

4. INFORMATION ON THE GROUP

4.1 BACKGROUND

4.1.1 Incorporation and Commencement of Business

SJHB was incorporated in Malaysia under the Act on 4 November 2003 as a public company under the name of Satang Jaya Holdings Berhad.

4.1.2 History and Business Overview

SJHB is principally an investment holding company. Upon completion of the Acquisition of SJSB, SJHB emerged as the investment holding company of SJSB and its subsidiaries and associated company.

The SJHB Group was formed in 1991 and started its business with supplying spare parts and act as representative for spare parts OEMs of the defence, aviation and aerospace industry. Subsequently in 1999, SJHB Group expanded its business to provide support services such as maintenance, repairs and overhaul of safety and survival equipment for the aviation and aerospace industry as a result of the "contractorisation" programme introduced by the MOD.

Under the MOD's contractorisation programme, SJHB Group was appointed to provide for the repair, maintenance and overhaul of safety and survival equipment and its related accessories for the RMAF.

4.1.3 Share Capital And Changes In Share Capital

The present authorised share capital of SJHB is RM100,000,000 comprising 200,000,000 Shares. The issued and paid up share capital of SJHB is RM35,000,000 comprising 70,000,000 Shares.

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)
04.11.2003	2	1.00	Subscribers' shares	2
28.11.2003	1,998	1.00	Cash	2,000
29.11.2003	-	0.50	Subdivision of shares	2,000
31.12.2004	41,150,000	0.50	Acquisition of SJSB	20,577,000
28.01.2005	28,846,000	0.50	Restricted issue	35,000,000

4.1.4 Listing Scheme

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of SJHB on the Second Board of the Bursa Securities, the Company undertook a Listing Scheme, which involved the following:

4. INFORMATION ON THE GROUP (Cont'd)**(i) Acquisition of SJSB**

SJHB had on 15 January 2004, entered into a conditional Sale and Purchase Agreement with the existing shareholders of SJSB for the acquisition of the entire issued and paid-up share capital of SJSB comprising 7,000,000 ordinary shares of RM1.00 each for a total consideration of RM20,575,000 satisfied by the issuance of 41,150,000 new Shares in SJHB at an issue price of RM0.50 per new Share to the following parties:-

Name of Vendors	No. of ordinary shares of RM1.00 each held in SJSB	%	Purchase Consideration (RM)	No. of SJHB Shares
Colonel (Honorary) Jamaluddin bin Hassan RMAF	2,590,000	37.0	7,612,750	15,225,500
Abdul Aziz bin Jamal	2,100,000	30.0	6,172,500	12,345,000
Gan Chin Sam	2,100,000	30.0	6,172,500	12,345,000
Hakim bin Sukirman	210,000	3.0	617,250	1,234,500
Total	7,000,000	100.0	20,575,000	41,150,000

The purchase consideration of RM20,575,000 was arrived at a willing-buyer-willing-seller basis after taking into consideration the audited consolidated NTA of SJSB and its subsidiaries and associated company ("SJSB Group") of approximately RM20.6 million as at 30 November 2003. The Acquisition of SJSB was completed on 31 December 2004.

Note : A special dividend of RM6.60 million was declared and paid by SJSB to its shareholders during the financial period ended 31 October 2004 from the unappropriated profit after tax of SJSB for the period between 1 December 2003 to 31 October 2004. The consolidated NTA of SJSB Group as at 31 October 2004 after taking into consideration the special dividend declared and paid is RM20.74 million.

(ii) Restricted Issue

Upon completion of the Acquisition, SJHB undertook a Restricted Issue of 28,846,000 new Shares at an issue price of RM0.50 per Share to selected shareholders of SJHB. The Restricted Issue was undertaken on the basis of approximately 0.701 new Shares for every one (1) existing Share held by the selected shareholders in SJHB, details as follows:-

Name of Selected Shareholders	No. of SJHB Shares held after the Acquisition	No. of Shares issued pursuant to the Restricted Issue
Colonel (Honorary) Jamaluddin bin Hassan RMAF	15,225,500	10,673,100
Abdul Aziz bin Jamal	12,345,000	8,653,800
Gan Chin Sam	12,345,000	8,653,800
Hakim bin Sukirman	1,234,500	865,300
Total	41,150,000	28,846,000

4. INFORMATION ON THE GROUP (Cont'd)**(iii) Public Issue**

The Public Issue of 10,000,000 new Shares at an issue price of RM1.00 are payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner: -

(a) Malaysian Public

6,000,000 Public Issue Shares 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.

(b) Eligible Employees, Directors and/or Business Associates of the Group

4,000,000 Public Issue Shares will be reserved for the 210 eligible employees and Directors of the Group as well as 8 business associates of the Group.

The shares have been allocated to the eligible employees and Directors of the Group based on the following criteria as approved by the Company's Board of Directors: -

- (a) At least eighteen (18) years old;
- (b) Job position;
- (c) Length of service; and
- (d) Non-Malaysian citizens are not eligible.

Details of the Pink Form Shares Allocation to the eligible Directors of the SJHB Group are as follows: -

Name of Directors	Designation	Pink Form Allocation
Colonel (Honorary) Jamaluddin bin Hassan RMAF	Executive Chairman / Managing Director	180,000
Abdul Aziz bin Jamal	Executive Director	180,000
Gan Chin Sam	Executive Director	180,000
Hakim bin Sukirman	Executive Director	180,000
Khir Anuar bin Mohamad	Executive Director	130,000
Lt. Col. (R) Mohd Johari bin Mohd Rais	Independent Non- Executive Director	50,000
Ahmad Shakir bin Ismail	Independent Non- Executive Director	50,000
Prof. Dr. Mohd Isa bin Mohd Samat	Independent Non- Executive Director	50,000
Total		1,000,000

4. INFORMATION ON THE GROUP (Cont'd)

Upon completion of the Acquisition of SJSB, Restricted Issue and Public Issue, the enlarged share capital of SJHB was increased from RM2,000 comprising of 4,000 Shares to RM40,000,000 comprising of 80,000,000 Shares.

(iv) Offer For Sale

The Offer for Sale consisting of 20,000,000 Shares or 25% of the enlarged and paid-up share capital (after the Public Issue) at an offer price of RM1.00 per Offer Share, will be offered via private placement to identified investors. All the proceeds arising from the Offer For Sale of RM20.0 million will accrue directly to the Offerors/Promoters of SJHB.

The details of the Offerors/Promoters are as follows:-

Name of Offerors/Promoters	No. of Shares to be offered	Proceeds accruing to the Offerors* (RM)
Colonel (Honorary) Jamaluddin bin Hassan RMAF	9,933,200	9,933,200
Abdul Aziz bin Jamal	5,033,400	5,033,400
Gan Chin Sam	5,033,400	5,033,400
	20,000,000	20,000,000

* The Offer Price @ RM1.00 per Share

In summary, the IPO Shares will be allocated and allotted in the following manner: -

	Public Issue Shares	Offer Shares	Total IPO Shares
Malaysian public	6,000,000	-	6,000,000
Eligible Employees, Directors and/or Business Associates of the Group	4,000,000	-	4,000,000
Investors	-	20,000,000	20,000,000
Total	10,000,000	20,000,000	30,000,000

All the Public Issue Shares available for application by the Malaysian public and the eligible employees, Directors and/or business associates of the Group have been fully underwritten. The Offer Shares available for application by identified investors are not underwritten. The Placement Agent has received irrevocable undertakings from the identified investors to take up the IPO Shares available for application under the private placement.

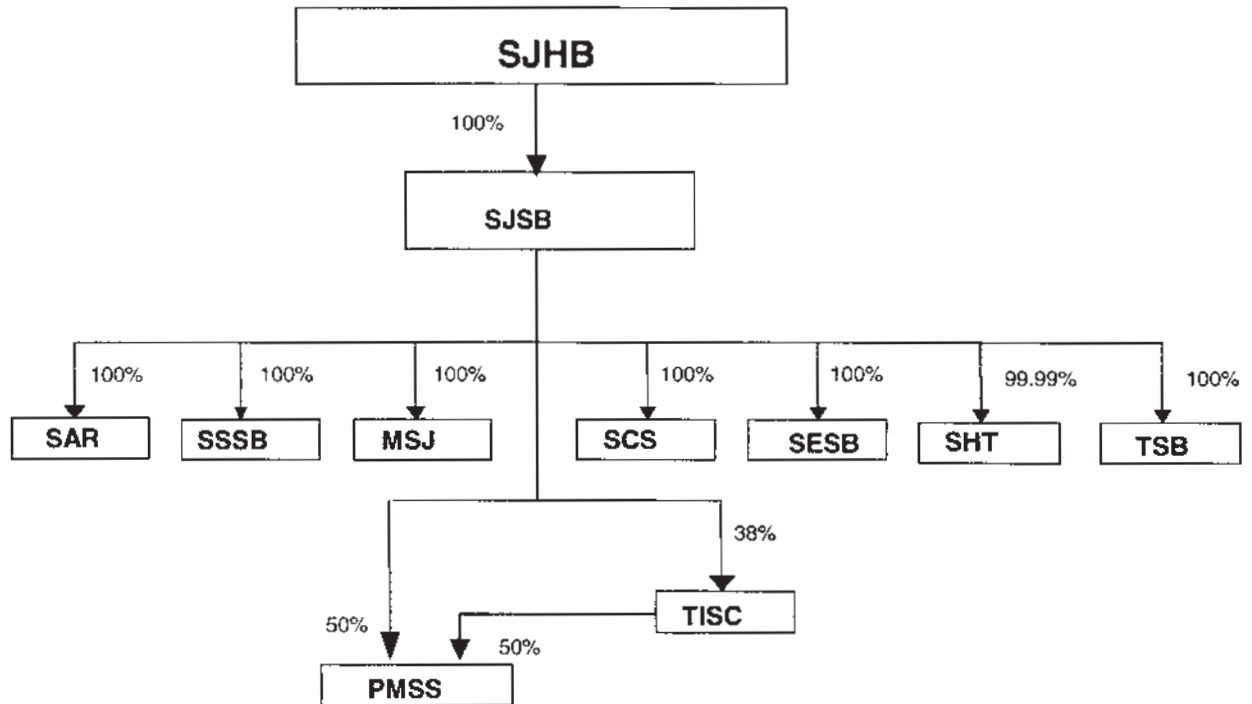
In the event of an under-subscription of the Public Issue Shares by the Malaysian public, the unsubscribed Public Issue Shares will be made available to identified investors. Any Public Issue Shares which are not taken up by eligible employees and Directors of the Group and/or the business associates of the Group will be made available for application by the Malaysian public and/or identified investors via private placement. Any further Public Issue Shares not subscribed for will be made available for subscription by the Underwriters in proportion specified in the Underwriting Agreement dated 28 January 2005.

4. INFORMATION ON THE GROUP (Cont'd)

4.2 BUSINESS

4.2.1 Group Structure

An overview of the Group's structure is set out below: -



Details of the subsidiary companies and associated company of SJHB are summarised below: -

Subsidiary Companies

Name of company	Country of incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activity
SJSB	Malaysia	7,000,000	100.00	Distribution and supply of defence, commercial aviation and marine equipment and accessories, contract management and consultant to OEMs and investment holding.
Subsidiaries of SJSB				
SAR	Malaysia	250,000	100.00	Maintenance, repairs and overhaul of safety and survival equipments.

4. INFORMATION ON THE GROUP (Cont'd)

Name of company	Country of incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activity
SSSB	Malaysia	250,000	100.00	Maintenance, repairs and overhaul of aviation ground support safety equipments and related accessories.
MSJ	Malaysia	250,000	100.00	Maintenance, repairs and overhaul of aviation electronics safety equipments and electro-mechanical related accessories.
SCS	Malaysia	250,000	100.00	Maintenance, repairs and overhaul of aviation related cylinders that include servicing, inspection, recycling and refilling of gas and other related services.
SESB	Malaysia	80,000	100.00	Supplying and distribution of environmental product, providing consultancy, training and seminar in respect of Environment Management System and other related services.
SHT	Malaysia	250,000	99.99*	Providing consultancy and solution services and implementing of high-tech and integrated surveillance security system and its related services.
TSB	Malaysia	10,002	100.00	Supplying of defence and aviation equipment and accessories.
PMSS	Malaysia	150,000	69.00	Supplying and maintenance of marine safety and survival equipment and accessories.

Note:-

* There are 2 subscriber's shares which are held by Colonel (Honorary) Jamaluddin bin Hassan RMAF and Abdul Aziz bin Jamal (both are the Promoters, Substantial Shareholders and Directors of SJHB) each holding 1 ordinary share of RM1.00 each.

Associated Company

Name of company	Country of incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activity
TISC	Malaysia	280,000	38.00	Importing and distributing of all industrial, scientific and marine products and LPG and also maintenance of safety and survival aviation and marine equipments.

