

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES

The Group is led by strong and committed promoters, directors and management with extensive experience in the ceramic industry.

5.1 Promoters

The promoters of APPI are its founders, Ow Hang Sen and Cheah Sun Chuang who started the APPI. Information on the promoter is set out in Section 5.2 below.

None of the promoters has any directorships or major shareholdings in other public corporations for the past two (2) years prior to the date of this Prospectus.

5.2 Substantial Shareholders

- (i) The substantial shareholders (with 5% or more shareholding, directly or indirectly) of APPI upon the completion of the Offer For Sale and Public Issue are as follows:-

Substantial shareholders	Designation	Nationality	After the Offer For Sale and Public Issue			
			Direct No of Shares	%	Indirect No of Shares	%
Ow Hang Sen	Managing Director	Malaysian	17,940,260	22.43	1,251,573 *	1.57
Cheah Sun Chuang	Executive Director	Malaysian	15,691,813	19.61	2,137,005 **	2.67
Shaharudin bin Yacub	Shareholder	Malaysian	7,845,885	9.81	-	-
Dato' Nik Abdul Aziz bin Mohamed Kamil	Shareholder	Malaysian	5,884,413	7.36	-	-

* Deemed interest by virtue of his spouse direct shareholdings in APPI

** Deemed interest by virtue of his brother direct shareholdings in APPI and his shareholdings of more than 15% in Intraco Holdings Sdn Bhd, a body corporate holding shares in APPI

- (ii) None of the substantial shareholders has any directorships or major shareholdings in other public corporations for the past two (2) years prior to the date of this Prospectus.
- (iii) The profiles of Ow Hang Sen and Cheah Sun Chuang are disclosed in Section 5.4 of the Prospectus. The profiles of Shaharudin bin Yacub and Dato' Nik Abdul Aziz bin Mohamed Kamil are detailed below:-

Shaharudin bin Yacub

Shaharudin Bin Yacub, aged 50 graduated from the Marine Institute St John's Newfoundland, Canada in Diploma in Nautical Science (Merchant Marine) – Colombo Plan Scholar. He then obtained his Master Mariner Certificate of Competence in 1980. Subsequently in 1988, he obtained his Diploma in Safety Management from British Safety Council. From 1982 to 1996, he served Petronas Nasional Berhad. He joined Agihan Murni (M) Sdn Bhd since 1997 and is currently the Managing Director of the company. He has no directorship or major shareholdings in other public listed companies for the past two (2) years.

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5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Dato' Nik Abdul Aziz bin Mohamed Kamil

Dato' Nik Abdul Aziz Bin Mohamed Kamil, aged 58 graduated with a Bachelor of Arts from University of Malaya in 1966. He further obtained a Diploma in Personnel management from Middlesex University, Hendon, UK in 1968, a Master in Management from Asian Institute of Management, Philippines in 1975. In 1990, he qualified from Senior Executive Programme from London Business School, UK. He has many years of experience in the Oil and Gas Industry. He was the Personnel & Administration Manager from 1984 to 1986 in MLNG Sdn Bhd Later he assumed the post as Senior General Manager of Human Resource Division from 1997 to 1996. He was promoted to Managing Director from 1996 to 1997 in Petronas Management Training Sdn. Bhd.. Currently, he is the Chairman/Chief Operating Officer of NA & Associates Sdn Bhd. Dato' Nik Abdul Aziz Bin Mohamed Kamil has no directorship or major shareholdings in other public listed companies for the past two (2) years

5.3 Changes in Substantial Shareholders and Shareholdings for the Past Three (3) Years

Save as disclosed in the Section 4 of Prospectus for Shares issued for the Acquisitions, Rights Issue and the subscribers shares allotted as follows, there are no changes to the shareholders and shareholdings of APPI since its date of incorporation :

Name	Date of allotment	No of Shares allotted/ acquired	Accumulated number of Shares held	%
Ang Kar Boo	3 February 2000	1*	1*	*
Lim Jong Sun	3 February 2000	1*	1*	*
Ow Hang Sen	27 May 2003	19,297,282	19,297,282	26.88
Cheah Sun Chuang	27 May 2003	16,878,760	16,878,760	23.51
Shaharudin bin Yacub	27 May 2003	8,439,356	8,439,357	11.75
Dato' Nik Abdul Aziz bin Mohamed Kamil	27 May 2003	6,329,518	6,329,517	8.82
Ow Hang Sen	20 June 2003	1,008,135	20,305,417	53.75
Cheah Sun Chuang	20 June 2003	881,786	17,760,546	47.02
Shaharudin bin Yacub	20 June 2003	440,892	8,880,248	23.51
Dato' Nik Abdul Aziz bin Mohamed Kamil	20 June 2003	330,669	6,660,187	17.63

* The Shares were only sub-divided on 14 June 2002

** less than 1%

Note: the above shareholdings exclude Offer For Sale, Public Issue and the pink form allocation pursuant to the IPO.

