

#### 4. INFORMATION ON THE SALCON GROUP

##### 4.1 Incorporation

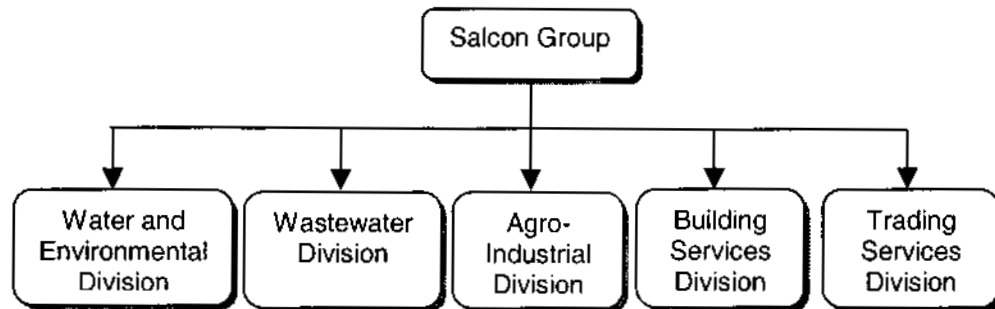
Salcon was incorporated in Malaysia under the Companies Act, 1965 on 25 September 2002 as a private limited company under the name of Salcon Sdn Bhd. Subsequently on 24 February 2003, it was converted to a public company and assumed its current name. Salcon is principally an investment holding company with a wholly-owned subsidiary, SEB, which has fourteen(14) subsidiaries and four(4) associated companies.

It was incorporated for the purpose of facilitating the completion of the Restructuring Exercise of SHCB which resulted in Salcon becoming the ultimate holding company of the Salcon Group and taking over the listing status of SHCB on the KLSE.

The Group's principal activities are:

- Design, construction, operation and maintenance of municipal potable water, sewerage and industrial wastewater facilities;
- Design, construction and commissioning of palm oil mills;
- Provision of M&E engineering services for general industries;
- Marketing, sales and servicing of equipment for water and palm oil mill industries; and
- Investment holding

The Salcon Group is organised around five(5) main strategic business units as illustrated below:



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**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.2 History of the Salcon Group**

The Group's business began in 1974 under SEB, constructing water treatment plants for palm oil mills, domestic water supply facilities for plantation workers and swimming pools. SEB was also engaged in the trading of engineering equipment for plantations and buildings.

Later, SEB undertook larger turnkey projects to build palm oil mills, water and wastewater treatment plants for the Public Works Department, various municipalities and agro-based industries. Since 1991, SEB has streamlined its activities and operations to focus on providing engineering services, operation, maintenance and investing in privatised projects in palm oil and water industry. In 1997, the Building Services Division was established to provide engineering services to other industries i.e. residential and commercial buildings. In March 2002, SEB expanded into the wastewater and sewage treatment industry with the acquisition of ESB. In its 29 years of business, the Salcon Group has successfully completed more than 450 water related and no less than 80 palm oil mill projects in Malaysia and abroad with a total value of around RM1 billion.

In the wastewater and sewage treatment industry, SEB, via its subsidiary ESB has completed more than 250 projects. ESB is recognised by clients both, in the private and public sectors, for its capabilities in this specialised field of engineering.

SEB's clients include the State Governments, privatised water concessionaires, municipalities, major plantation groups and major property developers.

**4.3 Share Capital and Changes in Share Capital**

The present authorised share capital of Salcon is RM500,000,000 comprising 1,000,000,000 Shares whilst its issued and paid-up share capital is RM81,031,251 comprising 162,062,502 Shares.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
25.9.2002	2	0.50	Subscribers' shares	1
21.7.2003	160,396,000	0.50	Issued pursuant to the Acquisition	80,198,001
24.7.2003	1,666,500	0.50	Issued pursuant to the Share Exchange and to the SHCB's creditors	81,031,251

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#### 4. INFORMATION ON THE SALCON GROUP (Cont'd)

##### 4.4 Subsidiary and Associated Companies of Salcon

Details of the subsidiary company of Salcon are summarised below:

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
SEB	3.4.1974 Malaysia	20,000,000	100.00	<ul style="list-style-type: none"> <li>• Design, construction, operation and maintenance of municipal potable water, sewerage and industrial wastewater facilities;</li> <li>• Design, construction and commissioning of palm oil mills;</li> <li>• Provision of M&amp;E engineering services for general industries;</li> <li>• Marketing, sales and servicing of equipment for water and palm oil mill industries; and</li> <li>• Investment holding</li> </ul>