4. INFORMATION ON THE GROUP (Cont'd)

4.2.2 Types of Products and/or Services and Principal Markets

SJHB Group is principally involved in the repair, maintenance and overhaul of defence and commercial aviation and marine equipment and related accessories, contract management and consultant to OEMs.

SJHB Group also provide services to other agencies of MOD, namely RMN and MA, DCA, Home Ministry which includes Royal Malaysian Police and Ministry of Local Housing and Development namely, Jabatan BOMBA & Penyelamat Malaysia.

In addition, the SJHB Group also provide services to the private sector. Its major clients in the private sector are namely, Airod, Systematic Aviation Services Sdn. Bhd., Berjaya Air Sdn. Bhd., Transmile (Aviation & Spares) Sdn. Bhd., AirAsia, and several other aviation related companies.

SJHB Group aims to be a one-stop centre for the supply of defence and commercial aviation and marine equipment and accessories, contract management and consultant to OEMs.

The SJHB Group has a streamlined approach in providing its services i.e. by the following segments:-

(i) *Aviation and Marine Safety and Survival Equipment.*

This segment specialises in the maintenance of various types of lifesaving equipment used on aircraft and marine vessels. These equipment, which are used by the armed forces and commercial sector are utilised during emergency situations to save lives of the crews and passengers. These items includes:

1. Aircrew Lifejackets;
2. Passenger Lifejackets;
3. Liferrafts;
4. Marine and Jungle Survival Packs;
5. Emergency Breathing System;
6. Emergency Parachutes;
7. Aircraft Brake Parachutes;
8. Safety Harness;
9. Inflatable Rubber Boats;
10. Aircraft Emergency Floatation System;
11. Aircrew Helmets and Headsets;
12. Oxygen Mask; and
13. Survival Training Equipment.

(ii) *Aviation Ground Support Safety Equipment.*

The equipment are utilised during emergencies and aircraft recovery exercise. The following equipment are maintained and overhauled by SJHB Group:-

(a) *Aircraft Arresting Cable and Aircraft Arrestor Barrier Net System.*

These equipment are used to arrest a fighter aircraft in an emergency during take-offs and landings.

4. INFORMATION ON THE GROUP (Cont'd)

(b) *Aircraft Crash and Salvage Equipment.*

These equipment are used during salvage activities in the event of aircraft crashes on the airfield.

(c) *Aviation Safety Fire Fighting Equipment.*

These include fire fighting equipment installed on aircrafts, those used by airfield fire fighters and fire fighting equipment used by helicopters to extinguish open fires (namely, jungle fires, etc.).

(iii) *Aircrew Emergency Escape System.*

These systems are installed in all fighter aircrafts for the purpose of safe escape during emergencies. These systems consist of Ejection Seat, Parachute, Lifteraft, Survival Pack, Emergency Oxygen and Cartridges/Pressure Activated Devices (CAD/PAD).

(iv) *Electro-mechanical Safety Equipment.*

Equipment maintained and overhauled under this segment of specialisation includes Environmental control system, Explosive Ordnance Disposal (EOD) Remote Control Vehicle and Under Water Remote Operated Vehicle (ROV).

(v) *Aviation Safety Electronics Equipment.*

Emergency and safety electronics equipment maintained and overhauled under this segment includes Search and Rescue Beacon (SARBE), Emergency Locator Transmitter (ELT), Radio Receivers and transmitters and communications system.

(vi) *Compressed Gas Cylinders.*

Maintenance and overhaul activities for aviation cylinders includes hydrostatic testing, sandblasting, coating and painting, cleaning and purging, refilling, boroscopic inspection, gas analysing, squib testing and tear down inspection and overhaul of valve and regulator assemblies. Type of cylinders overhauled includes nitrogen, oxygen, CO₂, Compressed air and Halon. Other equipment such as aircraft oxygen regulator, oxygen booster pump, Liquid Oxygen Converters and Breathing Apparatus are also being overhauled.

(vii) *Integrated Surveillance and Security System.*

This is a state-of-the-art security surveillance system installed to protect the customers' facilities from intrusion and to monitor the activities within the premise. The system includes software, computer hardware, camera system, movement sensors, gate security system and on-line monitor and recording system.

(viii) *Consultancy to Original Equipment Manufacturer (OEM).*

Technical services and product support are provided to customers with technical network and also consultancy agreement from various OEM represented.

4. INFORMATION ON THE GROUP (Cont'd)

(ix) *Environmental Management and Services.*

Provide environmental consultancy, environmental impact assessment, waste management system and study and disposal technology.

4.2.3 Modes of Marketing, Distribution and Sales

The management of SJHB is not aware of any other local competitors who possess certification from the relevant bodies to provide the same range of comprehensive services and maintenance, repairs and overhaul of the safety and survival equipment/parts for the defence and commercial aviation industry as those held by SJHB Group.

SJHB Group, which operates in a niche market and with their reputation of being dependable and credible service provider, coupled with a proven track record of over ten (10) years within the industry is confident that this will enhance their competitiveness.

In addition, SJHB Group has a group of experienced and technically trained personnel, (most of them are former RMAF technical personnel) who undergo training with SJHB Group's OEM partners periodically, to keep abreast with the advances of technology in the safety and survival equipment for this industry.

With both these factors to its advantage, SJHB Group is able to market itself as a one-stop distribution and supply of defence and commercial aviation and marine equipment and accessories, contract management and consultant to OEMs.

The Company have a business development department to market their services and to increase market share in the civil aviation sector and to explore new business opportunities in the aviation sector.

4.2.4 Technology Applied

The suppliers and OEMs of SJHB Group are internationally renowned companies who also provide technical support to SJHB Group in improving SJHB Group's services in maintenance, repairs and overhaul of safety and survival equipment/parts. This is also in order to ensure that SJHB Group's technical personnel are continuously kept abreast with the advances of technology in the safety and survival equipment for this industry. The suppliers and OEMs have been with the SJHB Group for more than ten (10) years and SJHB Group had always maintained a good relationship with them.

4. INFORMATION ON THE GROUP (Cont'd)**4.2.5 Approvals, Major Licences and Permits Obtained**

Details of the approvals obtained by the Company for the Listing from the SC, MITI and FIC together with the conditions imposed by these authorities and status of compliance are set out in Section 6.1 of this Prospectus. Other major licences and permits obtained by the Group which are pertinent for the Group's business operations are as follows:-

Authority	Reg. No.	Date of Issue	Expiry Date	Nature of business (Purpose of license)	Equity Conditions
Government Bodies Ketua Pemeriksa Kapal Kapal Malaysia	IPL/LFT/04/2 003	27.03.2004	23.03.2005	Marine Services.	None.
Kementerian Kewangan Malaysia	357- 00028884 (BP 035709)	06.03.2002	01.03.2005	Registration as Contractor.	None.
Sirim Qas International Sdn Bhd	AR 2254	05.04.2001	04.04.2007	Quality System Registration Certificate MS ISO 9001:2000 Quality Management System.	None.
DCA	AO/0047/95	13.01.1997	#	Services for Civil Aviation activities.	None.
U.S. Department of Transportation	D 786	06.05.2002	05.05.2007	Cylinder re-qualification facility.	None.

No pre-determined date of expiry, however the validity is subject to compliance with the DCA rulings during the DCA's periodic audit.

4.2.6 Licences and Technical Assistance Agreements

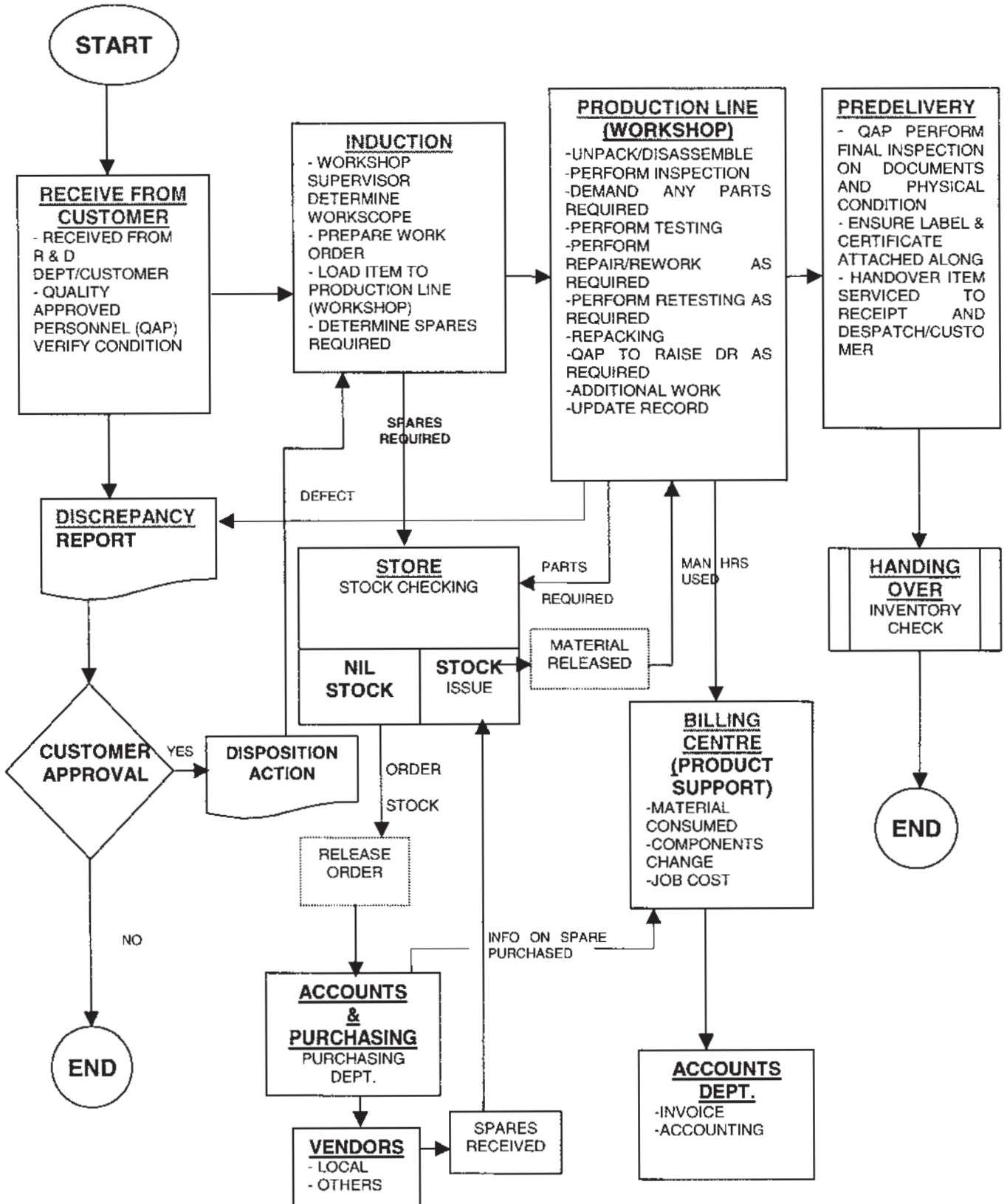
Authority	Reg. No.	Date of Issue	Expiry date	Nature of Business	Equity Conditions
HRD Aero System, Inc., USA	Not applicable	25.05.2000	24.05.2005	Technical support in Safety Equipments & Supplies.	None.
Airod	AVL-226/00	01.07.2003	30.04.2006	Maintenance services inclusive overhaul of safety & survival equipments.	None.
RFD Beaufort Ltd., UK	153901 & 154001	01.09.2001	30.06.2005	Testing & inspection of Beaufort aviation lifejackets & liferrafts.	None.
RFD Beaufort Ltd., UK	81380 & 81375	23.04.2004	23.04.2007	Testing & inspection of RFD Beaufort marine liferafts.	None.
Aerazur, France	03/144	01.12.2003	30.11.2005	Routine Maintenance & Repair of Aircraft Floatation.	None.
Esco Zodiac, USA	12734/12750 /BAS-4092	15.01.2004	*	Maintenance, Overhaul & Upgrade of Esco aircraft Arresting System.	None.

* No expiry date has been stated unless revoked by principal.

4. INFORMATION ON THE GROUP (Cont'd)

4.2.7 Business Operations

FLOW CHART OF GENERAL OVERVIEW FOR SJHB GROUP'S WORKSHOP PROCESSES



4. INFORMATION ON THE GROUP (Cont'd)

4.2.8 Types, Sources and Availability of Raw Materials/Inputs

SJHB Group does not solely depend on any one major supplier or OEM, as the Group has established a wide network of suppliers and OEMs. Such network was established through long-term relationships with most of its suppliers over the past ten (10) years.

SJHB Group sources its supplies from both local and overseas suppliers. For the financial year ended 30 June 2004, the breakdown of cost percentage of supplies sourced from local and overseas suppliers is 32.61% and 67.39% respectively.