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5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

5.4 Board of Directors**(i) Profile**

TAN SRI DATO IR TALHA BIN HAJI MOHAMAD. HASHIM, aged 68, is appointed as the Chairman of the APPI Group on 28 May 2003. He graduated from Brighton Technical College, UK, with a Diploma in Civil Engineering in 1959. He became a Corporate Member of the Institution of Engineers Malaysia (MIEM) in 1964. In 1976, he obtained his Master in Management Degree (MM) from Asian Institute of Management, Philippines and became a Corporate Member of the Malaysian Institute of Management (MMIM) the same year. He is a Professional Engineer (PEng) registered with the Board of Engineers Malaysia since 1974 and his Corporate membership in the Institution of Engineers Malaysia was upgraded to Fellowship (FIEM) in 1979. In 1989 he obtained his Fellowship from the Institution of Civil Engineers UK (FICE) and also became a Chartered Engineer (CEng) registered with the Engineering Council UK. The Institution of Highways and Transportation UK made him a Fellow (FIHT) in 1990. He also became a member of the Association of Consulting Engineers Malaysia (MACEM) in 1990. Tan Sri Dato Ir Talha has over 40 years experience in the Civil Engineering field. He started his career as a Civil Engineer with the Public Works Department in 1959 and after holding various posts at District, State and Branch levels, he was appointed Director-General of Public Works Malaysia in December 1985. He retired from Government service in September 1990. Since his retirement from public service Tan Sri Dato Ir Talha has been actively involved in the private sector. He also holds shares in other private companies.

He is presently the chairman and director in many public listed and private limited companies, namely, Sapura Telecommunications Berhad, Sunway City Berhad, Hume Industries (Malaysia) Berhad, Gamuda Berhad, PLUS Berhad, SHL Consolidated Berhad, Sepakat Setia Perunding Sdn Bhd and Biong Resources Sdn Bhd.

OW HANG SEN, aged 56, is appointed as the Managing Director of the APPI Group on 28 May 2003. Mr Ow completed a Modern Management program course from the National University of Singapore in 1991. Prior to joining the Company, he worked with Ceratek Pte Ltd as an Administrative Officer from 1968 to 1970. He was appointed as the General Manager of Aw Pottery Sdn Bhd from 1971 to 1978.

Mr. Ow is a person of vast business acumen in this line of mercantile engagement. He has been involved in all the basics and intricacies of pottery making and manufacturing for many years. He was also the Managing Director for over 10 years with his renowned family business popularly known as Aw Pottery.

Mr. Ow was highly instrumental in establishing a nation-wide network of outlets for the products manufactured by Aw Pottery and had since made it to be a household name within the domestic market. He established a new extension of the business in Penang in 1979 under the name Asian Pottery (Penang) Sdn Bhd and has held the appointment of Managing Director from the date of inception until today. Apart from that interest, Mr. Ow is also holding the appointment of Executive Director with APC.

Mr. Ow has not only been involved in the management of ceramics industries

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

for over 24 years but he has also amassed bountiful and overall knowledge and expertise in all strata and intricacies of ceramics and pottery manufacturing concepts. His expertise and prowess in ceramics manufacturing was acquired through years of hard work and sheer determination. Mr. Ow has virtually built his career and professionalism in the ceramic and pottery industry.

CHEAH SUN CHUANG, aged 57, who is one of the founder of APP was appointed as the Executive Director of APPI Group on 28 May 2003. Mr. Cheah is a person with vast business achievements and has personally acquired many years of experience in the area of commerce and industries. He is presently the Managing Director of Intraco Hardware (M) Sdn Bhd, a company that he set up since 1979 and is now one of the key distributors of building material products. He joined APP in 1979 and is currently the Executive Director for both APP and APC. Mr Cheah has also established a few other companies engaged in different businesses such as ACC Ceramics Sdn Bhd, a major representative of a few cement manufacturers in Malaysia and Agihan Murni (M) Sdn Bhd, a company involved in manufacturing and supplying of oil and gas pipes, high pressure valves and etc.

Mr. Cheah has maintained track records of being a very resourceful and compatible partner in business. He is primarily charged with overseeing the administration and distribution operations of the Company. His diligent integration into the commercial and business field has reflected in the many success of companies under his stewardship.

LEONG LIN, aged 54, was appointed as the Executive Director of APPI Group on 28 May 2003. She is also the Marketing Director of APP since 1992 and the Executive Director of APM since July 1997. She completed Modern Management Program course from the National University of Singapore in 1991. From 1968 to 1972, she worked with Fung Keong Rubber Manufacturing Sdn Bhd, holding various positions. In 1972, she joined Aw Pottery Trading Sdn Bhd as their Administrative Officer, responsible for day-to-day management of the business operations. From 1979 onwards, she joined APM as the Sales and Marketing Executive, where she was responsible for growing the domestic market from RM50,000 of sales to its current sales of more than RM2 million. She was promoted to Marketing Director of APP in 1992, a position which she holds until today. She has 23 years of experience with the APPI Group.