Details of the subsidiary companies of SEB are summarised below:

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
SCESB	3.5.1979 Malaysia	3,000,000	100.00	Marketing, sales and servicing of equipment for water and palm oil industries
SBSSB	9.12.1980 Malaysia	1,400,000	100.00**	Provision of engineering services for general industries
SESSB	27.10.1992 Malaysia	500,000*	100.00	Operation and maintenance of water treatment plants
ESB	30.8.1984 Malaysia	3,500,000	60.00	Design, building, operation and maintenance of wastewater and sewerage treatment plants
IWSSB	4.7.1985 Malaysia	20,000	51.00	Operation and maintenance of water treatment plant
SRSB	12.9.1975 Malaysia	500,000	100.00	Property investment
BTESB	12.5.1980 Malaysia	1,700,000	100.00	Investment holding
PMSB	28.4.1983 Malaysia	200,000	100.00	Dormant

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

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
SASB	22.2.1992 Malaysia	2	100.00	Dormant
SCSB	26.7.1991 Malaysia	2	100.00	Dormant
SSSB	13.10.1999 Malaysia	2	100.00	Dormant
SKSB	28.5.1970 Malaysia	1,000,000	100.00**	Dormant
SWHK	23.4.2003 Hong Kong	HK\$2	100.00	Dormant
EMCCSB	13.5.1991 Malaysia	555,000	60.00**	Dormant

*Notes:*

\* As at 31 January 2003, 500,000 shares were issued. However, the share capital was only paid up to RM250,001 (499,998 shares have been paid up to RM0.50 per share)

\*\* Indirect interest through BTESB

Details of the associated companies of SEB are summarised below:

Company	Date and Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest (%)	Principal Activities
EUCSB	3.9.1987 Malaysia	RM2,000,000* RM47,000**	40.0	Investment holding company in respect of a water supply project in Vietnam
BAWC	15.3.1995 Vietnam	USD10,800,000	36.0	Production and supply of treated water to Ho Chi Minh City, Vietnam
CCI	25.6.1998 Republic of Mauritius	USD2,500	49.0	Investment holding
PTIL	6.4.1993 India	RS53,500,000^ RS137,898,400^^	46.4	Oil palm plantation development and manufacture and sale of crude oil palm oil and related products

*Notes:*

\* Ordinary shares of RM1.00 each

\*\* 5% Non-cumulative redeemable preference shares of RM1.00 each

^ 5,350,000 ordinary shares of RS10 each

^^ 1,378,984 6% cumulative redeemable preference shares of RS100 each

RS Indian Rupee

HK\$ Hong Kong Dollar

#### 4. INFORMATION ON THE SALCON GROUP (Cont'd)

##### 4.4.1 SEB

###### (a) History and Business Overview

SEB was incorporated in Malaysia under the Companies Act 1965 on 3 April 1974, under the name Salcon Engineering Sdn Bhd. On 12 January 2001, it was converted into a public company and assumed its present name.

###### (b) Share Capital

SEB's present authorised share capital is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM20,000,000 comprising 20,000,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Type of Issue/ Consideration	Total Issued And Paid-up Share Capital RM
03.04.1974	150,000	1.00	Cash	150,000
18.03.1977	45,000	1.00	Bonus issue 3 for 10	195,000
04.02.1978	105,000	1.00	Bonus issue 7 for 13	300,000
27.10.1978	100,000	1.00	Cash	400,000
16.07.1979	200,000	1.00	Bonus issue 1 for 2	600,000
16.07.1979	400,000	1.00	Cash	1,000,000
29.07.1983	4,000,000	1.00	Shares issued pursuant to acquisition of new subsidiary companies	5,000,000
31.07.1985	3,000,000	1.00	Bonus issue 3 for 5	8,000,000
29.03.1990	4,000,000	1.00	Cash	12,000,000
31.07.1990	8,000,000	1.00	Cash	20,000,000

###### (c) Substantial Shareholders

SEB is a wholly-owned subsidiary of Salcon. Substantial shareholders of SEB reflect that of Salcon's.