The suppliers and OEMs of SJHB Group are internationally reputable companies who also provide technical support in the safety and survival for the defence, aerospace and maritime industry to SJHB. The suppliers and OEMs have been dealing with SJHB Group for more than ten (10) years. However, even though the SJHB Group has managed to maintain a good relationship with its suppliers and OEMs, there can be no assurance that the SJHB Group will be able to maintain the same level of relationships in the future.

4.2.9 Quality Control Procedures**Core Principles for provision of article management services**

SJHB Group has a comprehensive list of procedures and services that the company has to carry out in order to ensure that the article management services have been performed at highest level of satisfaction to its customers. This, in addition, enables the Company to detect any faults or other problems that might occur and take the necessary preventive measures to avoid it. SJHB Group has adopted the following key programs/values throughout its organisation and remains mindful of these programs/values throughout the provision of its services to its customers in order to maintain quality standards and create value in the SJHB Group's business process flow:

(a) PPM

The objective of PPM is to ensure compliance with the necessary services that the Group has contracted for and also a reporting tool to determine where the faults are to be improved on the services.

Under this program, there are three (3) main areas to be considered which are applied together to form a complete and comprehensive program.

- The planning stage involves formulation of a proper maintenance plan tailored to the type of article being serviced in line with the specification stipulated in the contract. This is a key step as it will determine how the maintenance program is to be operated on a day-to-day basis and will also determine the resources required to provide the maintenance service.
- The preventive stage is to identify and determine areas where faults may occur. A routine schedule of checks/audits shall then be implemented to monitor the critical sections of article to ensure early detection of any faults. This will allow a better response time and a more appropriate solution to the situation.

4. INFORMATION ON THE GROUP (Cont'd)

- The predictive stage involves the formulation of a contingency plan should any fault or emergency occur. This can be done through the computerised system which SJHB Group uses to track trends and irregularities in the system of the article. This information can then be used to predict when a fault may occur and a suitable course of action can then be taken. With this contingency plan in place, the Company can then gauge how much risk or exposure it faces and can then take the necessary steps to insure itself against it.

(b) Self operation and maintenance

This program takes responsibility for the operation and maintenance of existing article which SJHB Group are contracted for maintaining and servicing. At the basic servicing and maintenance level, SJHB Group has the necessary expertise to service such article. However should higher expertise be required to service the article, it will usually be sourced from the original manufacturer of the article themselves.

(c) Systematic documentation, reporting and information gathering methods

The program also collates all information regarding the profile of the article. By analysing the information collected, SJHB Group is able to identify any possible trends for faults and take the necessary preventive and maintenance measures.

(d) Warranty for all work done and spare parts

SJHB Group also provides a warranty period for any work done or parts replaced on the article that it manages. In its continuing strive to provide the highest quality of service, this warranty will further endorse SJHB Group's quality services and products and will serve to give a higher level of comfort to the customers of SJHB Group. As at 26 January 2005, there are no warranty claims made by SJHB's customers for work done by SJHB Group which is material to the financial position of the Group.

(e) Crisis management program

SJHB Group continuously strives to maintain full operational alertness and readiness in response to any possible occurrence of faults and breakdown in the process. SJHB Group has a crisis management program in place to deal with general faults and breakdowns in the process. The program ensures effective and efficient response during crisis situations.

(f) Maintain high quality and standards

SJHB Group has implemented a system to ensure and maintain its articles management services are provided at the highest quality. The system will monitor the number of complaints received and the turn around time to resolve each complaint. The objective is to keep the complaints to minimal thus resulting in no unnecessary delay or downtime.

4. INFORMATION ON THE GROUP (Cont'd)

4.2.10 Development of Technical Labour

Training programs and skills development

In line with SJHB Group's policy to provide quality services, SJHB Group has implemented several training programs for the staff. The Group has a training centre in Klang. However, most of the on-the-job training is continuously carried out on site. SJHB Group also has site offices throughout Malaysia which supports the maintenance program and are being manned by experienced and technical staff. Besides internal training programs, personnel of SJHB Group will also undergo training by vendors of the article which it is maintaining or by the contractors which it sources for some jobs. Such training is important as this will enable SJHB Group to expand its technical knowledge into areas which it does not previously have the expertise. This in addition will enable SJHB Group to offer additional services apart from its existing field of expertise.

4.2.11 Employees

As at 26 January 2005, the total number of employees of the SJHB Group is 210 persons as illustrated below: -

Category	No. of Employees	Average Years in Service
Directors	8	8.5
Managerial and Professional	31	4
Technical and Supervisory	139	3
Clerical and related occupations (e.g. clerks, typist, stenographers, personal secretaries, etc)	29	2
General workers	3	2
Factory workers:		
(a) Skilled	-	-
(b) Unskilled	-	-
TOTAL	210	-

The day-to-day management of SJHB Group is led by the Executive Chairman/Managing Director and the Executive Directors. They manage the daily operations of the SJHB Group together with the support from other key management. The key management of SJHB Group is in turn assisted by various experienced and qualified personnel in their respective fields consisting of production, engineering, quality control, research and development, accounts, human resources, purchasing and marketing. The majority of the senior personnel has been with SJHB Group for at least three (3) years and play an important contributory role to the progress and development of the Group. With the team of management staff, the SJHB Group is therefore not overly dependent on any one of the key personnel.

To keep abreast with the advancement of technology and demand for quality products, the Directors and senior management often attend aerospace and defence exhibitions and seminars.

As at 26 January 2005, the SJHB Group has a total of 210 employees which include the management of SJHB Group is of the opinion that its dedicated and efficient employees are instrumental to its success. The management of SJHB Group enjoys a good working relationship with the employees. The employees do not belong to any organised union.

4. INFORMATION ON THE GROUP (Cont'd)

4.2.12 Key Achievements/Milestones/Awards

SJHB obtained its initial MS ISO 9002:1994 in Quality Systems – Model for Quality Assurance in Production, Installation and Servicing award in April 2001 and was subsequently upgraded to MS ISO 9001:2000 Quality Management Systems - Requirements in April 2003. Together with this upgrade SJHB was also awarded the UKAS (United Kingdom Accreditation System) certification in April 2003. Apart from the above, the US Department Of Transportation, in May 6, 2002 has certified SJHB Group's Cylinder Workshops to conduct services, maintenance, repairs and overhaul of military and civil aviation compressed gas cylinders.

4.2.13 Location of Business

(a) Principal Assets and Principal Place of Business

The Group's principal assets and principal place of business are located at No. 29 & 31, Jalan Tiara 5 Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Its operations are also being conducted in workshops located within the RMAF's bases.

(b) Workshop Facilities

Location	Facilities
Klang	<ul style="list-style-type: none"> a. Safety & Survival Workshop b. Electro-Mechanical Workshop c. Auto-Mechanical Workshop d. Cylinder Workshop
Butterworth (RMAF)	<ul style="list-style-type: none"> a. Ejection Seat Maintenance Workshop b. Safety & Survival Workshop c. Electro-Mechanical Workshop d. Auto-Mechanical Workshop
Kuantan (RMAF)	<ul style="list-style-type: none"> a. Ejection Seat Maintenance Workshop b. Safety & Survival Workshop c. Electro-Mechanical Workshop d. Auto-Mechanical Workshop
Subang (RMAF)	<ul style="list-style-type: none"> a. Safety & Survival Workshop b. Auto-Mechanical Workshop
Alor Setar (RMAF)	<ul style="list-style-type: none"> a. Safety & Survival Workshop b. Auto-Mechanical Workshop
Kuching (RMAF)	<ul style="list-style-type: none"> a. Safety & Survival Workshop b. Auto-Mechanical Workshop

4. INFORMATION ON THE GROUP (Cont'd)

Location	Facilities
Labuan (RMAF)	a. Safety & Survival Workshop b. Auto-Mechanical Workshop
Gong Gedak (RMAF)	a. Safety & Survival Workshop b. Auto-Mechanical Workshop
Kluang (MA)	a. Safety & Survival Workshop b. Auto-Mechanical Workshop
Lumut	a. Safety & Survival Workshop b. Sales & Services Office especially to KD Rajawali in Lumut
PMSS, Pasir Gudang Port	a. Safety & Survival Workshop b. Sales & Services Office

4.2.14 Interruptions in Business for the Past Twelve (12) Months

There has been no major interruption to the business of SJHB Group that may significantly impair the Group's business operations during the past twelve (12) months prior to the date of this Prospectus.

4.3 SUBSIDIARY AND ASSOCIATED COMPANIES**4.3.1 SJSB****(a) Background / History**

SJSB was incorporated in Malaysia under the Act on 27 August 1991 as a private limited company under the name of Satang Jaya Sdn Bhd.

(b) Principal Activities and Products/Services

SJHB is principally engaged in distributions and supply of defence and commercial aviation and marine equipment and accessories, contract management and consultant to OEMs and investment holding. The principal activities of its subsidiaries and associated company are as disclosed in Section 4.2.1 of this Prospectus.

(c) Substantial Shareholders

SJSB is a wholly owned subsidiary of SJHB.

4. INFORMATION ON THE GROUP (Cont'd)**(d) Share Capital**

The authorised share capital of SJSB is RM10,000,000 comprising of 10,000,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM7,000,000 comprising of 7,000,000 ordinary shares of RM1.00 each.

The changes in SJSB's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative issued and Paid-Up Ordinary Share Capital (RM)
27/08/1991	2	1.00	Subscriber shares	2
19/08/1992	8	1.00	Cash	10
05/11/1992	7,900	1.00	Cash	7,910
21/08/1993	5,000	1.00	Cash	12,910
15/02/1995	60,000	1.00	Cash	72,910
26/10/1996	177,090	1.00	Cash	250,000
22/03/1999	250,000	1.00	Cash	500,000
05/04/2000	500,000	1.00	Bonus issue	1,000,000
07/09/2001	2,000,000	1.00	Bonus issue	3,000,000
08/03/2002	2,000,000	1.00	Bonus issue	5,000,000
25/06/2002	2,000,000	1.00	Bonus issue	7,000,000

(e) Subsidiary/Associated Company

The subsidiaries and associated company are as disclosed in Section 4.2.1 of this Prospectus.

4.3.2 SAR**(a) Background / History**

SAR was incorporated in Malaysia under the Act on 20 November 1995 as a private limited company under the name of SAR Services (M) Sdn Bhd.

(b) Principal Activities and Products/Services

SAR is principally engaged in maintenance, repairs and overhaul of safety and survival equipments.

(c) Substantial Shareholders

SAR is a wholly owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of SAR is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM250,000 comprising of 250,000 ordinary shares of RM1.00 each.

4. INFORMATION ON THE GROUP (Cont'd)

The changes in SAR's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
20/11/1995	2	1.00	Subscriber shares	2
19/03/2001	249,998	1.00	Cash	250,000

(e) Subsidiary/Associated Company

SAR does not have any subsidiary or associated company.

4.3.3 SSSB**(a) Background / History**

SSSB was incorporated in Malaysia under the Act on 12 August 2000 as a private limited company under the name of Satang Services Sdn Bhd.

(b) Principal Activities and Products/Services

SSSB is principally engaged in maintenance, repairs and overhaul of aviation ground support safety equipments and related accessories.

(c) Substantial Shareholders

SSSB is a wholly owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of SSSB is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM250,000 comprising of 250,000 ordinary shares of RM1.00 each.

The changes in SSSB's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
12/08/2000	3	1.00	Subscriber shares	3
07/11/2001	249,997	1.00	Cash	250,000

(e) Subsidiary/Associated Company

SSSB does not have any subsidiary or associated company.

4. INFORMATION ON THE GROUP (Cont'd)**4.3.4 MSJ****(a) Background / History**

MSJ was incorporated in Malaysia under the Act on 4 March 1996 as a private limited company under the name of Aviologistics Sdn Bhd. MSJ subsequently changed its name to MSJ Technical Support Sdn Bhd on 13 October 1997.

(b) Principal Activities and Products/Services

MSJ is principally engaged in maintenance, repairs and overhaul of aviation electronics safety equipments and electro-mechanical related accessories.

(c) Substantial Shareholders

MSJ is a wholly owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of MSJ is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM250,000 comprising of 250,000 ordinary shares of RM1.00 each.

The changes in MSJ's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
04/03/1996	3	1.00	Subscriber shares	3
07/11/2001	249,997	1.00	Cash	250,000

(e) Subsidiary/Associated Company

MSJ does not have any subsidiary or associated company.

4.3.5 SCS**(a) Background / History**

SCS was incorporated in Malaysia under the Act on 12 January 2001 as a private limited company under the name of Satang Cylinder Services Sdn Bhd.

(b) Principal Activities and Products/Services

SCS is principally engaged in maintenance, repairs and overhaul of aviation related cylinders that include servicing, inspection, recycling and refilling of gas and other related services.

