru Orang Asli di Kampung Kelaka, Daerah Jelebu, N. Sembilan	31,809.72	Jan ' 03	Jan ' 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
GOVERNMENT CUSTOMERS (Cont'd)				
SATS SYSTEM				
JKR Kinta	Sek Tentera Udara (TUDM) Ipoh	142,506.24	Dec ' 00	Jan ' 01
JKR Pontian	Sek. Men. Teknik Tanjung Puteri, Johor Bahru, Johor	285,012.48	Sept ' 01	Nov' 01
JKR Kuantan	Cad. Blok Reman (240 SEL) Dan 2 Blok Bengkel Di Penjara Penor, Kuantan	308,763.52	Oct ' 01	Apr' 01
JKR Temerloh	Sek Kcb Bukit Damar, Temerloh	166,257.28	Feb ' 02	Feb' 02
JKR Raub	Ibu pejabat Polis Daerah Raub, Pahang	166,257.28	Feb ' 02	Mar' 02
JKR Pahang	Sek Men Sains Sultan Haji Ahmad Shah, Kuantan	118,755.20	Feb ' 02	Jan' 02
JKR Pahang	Sek Men Sains Sultan Haji Ahmad Shah, Kuantan	118,755.20	Feb ' 02	Mar ' 02
JKR Segamat	Rumah Guru Sek. Men. Keb. Seri Kenangan, Segamat, Johor.	118,755.20	Mar ' 02	July' 02
JKR Sepang	Projek Pusat Serenti Sepang	190,008.32	April ' 02	June' 02
JKR Sepang	Projek Pusat Serenti Sepang	118,755.20	April ' 02	June ' 02
JKR Malaysia, Terengganu	Sek Men Bukit Besi, Dungun, Terengganu	142,506.24	April ' 02	Oct' 02
JKR Kota Tinggi	Rumah Guru Kelas F, Sek. Men. Sri Aman, Kota Tinggi, Johor.	118,755.20	May ' 02	Oct ' 02
JKR Tampin	Sek Men Tunku Abdul Rahman, Gemas, Tampin, N. Sembilan	118,755.20	June ' 02	June ' 02
JKR Kota Bharu	SMK Pangkal Kalong, Kota Bharu	118,755.20	July ' 02	Sept' 02
JKR Segamat	Kompleks Rumah Guru Kelas F Gemereh, Segamat	136,160.00	Aug ' 02	Oct' 02
JKR Segamat	Kompleks Rumah Guru Kelas F Labis, Segamat	136,160.00	Aug ' 02	Oct' 02
JKR Jelabu	Hotel Sri Kelawang (Rumah Rehat), Jelabu	142,506.24	Aug ' 02	Oct' 02
JKR Temerloh	Sek Men Keb Teluk Sentang, Temerloh	142,506.24	Oct ' 02	Oct' 02
JKR Raub	Asrama dan Dewan Makan di SMK Sri Raub, Pahang	142,506.24	Jan ' 03	Jan' 03
JKR Kemaman	Sek Men Kijal, Kemaman	166,257.28	Feb ' 03	Feb' 03
JKR Kemaman	Sek Men Mak Lagam, Kemaman	166,257.28	Feb ' 03	Feb' 03
JKR Dungun	Asrama SMK Pulau Serai, Dungun	142,506.24	Mar ' 03	Nov' 02
JKR Jerantut	Cadangan Membina Asrama SMK Padang Saujana, Jerantut, Pahang	142,506.24	Mar ' 03	Mar' 03
HI-KLEEN SYSTEM				
JKR Negeri Sembilan	Cad. Membina & Menyiapkan Institut Kemahiran Belia Negara Di Chembong, N. Sembilan	613,516.80	March ' 01	May' 01
Kementerian Pendidikan Malaysia	Politeknik Merlimau, Melaka	1,054,482.00	June ' 01	July ' 01

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
GOVERNMENT CUSTOMERS (Cont'd)				
HI-KLEEN SYSTEM				
Jabatan Perumahan Negara	Projek Perumahan Rakyat Kampung Malaysia Permai Sungai Besi, Kuala Lumpur	509,266.87	July ' 01	Aug ' 01
Jabatan Perumahan Negara	Projek Perumahan Rakyat Taman Wahyu II, Kuala Lumpur	1,198,275.00	July ' 01	Sept ' 01
Jabatan Perumahan Negara	Projek Perumahan Rakyat Jalan Pudu Ulu Cheras, Kuala Lumpur	1,198,275.00	July ' 01	Nov ' 01
JKR Jerantut	Cadangan Membina Asrama SMK Jublee Perak Kuala Tahan, Kuala Tahan, Jerantut	142,506.24	Mar ' 03	Mar ' 03
JKR Alor Gajah	IKBN Ramuan Cina, Alor Gajah, Melaka	738,137.40	August ' 01	Oct ' 01
JKR Jabatan Pembangunan Persekutuan, Kelantan	Wad 6 Tingkat, Hospital Kota Bharu, Kelantan	958,620.00	Sept ' 01	Jan ' 02
Universiti Islam Antarabangsa	Kolej Lelaki 1 & 2, Kampus Gombak UIAM, Gombak, Selangor	697,875.36	Sept ' 01	Oct ' 01
JPP	Jabatan Perkhidmatan Pembentungan Pangsapuri Padang Hiliran, Kuala Terengganu, Terengganu	1,102,413.00	Sept ' 01	Nov ' 01
Kementerian Pendidikan Malaysia	Politeknik Tanjung Malim, Perak	825,691.36	Oct ' 01	Nov ' 01
JPP	IWK STP, Jalan Rancha-Rancha, Wilayah Persekutuan Labuan, Sabah	1,198,275.00	Nov ' 01	Dec ' 01
Kementerian Pendidikan Malaysia	Sek Men Teknik Pendang, Kedah	509,266.87	Mar ' 02	Feb ' 02
Kementerian Pendidikan Malaysia	Sek Men Teknik Sepang, Lot 1909, 2375 dan 2376, Mukim Dengkil, Daerah Sepang	509,266.87	May ' 02	Sept ' 02
Kementerian Pendidikan Malaysia	Menaiktaraf Politeknik Sultan Abdul Halim Shah (POLIMAS) Jitra, Kedah	715,769.60	June ' 02	July ' 02
Kementerian Pendidikan Malaysia	Sek Men Teknik Bandar Pusat Jengka Di Lot PT 17526, Mukim Chenor, Daerah Maran, Pahang	509,266.87	June ' 02	Mar ' 02
Kementerian Pendidikan Malaysia	Sek Men Teknik Pontian Di Lot PTD 9680, Mukim Rimba Terjun, Pontian, Johor	509,266.87	June ' 02	July ' 02
JPP	Taman Seremban Jaya, Rantau, Negeri Sembilan	1,198,275.00	Aug ' 02	Feb ' 02
JKR Sabak Bernam	Pembinaan 664 unit Rumah Rakyat jenis berkelompok 1 tingkat di Ladang Air Manis Sabak Bernam	825,691.36	Dec ' 02	Dec ' 02
CORPORATE CUSTOMERS				
SUPER-SEPT				
Perniagaan Mewah	Perumahan Di Atas Lot 336 & 337, Mukim Naga Lilit, Padang Serai, Daerah Kulim, Kedah	26,400.00	Jan ' 01	Jan ' 01