ANG KAR BOO, aged 30, was appointed as the Non-Executive Director of APPI Group on 3 February 2000. He is also the Financial Analyst of APP. Mr. Ang obtained a Bachelor of Arts (Hons) in Information Management and Finance from the University of Westminster, UK in 1996. He then returned to Malaysia and began his career as an Audit Assistant in Messrs Wong, Liu & Partners. He joined APP in 1998 as a Finance Officer. He has 5 years of experience with the APPI Group.

LIM JONG SUN, aged 54, was appointed as the Non-Executive Director of APPI Group on 3 February 2000. She is also the Confidential Administrator of APP and oversees the human resources department, office administration and attends to all confidential matters of the Board of Directors of APP.

Ms Lim has vast working experience in the accounting and administration fields during her 11 years at the Regional Centre for Education in Science and

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

Mathematics, Malaysia (RECSAM) prior to her appointment with APP as an Accounts Officer in 1989. She has held the position till 1998 when she was promoted to her current position.

NEOH CHIN WAH, aged 50, was appointed as the Independent Non-Executive Director of APPI Group on 28 May 2003. He obtained a Diploma in Commerce from the Tunku Abdul Rahman College in 1973. He is a member of the Malaysian Institute of Accountants since 1981. He has served the Malaysian of Accountants for fourteen (14) years in various capacities as Council member, Northern Branch Chairman, Chairman of Insolvency Committee and Chairman of Company practice Committee. He was elevated to Fellowship of the Association of Chartered Certified Accountants in 1985 and Fellowship of the Malaysian Institute of Taxation in 2002. He is also an Associate Member of the Financial Planning Association of Malaysia and the Institute of Chartered Secretary & Administrators.

He was elected President of Aljeffri Dean Consulting Sdn Bhd, a national consortium of Chartered Accountants firms in Malaysia. He was also elected Chairman of IGAF, the International Group of Accounting firms, Asia Pacific region in December 2002.

Mr Neoh has wide experience in the accounting professional. He started off his career in the Inland Revenue as the Tax Examiner from 1977 and left the Inland Revenue as an Investigating Officer in 1980 to join a Multinational manufacturing company as Financial Analyst. Subsequently, he left in 1981 to pursue a career in professional practice. Currently, he is the Managing Director of Tax Advisory (Sec) Sdn Bhd, a company he set up in 1984. He is also a partner of Neoh WM Lam & Co, Chartered Accountants, a partnership established in 1990. He is also a partner of Aljeffri Dean, Chartered Accountants in 2001.

Currently, he has directorships with shareholdings in several private limited companies namely Kingsgard Industrial Development Sdn Bhd, Venture Capital Office Supplies Sdn Bhd, Aljeffri Dean Consulting Sdn Bhd and NWML Consulting Sdn Bhd.

SONIN @ SOIN BIN HARON, aged 61, was appointed as the Independent Non-Executive Director of APPI Group on 28 May 2003. Encik Sonin has vast experience in the tailoring, designing and agricultural industry. He graduated from the Sugino Dressmaker College Japan with a diploma in dressmaking in 1977. In 1981 and 1982, he obtained diploma qualifications majoring in tailoring from the "Majlis Latihan Vokasional Kebangsaan Malaysia" and the City and Guild of London School respectively.

Encik Sonin was engaged as the Assistant Instructor of the Jabatan Penjara Malaysia, Alor Setar, Kedah from 1 March 1967 to 30 November 1969. Subsequently, from 1 December 1969 to 30 September 1978, he worked as an instructor in the "Kementerian Belia and Sukan Malaysia" in Pusat Latihan Belia Negara Peretek and in October 1978, he was promoted to the Senior Instructor position. He held the senior position until he retired in 1991. From 1975 to 1998, he was one of the directors of the "Pertubuhan Peladang Kawasan (PPK) Hulu Selangor, Selangor Darul Ehsan". Upon his retirement in 1991, he became actively involved in a private company, which specializes in the production of local fruits and currently holds directorship in the company. Currently, he is also the Unit Head of the "Unit Peladang Kecil Kuala Bahru Hulu Selangor, Selangor Darul Ehsan".

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

(ii) Directors' Shareholdings in APPI upon completion of the Offer For Sale and Public Issue

Name	Designation	Nationality	No. of Shares			
			Direct	%	Indirect	%
Tan Sri Dato Ir Talha bin Haji Mohamad. Hashim	Independent Non-Executive Group Chairman	Malaysian	2,885,643	3.61	-	-
Ow Hang Sen	Managing Director	Malaysian	17,940,260	22.43	1,251,573 *	1.57
Cheah Sun Chuang	Executive Director	Malaysian	15,691,813	19.61	2,137,005 **	2.67
Leong Lin	Executive Director	Malaysian	772,758	0.97	21,461,907 ***	26.83
Ang Kar Boo	Non-Executive Director	Malaysian	58,002	0.07	-	-
Lim Jong Sun	Non-Executive Director	Malaysian	82,002	0.10	-	-
Neoh Chin Wah	Independent Non-Executive Director	Malaysian	60,000	0.07	-	-
Sonin @ Soin Bin Haron	Independent Non-Executive Director	Malaysian	-	-	-	-