###### (d) Subsidiary and Associated Companies

As at 15 July 2003 SEB has 14 subsidiary companies and 4 associated companies. Details of all of SEB's subsidiary and associated companies are set out in Sections 4.4.2 to 4.4.19 of this Prospectus.

###### (e) Profit and Dividend Track Record

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of the SEB Group.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.2 SCESB****(a) History and Business Overview**

SCESB was incorporated in Malaysia under the Companies Act 1965 on 3 May 1979, under the name Centrimax Engineering Sdn Bhd. On 14 July 1989, it assumed the present name.

The principal activities of SCESB consist of marketing, sales and servicing of equipment for water and palm oil industries. There have been no significant changes in the nature of these activities since the date of incorporation.

**(b) Share Capital**

SCESB's present authorised share capital is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
03.05.79	2	1.00	Subscribers' shares	2
20.06.79	59,999	1.00	Cash	60,001
20.07.79	74,999	1.00	Cash	135,000
11.02.81	15,000	1.00	Cash	150,000
28.07.83	150,000	1.00	Cash	300,000
29.07.83	300,000	1.00	Cash	600,000
31.07.85	300,000	1.00	Cash	900,000
31.07.85	300,000	1.00	Bonus issue of 1 for 3	1,200,000
02.08.90	1,800,000	1.00	Cash	3,000,000

**(c) Substantial Shareholders**

SCESB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SCESB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SCESB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SCESB.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.3 SRSB****(a) History and Business Overview**

SRSB was incorporated in Malaysia under the Companies Act 1965 on 12 September 1975, under the name of Fatoils (Malaysia) Sdn Bhd. On 30 December 1997, it assumed its present name.

The principal activities of the company at the date of incorporation was purchasing and selling of palm oil. The company ceased trading in 1977. In 1984, the company recommenced operations in renting of property and the selling of oil palm related equipment and spares. From 1990, the company's sole activity was on rental of property before becoming dormant in 1993. The company resumed operations during the financial year ended 2000 in property investment.

**(b) Share Capital**

SRSB's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM500,000 comprising 500,000 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
12.09.1975	2	1.00	Subscribers' shares	2
05.01.1983	19,998	1.00	Cash	20,000
01.08.1983	480,000	1.00	Capitalisation of balance due to SCESB	500,000

**(c) Substantial Shareholders**

SRSB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SRSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SRSB.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.4 SBSSB****(a) History and Business Overview**

SBSSB was incorporated in Malaysia under the Companies Act 1965 on 9 December 1980, under the name Cornwall Sdn Bhd and subsequently, on 25 October 1983, it changed its name to Salcon Construction Sdn Bhd. On 11 September 2000, it assumed its present name.

The principal activity of SBSSB at the date of incorporation was to carry on business as building contractors. In 1991, SBSSB scaled down its activities and subsequently became dormant since 1994. During the financial year ended 31 July 2002, SBSSB resumed operations. SBSSB is currently principally involved in the provision of engineering services for general industries.

**(b) Share Capital**

SBSSB's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM1,400,000 comprising 1,400,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of SBSSB since its incorporation up to 15 July 2003 are as follows:

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Type of Issue/ Consideration	Total Issued And Paid-up Share Capital RM
09.12.80	2	1.00	Subscribers' shares	2
09.04.81	9,998	1.00	Cash	10,000
27.10.83	990,000	1.00	Cash	1,000,000
20.04.84	400,000	1.00	Cash	1,400,000

**(c) Substantial Shareholders**

SBSSB is a wholly-owned subsidiary of BTESB, which in turn, is also a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SBSSB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at the 15 July 2003, SBSSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SBSSB.



**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.5 ESB****(a) History and Business Overview**

ESB was incorporated in Malaysia under the Companies Act 1965 on 30 August 1984.

The principal activities of ESB are that of design, building, operation and maintenance of wastewater and sewerage treatment plants.