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
CORPORATE CUSTOMERS (Cont'd)				
SUPER-SEPT				
Abadiah Development Sdn Bhd	Cad membina 8 unit rumah banglo satu tingkat, 19 unit rumah banglo satu setengah tingkat dan kerja yang berkaitan di atas Lot Pt 17085K hingga 17111K, Kuala Terengganu Golf Resort, Mukim Kuala Nerus, Kuala Terengganu	35,000.00	May ' 01	May ' 01
NMN Construction Sdn Bhd	Cad membina 8 unit rumah banglo satu tingkat, 19 unit rumah banglo satu setengah tingkat dan kerja yang berkaitan di atas Lot Pt 17085K hingga 17111K, Kuala Terengganu Golf Resort, Mukim Kuala Nerus, Kuala Terengganu	20,000.00	May ' 01	June ' 01
NMN Construction Sdn Bhd	73 Unit Rumah Kedai Di Taman Mergong Jaya Fasa 1, Jalan Putra, Mukim Mergong, Kota Setar, Kedah	21,000.00	Oct ' 01	Oct ' 01
That Seng Construction Sdn.Bhd.	Tropicana Golf & Country Resort Semi-Detached Housing.	30,000.00	Feb ' 02	April '02
How Thong Water Pipe Works Sdn Bhd	Tropicana Golf & Country Resort Semi-Detached Housing.	27,000.00	May ' 02	May ' 02
How Thong Water Pipe Works Sdn Bhd	Tropicana Golf & Country Rcsort Semi-Detached Housing.	27,000.00	May ' 02	May ' 02
How Thong Water Pipe Works Sdn Bhd	Tropicana Golf & Country Resort Semi-Detached Housing.	36,000.00	May ' 02	May ' 02
How Thong Water Pipe Works Sdn Bhd	Teachers Quarters Di SM Gunung Rapat, Ipoh	22,000.00	July ' 02	Aug ' 02
SATS SYSTEM				
Roadbase Builders Sdn Bhd	Kuarters Kelas F Di Tanah Rata, Cameron Highlands	83,200.00	Feb '01	Feb ' 01
CNI Resources Sdn Bhd	Rakan Muda At Penampung Sabak	60,000.00	Mar ' 01	Mar ' 01
Syarikat Megat Ahmad Shahrani Sdn Bhd	Sek. Men Pusing, Batu Gajah, Perak	65,400.00	April ' 01	Apr ' 01
Juta Mahsuri Sdn Bhd	Sek Keb Jati Ipoh, Perak	62,400.00	May ' 01	May '01
Genggam Mercu Sdn.Bhd.	Sek. Keb. Rasau Kerteh B1, Dungun, Terengganu.	60,000.00	July ' 01	July ' 01
Syarikat Pembinaan Makmur	Sek Men Jati, Perak Darul Ridzuan	68,400.00	Aug ' 01	Sept ' 01
Yang Bina Sdn.Bhd.	Sek.Keb. Siputeh, Batu Gajah, Perak	58,000.00	Oct ' 01	Oct ' 01
Kelcon Sdn.Bhd.	Bangunan Pejabat 5 1/2 Tkt, Di atas Lot 2 & 257, Seksyen 22, Kota Bharu, Kelantan	72,000.00	Oct ' 01	Oct ' 01
Biz - Villa Sdn Bhd	Sek Men Vokasional (Pertanian) Teluk Intan, Perak	52,500.00	Mar ' 02	Oct' 02
Biz - Villa Sdn Bhd	Sek Men Vokasional (Pertanian) Teluk Intan, Perak	52,500.00	Mar ' 02	Aug ' 02