4. INFORMATION ON THE GROUP (Cont'd)**(c) Substantial Shareholders**

SCS is a wholly owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of SCS is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM250,000 comprising of 250,000 ordinary shares of RM1.00 each.

The changes in SCS's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
12/01/2001	3	1.00	Subscriber shares	3
07/11/2001	249,997	1.00	Cash	250,000

(e) Subsidiary/Associated Company

SCS does not have any subsidiary or associated company.

4.3.6 SESB**(a) Background / History**

SESB was incorporated in Malaysia under the Act on 4 May 2001 as a private limited company under the name of Satang Environmental Sdn Bhd.

(b) Principal Activities and Products/Services

SESB is principally engaged in supplying and distribution of environmental product, providing consultancy, training and seminar in respect of Environment Management System and other related services.

(c) Substantial Shareholders

SESB is a wholly owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of SESB is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM80,000 comprising of 80,000 ordinary shares of RM1.00 each.

4. INFORMATION ON THE GROUP (Cont'd)

The changes in SESB's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
04/05/2001	2	1.00	Subscriber shares	2
15/02/2002	79,998	1.00	Cash	80,000

(e) Subsidiary/Associated Company

SESB does not have any subsidiary or associated company.

4.3.7 SHT**(a) Background / History**

SHT was incorporated in Malaysia under the Act on 15 October 2001 as a private limited company under the name of Satang Hi-Tech Security Sdn Bhd.

(b) Principal Activities and Products/Services

SHT is principally engaged in providing consultancy and solution services and implementing of high-tech and integrated surveillance security system and its related services.

(c) Substantial Shareholders

SHT is a 99% owned subsidiary of SJSB. There are 2 subscriber's shares which are held by Colonel (Honorary) Jamaluddin bin Hassan RMAF and Abdul Aziz bin Jamal (both are the Promoters, Substantial Shareholders and Directors of SJHB) holding 1 ordinary share of RM1.00 each.

(d) Share Capital

The authorised share capital of SHT is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM250,000 comprising of 250,000 ordinary shares of RM1.00 each.

The changes in SHT's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
15/10/2001	2	1.00	Subscriber shares	2
10/11/2003	249,998	1.00	Non-Cash (Capitalisation of amount owing to SJSB)	250,000

4. INFORMATION ON THE GROUP (Cont'd)**(e) Subsidiary/Associated Company**

SHT does not have any subsidiary or associated company.

4.3.8 TSB**(a) Background / History**

TSB was incorporated in Malaysia under the Act on 27 May 1991 as a private limited company under the name of Triopoint (M) Sdn Bhd.

(b) Principal Activities and Products/Services

TSB is principally engaged in supplying of defence and aviation equipment and accessories.

(c) Substantial Shareholders

TSB is a wholly owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of TSB is RM25,000 comprising of 25,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM10,002 comprising of 10,002 ordinary shares of RM1.00 each.

The changes in TSB's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
27/05/1991	2	1.00	Subscriber shares	2
11/10/1993	10,000	1.00	Cash	10,002

(e) Subsidiary/Associated Company

TSB does not have any subsidiary or associated company.

4.3.9 PMSS**(a) Background / History**

PMSS was incorporated in Malaysia under the Act on 18 January 1993 as a private limited company under the name of Amalvista (M) Sdn Bhd. On 17 May 1996, it changed its name to JP Marine Safety Services Sdn Bhd. Subsequently, on 28 April 1997, it changed its name again to the current name, Port Marine Safety Services Sdn Bhd.

4. INFORMATION ON THE GROUP (Cont'd)**(b) Principal Activities and Products/Services**

PMSS is principally engaged in supplying and maintenance of marine safety equipment and accessories.

(c) Substantial Shareholders

PMSS is a 69% owned subsidiary of SJSB.

(d) Share Capital

The authorised share capital of PMSS is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM150,000 comprising of 150,000 ordinary shares of RM1.00 each.

The changes in PMSS's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
18/01/1993	2	1.00	Subscriber shares	2
13/04/1998	149,998	1.00	Cash	150,000

(e) Subsidiary/Associated Company

PMSS does not have any subsidiary or associated company.

4.3.10 TISC**(a) Background / History**

TISC was incorporated in Malaysia under the Act on 6 September 1977 as a private limited company under the name of The Industrial and Scientific Co. Sdn Bhd. TISC is an associated company of SJSB

(b) Principal Activities and Products/Services

Principally engaged in importing and distributing of all industrial, scientific and marine products and LPG gas and also maintenance of safety and survival aviation and marine equipment.

(c) Substantial Shareholders

TISC is a 38% owned associated company of SJSB.

(d) Share Capital

The authorised share capital of TISC is RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM280,000 comprising of 280,000 ordinary shares of RM1.00 each.

4. INFORMATION ON THE GROUP (Cont'd)

The changes in TISC's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of Shares Allotted	Par Value (RM)	Type of Issue	Cumulative Issued and Paid-Up Ordinary Share Capital (RM)
06.09.1977	2	1.00	Subscriber shares	2
17.08.1982	49,998	1.00	Cash	50,000
14.08.1987	50,000	1.00	Non cash – Capitalisation amount owing to directors	100,000
18.11.1991	100,000	1.00	Cash	200,000
02.05.2000	80,000	1.00	Cash	280,000

(e) Subsidiary/Associated Company

TISC holds 50% equity interest in PMSS.

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4. INFORMATION ON THE GROUP (Cont'd)

4.4 INDUSTRY OVERVIEW**Overview of the Malaysian Economy**

The Malaysian economy accelerated its growth momentum in the first half of 2004, after a strong take-off in 2003, and is expected to surpass earlier expectations with higher growth of 7% for the whole year. Positive signs of a firm economic recovery at the global front, particularly in the first six months as well as higher commodity prices, reinforced the 'feel-good' factor that contributed to further improvement in consumer and business sentiments. Growth has become more broad based with all sectors registering positive growth. Domestic demand, particularly private consumption, continued to sustain growth for five consecutive years, while private investment, which picked up in 2003, became more entrenched, resulting in a private sector-led growth.

The broad-based growth is evident of the effective measures implemented by the Government to develop new sources of growth to reduce the nation's vulnerability to the external environment. Expanding at 10.5%, the manufacturing sector, which has become more diversified with higher-end, value-added and new emerging industries and products, remains a major contributor to growth. New growth areas in information and communication technology (ICT), strong expansion in financial services and revival in tourism activities supported growth in the services sector, enabling it to maintain its premier position in terms of share to gross domestic product (GDP) at 57%. Meanwhile, the Government's commitment to revitalise the agriculture sector as the third engine of economic growth, particularly in food production, has resulted in the expansion in output of fruits, aquaculture and livestock.

The synchronised upswing in the global economy and upsurge in electronics demand, as well as high prices for palm oil and crude oil, continued to propel export volume and earnings. Import growth was strong, particularly for intermediate and capital goods, reflecting robust domestic economic activities, fuelled by recovery in private investment and higher disposable income. The trade balance in July 2004 remained in surplus for 81 consecutive months since November 1997.

Better export earnings and inflow of foreign funds increased the international reserves to USD54.4 billion as at 14 August 2004, sufficient to finance 7.2 months of retained imports and five times the short-term external debt. The national resource position remains strong with gross national savings at 36.5% of gross national product (GNP), providing ample liquidity to finance both public and private sector initiatives.

The banking system continues to strengthen along with improvements in loan repayments amidst higher disbursements. The risk-weighted capital ratio (RWCR) increased further, while the net non-performing loans (NPLs) ratio improved in tandem with higher corporate earnings and productivity. In the equity market, Bursa Malaysia was more active in the first half of the year and is expected to sustain its performance for the remainder of the year. Inflation remains low at 1.5% despite strong domestic demand and higher commodity prices. Labour market conditions continue to be stable with the unemployment rate remaining low at 3.5%. With stronger growth in the economy, per capita national income is expected to increase to RM16,098 while purchasing power parity (PPP), is higher at USD10,163 in 2004. Concomitantly, socio-economic indicators improved further. Reflecting the better standard of living and quality of life of the population, the overall poverty rate declined to 5.1% while average life expectancy and the literacy rate improved to 73 years and 94.1%, respectively.

(Source : Economic Report 2004/2005)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.1 The Aerospace Industry

The Government will continue to promote the development of the aerospace industry, which is a knowledge and capital-intensive industry. While the industry is at its early stage of development, local capabilities are being developed particularly in the repair overhaul and maintenance activities of the aviation sub-sector. Local technology development capability in aerospace and composite components manufacturing will be further enhanced with the expansion of aircraft production by the Composite Technology Research Malaysia ("CTRM") in the Aerospace Industrial Complex located in Batu Berendam, Melaka. Strategies to accelerate the growth of the aerospace industry cluster include developing Malaysia as a regional centre for repair, maintenance, overhaul, modification and conversion activities, promoting components and parts manufacturing through joint-ventures with the world's major aerospace companies and undertaking a comprehensive human resource development programme to supply the skilled manpower required by the industry. During the Eight Plan period, more aerospace-related projects will be implemented. The growth of the aerospace industry will help spur the development of the machinery and equipment industry.

(Source : Eight Malaysia Plan 2001 – 2005)

The defence industry has the potential to create value added activities as well as enhance the economic development of the country. The industry involves the manufacturing of products for use in aerospace, maritime, defence, automotive and ICT. These activities offer vast opportunities in the area of technological development, skills enhancement and exports. The spill over effects from activities will accelerate the development of other supporting industries. In view of the great potential to move into more value added activities such as manufacturing, assembly, design, integration, simulation and R&D, efforts will be focused to develop technological competence for the whole spectrum of the value chain, which could be extended for use in other industries. To enhance the capability of local manufacturers, the Government will encourage them to enter into joint ventures with foreign companies or product under licence of these companies, both for the domestic market as well as for exports. The Government will also formulate a defence industry blueprint that will provide guidelines for the development of the industry, including determining the key players, capabilities, competencies and strategies. The blueprint will be aimed at developing and enhancing the defence industry to achieve self-reliance in defence technology for peaceful purpose and prepare for global competition in selected niche areas.

In this regard, a national space policy will be formulated to chart the strategic directions and enhance the development of the Malaysian aerospace industry. In addition, efforts will be taken to develop indigenous capabilities in aerospace technology as well as intensify linkages with relevant industries and services value added.

(Source : Mid-Term Review of the Eight Malaysia Plan 2001 – 2005)

4. INFORMATION ON THE GROUP (Cont'd)

SJHB Group is recognised as a group providing support services to the Malaysian Armed Forces, Civil Aerospace and Maritime Industry. SJHB Group provides services such as maintenance and repair for the air-force, navy and civil safety, survival search and rescue equipment. The services rendered are undertaken by skilled, qualified and competent workforce at various locations so as to maintain high standard of service compatible to the standard calibration and repair laid down by the manufacturer. Presently, SJHB Group have an unblemished track record as a credible Government contractor synonymous with executing concise consultation, prompt delivery and strong support services. It is now a recognised name and a leading company in the industry. It has also participated in LIMA 2003. SJHB Group is with vision of attaining a one-stop service centre for the safety and survival equipment in the aviation, maritime and defence related industry.

4.4.2 The Segments/Sectors of the Industry

The global defence sector has experienced a relative higher growth in military spending since the September 11, 2001 incident in the United States of America ("US"). The potential threat of terrorism globally has sparked an increased urgency in national security.

The military spending trend for both developed and developing nations have been generally stable over the years in the absence of war. Historical trends also indicate that military spending experiences a sudden increase when there is an outbreak of war. The US remains the highest military spending nation in the world and sets the pace for global military trend.

Generally, developing nations (such as Malaysia) experience a more consistent budget spending on the defence sector as compared to the developed nations. The annual national budget for every country includes substantial allocation of budget spending on the development, operations and maintenance of the defence sector. The increasing modernisation of the defence sector globally has further emphasised on the importance of military spending over the years, and will result in further growth for the defence sector.

The commercial aviation sector experienced a turbulent period for the past few years. The calamities and misfortunes of global events have almost become a constant in the commercial aviation sector. The sector suffered the woes of a global economic downturn during the late 1990s, the terrorist attacks of September 11, 2001 in the US, the outbreak of a mysterious pneumonia virus, the Severe Acute Respiratory Syndrome ("SARS") and Iraq war which resulted in very low travel patterns across the world. Airlines were forced to cutback on capacities and flight schedules to cut back on carrier costs.

Promising signs of recovery re-surfaced in early 2004 and air travel patterns was gradually restored almost to pre-SARS and pre-Iraq war level after the containment of the SARS virus and with the end of the Iraq war. A survey by Boeing in 2003 indicated that European airlines are expected to show better results than their U.S. counterparts for the fiscal year-end of 2003.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4. INFORMATION ON THE GROUP (Cont'd)

Asian airlines are also expected to outperform their U.S. counterparts because air traffic to-and-from and within the Asia Pacific region has rebounded at a much faster rate. There are early indications that current air travel pattern in the Asia Pacific region has almost been restored to pre-SARS level. The studies by Boeing also indicated that sales of commercial aircrafts worldwide in 2003 have outperformed the pre-crisis level in 2000, with strong demand forecasted from 2004-2009, citing Asia as the main contributor.