**(b) Share Capital**

ESB's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM3,500,000 comprising 3,500,000 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
30.08.84	2	1.00	Cash	2
17.11.84	132,498	1.00	Cash	132,500
10.07.85	47,500	1.00	Cash	180,000
15.07.85	70,000	1.00	Cash	250,000
27.12.89	250,000	1.00	Cash	500,000
18.05.91	40,000	1.00	Shares in Hazen Trading Water Treatment Sdn Bhd	540,000
14.02.92	110,000	1.00	Shares in Hazen Trading Water Treatment Sdn Bhd	650,000
10.12.93	520,000	1.00	Bonus issue of 8 for 10	1,170,000
03.10.95	130,000	1.00	Cash	1,300,000
01.09.99	1,300,000	1.00	Bonus issue of 1 for 1	2,600,000
06.12.01	900,000	1.00	Cash	3,500,000

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

The substantial shareholders of ESB as at 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
SEB	2,100,000	60.00	-	-
Lee Thim Loy	637,000	18.20	-	-
Low Ah Chye @ Low	637,000	18.20	-	-
Beng Peow				
Salcon	-	-	<sup>^</sup> 2,100,000	60.00
KEB	-	-	*2,100,000	60.00
MASB	-	-	*2,100,000	60.00
ETSB	-	-	*2,100,000	60.00
Tan Sri Razali bin Ismail	-	-	<sup>@</sup> 2,100,000	60.00
Abdul Nasir bin Adnan	-	-	<sup>#</sup> 2,100,000	60.00
Dato' Lim See Teok	-	-	<sup>#</sup> 2,100,000	60.00
Jaggit Singh a/l Tara Singh	-	-	<sup>#</sup> 2,100,000	60.00

*Notes:*

<sup>^</sup> Deemed interested by virtue of being the holding company of SEB

<sup>\*</sup> Deemed interested by virtue of their substantial shareholdings in Salcon

<sup>@</sup> Deemed interested by virtue of their substantial shareholdings in MASB

<sup>#</sup> Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, ESB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of ESB.

**4.4.6 IWSSB****(a) History and Business Overview**

IWSSB was incorporated in Malaysia under the Companies Act 1965 on 4 July 1985 under the name Sunrise Management Sdn Bhd. Subsequently on 10 April 1986, it assumed its present name.

The principal activities of IWSSB are the operation and maintenance of a water treatment plant.

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

IWSSB's present authorised share capital is RM500,000 comprising 500,000 ordinary shares of RM1.00 whilst its issued and paid-up share capital is RM20,000 comprising 20,000 ordinary shares of RM1.00 each.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Type of Issue/ Consideration	Total Issued And Paid-up Share Capital RM
22.07.85	2	1.00	Subscribers'shares	2
12.04.00	19,998	1.00	Cash	20,000

**(c) Substantial Shareholders**

The substantial shareholders of IWSSB as at the 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
SEB	10,200	51.00	-	-
IJM Construction Sdn Bhd	7,000	35.00	-	-
Segidual Systems Sdn Bhd	2,800	14.00	-	-
Salcon	-	-	*10,200	51.00
KEB	-	-	**10,200	51.00
MASB	-	-	**10,200	51.00
ETSB	-	-	**10,200	51.00
Dato' Lim See Teok	-	-	^13,000	65.00
Jaggit Singh A.L Tara Singh	-	-	^13,000	65.00
Check Yeow Kwang @	-	-	# 2,800	14.00
Chok Ah Soi	-	-	@10,200	51.00
Tan Sri Razali Bin Ismail	-	-	@10,200	51.00
Abdul Nasir Bin Adnan	-	-	@10,200	51.00

**Notes:**

\* Deemed interested by virtue of being the holding company of SEB

\*\* Deemed interested by virtue of their substantial shareholdings in Salcon

^ Deemed interested by virtue of their substantial shareholdings in ETSB and Segidual Systems Sdn Bhd

# Deemed interested by virtue of his substantial shareholdings in Segidual Systems Sdn Bhd

@ Deemed interested by virtue of their substantial shareholdings in MASB

**(d) Subsidiary and Associated Companies**

As 15 July 2003 IWSSB has no subsidiary or associated companies.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of IWSSB.

**4.4.7 PMSB****(a) History and Business Overview**

PMSB was incorporated in Malaysia under the Companies Act 1965 on 28 April 1983.

The company has been dormant since 2001. Previously, its principal activities were in the supply of hardware and machinery as well as in the contracting for water supply related projects.

**(b) Share Capital**

PMSB's present authorised share capital is RM300,000 comprising 300,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
28.04.83	2	1.00	Subscribers' shares	2
08.03.84	199,998	1.00	Cash	200,000

**(c) Substantial Shareholders**

PMSB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of PMSB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, PMSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of PMSB.

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**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.8 BTESB****(a) History and Business Overview**

BTESB was incorporated in Malaysia under the Companies Act 1965 on 12 May 1980.