* Deemed interest by virtue of his spouse and brother direct shareholdings in APPI

** Deemed interest by virtue of his brother direct shareholdings in APPI and his shareholdings of more than 15% in Intraco Holdings Sdn Bhd, a body corporate holding shares in APPI

*** Deemed interest by virtue of her spouse, brother and sister direct shareholdings in APPI

(iii) Directors' Shareholdings and Directorship in Other Public Corporations for the Past Two(2) Years

Save as disclosed below, none of the director of APPI has any directorships or major shareholdings in other public corporations for the past two (2) years prior to the date of this Prospectus

Director	Name of Company	Position held	Shareholding @ the date of this Prospectus			
			Direct '000	%	Indirect '000	%
Tan Sri Dato Ir Talha Bin Haji Mohamad. Hashim	Sapura Telecommunications Berhad	Director	20	0.0124	-	-
	Sunway City Berhad	Director	10	0.0029	-	-
	Hume Industries (M) Berhad	Director	-	-	-	-
	Gamuda Berhad	Chairman	826	0.1421	-	-
	SHL Consolidated Berhad	Director	20	0.0106	-	-
	PLUS Berhad	Director	-	-	-	-
	Ho Hup Construction Co. Berhad	-	3	0.0050	-	-
	Hume Cemboard Berhad	-	200	0.3272	-	-
	Bintulu Port Holdings Bhd	-	5	0.0013	-	-

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

(iv) Directors' Remuneration and Benefits

The remuneration and benefit-in-kind paid to the Directors of the Group for services rendered in all capacities to the Company and its subsidiaries for the financial year ended 31 December 2002 amounted to RM425,510. The proposed directors' remuneration and benefit-in-kind for the financial year ending 31 December 2003 is expected to amount to RM720,000.

(v) None of the director is or was involved in the following events (whether in or outside Malaysia):-

- (a) A petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceedings or is a named subject of pending criminal proceeding(s);
- (c) The subject of any order, judgement or ruling or any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

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5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

5.5 Management Team

(i) Profile

LEONG YEW KIN, aged 42, is the Technical Manager for the APPI Group. He attended specialised ceramic training at the National Ceramic Training Centre, Japan and received a Ceramic Engineering Certificate. He began his career with APM in 1979 as a Trainee. From 1980 to 1981, he took sabbatical leave from the company and returned to Nagoya for a seven (7) months stint as a Training course Leader to upgrade his skills. Upon his return, he was promoted to Production Supervisor and in 1983, he was promoted to Assistant Production Manager. When OW set up a new manufacturing plant, he was transferred to become the Factory Manager there. Mr. Leong has twenty three (23) years of experience with the APPI Group.

AW YEO SEONG, aged 44, is the Factory / General Manager in AE. He graduated from Tokyo Metropolitan University, Japan in 1984 in Electrical and Electronic Engineering. Mr Aw has many years of training and experience in the fields of administration and factory production operations and control during his tenure of service with several multinational and Japanese factories. He worked with NEC Japan Corporation for one year before returning to Malaysia to join Business Computer Sdn Bhd as the company's Systems Analyst. He was the Manufacturing Manager of Sato Electronics (M) Sdn Bhd from year 1987 to 1991. He was responsible for the day to day management of the factory operations, which produced machines for printing barcode as well as labelling systems. From 1991 onwards, he has been with AE in the current position. Mr. Aw has more than 10 years of experience with APPI Group.

OW HEOW HOOI, aged 31, is the US Marketing Team Manager of APP. She completed a Bachelor of Commerce degree from Monash University, Australia in 1995. Prior to joining APP, she worked as a Marketing Analyst at the Australian Trade Commission for seven (7) months. Currently, she is responsible for marketing the APPI products in the US Region. She has more than five (5) years of experience with the APPI Group.

CHIEW GAIK SUAN, aged 53, is the Accounts Manager of APP. She obtained a Diploma in Accounting and Finance from the Penang Skill Development Centre in 1998. From 1969 to 1973, she worked with Sports Toto (M) Sdn Bhd, in the Sales division. She took a sabbatical from work to pursue a LCCI certificate in Book Keeping & Higher Accounting and rejoined the workforce in 1975 as an Accounts Assistant in Roson (M) Sdn Bhd. In 1980, she joined Peacon Construction Sdn Bhd as an Accounts Supervisor, handling a full set of accounts. In 1983, she joined APPI Group, starting as an Accounts Supervisor and was promoted to her current position in 1998. Madam Chiew has 20 years of experience with the APPI Group.