The recent Global Market Forecast ("GMF") study conducted by Airbus predicts that the world's major airlines will require delivery of a total of 20,121 passenger jets with 100 seats or more by 2023. The demand for aircrafts is largely dependent on flight frequencies. The GMF study also forecast the number of frequencies offered on passenger routes to increase by about 200 percent by 2023, whilst the average seats per aircraft will increase 19 percent from 181 to 215.

The strong rebound of the global passenger traffic in 2004 has recorded a growth of about 11 percent over 2003. Asian and Pacific airline's international traffic rose to 9 percent above 2000 levels. It is expected that after the strong rebound, global passenger traffic will follow more normal long-term growth trend, with growth averaging at 5.3 percent per year, over the twenty-year period of 2004-2023. This will result in the increase of number of seats by at least 4.5 percent per year for the same forecast period. The projected annual growth in Asia Pacific air traffic will necessitate a significant jump in required capacity to 1.4 million seats by 2023, from 463,000 in 2000.

The projected sky-rocketing demand from the Asia Pacific region will require an estimated 4,241 aircrafts and 774 aircrafts in the 250-400 and over-400 seats categories respectively. The Asia Pacific region is the single largest market globally for aircrafts exceeding 400 seats capacity, accounting for approximately 62% of the worldwide demand for aircrafts in the similar category, such as the flagship 555-seat A380.

Based on the forecasted total demand for aircrafts, the total value of the market for new aircrafts in the Asia-Pacific region between 2004 and 2023 is estimated at USD513 billion, according to the GMF study conducted by Airbus. This will account for approximately 27 percent of the potential USD1.9 trillion aircraft sales worldwide.

At present, SJHB is the sole servicing company for the testing, maintenance, and supply of parts for RMAF's aircraft safety equipments. The safety equipments include aircraft arresting cables, aircraft arrester barrier net system, aircraft crash and salvage equipments, aviation safety fire fighting equipment, ejection seat, life raft, survival pack, emergency oxygen, cartridge/pressure activated devices, electro-mechanical safety equipments, emergency locator transmitters, compressed aviation gas cylinders, emergency parachutes, ejection seat parachutes for aircraft fighters, pilot safety helmets, and drag parachutes for aircraft landing.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4. INFORMATION ON THE GROUP (Cont'd)

In the commercial sector, SJHB is the current sole service provider for testing and maintenance of safety equipment for AirAsia, Berjaya Air and Transmile Air having secured 16% of the current market share as part of the maintenance, repair and overhaul aviation market in Malaysia. MAS who controls 84% of the total domestic passenger seating capacity, possesses its own in-house service and maintenance capabilities for the said safety equipments.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4.4.3 Performance of the Industry

The air passenger transport segment recovered in the first seven months of the 2004, owing largely to high tourist arrivals. The number of passengers on Malaysia Airlines rose sharply by 17%, compared with a decline of 10.1% recorded in the same period last year. The no frills budget airline, AirAsia Sdn. Bhd. Continued to make its presence felt by recording an impressive growth of 74.8% or 1.9 million passengers during the first seven months of 2004 as against 1.1 million passengers in the corresponding period of 2003. This was achieved in an environment of heightened competition through its aggressive strategy to expand into regional markets in Indonesia, Thailand, Brunei and Macau. Air cargo handling at Malaysian airports picked up by 8.5% to 451.9 million tonnes during the period. This increase is attributed largely to strong growth in trade as well as participation of new airlines and aggressive marketing by Malaysia Airlines Cargo Sdn. Bhd. (MASkargo), especially through its I-Port initiative, linking three major ports (Northport, PTP and Kuantan Port), and ensuring a seamless movement of cargo between seaports and airports.

(Source : Economic Report 2004/2005)

The contractorisation of the service and maintenance of the local defence aviation sector allows the RMAF to concentrate fully in the welfare of national security. Unlike privatisation, contractorisation does not allow for ownership of facilities. It only calls for manning the operation with qualified personnel in the military base(s) apart from their own premises, depending on circumstances. Thus, it is clear that there is no potential threat from foreign competitors in the contractorisation process due to the high security nature of the defence sector.

In 1999, the Malaysia Defence Industry Council ("MDIC") was established to oversee the development of contractorisation activities. MDIC is formed as a steering committee to coordinate the activities of the service providers or contractors involved. Contractors will work together to further develop the defence aviation sector. The contractors are not allowed to compete against each other as the primary objective of contractorisation is to create specialisation in the respective segments of the defence aviation sector.

In addition, events such as the Defence Service Asia Exhibition and Conference ("DSA") and Langkawi International Maritime and Aerospace Exhibition ("LIMA") is further indication of the Malaysian Government's continued commitment to nurturing the local defence aviation sector.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4. INFORMATION ON THE GROUP (Cont'd)

The introduction of contractorisation in the defence aviation sector also provides a platform for the local contractors to gain a foothold into the commercial aviation sector as the development of the former sector grows.

As a result of the overwhelming success of the contractorisation in the defence aviation sector, in 2001 the Government approved the extensions from a previous three-year contract to a current five-year contract, with a five-year renewal option. This clearly indicates the crucial role of the contractors and the Government's commitment. We believe that this will have a spill-over effect on the commercial aviation sector where the contractors can serve as local maintenance repair and overhaul service providers and begin to play a bigger role in the foreseeable future.

The commercial aviation sector in Malaysia was not spared from the calamities of the economic downturn during the late 1990s as well as the effects of SARS and terrorist attacks. According to the Malaysia Tourism Promotion Board, tourist arrivals from selected markets at the height of the SARS scare between March and July 2003 dropped by 2.65 million or 80.54 per cent to 3.29 million, compared with 5.94 million in the previous corresponding period. There has been encouraging signs that the local tourism industry has rebounded from the aftermath of the SARS outbreak and the US-Iraq war with some of the sectors showing profits in their recent results.

With the tourism industry – both local and regional – showing positive indications, air traffic is likely to increase in tandem with the restoration of confidence in air travel pattern – domestically, regionally, and globally. The Malaysian aviation passenger growth is expected to grow at the rate of 5 per cent annually for the next 3 years.

Malaysia Airlines System Bhd (“MAS”), the leader in the domestic commercial aviation sector, is already making plans for the rebound in passenger growth. Expansion plans are already underway to increase the number of fleets and aircraft capacity of the fleets to capitalise on the projected upturn in passenger yield. The national carrier placed an order for six A380 aircrafts from Airbus in 2003, each with a capacity of 555 passengers and is expecting delivery in 2007.

Its closest competitor, Singapore International Airlines (“SIA”), has responded to the encouraging signs and recovery of the commercial aviation sector by their commitment to the similar A380 aircrafts from Airbus but is pushing an earlier delivery in 2006.

Other competitors in the domestic aviation sector include AirAsia, Transmile Air Services Sdn Bhd, and Berjaya Air. Of the three, AirAsia AirAsia is the most recognised budget airline or no-frills airline in Malaysia. Air Asia is also probably the most recognised Asian budget airline for its business and publicity. AirAsia broke new grounds last year in Asean's tightly regulated aviation industry by setting up a joint venture, Thai AirAsia, with Shin Corp of Thailand. Thai AirAsia currently services seven domestic destinations in Thailand and also to Singapore. Thai AirAsia recently announced its first foray into North Asia market by offering flights from Bangkok to Macau, commencing in mid June. Thai AirAsia is currently awaiting approval for its Air Operators Certificate (“AOC”) to commence operations from Singapore's Changi Airport.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4. INFORMATION ON THE GROUP (Cont'd)

AirAsia intends to focus on aggressive domestic and regional plans expansion. In light of the rebound in air travel and AirAsia's to claim domestic and regional market share, AirAsia will increase the number of its acquired and leased aircraft in stages from the current 24 Boeing 737-300 aircrafts to 36 by June 2005. This will only signal brighter prospects ahead for the local commercial aviation sector.

Berjaya Air captures 1 percent and Transmile Air Services Sdn Bhd hold less than 1 per cent market share of the Malaysian commercial aviation sector. Transmile is principally a national cargo carrier which provides air express services through its fleet of dedicated air freighters. Berjaya Air currently only has market share for chartering flights to selected local resort destinations.

The rebound of travel patterns, and the significant projection in the increase of aircraft acquisitions by the carriers clearly indicates higher potential and demand for the services and maintenance of aircrafts and its safety equipments in the maintenance repair and overhaul market. This will provide opportunities for the local service providers of the service and maintenance of aviation safety and survival equipments in the local commercial aviation sector, which is currently led by SJHB.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4.4.4 Future Growth of the Industry

In addition, selected manufacturing activities in the marine, defence, aerospace and biotechnology industries will be developed as new sources of growth. A marine transportation policy will be formulated to guide the development of the sector including developing and promoting ship repairing and building of leisure crafts. A defence industry blueprint will be prepared to identify strategies, capabilities and competencies to develop the industry to become competitive and self-reliant in terms of technology for peaceful purposes. To further develop the aerospace industry, a national space policy will be formulated.

Privatisation continued to provide opportunities for privatised entities to gain experience and exposure to new technologies, skill and expertise, especially in the field of engineering, procurement, operations and maintenance. In addition, the acquisition of new technologies enabled privatised entities to participate and expand their activities overseas.

Privatisation resulted in increased efficiency and productivity, as resources were optimised following the centralisation of activities such as project management, data collection, operation and maintenance as well as monitoring and evaluation.

Privatisation continued to be an effective mechanism in meeting the objectives of the National Vision Policy, particularly in raising Bumiputera equity ownership. It continued to be one of the vehicles used by the Government to enhance Bumiputera participation in the corporate sector.

(Source : Mid-Term Review of the Eight Malaysian Plan 2001-2005)

4. INFORMATION ON THE GROUP (Cont'd)

Although, there are existing contracts with regard to the servicing and maintenance of safety and survival equipment with Government agencies, SJHB Group has not fully exploited the whole spectrum of the industry. There are plans and efforts to gain control of areas, which are overlapping. Presently, discussions are on the way with many other Government agencies to secure contract on the subject. In addition, SJHB Group is in a final discussion with counterparts in Indonesia and Brunei to set up a joint venture to maintain and service their safety and survival equipment. SJHB Group R&D Department is working on projects to ensure certain jobs normally done overseas can be executed locally.

Given the prospect for expansion, SJHB Group will continue to focus on its present business activities of safety and survival equipment servicing and maintenance. In order to achieve growth in the SJHB Group, it is currently adopting the following strategies.

(i) Exploring and developing new markets.

The SJHB Group will continue to strive for a wider market for its services and products in both the private and Government sector. SJHB Group plans to do this by using its subsidiaries to gain access into markets which they are not already competing. It is expected that SJHB Group whose strength is in the Government sector market will also play a pivotal role to provide access into private sector for the safety and survival services. It is the individual strengths of the subsidiaries which the SJHB Group can utilise to provide growth in the industry.

In addition, with SJHB Group's plan to operate in Indonesia and Brunei, it will provide SJHB Group with a platform to expand regionally. This is important as the enlarged SJHB Group will then be able to move into new markets.

(ii) Expansion of services and product range.

The SJHB Group intends to expand its range of services, which may include servicing other cylinder jobs and providing training on servicing safety and survival equipment. In order to expand the product range, SJHB Group will obtain additional distribution rights from different principals to meet this increase in demand and maintain its competitiveness within the industry.

4. INFORMATION ON THE GROUP (Cont'd)

4.4.5 Players and Competition

The contractisation programme implemented by the MOD and RMAF has largely influenced the number of players in the testing, service and maintenance of aircraft equipments in the defence aviation sector. Due to its nature of exclusivity (by invitation only) and high technical standards of requirement, the barriers of entry are high. Each contracted service provider under the contractisation programme has its respective specialised role. To date, SJHB Group remains the sole and exclusive provider of testing, service and maintenance of safety equipments for the Malaysian defence aviation sector.

SJHB Group is an active player in the service and maintenance of aircraft safety equipments sub-sector of the Malaysian commercial aviation sector. MAS provides in-house service and maintenance of its aircraft safety equipments as well as outsourcing its maintenance, repair and overhaul activities to the respective OEMs. SJHB Group captures the market share for the no-frills or budget airlines in the local commercial aviation sector. There are opportunities for SJHB Group to penetrate the remaining market share retained by MAS.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

SJHB Group is a registered member of Malaysian Aerospace Industries Association (MAIA) and an active member of the Malaysian Defence Industry Council (MDIC). SJHB Group has been awarded with the ISO 9002 Certificate since April 2001 (upgraded to ISO 9001:2000 in April 2003) for the aerospace, marine and defence industries in the following activities :

1. Maintenance, repair, overhaul, consultation & technical assistance of:
 - a) Safety & survival equipments;
 - b) Radar, electronics & electro-mechanical equipments; and
 - c) Auto-mechanical, crash & salvage fire-fighting equipments.
2. Trading, storage and supply of Aerospace, Marine & Defence products.