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
CORPORATE CUSTOMERS (Cont'd)				
SATS SYSTEM				
Abdul Rahman Bin Abu	1 Blok 4 Tingkat Bangunan Tambahan Di Sek Keb Teluk Bahang, DBD, Pulau Pinang.	80,000.00	Mar ' 02	Sept '02
Uzaimin Enterprise	Sek Men Transkrian Seberang Prai Selatan	80,000.00	Mar ' 02	April ' 02
SHCC Holding Sdn Bhd	Propose Sibu Medical Centre	52,500.00	Apri ' 021	July ' 02
Era Limpahan Sdn Bhd	Sek Keb Meranto, Gua Musang, Kelantan	71,253.13	April ' 02	July ' 02
Reeztana Enterprise Sdn Bhd	Sek Men Sultan Ibrahim (1), Pasir Mas, Kelantan	108,000.00	May ' 02	Juy ' 02
Pembinaan M.A.N Sdn Bhd	Sek Men Cenderawasih, Kuantan, Pahang	80,000.00	May ' 02	May ' 02
En Azhar B. Ahmad	Sek Men Syed Ahmad Tambun Tulang, Perlis	54,000.00	May ' 02	June ' 02
Jiwa Bayu Sdn Bhd	Sek Keb Sri Mahligai, Kuala Krai, Kelantan	71,100.00	May ' 02	June ' 02
Hover Top Sdn Bhd	Sek Tunas Bakti Semarahan, Kuching, Sarawak.	61,485.00	May ' 02	May ' 02
Sarahan Construction Sdn Bhd	P.O Box 2371, Kuching, Pangkalan Polis Marin Bintulu	51,000.00	July ' 02	July ' 02
Bahan Bina Hardware Sdn Bhd	Blok Tambahan di Sek Men Padang Besar, Perlis	54,000.00	July ' 02	Aug ' 02
Ismawany Sdn Bhd	Asrama Sek Men (A) Durian, Guling, Marang	55,500.00	Aug ' 02	Mar ' 02
Ismawany Sdn Bhd	Asrama Sek Men (A) Durian, Guling, Marang	55,500.00	Aug ' 02	Sept ' 02
Bina Mexmark Sdn Bhd	Sek Men Asrama Munshi Abdullah, Sungai Air Tawar, Sabak Bernam	69,000.00	Aug ' 02	Sept ' 02
Ikmal Hakimi Ibrahim Sdn Bhd	Asrama Sek Men Keb Kompleks Mengabang Telipot, Kuala Terengganu	63,000.00	Aug ' 02	Sept ' 02
Zainal @ Shariff Ibrahim Sdn Bhd	Sek Men Keb Belara, Kuala Terengganu	80,000.00	Oct ' 02	Oct ' 02
Kwang Chin Marketing Sdn Bhd	SM Agama (lelaki) Maahad Muhammadi, Padang Garong, Jalan Pengkalan Chepa, Kota Bharu	72,000.00	Oct ' 02	Oct ' 02
TH Technologies Sdn Bhd	Pusat Latihan Gabungan Pasukan Tempur (PLGPT) Tentera Darat, Fasa 11 di Gemas, Negeri Sembilan(mindef)	95,004.16	Nov ' 02	Feb ' 02
Lam Ho Enterprise Sdn Bhd	2 Blok Tambahan & dewan Perhimpunana di SK Seberang Ramai, Kuala Perlis, Perlis	54,000.00	Dec ' 02	Mar ' 02
Shahlam Bina S/B	Cadangan Membina & Menyiapkan 2 Blok Asrama Dan 1 Blok Dewan Makan Di Sek. Men. Syed Ahmad, Tambun Tulang, Perlis.	54,000.00	March ' 03	April ' 02
SKE Enterprise	MCKK Kuala Kangsar Perak	80,000.00	April ' 03	Sept ' 02
Point Mission Sdn. Bhd.	Projek SMK Tengku Lela Segara, Marang	63,000.00	April ' 03	April ' 03
SatriaDesa Corporation S/B	Asrama SMK Sri Lipis, Pahang	78,600.00	May ' 03	May ' 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
CORPORATE CUSTOMERS (Cont'd)				
HI-KLEEN SYSTEM				
Pembinaan Dollah Awang	Hospital Gua Musang	587,840.00	Nov ' 00	Jan ' 01
Teliti Permai (M) Sdn Bhd	Bangunan Kompleks Pejabat Perbadanan Kemajuan Negeri Perak Di Taman Meru, Mukim Ulu Kinta, Perak	263,500.00	Nov ' 00	Mar ' 01
Syarikat Jaya Bina Enterprise	Sek Men Jerek, Daerah Bertam Mukim Ulu Nenggeri, Kelantan	268,889.91	Dec ' 00	Feb ' 01
Target Resouces Sdn Bhd	Aircraft Hanger at Pangkalan TUDM Labuan, Wilayah Persekutuan Labuan	350,000.00	Feb ' 01	Mar ' 01
Kubang Batang Puspasari	Sultan Ismail Petra Airport, pengkalan Chepa, Kota Bharu, Kelantan	570,000.00	April ' 01	Nov ' 01
Hashim Hamid (Perlis) Sdn Bhd (Teras Maju Bahan Binaan Sdn Bhd)	Sek Keb Kepala Batas, Seberang Perai Utara, Pulau Pinang	570,570.62	April ' 01	May ' 01
Gading Tulin Sdn.Bhd	Kompleks Perlancongan Di Perkampungan Nelayan Tanjung Balau, Kota Tinggi, Johor	300,000.00	May ' 01	June ' 01
HLM Sdn Bhd	Sek Men Keb Agama Jempol, Daerah Jempol, Negeri Sembilan	290,000.00	May ' 01	June ' 01
Samado Sdn Bhd	Projek Sek Men Keb Luar Bandar, Sibul, Lot 592, Blok 27, Pasai Siong Land District, Sibul, Sarawak	310,000.00	June ' 01	Jan ' 02
Encorp Construct Sdn Bhd	Sek Men Lunas, Kulim, Kedah	285,189.45	July ' 01	July ' 01
Pembinaan Din Ibrahim	Cad. Sek. Men. Keb. Ubai, Pckan Pahang Darul Makmur.	303,000.00	July ' 01	Aug ' 01
Bahagia Earthworks Sdn Bhd	Perumahan PDRM 236 Unit Di KM 4 1/2, Jalan Jamaluan, Mersing, Johor	345,000.00	July ' 01	Aug ' 01
Majutera Sdn.Bhd	Sek. Men. Kebangsaan Agama Gopeng, Perak	340,000.00	Sept ' 01	Sept ' 01
Javel Engineering	Sek. Men. Keb. (A) Gombak	322,010.00	Nov ' 01	Nov ' 02
RME Sdn Bhd	Sek Men Keb (Agama) Batu Rakit, K.Trng	320,000.00	Feb ' 02	June ' 02
Muhibbah Engineering (M) Bhd	Kem Gerak Khas, Fasa 1, Mersing Johor	332,580.00	April ' 02	Mar ' 03
Muhibbah Engineering (M) Bhd	Kem Gerak Khas, Fasa 1, Mersing Johor	627,900.00	April ' 02	Mar ' 03
AKN Construction (M) Sdn Bhd	Kuarters Hospital Kota Bharu	320,000.00	May ' 02	Mar ' 03
Ekran Bhd	Miri Airport	255,941.87	July ' 02	Nov ' 02
TH Technologies Sdn Bhd	Hospital Sungai Petani	874,261.44	July ' 02	Nov ' 02
Trawide Construction Sdn Bhd	MRSM Kota Putra, Besut, Terengganu	290,000.00	Sept ' 02	Oct ' 02
Lam Ho Enterprise Sdn Bhd	6 blok perumahan Rakyat bersepadu Negeri Kedah, Kuah, Langkawi	550,000.00	Oct ' 02	Feb ' 02
TH Technologies Sdn Bhd	Pusat Latihan Gabungan Pasukan Tempur Tentera Darat, Fasa 11 di Gemas, Negeri Sembilan	308,687.93	Nov ' 02	Mar ' 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract	Total contract value (RM)	Date of commencement	Date of completion
CORPORATE CUSTOMERS (Cont'd)				
HI-KLEEN SYSTEM				
DSE Construction Sdn. Bhd	Projek INTIM, Kemaman, Terengganu	285,000.00	Jan ' 03	Feb ' 03
Syarikat Cinta Bina S/B	SMK Kubang Telaga, Bachok, Kelantan	270,000.00	March ' 03	April ' 03