TANG SWEE HOON, JULIE, aged 40, is the Operation Manager in APP. Ms. Tang left school after her SPM examinations in 1981 and joined APP. Since then, she has worked in various capacities including general administration, production, shipping and export. She was promoted to her current position in 1995. Julie has 20 years of experience with the APPI Group.

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

ONG SIN BENG, aged 40, Warehouse Manager, APP. Mr. Ong left school after his SPM examinations in 1980 and joined APP as Packing Assistant. Since then, he has worked in various capacities including driver, storekeeper and warehouse executive. He was promoted to his current position in 1996. Mr. Ong has 22 years of experience with the APPI Group.

ANG HONG NEW, ALEX, aged 34, is the R&D Chief cum Product Development Manager of APP. Alex obtained his Diploma in Fine Art from the Malaysian Institute of Art in 1991. He then joined the Equator Academy of Art as a part-time Lecturer. From 1992 - 1996, he joined APP as an Artist-cum-Designer. He then moved to Potential Art Sdn Bhd as the Head of Master Department, after leaving APP, from 1996 to 2000. He rejoined APP in 2000 in his current capacity where he is responsible for the development of new products as well as product presentation.

- (ii) None of the key management personnel is or was involved in the following events (whether in or outside Malaysia):-
- (a) A petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
 - (b) Conviction in a criminal proceedings or is a named subject of pending criminal proceeding(s);
 - (c) The subject of any order, judgement or ruling or any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
- (iii) None of the directors and key management personnel have entered or propose to enter into any service agreements with the Company and/or its subsidiaries.
- (iv) Other than the pink form allocation, none of the employees of the Group are involved in any capital scheme of the Group.
- (v) **Management Succession Plan**

The key management team is cognisant of the need to ensure continuity in management of the APPI Group in order to maintain its competitive edge over the competitors. In this regards, APPI Group's human resource policies includes training of its personnel so as to groom the lower and middle management staff to gradually assume the responsibilities of the senior management and as part of its employees' career advancement programme.

To facilitate the development of its staff, APPI Group's functions have been divided into three (3) main divisions, namely Finance and Administration, R&D and the Marketing.

- (a) **Finance and Administration Department**

The Finance and Administration Department is led by Ms Chiew Gaik Suan. She is in charge of the financial reporting, budgetary controls

5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

and the implementation of the accounting and internal control procedures. She is assisted by Mr Ang Kar Boo, the Financial Analyst together with nine (9) other staff in the Finance and Administration Department.

(b) R&D Department

The improvement of technology and innovation of products means that APPI Group will not only need to keep abreast of the latest development in the market but also to forge ahead in order to remain competitive with other players in the industry. In this respect, the Group's R&D division is divided into two teams namely the technical development team who is headed by Mr Leong Yew Kin and the product development team who is headed by Mr Alex Ang Hong New. Both heads are supported by four (4) and three (3) experienced staff respectively. The R&D will continue to play a very important role to enable the Group to maintain its competitive position.

(c) Marketing Department

The Group's marketing activities are carried out by Ms Leong Lin, the Marketing Director who is a dynamic person with many years of experience in the marketing field. In addition to overseeing the Marketing Department, Leong Lin is also in charged of marketing the Group's products to the Europe region. Leong Lin is assisted by Ms Ow Heow Hooi and six (6) other marketing personnel. Ms Ow Heow Hooi is mainly responsible for marketing the Group's products in the US Region. Ms Ow is assisted by two (2) experienced marketing staff. The Group plans to expand the workforce of this department.

5.6 Family Relationship

Madam Leong Lin is the spouse of Mr. Ow Hang Sen. Mr. Aw Yeo Seong is the younger brother of Mr. Ow Hang Sen. Ms. Ow Heow Hooi is the daughter of Mr. Ow Hang Sen and Madam Leong Lin.

Mr. Leong Yew Kin is the brother of Madam Leong Lin. Madam Julie Tang is the sister-in-law of Mr. Ow Hang Sen and Madam Leong Lin.

Mr Cheah Sung Chai is the brother of Mr Cheah Sun Chuang.

Save as disclosed above, there are no family relationships among Directors, substantial shareholders, promoters, key management and key technical personnel.

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5. DIRECTORS, SUBSTANTIAL SHAREHOLDERS, SENIOR MANAGEMENT AND EMPLOYEES (Cont'd)

5.7 Audit Committee

APPI has set up an Audit Committee on 28 May 2003 which comprises the following Board members:-

Name	Designation	Directorship
Neoh Chin Wah	Chairman	Independent Non-Executive Director
Sonin @ Soin Bin Haron	Member	Independent Non-Executive Director
Ow Hang Sen	Member	Managing Director

The main functions of the Audit Committee include the review of audit plan and audit report with the Auditors, review of Auditors' evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheets and profit and loss accounts and nomination of Auditors.