The credibility of SJHB Group is further reinforced with SJHB Group's Safety and Survival (Aviation) Equipment workshop being certified by the DCA, RMAF and the Department of Transportation, USA to conduct services, maintenance, repairs and overhaul of military and civil aviation compressed gas cylinders. SJHB Group's Safety and Survival (Marine) Equipment Workshop has been certified by the Surveyor-General of Ships Malaysia.

The management of SJHB Group is not aware of any other local competitors who provide the same range of comprehensive services and maintenance, repairs and overhaul of the safety and survival equipment for the aviation defence industry as the SJHB Group. Furthermore, the SJHB Group have been accorded the relevant regulatory authorities' certification to conduct all of its service operations. Hence, it is to SJHB Group's advantage in view of the Government's desire to develop the repair and overhaul capability of aerospace industry within the country. By virtue of SJHB Group's business relationship with the Government, SJHB Group will continue to invest in new equipment, manpower, training, servicing, facilities, training centre and to develop manufacturing as to contribute to the development of safety and survival equipment in the aerospace and maritime industry.

4. INFORMATION ON THE GROUP (Cont'd)

4.4.6 Laws and Regulations

There is no specific law that governs the activities in servicing and maintenance of safety and survival equipment within the aerospace and maritime industry. Nevertheless, there are certain regulations set by the following bodies that SJHB Group has to adhere with while rendering its services amongst others:-

- a) Royal Malaysian Air Force Technical Airworthiness Management Manual ("TAMM");
- b) Department of Civil Aviation Malaysia - Malaysian Civil Aviation Regulations ("MCAIR"), Joint Airworthiness Requirement (JAR145);
- c) Surveyor-General of Ships Malaysia;
- d) U.S. Department of Transport; and
- e) OEM Certification.

4.4.7 Demand and Supply

Based on the programmed defence training exercises, which have been conducted regularly by the armed forces during the last 10 years, there will be great demand to service and maintain equipment used especially by the RMAF. As SJHB Group is one of the main contractors, the orders for spares are at regular basis. As such, SJHB Group will continuously fulfil the demand so long as there are on-going activities. As far as the supply is concerned, there is no great problem encountered as SJHB Group has been appointed as the representative of the suppliers. SJHB Group had also signed various technical service agreements and also smart partnership with the suppliers. SJHB Group is also an OEM stockist and they have a good relationship with the OEMs and their suppliers.

In addition, the increase of usage of aircraft/marine vessels by other Government agencies as well as private sector, will also improve the demand for the services provided by SJHB Group.

4.4.8 Substitute Products/Services

To date, only five (5) service providers in Malaysia have been identified by the MOD and RMAF as part of the contractorisation development process and the Government's commitment to further develop the defence aviation sector. None of the five companies are competing entities. Each respective company is responsible for the servicing, maintenance and overhaul of the aircrafts in the RMAF. The contractors are not allowed to compete against each other, as the primary objective of contractorisation is to create specialisation in the respective segments of the defence aviation sector. At present, SJHB is the sole servicing company for the testing, maintenance, and supply of parts for the RMAF's aircraft safety equipment.

In the commercial aviation sector, SJHB Group is currently the sole service provider for the testing and maintenance of aircraft safety equipment in Malaysia.

(Source : Independent Market Research Report by Frost & Sullivan (M) Sdn Bhd dated 17 February 2005. This report is prepared for the inclusion in the Prospectus)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.9 Prospects and Outlook

The Malaysian Government is obliged to ensure our sovereignty is always secured hence the Malaysian Armed Forces will seek to equip the nation with modern weaponry and its ancillary equipment. There are numerous contracts signed to purchase aircrafts, naval crafts and submarines and these equipment requires scheduled servicing and maintenance. As such, there is potential growth in SJHB Group's business of providing these servicing and maintenance solution.

The present contract with RMAF for servicing and maintenance of safety and survival equipment is the core business for SJHB Group. In addition, as per the management, SJHB Group is confident to procure future contracts with the Government in view of its proven track record. SJHB Group is also applying to the Government to secure similar contract with the MA, RMN, Police Airwing and Bomba.

The safety and survival servicing and maintenance of aerospace and aviation equipment are considered a relatively new industry and SJHB Group in one of the prime movers in this developing industry.

4.4.10 Reliance on and Vulnerability to Imports

In an environment of heightened uncertainty in the global economy and politics, there are risk factors in reliance and vulnerability to imports. SJHB Group's suppliers are diversified hence if there is any negative input, SJHB Group is able to obtain spares and equipment from other sources country like South Africa, Turkey and many others. Furthermore some of the equipment are manufactured locally or from around the region.

4.5 MAJOR CUSTOMERS

Based on the Group's last audited financial statements for the financial period ended 31 October 2004, the top ten (10) customers of the Group are as follows: -

	Customers	Level of Sales (%)	Length of relationship (Years)
1	RMAF	92.82	13
2	Airod	2.83	13
3	RMN	2.35	13
4	A.P Moeller	1.06	5
5	Kop Aviation Sdn Bhd	0.49	7
6	Good Trade Enterprise	0.11	2
7	Transmile Spares Sdn Bhd	0.09	7
8	M.S. Jacqueline	0.08	7
9	Johan Shipping Sdn Bhd	0.05	4
10	Systematic Aviation Services Sdn Bhd	0.04	2

Notwithstanding that SJHB Group's revenue is mainly contributed by a small number of customers, mainly key Government agencies, the Board is confident that SJHB will continue to secure contracts from them given the nature of service rendered by SJHB Group which is highly specialised. Accordingly, the Board is confident that the SJHB Group should continue to do well with its existing base of customers while the Group is planning to enlarge its customer base.

4. INFORMATION ON THE GROUP (Cont'd)

Amongst the Group's subsisting portfolio of projects with key Government agencies includes the following, further details of which are not disclosed due to their confidential nature:

- (i) On 4 July 2003, SJSB was appointed by the MOD to design and develop integrated security and surveillance systems for 93 DPP, Kem Batu Arang, Selangor and 96 DPP, Kem Masjid Tanah, Melaka inclusive of provision of installation, testing, commissioning and training for a consideration of RM8,738,198.
- (ii) On 25 February 2002, SJSB was appointed by the Government to supply, install, test and certify a unit of high pressure closed vessel test system for a consideration of RM1,347,371.
- (iii) On 12 December 2001, SJSB was appointed by the Government to provide corrective maintenance and preventive maintenance of life raft (RFD, Beufort and Viking) and life jacket (UDT, Schumar F34 and Challenger GS) used by the RMN for a consideration of RM1,200,000 for a period of two (2) years commencing from 4 September 2001 until 3 September 2003.

On 16 September 2003 the project period was further extended for 3 years commencing 3 September 2003 for RM4,300,000.

- (iv) On 15 December 1999, SJSB was appointed by the Government to sell and deliver non-proprietary spare parts, components and any related equipments to the RMAF for a period commencing from 1 July 1999 to 30 June 2002.
- (v) On 13 November 2003, SJSB was appointed by the Government to sell and deliver non-proprietary spare parts, components and any related equipments to the RMAF for a period of three (3) years commencing 13 November 2003. Currently, the parties are in the process of formalising the documentations for the above project.
- (vi) On 19 January 1999, SJSB was appointed by the Government to supply safety and survival equipment, their components and spare parts, related ground support and special to type test equipment and to carry out the services in connection with the recovery of all safety and survival equipment, hydrostatic testing facilities, underwater escape training facilities and environmental control equipment for a consideration of RM12,000,000 for a period of three (3) years commencing from 1 October 1998.

The above project has been extended for another five (5) years effective from 1 October 2003 with a revised ceiling value of RM50,000,000.

- (vii) On 18 July 2002, SJSB was appointed by the Government to sell and deliver two (2) units of field intrusion detection system for a consideration of RM495,200.00 for a period of one (1) year commencing from 20 May 2002.

4. INFORMATION ON THE GROUP (Cont'd)

4.6 MAJOR SUPPLIERS

Based on the Group's last audited financial statements for the financial period ended 31 October 2004, the top ten (10) suppliers of the Group are as follows: -

	Suppliers	Level of Purchases (%)	Length of relationship (Years)
1	Martin Baker Aircraft Co.Ltd.,	8.97	13
2	Derco Aerospace Inc	4.90	13
3	Merex Aircraft Company Inc	2.54	6
4	Marinair Holding Sdn Bhd	1.65	2
5	Global Marine Services & Supplies	1.27	2
6	Pt Napindo Media Ashtama	1.25	1
7	Baltic Pacific	1.14	1
8	Powerman 21	1.04	2
9	BCB International Ltd	0.74	9
10	Institut Penyelidikan Nuklear Malaysia	0.65	2

The Group is not over dependent on any one single supplier. In the case of unavailability of spare parts, SJHB Group will obtain its customer's endorsement to substitute with certified spare parts from other suppliers provided that these parts meet the standard guidelines of the industry/Government agencies and the relevant regulatory authorities.

SJHB Group's suppliers are diversified, hence, if there is any negative input, SJHB Group is able to obtain spares and equipment from other sources country like South Africa, Turkey and many others. Furthermore some of the equipment are manufactured locally or from around the region.

Kindly refer to Section 3 (xvi) for further details on the risk factor for dependence on suppliers or OEMs.

4.7 FUTURE PLANS, STRATEGIES AND PROSPECTS

SJHB Group's business strategy is to build on its market niche and specialise in services and maintenance solutions for all type of aircrafts (armed forces and commercial) in safety and survival equipment, ground support safety equipment, electronic and electro mechanical aviation safety equipment to improve aircraft safety and survival operations that will benefit its aviation customers.

In particular, the SJHB Group seek to :-

- **Identify value creation solutions for customers**

To better serve its customers on safety and survival equipment, SJHB will conduct technical cost-benefit analysis to demonstrate how customer can optimise control of the aircraft to achieve overall reduction in operating costs. SJHB Group's technical knowledge in the application of its principals' product results in greater work efficiency and reducing overall operating costs, hence achieving higher profit margin.

To add value to its services, the Group intend to increase the scope of technical knowledge by providing higher value added solutions for a wider range of customised aviation products relating to safety and survival equipment, airport safety and security, explosive storage and safety management, fire safety management which are manufactured by world renowned OEMs and in accordance with best international practices.

4. INFORMATION ON THE GROUP (Cont'd)

- **Diversify of customer base**

Having established the track record in Malaysia with the RMAF as the major customer, SJHB Group will continue to increase its customer base to other geographic regions in South East Asia and the Middle East.

The Group will also increase marketing and sales efforts in relation to aircrafts that are deployed for commercial aviation purposes. The broader customer base will hence, generate additional sources of income and reduce vulnerability risks to any geographic region.

- **Strengthen business relationship with existing OEM principals and increase network of OEM principals**

SJHB plans to explore more outsourcing business opportunities from its OEM principals for their South East Asia and Middle East market coverage and to also process, manage and integrate into their supply chain where it is economically justifiable to reduce their operating costs, manpower and management time.

SJHB intend to continue to develop the existing relationship with its principals in the following manner:-

- (a) explore methods of further reduction of overall operating costs, such as manufacturing cost, product development cost and overhead cost, by outsourcing or working jointly with SJHB;
- (b) provide customer feedback to achieve better design and product development of aircraft safety and survival systems and/or equipment;
- (c) increase the OEM principals' sales in South East Asia and the Middle East, hence capturing a larger international market share; and
- (d) develop the Technical Service Network to integrate within SJHB Group's customers in giving the best customers after sale support especially for the South East Asia and the Middle East region.

In addition, to better service the customers, SJHB Group intend to provide a wider range of products and services from a wider network of OEM principals in term of technical and spares support.

- **Strengthening of market reach**

Notwithstanding that the local aviation market being not fully explored especially to the commercial operators, SJHB intend to strengthen its market coverage in new markets, particularly in South East Asia's and the Middle East, where there are new opportunities to explore.

4. INFORMATION ON THE GROUP (Cont'd)

- **Expansion of existing business to other value added activities**

SJHB Group shall remain focused in the aviation industry and shall evaluate business opportunities in similar related industry, inclusive of the following:-

- (a) Aviation Cylinders;
- (b) Environmental Equipment;
- (c) Integrated Surveillance System (ISS);
- (d) Technology Know-How; and
- (e) With the progressive vertical integration with the in-house operations of OEM principals, SJHB would be uniquely positioned to leverage on its niche role and remain relevant in the supply chain network through OEMs with SJHB's aviation customers, in particular those in South East Asia region.