The table below highlights some of the Group's new major orders from the government and corporate customers as follows:

Client	Nature of Contract (Address)	Total contract value per P.O/R.O (RM)	Date of Order
GOVERNMENT CUSTOMERS			
SUPER SEPT			
Lembaga Kemajuan Wilayah Kedah (KEDA)	Penempatan PPRT KEDA Kg Wang Topus, Kubang Pasu, Kedah	140,337.00	May' 03
JKR Kubang Pasu	Kuarters Kakitangan stesen Kawalan Sempadan Bukit Kayu Hitam, Kedah (JPJ)	40,417.08	May' 03
JKR Tampin	Sek Men Keb Tunku Abdul Rahman, Gemas	3,368.09	May' 03
JKR Kota Tinggi	Surau Asrama Bandar Tenggara 2, Kota Tinggi	3,368.09	May' 03
SATS SYSTEMS			
JKR Melaka Tengah	Pusat Jagaan warga Tua, Bukit Baru	23,751.04	Feb' 03
JKR Jerantut	Blok Tambahan Sek Keb Damak, Jerantut	47,502.08	Feb' 03
JKR Daerah Port Dickson	Kuarters Guru Kelas 'F' Di Sek. Ren. Keb. Jimah Baru, Port Dickson, Negeri Sembilan	23,751.04	Feb' 03
JKR Johor Bahru	Sek. Keb. Temenggong Abdul Rahman 1, Johor Bahru.	95,004.16	Mar' 03
JKR Kluang	Klinik Desa (KD2) Batu 3½, Paloh, Kluang, Johor	23,751.04	April ' 03
JKR Kluang	Klinik Desa (KD2) Felda Air Hitam, Kluang, Johor	23,751.04	April ' 03
JKR Seremban	Tapak Projek Bangunan Asrama Di Sekolah Mencengah Tunku Ampuan Najihah, Seremban	71,253.12	April ' 03
JKR Kuala Pilah	Klinik Desa Jenis 2G di Tanjung Ipoh, Kuala Pilah	23,751.04	April ' 03
JKR Pontian	Klinik 2G Sanglang, Pontian, Johor	23,751.04	May' 03
JKR Pontian	Klinik 2G Sg Boh, Pontian	23,751.04	May' 03
JKR Pontian	Klinik 2G Parit Hj. Omar, Pontian	23,751.04	May' 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract (Address)	Total contract value per P.O/R.O (RM)	Date of Order
GOVERNMENT CUSTOMERS (Cont'd)			
SATS SYSTEMS			
JKR Pontian	Klinik 2G parit Kahar, Pontian	23,751.04	May' 03
JKR Bachok, Kelantan	Ibu pejabat & Kuarters JKR Bachok, Bachok Kelantan	47,502.08	May' 03
JKR Gua Musang	Asrama Sek Keb Sungai Terah, Gua Musang, Kelantan	95,004.16	May' 03
JKR Kemaman	Kuarters guru SK Kg Baru, Kerteh, Kemaman	71,253.12	May' 03
HI-KLEEN SYSTEM			
JKR Kinta	Kompleks Mahkamah Syariah Perak	130,372.32	July' 02
JKR Kota Tinggi	Asrama Pusat Bandar Tenggara 11, Kota Tinggi	130,372.32	Sept' 02
JKR Melaka	Ibu Pejabat Kontinjen Polis Bukit Katil, Melaka	403,339.37	Mar ' 03
JKR Setiu	Sek Men Keb Pelong, Setiu	171,273.44	April' 03
Kementerian Kesihatan Malaysia	Politeknik Kota Bharu Kelantan	738,137.40	May' 03
JKR Triang, Bera	Klinik Kesihatan Jenis 3, Purun, Bera, Pahang	108,643.60	May' 03
Kementerian Perumahan dan Kerajaan Tempatan	PAKK Bandar Satelit Senawang	697,875.36	May' 03
CORPORATE CUSTOMERS			
SUPER-SEPT SYSTEMS			
Wira Sidayah Enterprise	P.K.B.5, Jalan Binjal, Kampung Makpap, Mukim Binjal, Jitra	2,500.00	May' 03
K.T.Law & Associate S/B	Dewan Orang Ramai Di Kg Medan, Kuala Langat, Selangor	2,900.00	May' 03
Johore Pest Control & Contractor	Rumah Ladang Di Kahang, Kluang	10,800.00	May' 03
Kemudimas Property Sdn Bhd	Lot 46, No, 8 Jalan U9/18, Kayangan Heights Bukit Cahaya, Shah Alam, Selangor	3,400.00	June' 03
Pembinaan H.A.M	Bengkel motor di dalam kawasan penjara Marang, Terengganu	2,500.00	June' 03
IR. Zulkifli A Kahar	Surau Taman Sutera, Johor	2,500.00	June' 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract (Address)	Total contract value per P.O/R.O (RM)	Date of Order
CORPORATE CUSTOMERS (Cont'd)			
SATS SYSTEMS			
Ramli Construction Sdn Bhd	SM Tengku Mahkota Faris Petra Pengkalan Chepa, Kota Bharu, Kelantan	20,000.00	Dec' 02
Genggaman Erat Trading	Kompleks Perniagaan Pekan Rabu, Sungai Petani, Kedah	36,000.00	May' 03
Heng Yc Trading	Sg Selangor water supply scheme Phase 3	35,100.00	June' 03
HI-KLEEN SYSTEM			
Wismarin Sdn Bhd	Perumahan Lot 1109 Tempat Mata Ayer, Ngalang, Perlis	271,901.00	Dec' 01
Wismarin Sdn Bhd.	Perumahan Awam Lot 417 & 418 Tempat Kok mak, Padang Besar Titi Tinggi Perlis.	369,883.13	Dec' 01
Kenhoe Construction Works	Lot 94157.62 unit rumah guru Pasir Gudang, Johor	160,000.00	Oct' 02
Kenhoe Construction Works	38 unit rumah guru di Jalan Noja, Johor	105,000.00	Jan' 03
Pembinaan Jaya Zira Sdn.Bhd.	SMK Kg. Baru Si Rusa Port Dickson, Negeri Sembilan.	314,431.04	Mar' 03
MTD Const Sdn Bhd	Toll Plaza Chenor Projek Lebuh raya Pantai Timur fasa 1, Chenor, Maran	450,000.00	Mar' 03
MTD Const Sdn Bhd	Toll Plaza Chenor Projek Lebuh raya Pantai Timur fasa 1, Chenor, Maran	200,000.00	Mar' 03
Huzil Eng Sdn Bhd	Sek Men Keb Senaling, Kuala Pilah N Sembilan	243,200.00	April' 03
Gunung Medan Const Sdn Bhd	Pembangunan Perumahan Rakyat di atas tanah Kerajaan, Seks 1, Jalan Thamby kechil, Bagam Ajam Butterworth, Pulau Pinang	560,000.00	April' 03
Ilayana Sdn Bhd	ILP Nibong Tebal Seberang Perai Selatan	250,000.00	April' 03
M.D Construction Sdn Bhd	Pembinaan Sebuah Bangunan Pentadbiran baru di atas lot No 5, Periaran institut bangi. kajang (INSPEN MALAYSIA)	248,522.24	May' 03
Yiak's Enterprise	Sek Men Keb Bekenu, Miri	135,000.00	May' 03
NAR Development S/b	Balai Bomba at Muara Tabuan, Kuching, Sarawak	91,000.00	May' 03
Digital Builders Sdn Bhd	Hospital Kuala Lipis, Pahang	123,853.70	May' 03
Karib Scrsasi (m) s/b	SK Panchor, Seremban	130,372.32	May' 03
Bumita Sdn Bhd	Sek Men Keb (A) Kubang Pasu, Jitra, Kedah	325,115.98	May' 03
Kwang Chin Marketing Sdn Bhd	Sek Men Keb Sering 11, Kota Bharu, Kelantan	120,000.00	June' 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of Contract (Address)	Total contract value per P.O/R.O (RM)	Date of Order
CORPORATE CUSTOMERS (Cont'd)			
TURNKEY PROJECTS			
Wismarin Sdn.Bhd.	Perumahan Lot 1109 Tempat Mata Ayer, Ngalang, Perlis	271,901.00	Dec'01
Wismarin Sdn.Bhd.	Perumahan Awam Lot 417 & 418 Tempat Kok mak, Padang Besar Titi Tinggi Perlis.	369,883.13	Dec' 01
Pembinaan Jaya Zira Sdn.Bhd.	SMK Kg. Baru Si Rusa Port Dickson, Negeri Sembilan.	314,431.04	Mar' 03
M.D Construction Sdn Bhd	Pembinaan Sebuah Bangunan Pentadbiran baru di atas lot No 5, Periaran Institut bangi. kajang (INSPEN MALAYSIA)	248,522.24	May' 03
Encorp Construction Sdn Bhd	Sek.Men Sri Bentong	248,522.24	Feb' 01
TH Technologies Sdn Bhd	Hospital Sungai Petani	874,261.44	July' 02
TH Technologies Sdn Bhd	Pusat latihan gabungan Pasukan Tempur (PLGPT) Tentera Darat, Fasa 11 di Gemas Negeri Sembilan	308,687.93	Nov' 02
Casavest (M) Sdn Bhd	Sek Men keb PPR Lembah Subang	200,000.00	May' 03