The principal activity of BTESB is that of an investment holding company. From 1998 to 2000, the company was involved in the business of contracting for water supply related projects.

**(b) Share Capital**

BTESB's present authorised share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM1,700,000 comprising 1,700,000 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
12.05.80	3	1.00	Subscribers'shares	3
26.05.80	99,997	1.00	Cash	100,000
29.10.80	150,000	1.00	Cash	250,000
10.07.85	944,859	1.00	Cash	1,194,859
11.07.85	500,000	1.00	Bonus issue	1,694,859
07.08.85	5,141	1.00	Cash	1,700,000

**(c) Substantial Shareholders**

BTESB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of BTESB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, BTESB has three(3) subsidiary companies, namely SBSSB, SKSB and EMCCSB and has no associated companies. For details of the subsidiary companies, please refer to Sections 4.4.4, 4.4.13 and 4.4.14 of this Prospectus.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of BTESB.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.9 SASB****(a) History and Business Overview**

SASB was incorporated in Malaysia under the Companies Act 1965 on 22 February 1992 under the name Goodsrade Sdn Bhd. Subsequently on 29 June 1995, it assumed its present name. SASB is currently dormant.

**(b) Share Capital**

SASB's present authorised share capital is RM25,000 comprising 25,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
22.02.92	2	1.00	Subscribers' shares	2

**(c) Substantial Shareholders**

SASB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SASB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003 SASB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SASB.

**4.4.10 SCSB****(a) History and Business Overview**

SCSB was incorporated in Malaysia under the Companies Act 1965 on 26 July 1991, under the name Kanning Industries Sdn Bhd. On 27 January 1992, it assumed its present name.

SCSB is currently dormant.

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

SCSB's present authorised share capital is RM25,000 comprising 25,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
26.07.91	2	1.00	Subscribers' Shares	2

**(c) Substantial Shareholders**

SCSB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SCSB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SCSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SCSB.

**4.4.11 SESSB****(a) History and Business Overview**

SESSB was incorporated in Malaysia on 27 October 1992 under the Companies Act, 1965 under the name of Fine Density Sdn Bhd. Subsequently on 13 January 1993, it changed its name to IKG-Salcon Sdn. Bhd. before assuming its present name on 29 July 2002. It was principally involved in the trading and contracting of steel gratings and other types of floor gratings. It became dormant in 1997 and recommenced operations on 1 October 2002.

The current principal activities of SESSB consist of operation and maintenance of water treatment plant.

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

SESSB's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each and whilst its issued share capital is 500,000 ordinary shares of RM1.00 each, its paid-up share capital is RM250,001.

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
27.10.1992	2	1.00	Subscribers shares'	2
17.12.1992	499,998	1.00	Cash (paid up to RM249,999)	250,001

**(c) Substantial Shareholders**

SESSB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SESSB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SESSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SESSB.

**4.4.12 SSSB****(a) History and Business Overview**

SSSB was incorporated in Malaysia under the Companies Act 1965 on 13 October 1999, under the name Gateway Explorer Sdn Bhd. On 25 January 2000, it assumed its present name.

SSSB has not commenced operations since the date of incorporation.

**(b) Share Capital**

SSSB's present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 whilst its issued and paid-up share capital is RM2 comprising 2 ordinary shares of RM1.00.

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

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
13.10.99	2	1.00	Subscribers' shares	2

**(c) Substantial Shareholders**

SSSB is a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SSSB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SSSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SSSB.

**4.4.13 SKSB****(a) History and Business Overview**

SKSB was incorporated in Malaysia under the Companies Act 1965 on 28 May 1970, under the name Gamma Engineering Sendirian Berhad and subsequently on 3 July 1972, it changed its name to Siew Engineering Sendirian Berhad. On 3 January 1980, it assumed its present name.

The principal activities of SKSB at the date of incorporation consisted of fabrication of steel structures, frames and mechanical parts and other works of an engineering nature. In 1991, SKSB scaled down its activities by transferring most of its activities to SEB and remained dormant till now.