- **SJHB Group's Competitive Strengths**

- (i) Specialised and niche market**

SJHB Group seek to deliver specialise service and maintenance solutions using the aircraft safety and survival systems and/or equipment of its OEM principals to reduce the overall operating costs of aircraft safety and survival equipment of its customers by reducing down time or turnaround time for delivery or providing maintenance. SJHB Group believe that they are reliable and innovative in packaging its services for customers.

An example of its specialised niche market is the ability to provide technicians with diverse expertise. Majority are trained manpower certified in their respective fields either by OEM or training institution from Marconi, Beaufort Air-Sea Equipment, Martin-Barker Aircraft, Aerozur (Helicopter Flootation and Life Raft System), HRD Aero Systems USA and etc.

- (ii) Strong customer focus**

Constantly review and analyses its customers' operating requirements in order to offer relevant and cost saving solutions without compromising the mandatory safety requirements of the aircraft. Together with its customers, SJHB Group evaluate cost factors relating to the product technology, quality, flexibility, delivery and performance. Such solution-oriented approaches in addressing the customers' requirements allow SJHB Group to build on relationship with its customers on a long-term basis.

- (iii) Process engineering**

In order to expand its range of services and products the SJHB Group will undertake reverse engineering activities of certain equipments for the purpose of improving cost and time efficiency.

In addition, reverse and re-engineering activities into technical areas outside their current scope will allow the SJHB Group to provide more services and save costs as with this, the SJHB Group will be able to provide technical support for any of its services which it had to contract out previously due to lack of technical knowledge. With constant review of processes an reverse engineering activities, the SJHB Group will be able to formulate better strategies and use better technical knowledge to provide more efficient and cost saving solutions to its customers.

4. INFORMATION ON THE GROUP (Cont'd)

(iv) SJHB Group's approach

Striving to be the preferred provider of total logistic support and system integration by meeting customers' expectations through:-

- (a) Delivering quality products and services at competitive prices; and
- (b) Maintaining a high level of professionalism within its work force.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

5.1 PROMOTERS

5.1.1 Particulars and Shareholdings

The details of the promoters of the Group and their shareholdings in SJHB after the IPO are as follows: -

Name	Nationality	No. of SJHB Shares Held After the IPO			
		Direct	(%)	Indirect	(%)
Promoters					
Colonel (Honorary) Jamaluddin bin Hassan RMAF	Malaysian	[^] 16,145,400	20.18	-	-
Abdul Aziz bin Jamal	Malaysian	[^] 16,145,400	20.18	-	-
Gan Chin Sam	Malaysian	[^] 16,145,400	20.18	-	-

[^] Including his entitlement for the pink form share allocation pursuant to the IPO.

5.1.2 Profile

The profiles of the promoters are as follows: -

Colonel (Honorary) Jamaluddin bin Hassan RMAF, a Malaysian aged 45, was appointed to the Board of SJHB as Executive Chairman and Managing Director on 3 January 2005. He is the founder member and Managing Director of SJSB since 1991. He graduated from Universiti Teknologi Mara ("UITM") with a Diploma in Business Studies. He served in the RMAF for thirteen (13) years, specialising in Explosives, Ammunitions & Weapon Systems. He started his career in the RMAF as a Cadet Officer and was appointed as Office-in-Charge of Debkat in Airod. After attending a Supply Officer Explosives Course in United Kingdom, he was appointed as Officer-in-charge of Ammo Sub Depot in Kuantan and also held the post of Commanding Officer of Base Ammo Terminal in Labuan. His last appointment held was as the Staff Officer in the MOD for the Planning & Procurement of Explosives, Ammunitions, Weapon Systems and Aviation Fuel and Lubricants. With more than 13 years of experience in the defence industry, Colonel (Honorary) Jamaluddin's career has spanned a multitude of responsibilities. He is responsible to manage and administrate control of the overall operations of SJHB Group, including the basic resources of financial and capital facilities, equipment and manpower. In addition, he is also responsible to set and direct the SJHB Group's operations and development along with its goals, objectives, policies, standards and quality systems. He is also actively involved in several committees of several non-profit making organisations and sports club especially rugby.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Abdul Aziz bin Jamal, a Malaysian aged 45, was appointed to the Board of SJHB as Executive Director on 3 January 2005. He is the founder member and the Executive Director of SJSB since 1991. He graduated from UiTM with a Diploma in Accountancy. He served in the RMAF for thirteen (13) years, specialising in Aerospace Support Systems. He started his career as a Cadet Officer and was appointed as Received and Despatch Officer in the RMAF Sungai Besi base prior to his sabbatical to pursue his diploma studies. He was posted to the MOD after his graduation where he oversees the MOD's administration of the Foreign Military Sales (FMS) Program, supporting the F-5 and C-130 aircrafts total logistic support. The program was between Malaysian Government and United States of America Government specifically, the US Air Force and the US Navy. He left the service in 1991 and joined Colonel (Honorary) Jamaluddin and Mr. Gan Chin Sam in setting up the SJHB Group. He was responsible to develop and prepare budgets, plans, and program for the development and maintenance of finance departments and develop corporate goals, objectives and policies for SJSB.

Gan Chin Sam, a Malaysian aged 46, was appointed to the Board of SJHB as Executive Director on 3 January 2005. He is the founder member of SJSB. He started his career as an Marketing Executive and having gained the relevant experience, he began to focus his marketing potential in the Hardware Engineering Industry. Having obtained the valuable experience in finance and marketing, he teamed up with the other founder members of SJHB Group to venture into the sales, supplies, repairs, services and maintenance of defence & commercial aviation and ground support equipments and accessories. His valuable experience and foresight has enabled him to manage the Group corporate service department to be the driving force behind the Group growth and future expansion. He also sits on the board of several private limited companies.

5.1.3 Directorships and Substantial Shareholdings of Promoters in All Other Public Corporations for the Past Two Years

As at 26 January 2005, none of the Promoters have any directorships or major shareholdings in other public corporations for the past two (2) years.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2 SUBSTANTIAL SHAREHOLDERS

5.2.1 Particulars and Shareholdings

The details of the substantial shareholders of the SJHB and their shareholdings in SJHB after the IPO are as follows: -

Name	Nationality	No. of Shares Held After the IPO			
		Direct	(%)	Indirect	(%)
Substantial Shareholders					
Colonel (Honorary) Jamaluddin bin Hassan RMAF	Malaysian	[^] 16,145,400	20.18	-	-
Abdul Aziz bin Jamal	Malaysian	[^] 16,145,400	20.18	-	-
Gan Chin Sam	Malaysian	[^] 16,145,400	20.18	-	-

Note: -

[^] Including his entitlement for the pink form share allocation pursuant to the IPO.

5.2.2 Profiles of Substantial Shareholders

The profile of Colonel (Honorary) Jamaluddin bin Hassan RMAF, Abdul Aziz bin Jamal and Gan Chin Sam (the Promoters of SJHB and the Directors of SJHB) are set out in Sections 5.1.2.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3 DIRECTORS

5.3.1 Particulars and Shareholdings

The details of the Directors of the SJHB and their shareholdings in SJHB after the IPO are as follows: -

Name	Designation	No. of Shares Held After the IPO			
		Direct	(%)	Indirect	(%)
Directors					
Colonel (Honorary) Jamaluddin bin Hassan RMAF	Executive Chairman / Managing Director	[^] 16,145,400	20.18	-	-
Abdul Aziz bin Jamal	Executive Director	[^] 16,145,400	20.18	-	-
Gan Chin Sam	Executive Director	[^] 16,145,400	20.18	-	-
Hakim bin Sukirman	Executive Director	[^] 2,279,800	2.85	-	-
Khair Anuar bin Mohamad	Executive Director	[^] 130,000	0.16	-	-
Lt. Col. (R) Mohd Johari bin Mohd Rais	Independent Non- Executive Director	[^] 50,000	0.06	-	-
Ahmad Shakir bin Ismail	Independent Non- Executive Director	[^] 50,000	0.06	-	-
Prof. Dr. Mohd isa bin Mohd Samat	Independent Non- Executive Director	[^] 50,000	0.06	-	-

Notes: -

* Except for Colonel (Honorary) Jamaluddin bin Hassan RMAF, Abdul Aziz bin Jamal, Gan Chin Sam and Hakim bin Sukirman, the shareholdings of the other Directors of SJHB are based entirely on their respective entitlements for the pink form share allocation pursuant to IPO.

[^] Including his entitlement for the pink form share allocation pursuant to the IPO.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3.2 Profile of Directors

The profile of Colonel (Honorary) Jamaluddin bin Hassan RMAF, Abdul Aziz bin Jamal and Gan Chin Sam, (the Promoters of SJHB and the Substantial Shareholders of SJHB) are set out in Section 5.1.2.

Hakim bin Sukirman, a Malaysian aged 45, was appointed to the Board of SJHB as Executive Director on 3 January 2005. He is also the Engineering Director of SJSB since 1996. He graduated from Universiti Teknologi Malaysia ("UTM") in the Engineering discipline. He has seventeen (17) years of service experience with the RMAF in the Engineering Department and has served in various engineering appointments such as the RMAF's Plant Representative in Airod facility as Engineering Officer-in-Charge of aircraft repairs, servicing and engine overhauls, served at the RMAF Subang Base Engineering Officer in Maritime Squadron overseeing the PC-130 aircrafts, member of the RMAF Radar Project Team based in Marconi Radar (UK) in Chelmsford ("Marconi") for five years, the RMAF HQ 3rd Air Division as Staff Officer (SO) 1 and System Group E as system manager for aerospace group support equipment/vehicle and safety and survival equipment. He left the RMAF service in 1995 and joined Aerospace Technology Systems Corp (ASTC), a Government owned company responsible for the Second Line Maintenance of MiG-29 aircrafts. He attended formal courses such as Aircraft Fabrication and Repair Course at Air Asian Taiwan, Quality Control and Production Control Course at the National Production Centre (NPC) and Computer Programming at Institute Technology Mara while he was still serving the Air Force. He oversees the development and the setting up of the company facilities in technical aspect. His vast experience in established companies such as Airod, Marconi and ATSC will strengthen the Engineering team of SJSB.

Khair Anuar bin Mohamad, a Malaysian aged 45, was appointed to the Board of SJHB as Executive Director on 3 January 2005. He is also the General Manager of Corporate Services of SJSB since 2000. He graduated with an Advanced Diploma in Accountancy from UiTM in 1987. He is a Chartered Accountant and a member of the Malaysia Institute of Accountants since 1990. He started his career with MARA Institute of Technology as an Assistant Bursar in 1988. In 1990, he joined The National Sports Council of Malaysia ("NSC") as an Accountant to head the Finance Department. He received the Excellent Service Award in 1993 for his outstanding achievement in NSC. During his attachment with NSC, he gained experience in handling various international and sporting assignments. In 1995, he joined the Automobile Association of Malaysia ("AAM") as the Group General Manager. He again showed his admirable performance and leadership skill where he was successful in the restructuring of AAM to streamline its organisation and improve its membership registration. He joined SJSB in 2000 and is responsible for the overall task of the Accounts and Finance Department.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Lt. Col. (R) Mohd Johari bin Mohd Rais, a Malaysian aged 52, was appointed as the Independent Non-Executive Director on 3 January 2005. He joined the Royal Military College in 1972 and was commissioned on 20 April 1973. He served in the Army Ordnance for 8 years prior to joining the RMAF in 1978. He has served as Supply And Finance officer in various posts, in the Royal Malaysian Army and the RMAF. In 1994 he was posted as Commanding Officer of Matra 1, TUDM Kuala Lumpur and was promoted as Director of Material, Air HQ, MOD in 1996. He retired in 1997 after 26 years of service.

Currently, he is the Managing Director and a major shareholder of Armright Resources Sdn Bhd, a joint venture company with Perbadanan Usahawan Nasional Berhad. He is the key person in setting up Armright Resources Sdn Bhd operations in Malaysia.

Ahmad Shakir bin Ismail, a Malaysian aged 48 years old and was appointed to the Board of SJHB as Independent Non-Executive Director on 3 January 2005. He started his career with the RMAF in 1975 and served as logistics officer for 10 years. He left for Airod in 1985 as pioneer member responsible in setting up the Airod purchasing department. In 1994, joined the management team of Railtech Industries Sdn Bhd, a new joint venture company between UMW Corporation and Keretapi Tanah Melayu Berhad as the Senior Manager Logistics and was responsible in restructuring the procurement and logistics system. Prior to that, he joined Harpers Trading Sdn Bhd in 1992 and was responsible in managing the nationwide warehousing and distribution of Fast Moving Consumer Goods ("FMCG") network. He was the Deputy General Manager of Diethelm Logistics Services Sdn Bhd. He was responsible in organising and setting up warehousing and distribution system that has the capability to handle 48,000 pallets and distributing daily orders. With an extensive experience in technical business skill, management accounting, business planning and work flow control, he was invited to join Konsortium Logistik Berhad as Vice President of the Warehousing and Distribution Division in 2002. He left Konsortium Logistik Berhad in December 2004 to join Ahes Modular Sdn Bhd as Managing Director.