Some of the Group's customers for maintenance works are as follows:-

Client	Nature of contract	Total contract value RM	Date of commencement	Date of completion
CORPORATE CUSTOMERS FOR MAINTENANCE CONTRACT FOR "HI KLEEN SYSTEMS" (each branch)				
BRANCH:-				
KEDAH				
Kecindahan Sdn Bhd	Pusat latihan Teknologi Tinggi (ADTEC) Kulim	4,664.88	1 Apr 03	31 Mar 04
PERLIS				
Jabatan Kastam & Eksais	Kompleks kastam Kuala Perlis	7,334.40	1 Mar 03	28 Feb 04
PENANG				
Soon Soon Oilmills Sdn Bhd	Plot 97, Lrg P'haan 2, Seberang prai	4,500.00	1 Feb 03	31 Jan 04
PERAK				
Universiti Teknologi MARA (UiTM)	Kampus UiTM, Lot 605, Bandar baru Sri Iskandar Mkm Bota, Daerah Perak	20,400.00	1 Jan 03	31 Dec 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of contract	Total contract value RM	Date of commencement	Date of completion
CORPORATE CUSTOMERS FOR MAINTENANCE CONTRACT FOR "HI KLEEN SYSTEMS" (each branch)				
MELAKA / NEGERI SEMBILAN				
Dorma Production (M) Sdn Bhd	Dorma Products, Taman Perindustrian Cheng, Melaka	6,600.00	1 Jan 03	31 Dec 03
Konsortium PPHM-ASSB	Pusat Latihan Asas Darat, PUSPADA Port Dickson	40,800.00	1 Nov 02	30 Oct 03
KUALA LUMPUR/ SELANGOR				
Indah Water Konsortium Sdn Bhd	40 different plants (Kuala Lumpur area)	101,025.00	15 Mar 03	14 June 03
Tenaga Nasional Berhad	Pusat Penyelidikan & pembangunan Dengkil (TNB) No.1 Lrg Air Hitam Bangi	7,524.00	1 May 02	30 Apr 05
JOHOR				
Ambang Wira Sdn Bhd	CIQ Complex Gelang patah, Kompleks Sultan Abu Bakar (PS)	18,000.00	1 Jan 03	31 Dec 03
PAHANG				
IZA Construction Sdn Bhd	Pusat Remote Sensing, Temerloh	3,000.00	1 Nov 02	31 Oct 03
TERENGGANU				
Pangkalan Bekalan Kemaman Sdn Bhd	Kemaman Supply Base	14,400.00	1 Apr 03	30 Mar 05
KELANTAN				
Wisma Embun Sdn Bhd	Basement, Wisma Abrar International, Jln. Kebun Sultan, Kota Bharu	3,192.00	1 Feb 02	31 Jan 04
SARAWAK				
Malaysian Assurance Alliance Bhd (MAA)	MAA Building , Kuching	2,450.00	1 Oct 02	1 Sept 03
CORPORATE CUSTOMERS FOR MAINTENANCE CONTRACT FOR "SATS SYSTEMS" (each branch)				
BRANCH:-				
KEDAH				
Tanjung Rhu Resort	Tanjung Rhu Resort, Mukim Ayer Hangat, Langkawi	9,300.00	1 Dec 02	30 Nov 03
PENANG				
Phoenix Press Sdn Bhd	No. 2509 Jalan Perusahaan Baru, Prai Industrial Estate	3,000.00	1 Aug 02	31 Jul 03
PERAK				
Jabatan Ukur & Pemetaan Perak	Jabatan Ukur & Pemetaan Perak, Jln Dato' Seri Ahmad Said, Ipoh	1,400.00	1 Sept 02	31 Aug 03