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6. INFORMATION ON APPI**6.1 Approvals, Major Licenses and Permits**

Approvals, major licenses and permits under the possession of the Group are as follows :

APM

No.	Type of Licence	Date of Issuance/ Effective Date	Date of Expiry	Equity Conditions
1.	Royal Customs And Excise Malaysia	01.09.1982	N/A	None
2	MITI	N/A	N/A	Licence is exempted as the company has not met the shareholders' funds of RM2.5 million and above and total full time employees of over 75 staff and above.
3.	The Factories And Machinery Inspector Department (Licence no: 633566)	06.08.2001	22.01.2004 (Annual renewal)	None
4.	Majlis Perbandaran Taiping	01.01.02	31.12.2003 (Annual renewal)	None

APC

No.	Type of Licence	Date of Issuance/ Effective Date	Date of Expiry	Equity Conditions
1.	MITI	21.03.1985	N/A	Licence is exempted as the company has not met the shareholders' funds of RM2.5 million and above and total full time employees of over 75 staff and above.

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6. INFORMATION ON APPI (Cont'd)**OW**

No.	Type of Licence	Date of Issuance/ Effective Date	Date of Expiry	Equity Conditions
1.	Kementerian Perdagangan Dalam Negeri Dan Hal Ehwal Pengguna	08.10.2001	07.10.2003 (Annual renewal)	None
2.	MITI	N/A	N/A	Licence is exempted as the company has not met the shareholders' funds of RM2.5 million and above and total full time employees of over 75 staff and above.
3.	The Factories And Machinery Inspector Department - Licence no: 542756 - Licence no: 682570 - Licence No: 682571 - Licence No: 682572 - Licence No: 682573	26.03.2003 26.08.2002 26.08.2002 26.08.2002 26.08.2002	04.06.2004 24.10.2003 24.10.2003 24.10.2003 24.10.2003	Annual renewal
4.	Royal Customs And Excise Malaysia	01.09.1997	N/A	-
5.	Majlis Perbandaran Taiping, Perak	01.01.2002	31.12.2003	Annual renewal

AE

No.	Type of Licence	Date of Issuance/ Effective Date	Date of Expiry	Equity Conditions
1.	Royal Customs And Excise Malaysia	19.06.1992	N/A	-
2.	The Factories And Machinery Inspector Department - Licence no: 685642 - Licence no: 685640	16.01.2003 16.01.2003	05.02.2004 05.02.2004	Annual renewal
3.	MITI	07.01.1990	N/A	-

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6. INFORMATION ON APPI (Cont'd)**6.2 Related Party Transactions****6.2.1 Promotions of any assets acquired/to be acquired within two years preceding the date of Prospectus**

Save as disclosed below, none of the Directors nor substantial shareholders of the Company has any interest, direct or indirect, in the Acquisitions of APP, AE, APM, APC and OW by the Company, and none of the Directors has any interest, directly or indirectly in the promotion of or in any assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiary companies within the two(2) years preceding the date of this Prospectus.

Acquisition of APP Group	
Persons interested	Nature of relationship
Ow Hang Sen and Cheah Sun Chuang	Directors and shareholders of APP.
Ow Hang Sen, Cheah Sun Chuang and Leong Lin	Directors and shareholders of APM
Ow Hang Sen and Cheah Sun Chuang	Directors and shareholders of AE
Ow Hang Sen and Cheah Sun Chuang	Directors and shareholders of APC

Acquisition of the remaining 42.5% of APM	
Persons interested	Nature of relationship
Ow Hang Sen, Cheah Sun Chuang and Leong Lin	Directors and shareholders of APM.

Acquisition of the remaining 80% of APC	
Persons interested	Nature of relationship
Ow Hang Sen and Cheah Sun Chuang	Directors and shareholders of APC.

Acquisition of the remaining 28% of AE	
Persons interested	Nature of relationship
Ow Hang Sen and Cheah Sun Chuang	Directors and shareholders of AE.

Acquisition of OW Group	
Persons interested	Nature of relationship
Ow Hang Sen and Leong Yew Kin	Directors and shareholders of OW.

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6. INFORMATION ON APPI (Cont'd)

6.2.2 Transactions between APPI Group and the Promoters/Directors and Substantial Shareholders

None of the promoters, directors and substantial shareholders of the Group has entered into any transaction with the APPI Group that may result in any potential related party transactions and conflict of interest. None of the Promoters/ Directors or substantial shareholders of the Group has interests, direct and indirect in other businesses and corporations carrying on a similar trade as the Group.

6.2.3 Transactions between APPI Group and its Key Management or Key Technical Personnel

None of the key management or key technical personnel has entered into any transaction with APPI Group.

6.2.4 Shareholders' Mandate for Recurrent Related Party Transactions

(i) *Shareholders' Mandate*

The Company anticipates that the Group would, in the normal course of business, enter into recurrent related party transactions of revenue or trading nature.

Pursuant to Chapter 10.09 of the Listing Requirements, a listed company may seek a mandate from its shareholders for recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations. The directors of APPI have obtained a mandate from its shareholders on 18 June 2003, permitting APPI and its subsidiaries to enter into related party transactions, provided that such transactions are made arm's length and on normal commercial terms.