**(b) Share Capital**

SKSB's present authorised share capital is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

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

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
28.05.70	2	1.00	Subscribers' shares	2
14.12.70	30,000	1.00	Cash	30,002
19.02.74	20,000	1.00	Cash	50,002
20.05.75	10,000	1.00	Cash	60,002
20.08.75	10,000	1.00	Cash	70,002
16.02.77	1,998	1.00	Cash	72,000
07.01.80	53,000	1.00	Bonus issue	125,000
04.05.81	115,000	1.00	Bonus issue	240,000
20.05.85	760,000	1.00	Cash	1,000,000

**(c) Substantial Shareholders**

SKSB is a wholly-owned subsidiary of BTESB, which in turn, is also a wholly-owned subsidiary of SEB. SEB is a wholly-owned subsidiary of Salcon. Therefore, the substantial shareholders of SKSB reflect that of Salcon's.

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SKSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of SKSB.

**4.4.14 EMCCSB****(a) History and Business Overview**

EMCCSB was incorporated in Malaysia under the Companies Act 1965 on 13 May 1991.

The principal activities of EMCCSB consisted of providing metal spraying and coating services. In 1993, EMCCSB scaled down its activities and remained dormant till now.

**(b) Share Capital**

EMCCSB's present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each whilst its issued and paid-up share capital is RM555,000 comprising 555,000 ordinary shares of RM1.00 each.

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

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Type of Issue/ Consideration	Total Issued And Paid-up Share Capital RM
13.05.91	2	1.00	Subscribers'shares	2
09.08.91	332,998	1.00	Cash	333,000
09.08.91	222,000	1.00	Capitalisation of balance due to supplier of equipment	555,000

**(c) Substantial Shareholders**

The substantial shareholders of EMCCSB as at 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
BTESB	333,000	60.00	-	-
Kevin Douglas Moore	119,325	21.50	-	-
James L. Yule	61,050	11.00	-	-
Stephen Robert Isom	41,625	7.50	-	-
SEB	-	-	#333,000	60.00
Salcon	-	-	*333,000	60.00
KEB	-	-	**333,000	60.00
MASB	-	-	**333,000	60.00
ETSB	-	-	**333,000	60.00
Tan Sri Razali Bin Ismail	-	-	@333,000	60.00
Abdul Nasir Bin Adnan	-	-	@333,000	60.00
Dato' Lim See Teok	-	-	^333,000	60.00
Jaggit Singh A/L Tara Singh	-	-	^333,000	60.00

Notes:

- # Deemed interested by virtue of being the holding company of BTESB
- \* Deemed interested by virtue of being the holding company of SEB
- \*\* Deemed interested by virtue of their substantial shareholdings in Salcon
- @ Deemed interested by virtue of their substantial shareholdings in MASB
- ^ Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003 EMCCSB has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of EMCCSB.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.15 SWHK****(a) History and Business Overview**

SWHK was incorporated on 23 April 2003 in Hong Kong under the Companies Ordinance (Chapter 32). It is currently dormant.

**(b) Share Capital**

SWHK's present authorised share capital is HK\$10,000 comprising 10,000 shares of HK\$1.00 each whilst its issued and paid-up share capital is HK\$2 comprising 2 shares of HK\$1.00 each.

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

Date of Allotment	No. Of Shares Allotted	Par Value HK\$	Type of Issue/ Consideration	Total Issued And Paid-up Share Capital HK\$
23.4.03	2	1	Cash	2

**(c) Substantial Shareholders**

The substantial shareholders of SWHK as at 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
SEB	1	50	-	-
Lim Chee Khang	#1	50	-	-
KEB	-	-	*2	100
MASB	-	-	*2	100
ETSB	-	-	*2	100
Tan Sri Razali Bin Ismail	-	-	@2	100
Abdul Nasir Bin Adnan	-	-	@2	100
Dato' Lim See Teok	-	-	^2	100
Jaggit Singh A/L Tara Singh	-	-	^2	100

Notes:

# Held in trust for SEB

\* Deemed interested by virtue of their substantial shareholdings in Salcon

@ Deemed interested by virtue of their substantial shareholdings in MASB

^ Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, SWHK has no subsidiary or associated company.

**(e) Profit and Dividend Track Record**

As SWHK was only incorporated on 23 April 2003, it does not have any profit and dividend track record.

**4. INFORMATION ON THE SALCON GROUP (Cont'd)****4.4.16 EUCSB****(a) History and Business**

EUCSB was incorporated in Malaysia under the Companies Act 1965 on 3 September 1987 as a private limited company.

The principal activity of EUCSB is investing in a subsidiary company which undertakes on a build-operate-transfer basis, the development of a water treatment plant in Ho Chi Minh City, Vietnam.