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Client	Nature of contract	Total contract value RM	Date of commencement	Date of completion
CORPORATE CUSTOMERS FOR MAINTENANCE CONTRACT FOR "SATS SYSTEMS" (each branch)				
MELAKA/NEGERI SEMBILAN				
TKR Manufacturing (Malaysia) Sdn Bhd	TKR Lot 11, Kaw Perindustrian Tangga Batu	11,200.00	1 Apr 03	31 Mar 04
KUALA LUMPUR/ SELANGOR				
Tailsu Electronics (M) Sdn Bhd	Kaw Perindustrian Bkt Serdang, Seri Kembangan	2,500.00	1 Sept 99	31 Aug 03
TERENGGANU				
Tandas Awam Tasik Kenyir Hulu Terengganu	Tandas Awam Tasik Kenyir Hulu Terengganu	1,140.00	1 Apr 03	30 Mac 04
KELANTAN				
Koperasi Majlis Guru Agama Berhad	Bangunan Koperasi Majlis Guru Agama Menengah Kelantan Berhad	7,200.00	Aug 02	Jul 04
SARAWAK				
Kompleks Mahkamah Petra Jaya Kuching	Kompleks Mahkamah Petra Jaya Kuching	4,800.00	1 Mar 03	31 Mar 04

4.5.4 Source And Availability Of Raw Materials

The principal raw materials used by the Group in the production of the STP and UST are fibreglass and resin. The three types of fibreglass used in the production process are imported mostly from Japan and are in the form of roving strand, woven roving and chopped strand mat. Presently, the PJSB Group purchases fibreglass from FRP Services (Asia) Pte Ltd and Composite Materials Supply Pte Ltd, Singapore, which are appointed agents of the manufacture of fibreglass from Japan. The supply of fibreglass from Japan represents approximately 95% of the PJSB Group total supply of fibreglass in the financial year ended 31 December 2002. The polyester resin, catalyst and acetone are locally sourced. Tests are conducted either at the goods received section or at independent laboratories in order to ensure that the raw materials meet the technical specifications of the manufacturers. As the fibreglass used in the production is not manufactured locally, the Group is able to obtain duty exemption on these fibreglass.

The breakdown of the raw materials and M&E accessories used in the production of various types of the Group's products are as follows: -

Products	Components			
	Fibreglass %	Resin %	M&E %	Others* %
Super-Sept	45	46	-	9
SATS	43	44	7	6
III-KLEEN	43	31	24	2
III-KLEEN Petrotank or UST	39	30	26	5

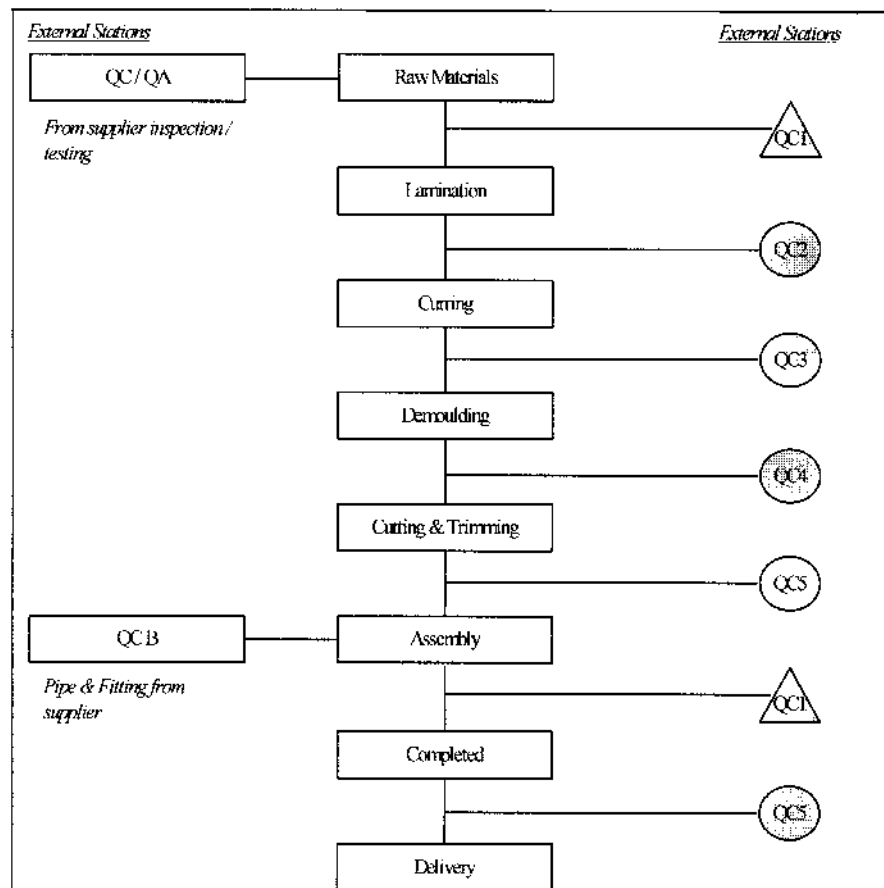
* Others include pipes, air diffusers, acetone etc.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

The material inventory level in the factory is kept at a minimum of two weeks consumption at all times. The accessories procurement approach varies from just in time for standard off the shelf items and advance purchase for items that are imported.

4.5.5 Quality Control ("QC") Procedures

PJSB has incorporated quality control into their manufacturing operations. QC on raw materials is conducted either at the goods receiving department or at independent laboratories. This is to ensure that the incoming materials meet the technical specifications of manufacturers. The R&D team is also closely involved in the QC process, where feedback from the QC team is incorporated into their product development process. Factory visits are conducted to perform checks on the production QC procedure and required changes examined as part of the Group's R&D initiatives. The manufacturing process quality control flowchart is as follows:



4. INFORMATION ON THE PJSB GROUP (Cont'd)

4.5.6 R&D

The PJSB Group has set into place an R&D department which is headed by Mr. Paramasivam s/o Perianan, who is the Head of the Technical Department, PJSS. He has over 10 years of experience with PJSB involving in design, maintenance and construction of FRP and RC plants. Please refer to Section 5.5.2 for his profile.

The R&D section consists of three teams headed by three personnel from process, production and UST divisions. The main objectives of the R&D teams are to upgrade and improve the quality of the existing products to sustain in the competitive market as well as to design and introduce new products for the future market. The team is currently working on upgrading the STP products of the Group, by changing the components of the plants. In addition, research is being conducted on double-wall UST, which are safer and of better quality.