The Shareholders' Mandate takes effect from 18 June 2003 until the next Annual General Meeting of the Company. Thereafter, approval from the shareholders of the Company for a renewal of the shareholders' mandate will be sought at each Annual General Meeting of the Company.

Transactions, which do not fall within the ambit of the Shareholders' Mandate, shall be subject to the relevant provisions of the KLSE Listing Requirements.

(ii) *Review Procedures for the Recurrent Related Party Transactions*

The APPI Group has internal control systems to ensure that Recurrent Related Party Transactions are undertaken on an arm's length basis and on commercial terms consistent with APPI's usual business practices and policies, which are no more favourable to the related parties than those extended to the public. These include transacting at the prevailing market prices of the products on the product provider's usual commercial terms (including where appropriate, preferential rates and discounts accorded for bulk purchases which are the same as those accorded to third-party bulk purchases), or otherwise in accordance with applicable industry norms. A record is maintained by the Company to record all Recurrent Related Transactions (and the basis of the Recurrent Related Party Transactions, including the quotations obtained to support such basis, on which are entered into pursuant to the

6. INFORMATION ON APPI (Cont'd)

Shareholders' Mandate).

The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Shareholders' Mandate. The Audit Committee of the Company shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor the Recurrent Related Party Transactions have been complied with. If the Audit Committee is of the view that such guidelines and procedures are insufficient, it will take such action as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature do meet such objectives and in such case the Company will revert to the shareholders for a fresh mandate based for dealing with related parties.

(iii) ***Rationale for and Benefits of Recurrent Related Party Transactions***

The Recurrent Related Party Transactions are carried out in the ordinary course of business on arm's length and on normal commercial terms which are not prejudicial to minority shareholders. The Recurrent Related Party Transactions entered into are intended to meet the business needs of the APPI Group at the best possible terms and the close co-operation has yield mutual benefits which is expected to continue to be beneficial to the businesses of the Group.

The grant of the Shareholders' Mandate and its renewal (with or without modification) on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential related party transactions arise, thereby reducing substantial administrative time and expenses in convening such meeting, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

(iv) ***Disclosure of Recurrent Related Party Transactions***

Disclosure will be made in the annual report of the Company of the aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during the financial year, and in the annual reports for the subsequent financial years during which the Shareholders' Mandate is in force. Any related party transactions which are not on arm's length basis will also be disclosed in the Company's annual report.

6.2.5 Declaration by the Advisers

AmMerchant Bank hereby confirms that as at the date of the Prospectus, there are no existing or potential conflicts of interest in its capacity as Adviser to APPI Group for the Offer For Sale and Public Issue.

Messrs. Rastam Singa & Co hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Solicitors to APPI Group for the Offer For Sale and Public Issue.

Messrs. Teh & Lee hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as due diligence Solicitors to APPI Group for the Offer For Sale and Public Issue.

Messrs. J.S Soo & Co hereby confirms that there are no existing or

6. INFORMATION ON APPI (Cont'd)

potential conflicts of interest with respect to their capacity as Auditors and Reporting Accountants to APPI Group for the Offer For Sale and Public Issue.

Messrs. Sia & Co hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Auditors to APPI Group for the Offer For Sale and Public Issue.

Henry Butcher, Lim & Long (N) Sdn. Bhd. hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Valuers to APPI Group for the Offer For Sale and Public Issue.

W. M. Malik & Kamaruzaman hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Valuers to APPI Group for the Offer For Sale and Public Issue.

ACNielsen (Malaysia) Sdn Bhd hereby confirms that there are no existing or potential conflicts of interest with respect to their capacity as Marketing and Research Consultant to APPI Group for the Offer For Sale and Public Issue.

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6. INFORMATION ON APPI (Cont'd)

6.3 Summary of Landed Properties

The landed properties owned by the APPI Group are set out below:-

Date of valuation	Registered Owner/ Location	Description and existing Use	Land area (sq. ft.)	Built-up area (sq. ft.)	Tenure from / to	Approximate Age of Building	Market Value RM	Net Book Value @ 31 December 2001 RM	SC's Approved Valuation RM	Approved Revaluation Surplus/ (Deficit) RM
14.06.02	APP No 547-P, Jalan Wee Hein Tze, 11200 Tanjung Bungah, Penang	Two-storey detached building	6,594	3,383	Freehold	Building was completed in early 1970s	1,200,000	682,594	1,200,000	517,406
14.06.02	Lot No. 999, Geran No. 3768, Town Of Tanjung Bungah, North East District, Penang									
	Lot 906, Jalan Jalong, 31100 Sungai Siput (U) Perak	Industrial land/ Pottery factory	115,527		Freehold	Buildings were completed in early 2001		2,286,570		
	GM186/Lot 906, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak			112,848			9,150,000		9,150,000	5,361,583
14.06.02	Lot 907, Jalan Jalong, 31100 Sungai Siput (U) Perak	Industrial land/ Pottery factory	128,502		Freehold			1,501,847		
	GM1367/Lot 907 Mukim Sungai Siput, Daerah Kuala Kangsar, Perak									
14.06.02	Lot 929, Jalan Jalong, 31100 Sungai Siput (U) Perak	Oil palm smallholding with potential for industrial use	198,378	Vacant	Freehold	Vacant	313,000	388,263	313,000	(75,263)
	EMR86/Lot 929, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak									
	Subtotal						10,663,000	4,859,274	10,663,000	5,803,726