The subsidiary company (90% owned by EUCSB) is BAWC. Please refer to Section 4.4.16 for information on BAWC.

**(b) Share Capital**

EUCSB's present authorised share capital is RM3,000,000 comprising 2,000,000 ordinary shares of RM1.00 each and 1,000,000 5% non-cumulative redeemable preference shares of RM1.00 each. Its issued and paid-up share capital is RM2,047,000 comprising 2,000,000 ordinary shares of RM1.00 each and 47,000 5% non-cumulative redeemable preference shares of RM1.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RM</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RM</b>
<b>Ordinary Shares</b>				
03.09.87	2	1.00	Subscribers' shares	2
22.05.91	18	1.00	Cash	20
15.11.93	499,980	1.00	Cash	500,000
03.05.94	750,000	1.00	Cash	1,250,000
12.12.94	375,000	1.00	Cash	1,625,000
23.01.95	375,000	1.00	Cash	2,000,000
<b>5% Non-Cumulative Redeemable Preference Shares</b>				
28.12.98	47,000	1.00	Cash	2,047,000

**(c) Substantial Shareholders**

The substantial shareholders of EUCSB as at 15 July 2003 are as follows:

<b>Name of shareholders</b>	<b>Direct Interest</b>		<b>Indirect Interest</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
SEB	800,000	40.0	-	-
IJM Corporation Berhad	800,000	40.0	-	-
Malaysian South-South Corporation Berhad	400,000	20.0	-	-
Salcon	-	-	*800,000	40.00
KEB	-	-	**800,000	40.00
ETSB	-	-	**800,000	40.00
MASB	-	-	**800,000	40.00
Tan Sri Razali Bin Ismail	-	-	@800,000	40.00

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

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Abdul Nasir Bin Adnan	-	-	@800,000	40.00
Dato' Lim See Teok	-	-	^800,000	40.00
Jaggit Singh A/L Tara Singh	-	-	^800,000	40.00

*Notes:*

- \* Deemed interested by virtue of being the holding company of SEB  
 \*\* Deemed interested by virtue of their substantial shareholdings in Salcon  
 @ Deemed interested by virtue of their substantial shareholdings in MASB  
 ^ Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003 EUCSB has one(1) subsidiary company, BAWC and has no associated companies. For details of the subsidiary company, please refer to Section 4.4.16 of this Prospectus.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of EUCSB.

**4.4.17 BAWC****(a) History and Business**

BAWC was incorporated in Binh Duong Province, the Socialist Republic of Vietnam. Investment License No. 1170.GP dated 15 March 1995 issued by the State Committee for Co-operation and Investment.

The principal activity of BAWC is to implement on a BOT basis, a water treatment facility capable of supplying Ho Chi Minh City and the neighbouring industrial zones with 100,000 cubic metres of treated water per day. The duration of the operations concession is for 20 years commencing from the first year of commercial production of treated water.

The construction of the plant was completed during the financial year ended 1999 and it commenced the supply of treated water on 1 August 1999.

**(b) Share Capital**

BAWC's present total investment capital or authorised share capital in the Malaysian context is USD35,800,000, whilst its paid legal capital is USD10,800,000.

In the original investment license number 1170/GP dated 15 March 1998, the legal capital is USD10,520,000. The legal capital was increased to USD10,800,000 pursuant to investment license number 1170/GPDCI dated 5 January 1998.

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

The substantial shareholders of BAWC as at 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
EUCSB	9,720,000	90.0	-	-
Sadec Malaysian Consortium Sdn. Bhd.	1,080,000	10.0	-	-
SEB	-	-	*9,720,000	90.00
Salcon	-	-	#9,720,000	90.00
KEB	-	-	**9,720,000	90.00
MASB	-	-	**9,720,000	90.00
ETSB	-	-	**9,720,000	90.00
Tan Sri Razali Bin Ismail	-	-	@9,720,000	90.00
Abdul Nasir Bin Adnan	-	-	@9,720,000	90.00
Dato' Lim See Teok	-	-	^9,720,000	90.00
Jaggit Singh A/L Tara Singh	-	-	^9,720,000	90.00

*Notes:*

- \* Deemed interested by virtue of its substantial shareholdings in EUCSB
- # Deemed interested by virtue of being the holding company of SEB
- \*\* Deemed interested by virtue of their substantial shareholdings in Salcon
- @ Deemed interested by virtue of their substantial shareholdings in MASB
- ^ Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, BAWC has no subsidiary or associated companies.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of BAWC.