The team conducts monthly technical committee meeting to upgrade the product to meet the regulatory and site requirements. The technical committee meetings are chaired and attend by Dato' Ch'ng Siok Eik, the Executive Director together with the Corporate and Finance division to act on the decision made by the respective authorities.

Monthly factory visits are also carried out by the Chief Operating Officer of PJSS together with the team leader to check the production QC procedures and to discuss on required changes as part of the Group's R&D initiatives.

PJSB Group has todate spent approximately RM3.8 million in R&D and is allocating approximately RM500,000 towards R&D for the forecast year 2003.

Examples of PJSB's commitment to R&D are as follows:

- (i) In 1995, PJSB signed a Memorandum of Understanding with Universiti Sains Malaysia to design a treatment process system that suits the local climate and environment condition. The project was completed in 1998 for a cost of RM103,500. The finding was adopted by PJSB on most of their projects, until the authorities such as IWK and JPP standardized all the design for treatment process in 1998.
- (ii) In 1996, the management of the Group appointed Beckwith Technology Group, USA as a consultant for composite and filament winding technology. Presently, PJSB is in the process of working to renew the certification for the Underground Storage Tank from Underwriters Laboratories Inc. ("UL"), which is one of the international standards that are adhered to in determining the quality of the tanks. UL standards require samples to be sent annually to their laboratories in USA for testing to ensure that the quality of the tanks is maintained. Beckwith Technology Group, acting as a consultant to the Group, will be assisting on the manufacturing process and liaising with UL on the testing.
- (iii) The Group has purchased a pultrusion and 4 axial filament winding machine for testing new products such as panels, poles and natural gas vehicle ("NGV") and compressed natural gas ("CNG") gas tanks.

4. INFORMATION ON THE PJSB GROUP (Cont'd)**4.5.7 Employees**

As at 31 May 2003, the total number of employees of the PJSB Group is 504 persons as illustrated below:

Category	No. of Employees	Average Years In Service
Managerial and Professional	49	7 years
Technical and Supervisory	242	7 years
Clerical and related occupations (e.g. clerks, typist, stenographers, personal secretaries, etc)	117	7 years
Factory workers:		
(a) Skilled	78	9 years
(b) Unskilled	18	1 years
TOTAL	504	

The management of the Group is of the opinion that its dedicated, efficient and trained employees are instrumental to its success. The management of the Group enjoys a good working relationship with the employees. All employees of the Group are not members of any unions. As of 31 May 2003, the Group has not been involved with any material industrial disputes with any of its employees.

In order to ensure all level of staffs are properly trained, PJSB takes training and staff development seriously. The following key personnel were sent for overseas and local seminars on various courses relevant to the industry as follows:

Key personnel	Position	Courses attended	Year
Ng Cheng Lim	Chief Operating Officer of JFI	Filament winding technique in USA	2002
Mohd Rosli bin Ashaari	Deputy General Manager, Production of JFI		2002
Yusdi Madeonus bin Dato' Haji Yunus	Chief Operating Officer of PJSS		2000
Zanzuri bin Othman	Chief Operating Officer of PISB	Reinforced plastics materials and fabrication techniques in Malaysia	2000
Yusdi Madconus bin Dato' Haji Yunus	Chief Operating Officer of PJSS		2000

The Group sent 40 factory personnel to Japan in 1992 for a 6-month period at the Yamasho Sangyo factory in Japan prior to the commencement of the HI-KLEEN production. While there, the team successfully made modifications to the original designs in order to suit the requirements of the Malaysian authorities. Attendances at these technical seminars were intended to keep the personnel abreast with new technology and development of FRP products. From time to time, the Group also send its employees to attend internal and external training programs, seminars and conferences relevant to their work.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

Training courses such as professional selling skills, optimising right policies and brainstorming session, membrane technology for water and wastewater treatment and construction for joint ventures were held for the some of the staffs in 2002. For year 2003, the planned training programmes include sewage management for sustainable development, credit management and faster debt collection strategies and strategic selling. As for JFI, the contribution to Human Resources Development Fund will be utilised to organise training to improve skills and all level of staff are required to be trained in respect of their roles and functions. In addition, the management of PJSB also provides informal training to all staff to upgrade their skills and expertise.

4.5.8 Interruptions In The Business During The Past Twelve Months

Since 22 August 2002, PJSB had ceased to supply to Petronas Dagangan Berhad job orders under the contract for the design, fabrication, delivery, installation, testing, commissioning and calibration of 6,000 imperial gallon single wall fibreglass UST (i.e HI-KLEEN petrotank) pending the issuance of the UL certification to the PJSB Group by Underwriters Laboratory, a USA-based company. UL certification is one of the international standards that are adhered to in determining the quality of the UST tanks. As mentioned in Section 4.5.1 above, PJSB is in the process of certifying its UST to the requirement of both the USA-based UL and the ASTM standard.

Save for the above, there has never been any other interruption in the form of trade disputes or operational breakdown occurring within and outside the Group that may significantly impair the Group's business performance during the past twelve months.

4.5.9 Key Achievement Of The Group

The strong commitment and effort of its key personnel has placed the Group on a stronger footing to compete effectively in the market today. The trade names of SUPERSEPT, SATS, HI-KLEEN and HI-KLEEN Petrotank are easily recognisable while the image of the Group, as a total solution provider for sewage treatment, is widely known among the consultants, property developers and approving authorities. In recognition for outstanding achievements in the industry, the Group won several awards and secured the Government Central Contract as the sole supplier of STP to the Malaysian Government since 1993.

In 1993, PJSB won an award for aggressive spending on R&D activities by the Government of Malaysia. The success of the SKSP project has won the Group an award for Excellent Performance from the Bank Pembangunan dan Industri Malaysia Berhad in 1994. The SKSP project was launched in 1992 in Wang Tepus, Kubang Pasu district whereby a total of 55 workshops were created with more 163 villagers from various sub-districts participated in the SKSP project. The main objectives of these workshops were to serve as a technology transfer centre and to transform some of the labour intensive manufacturing activities such as the hand lay up method from fixed labour costs to variable labour costs. At the same time, the Company was able to train and develop trainers, skilled workers, vendors and entrepreneurs among the participating villagers. The transfer of technology not only allowed the participants to earn additional income but also benefited the Group in the form of improved cost controls.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

4.5.10 Production Facilities

Property And Location

Production facilities are located at the new factory at Kawasan Perusahaan Sungai Petani, Sg. Petani, Kedah and at a rented factory in Sejingkat Industrial Park, Kuching, Sarawak. The new factory in Sg. Petani is equipped to perform all the labour and capital intensive manufacturing activities and has sufficient space to store both the raw materials and finished products.