Prof. Dr. Mohd Isa bin Mohd Samat, a Malaysian aged 52, was appointed as the Independent Non-Executive Director of SJHB on 3 January 2005. He graduated with PhD in Strategic Information Systems Planning from University of Wales, Lampeter, UK, MSc in Information Science from Loughborough University of Technology, UK, Diploma in Information Studies from John Moore University, Liverpool, UK and Bsc in Geochemistry from Universiti Kebangsaan Malaysia. He started his career as a Malaysian Representative to IAEA, Vienna as a liaison officer to International Nuclear Information System (INIS).

He was also the building designer for PUSPATI Complex in Bangi. He acted as the IT Consultant to Islamic Research Centre (JAKIM) and was responsible for tender evaluation, training supporting staff on Islamic Information Systems (SISMI) and setting-up SISMI's organisational chart. He was IT Consultant for Komputamasa Sdn Bhd, Kejora, Johor, Unit Perancang Ekonomi Negeri Perlis (UPEN) and IT Consultant for Nikah, Cerai and Rujuk (NCR) Information Systems for Majlis Agama Sabah (MUIS). Prof. Dr Mohd Isa oversees the Software development on Library Information Systems (SISPUKUM) for UiTM. His vast experience in Information Systems enabled him to be appointed as the Committee Member for DAGS, MIMOS. He has been in the education profession lecturing in MBA and EMBA since 1983 in UiTM.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3.3 Directorships and Substantial Shareholdings of Directors in All Other Public Corporations for the Past Two (2) Years.

As at 26 January 2005, none of the Directors have any directorship or major shareholdings in other public corporations for the past two (2) years.

5.3.4 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to the Directors and Managing Director of SJHB for services rendered in all capacities to the Group for the financial year ended 30 June 2004 and the forecasted financial year ending 30 June 2005 are as follows: -

Remuneration Band (RM'000)	Financial Year Ended 30/06/2004		Financial Year Ending 30/06/2005	
	Aggregate Remuneration (RM'000)	Number of Directors	(RM'000)	Number of Directors
Up to 50,000	-	-	-	-
50,001 – 100,000	-	-	-	-
100,001 – 200,000	119,700	1	125,400	1
200,001 – 500,000	228,000	1	360,000	1
Above 500,000	2,016,000	3	2,016,000	3
Total	2,363,700	5	2,501,400	5

5.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors. The Audit Committee comprises of the following individuals: -

Name	Designation	Directorship
Lt. Col. (R) Mohd Johari bin Mohd Rais	Chairman of Audit Committee	Independent Non-Executive Director
Ahmad Shakir bin Ismail	Member of Audit Committee	Independent Non-Executive Director
Prof. Dr. Mohd Isa bin Mohd Samat	Member of Audit Committee	Independent Non-Executive Director
Khair Anuar bin Mohamad	Member of Audit Committee	Executive Director

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.5 KEY MANAGEMENT

5.5.1 Particulars and Shareholdings of the Key Management

The details of the key management of SJHB Group and their shareholdings in SJHB after the IPO are as follows: -

Name	Designation / Functions	No. of Shares Held			
		Direct	%	Indirect	%
Lt. Col. (R) Mohd Shariff bin Badrishah	Senior Manager of Corporate Affairs	^35,000	0.04	-	-
Kamarrudin bin Mohamad	General Manager of Quality Assurance	^30,000	0.04	-	-
Ahmad Husaini Zakwan bin Hassan Basri	General Manager of Business Development	^70,000	0.09	-	-
Shahrin bin Hj Md Nor	Senior Manager of Operations	^40,000	0.05	-	-

Note: -

^ The shareholdings of the key management of SJHB are based entirely on their respective entitlements for the pink form share allocation pursuant to IPO.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.5.2 Profiles of the Key Management

Lt Col (R) Mohd Shariff bin Badrishah, a Malaysian aged 52, is the Senior General Manager of SJSB since 1999. He has served in the RMAF for almost 27 years. His career started as a Supply Officer in the RMAF Supply Depot in 1972. During his service career he was posted to various appointments within the RMAF. He was appointed Staff Officer in-charge of Budget and Expenditure in the RMAF Development and Finance Directorate. Subsequently, he was posted as Supply and Finance Officer of A4 Skyhawk programme at MOD. In 1983, he was assigned to be the Senior Supply and Finance Officer of the RMAF A4 Skyhawk Project Team USA located in Florida, USA. Upon his return to Malaysia in 1987, he was appointed as the Officer Commanding Logistic Squadron RMAF Base Butterworth. He was then appointed as Senior Logistic Officer for the procurement of RMAF new aircraft F/A 18 and MiG-29 in respect of budget and costing which include total support services. In 1993, he was assigned as the Staff Officer Grade 1 Contract. Here, he was exposed in negotiation of contract procedures, costing and matters pertaining to contract requirements in support of the RMAF systems and equipment in the inventory. In 1996, he was posted to the RMAF 3rd Air Division as the Staff Officer Grade 1 Purchasing where he manages all aspect of purchasing and repair support for the total RMAF asset including the RMAF aircrafts, weapon systems, air defence systems and other services. Upon completion of his position in 3rd Air Division, he was assigned as Senior Contract and Movement Officer with UNOSOM II in Somalia under the United Nation's Mission. Upon returning to Malaysia, he was posted to Staff Officer Grade 1 Information Technology before retiring in April 2000. With his vast experience in the defence industry and coupled with the strong networking as well as established rapport he had built-up during his career in the RMAF and dealings with OEMs, this will further strengthen and expedite the market development for defence equipment, safety and survival equipment for SJHB Group.

Kamarrudin bin Mohamad A.M.N, P.P.A, P.P.S, a Malaysian aged 51, is the General Manager of Quality Assurance of SJSB since May 2004. He has served in the RMAF for 28 years. He started his career as an Apprentice in 1970. He was assigned to Armament Squadron, Servicing Control and Ammo Dump section before he was commissioned in 1982. While in the RMAF Kuantan base he was the Officer in Charge of the Armament Squadron before taking charge of the General Engineering section in the RMAF Kuching base. He was the Squadron Engineering Officer in the RMAF Alor Setar base and Staff Officer before leaving the RMAF. During his tenure as the Air Force Officer, he attended Armament Engineering, Aircraft Maintenance and Safety courses in the US, UK and Australia. His technical knowledge coupled with his vast experience will be invaluable to SJHB Group in the area of managing the operations of workshops, ensure compliance of all applicable engineering policies and instruction and preparation, validation and approval of all quotations, work orders and man-hours for services.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Ahmad Husaini Zakwan bin Hassan Basri, KAT, PPA a Malaysian aged 48, is the General Manager of Business Development of SJSB since January 2004. He has served in the RMAF for 27 years as a qualified helicopter pilot. He started his career as a Squadron Pilot, Instructor Pilot and later held various important appointments such as Squadron Flight Commander Adjutant and Commanding Officer. Other than the RMAF posts, he was also attached to the United Nation Transitional Authority of Cambodia (UNTAC) as Second in Command of Helicopter Detachment in Kampong Chnang, Cambodia. In addition he has also served with the Army Special Forces (Commando) as Liaison Officer in Kem Sungai Udang Melaka. In the MOD, he has served various departments as Staff Officer of RMAF Training Department, Human Resources Department, Intelligent and Sports Council. His last two appointments were Commanding Officer of No. 5 Helicopter and Electronic Warfare Support Centre. During his tenure as a Military Officer, he attended Helicopter Management, Canadian Command and Staff College courses in Malaysia and Canada. He was a recipient of Wira Maal Hijrah Malaysia Armed Forces in 1997 for his excellent performance as a leader and his contribution to the Armed Forces community. He also held important positions in various Associations that attest to his leadership quality, such as, he was the Chairman of the RMAF Rugby Association, Secretary of Armed Forces Association, President of the RMAF Black Hawk Rugby Club and President of Sekolah Menengah Sains Selangor Alumni. His knowledge coupled with his vast experience will be invaluable to SJSB in the area of managing the business development for the group. He is responsible in developing new markets, seek future business potentials and liaising with Operations and Technical Departments to promote current capabilities.

Shahrin bin Hj Md Nor, a Malaysian aged 44, is the Senior Manager of Operations of SJSB since May 2004. As Senior Manager of Operations, his responsibilities includes proper management of the workshops at all branches, review of reports submitted by branches on their operations to ensure that all maintenance works are carried out in accordance with OEM's maintenance/repair manual, ensuring adequate test equipment and tools are available and calibrated properly, ensuring all technicians are properly and adequately trained and ensuring that all workshops are ready to be audited by accreditation bodies such as the International Organization for Standardization (ISO), SIRIM Berhad the DCA and the RMAF at all times. He graduated from California Coast University, USA, with a Bachelors Science Degree in Business Administration. He has served in the RMAF for 23 years. He started his career as an Electrical Engineering Officer in the RMAF and was responsible for the maintenance facility for PC-130, CL-41G Tebuan and NURI Helicopter. In 1985, he served as Officer Commanding of Armament Squadron, RMAF Butterworth and was responsible for the maintenance of the missile and weapon system for the F5E aircraft. In 1986, he was posted to the MOD as Staff Officer 3 for Armament and Ground Support Equipment (GSE) and was responsible to write the specification for Armament and GSE to be procured for the RMAF. He also served as a Commandant in the RMAF Armament and Explosive Engineering Institute, RMAF Butterworth for four years, and was subsequently selected for the RMAF F/A-18 Fighter Aircraft program at MOD and was a project team member for the procurement of F/A-18 aircraft for RMAF. After his retirement from the RMAF, he joined Megamas Sdn Bhd as Head of Engineering. He was head of Business Development Department in ARG Tech Sdn Bhd for two and half years, and having gained the commercial exposure and experience, he joined SJSB as Senior Manager Operation in May 2004.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES/CORPORATIONS

Save and except for Colonel (Honorary) Jamaluddin bin Hassan RMAF, Abdul Aziz bin Jamal, Gan Chin Sam and Khir Anuar bin Mohamad, none of the Executive Directors / key management are involved in other businesses or corporations.

As the aforementioned Executive Directors of SJHB involvement in the other business or corporation are mainly in the role of advising on strategic issues which do not require significant portion of their time and efforts, and are not involved in the day-to-day management of those other businesses or corporations, the respective Directors of SJHB are of the opinion that their involvement in other businesses or corporations do not affect their commitments and responsibilities to SJHB Group. The daily operations of the other businesses or corporations are managed by executive directors of the company.

5.7 DECLARATION OF DIRECTORS AND KEY MANAGEMENT/TECHNICAL PERSONNEL

No Director, key management or person nominated to become a Director or key management is or has been involved in any of the following events: -

- (a) a petition under any bankruptcy or insolvency laws was 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) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of 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.

5.8 FAMILY RELATIONSHIPS

Saved as disclosed below, there is no other family relationship (as defined in Section 122A of the Act) or association between the substantial shareholders, promoters, Directors, key management or key technical personnel.

Name of employee	Name of Substantial Shareholder, Promoter, Director or key management	Relation / Association
<u>SJSB</u> Mohd Hafiz bin Jafar	Colonel (Honorary) Jamaluddin bin Hassan RMAF	Nephew
Nursalwana binti Hj Tamin	Abdul Aziz bin Jamal	Sister-in-Law
Rohyah binti Abdul Malek	Abdul Aziz bin Jamal	Niece
<u>SSSB</u> Abdul Razak bin Yahaya	Colonel (Honorary) Jamaluddin bin Hassan RMAF	Nephew
Mohd Rizal bin Othman	Colonel (Honorary) Jamaluddin bin Hassan RMAF	Nephew
<u>SCS</u> Saiful Adli bin Hj Tamin	Abdul Aziz bin Jamal	Brother-in-Law

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

There are no existing or proposed service agreements between the Group and its Directors and key management or key technical personnel.

5.10 CHANGES IN SHAREHOLDINGS IN SJHB

The significant changes of the Promoters' and Substantial Shareholders' shareholdings in the Company are as follows: -

Name	I After Acquisition of SJSB		II After I and Restricted Issue		III After II and Public Issue		IV After III and Offer for Sale	
	Indirect		Direct		Indirect		Direct	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Promoters and Substantial Shareholders								
Colonel (Honorary) Jamaluddin bin Hassan RMAF	15,226	37.00	-	37.00	25,899	32.37	-	20.18
Abdul Aziz bin Jamal	12,345	30.00	-	30.00	20,999	26.25	-	20.18
Gan Chin Sam	12,345	30.00	-	30.00	20,999	26.25	-	20.18

Note: -

Including their respective entitlements for the pink form share allocation pursuant to the IPO.