6. INFORMATION ON APPI (Cont'd)

Date of valuation	Registered Owner/ Location	Description and existing Use	Land area (sq. ft.)	Built-up area (sq. ft.)	Tenure from / to	Approximate Age of Building	Market Value RM	Net Book Value @ 31 December 2001 RM	SC's Approved Valuation RM	Approved Revaluation Surplus/ (Deficit) RM
14.06.02	Lot 947, Jalan Jalong, 31100, Sg Siput (U) Perak	Industrial land/ Pottery factory	133,947	48,000	Freehold					
	GM1342, Lot 947, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak					Buildings are between		1,078,454		
14.06.02	Lot 948, Jalan Jalong, 31100, Sg Siput (U) Perak	Industrial land/ Pottery factory	136,669	60,000	Freehold	one to three years old	8,800,000	1,558,266	8,800,000	6,163,280
14.06.02	EMR105/Lot 948, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak									
14.06.02	Premises no. 100-G, 100-A & 100-B, Jalan Perai Jaya 2, Bandar Perai Jaya, 13600, Perai erected on parent lot nos 109 & 110, held under G.M. nos. 111 & 112, Holding nos 419, 420 & 429, held under Advance Certificate of Title and P.T. no 3844, held under H.S.(D) no. 5361, Mukim 1, Province Wellesley Central, Penang	Three storey shop office	1,298	3,401	Freehold	Four (4) years	560,000	551,080	560,000	8,920
14.06.02	MC Plot 57, Jalan Logam 3 Kawasan Perindustrian Kamunting Raya 34600, Kamunting, Perak	Industrial land/ Pottery factory	43,562	24,900	Leasehold (99 years) expiring on 7 th Dec 2097	About 4 years old	1,900,000	836,018	1,900,000	1,063,982
	HS(D) LM 11471, PT No. 11515, Mukim Asam Kumbang, Daerah Larut and Matang, Perak									
	Subtotal						11,260,000	4,023,818	11,260,000	7,236,182

6. INFORMATION ON APPI (Cont'd)

Date of valuation	Registered Owner/ Location	Description and existing Use	Land area (sq. ft.)	Built-up area (sq. ft.)	Tenure from / to	Approximate Age of Building	Market Value RM	Net Book Value @ 31 December 2001 RM	SC's Approved Valuation RM	Approved Revaluation Surplus/ (Deficit) RM
	OW									
14.06.02	Plot 58, Jalan Logam 3 Kawasan Perindustrian Kamunting Raya, 34600, Kamunting, Perak	Industrial land/ pottery factory	43,562	27,900	Leasehold (99 years)- expiring on 7 th Dec 2097	About 4 years old	2,000,000	1,094,965	2,000,000	905,035
	HS(D) LM 11472, PT No. 11516, Mukim Asam Kumbang, Daerah Larut and Matang, Perak									
14.06.02	AR Plot 55, Jalan Logam 3 Kawasan Perindustrian Kamunting Raya, 34600, Kamunting, Perak	Industrial land/ pottery factory	44,358	18,000	Leasehold (99 years) expiring on 7 th Dec 2097	Less than 1 year	1,600,000	832,307	1,600,000	767,693
	HS(D) LM 11469, PT No. 11513, Mukim Asam Kumbang, Daerah Larut and Matang, Perak									
	LC									
14.06.02	Plot 56, Jalan Logam 3 Kawasan Perindustrian Kamunting Raya, 34600, Kamunting, Perak	Industrial land/ Pottery factory	43,562	25,000	Leasehold (99 years) expiring on 7 th Dec 2097	Less than 1 year	2,000,000	946,870	2,000,000	1,053,130
	HS(D) LM 11470, PT No. 11514, Mukim Asam Kumbang, Daerah Larut and Matang, Perak									
17.06.02	APC Lot 12268, 12270, 12271, 12272 and 12242 to 12246, Kawasan Perusahaan Sekinchan, District Sabak Bernam, Selangor Darul Ehsan	Industrial land/ factory cum office building	392,040	68,080	Leasehold (99 years)	Between seven (7) to twelve (12) years	7,000,000	1,425,634	7,000,000	5,574,366
	TOTAL						34,523,000	13,182,868	34,523,000	21,340,132

Note:

The revaluation surplus arising from the land valuation amounted to RM21,340,132 i.e. by comparing the market value with the aggregate net book value of the Group said land as at 31 December 2001, will be incorporated in the Group's audited financial statements for financial year ending 31 December 2003.