The rented Kuching factory is mainly to cater for the production in East Malaysia market, whereby its first major project is to supply the STP for UNIMAS.

Details of the factory building and production facilities of the Group are as follows:

Registered Owner	Location	Description	Total land / Built-up area	Book value (RM million)	Encumbrances
PJSB	Plot 2, 3 & 4, Jalan PKNK Utama, Kawasan Perusahaan Sungai Petani, Kedah	Factory building	14.246 acres / 6,689 sq.m.	10.426	Bank Utama (M) Sdn Bhd
JFI	Plot 1, Jalan PKNK Utama, Kawasan Perusahaan Sungai Petani, Kedah	Production facility & administrative building.	11.4 acres / 9,476 sq.m.	15.278	Bank Pembangunan dan Industri Malaysia Berhad

In conjunction with the launch of the SKSP project in 1992, the sub-district of Wang Tepus, Kubang Pasu, in Kedah was selected as the collection and production control centre to administer an area covering a radius of 28 kilometers. The distance between JFI's factory in Sungai Petani and the control centre is about 85 kilometers.

The decision to transfer some of the labour intensive manufacturing activities to the Kubang Pasu district was based on economic and social reasons. JFI is able to transform the low technology hand lay up method from a fixed to variable cost thus eliminating idle capacity and bringing down total direct and indirect production cost. The participating villagers are paid for their effort according to piecemeal basis. At the same time, the Government's objective of eradicating rural poverty and the Group's initiative to train and develop trainers, skilled workers, vendors and entrepreneurs among the participants were met.

Details On Machinery And Equipment

The list of principal machinery and equipment at the factory in Sungai Petani is given below: -

Description	Quantity	Year of Purchase	Cost per unit (RM)	Depreciation p.a. (%)
Filament winding machine	3	1994 & 1998	1,390,000	10
Assorted equipments	Various	1994 to 1999	548,000	10
Moulds	Various	1994 to 1999	360,000	10

4. INFORMATION ON THE PJSB GROUP (Cont'd)

4.5.11 Manufacturing Process***Contact Moulding or Hand Lay Up method***

The labour intensive method is employed to produce all the structural components and the body parts of the SUPER SEPT and SATS models. Capital investment is low because 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.

The process involves directly placing layer after layer of pre-cut fibreglass mats on the mould surface up to the desired thickness. In between each layer, resin is applied using wool roller to create a homogenous panel. Speed is essential because the resin should not be allowed to dry as the adhesive properties will fade.

Before starting, a demoulding or release agent is applied on the mould surface. This is necessary to facilitate easy removal of the fabricated part from the mould. Pure resin mixed with a curative agent is applied directly to the mould surface before the first layer of fibreglass mat is placed. Subsequent layer is only added after it is determined that the present layers are satisfactorily wet and no air bubbles are present. Air bubbles are removed using the hair roller.

After completion of the bonding process, the fabricated part is left with the mould to cure under room temperature or direct sunlight. The curing period usually takes between 1 and 1 ½ hours depending on the size and thickness of the fabricated part. After curing is completed, the fabricated part is removed from the mould and placed at a suitable storing space awaiting trimming and assembly. The SKSP project employs this method.

Filament Winding method

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

A special polyester film acting as a demoulding agent is wrapped around the mandrel surface before the first layer of fibre strand is wound and wetted simultaneously. The process involves a continuous feeding of fibre strand on to a revolving mandrel at a precise angle. The controlled tension and bandwidth of the material match a prescribed direction of stress in the wound structure. The result is a consistent compliance to design specifications.

After the bonding process is completed, the fabricated part is left on the mandrel that continues to revolve at a slower speed to allow for curing at room temperature. The curing period is around 3 hours before being demoulded and assembled.

Assembly

Production is completed in the factory via the process of trimming and bonding the parts and components produced earlier. The finished products are quality tested by the QC team before delivery.

4. INFORMATION ON THE PJSB GROUP (Cont'd)

4.5.12 Market Conditions

The Group's products are one of the components of the construction and building industry, which its market resides. Without STPs, local authorities would not issue the certificate of fitness for a building or property. The issuance of the certificate of fitness depends among others on the successful testing and commissioning of the building or property's STP.

To manage the exposure to the construction and building industry and minimise reliance on a single market sector, the Group has adopted a strategy to market to both the private and public sector. The inverse demand pattern of these two markets provides the Group a tool to protect it from cyclical downturns, characteristic of the construction and building industry. In times of economic crisis, the private sector market is most vulnerable to decline, whereas the Government would embark on a fiscal expansionary policy to stimulate the economy. The stimulus package often includes various infrastructure development programmes throughout the country as observed in the last financial crisis. The Group has shown the ability to switch the marketing efforts from the private to public sector in the last economic crisis.

Another effort by the Group to overcome the dependence on the building and construction industry is to diversify and expand into other industries and new products and services.

4.5.13 Customers Spread

PJSB is not dependent on a single or limited customers for its business. This is due to the conscious effort of applying its market strategy and nature of the industry. The Group has a wide clientele base, a list of its top ten (10) customers based on the length of relationships and value of transactions over the past few years with the PJSB Group are as provided below:-

Customers	Years of relationships
1. Government of Malaysia (through the Central Contract as described in Section 4.11(e) of this prospectus)	Since 1993
2. Universities – UUM, UPM, UIA, Unimas and UPSI	Since 1989
3. Malaysia Industrial Estates Limited ("MIEL")	Since 1991
4. Lembaga Urusan Tabung Haji (through TH Technologies Sdn Bhd and Tabung Haji Universal Builder Sdn Bhd)	Since 1994
5. Putrajaya Holdings Sdn Bhd	Since 1997
6. PLUS Expressway Berhad	Since 1994
7. Petronas Dagangan Berhad ("PDB")*	Since 1995
8. Urban Development Authority	Since 1992
9. Dewan Perniagaan Melayu Malaysia	Since 1999
10. Various State Economic Development Corporations	Since 1989

*Since 22 August 2002, PJSB had ceased to supply to PDB all job orders of the Group's UST pending the renewal of the UL certification to the Group.

4.5.14 Competitive Conditions

A pioneer in the manufacture of prefabricated FRP STP, the Group has always met challenges directly and has established itself in the industry. The Group was the first to develop a nationwide branch network to promote and sell the Group's products and provide after sales services. This includes the operations and maintenance of the systems at customers' installations.