**4.4.18 CCI****(a) History and Business Overview**

CCI was incorporated in the Republic of Mauritius on 25 June 1998. Its principal activity is investment holding.

**(b) Share Capital**

CCI's present authorised share capital is USD100,000 comprising 100,000 ordinary shares of USD1.00 each whilst its issued and paid-up share capital is USD2,500 comprising 2,500 ordinary shares of USD1.00 each.

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

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value USD	Type of Issue/ Consideration	Total Issued And Paid-up Share Capital USD
23.06.1998	2	1.00	Subscribers' shares	2
01.04.1999	98	1.00	Cash	100
05.12.2002	2,400	1.00	Cash	2,500

**(c) Substantial Shareholders**

The substantial shareholders of CCI as at 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
SEB	1,225	49.00	-	-
KEB	1,275	51.00	*1,225	49.00
Salcon	-	-	**1,225	49.00
ETSB	-	-	*1,225	49.00
MASB	-	-	*1,225	49.00
Tan Sri Razali Bin Ismail	-	-	@1,225	49.00
Abdul Nasir Bin Adnan	-	-	@1,225	49.00
Dato' Lim See Teok	-	-	^1,225	49.00
Jaggit Singh A/L Tara Singh	-	-	^1,225	49.00

*Notes:*

- \* Deemed interested by virtue of their substantial shareholdings in Salcon
- \*\* Deemed interested by virtue of being the holding company of SEB
- @ Deemed interested by virtue of their substantial shareholdings in MASB
- ^ Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, CCI has a subsidiary, PTIL as set out in Section 4.4.19 of this Prospectus. It has no associated company.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of CCI.

**4.4.19 PTIL****(a) History and Business Overview**

PTIL was incorporated on 6 April 1993 in India. The principal activities of the company are to provide agricultural advisory service to promote and develop palm oil as well as processing and marketing of palm oil products such as crude palm oil and palm kernel in India.



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

PTIL extended its financial year end from 31 March to 31 July during the financial period commencing from 1 April 1998 in order to be co-terminous with KEB, the holding company's financial year end.

PTIL commenced its commercial production of palm oil on 1 March 2000. There were no changes in the principal activities since the date of incorporation.

**(b) Share Capital**

PTIL's present authorised share capital is RS60,000,000 comprising 6,000,000 ordinary shares of RS10.00 each and RS190,000,000 comprising 1,900,000 6% cumulative redeemable preference shares of RS100.00 each whilst its issued and paid-up ordinary share capital is RS53,500,000 comprising 5,350,000 ordinary shares of RS10.00 each and RS137,898,400 comprising 1,378,984 6% cumulative redeemable preference shares of RS100.00 each.

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

<b>Date of Allotment</b>	<b>No. Of Ordinary Shares Allotted</b>	<b>Par Value RS</b>	<b>Type of Issue/ Consideration</b>	<b>Total Issued And Paid-up Share Capital RS</b>
<b>Ordinary Shares</b>				
05.05.93	7	10	Cash	70
25.03.96	2,999,993	10	Cash	30,000,000
19.03.98	2,350,000	10	Cash	53,500,000
<b>Preference Shares</b>				
19.03.98	80,000	100	Cash	8,000,000
04.08.98	20,000	100	Cash	10,000,000
15.09.98	50,000	100	Cash	15,000,000
28.09.98	55,000	100	Cash	20,500,000
16.10.98	339,950	100	Cash	54,495,000
02.12.98	82,000	100	Cash	62,695,000
02.12.98	335,000	100	Cash	96,195,000
15.11.99	347,724	100	Cash	130,967,400
03.01.00	404,310	100	Cash	171,398,400
29.03.00	(335,000)	100	Cash	137,898,400

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

The substantial shareholders of PTIL as at 15 July 2003 are as follows:

Name of shareholders	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
CCI	5,071,293	94.79	-	-
SEB	-	-	*5,071,293	94.79
Salcon	-	-	#5,071,293	94.79
KEB	-	-	**5,071,293	94.79
MASB	-	-	**5,071,293	94.79
ETSB	-	-	**5,071,293	94.79
Tan Sri Razali Bin Ismail	-	-	@5,071,293	94.79
Abdul Nasir Bin Adnan	-	-	@5,071,293	94.79
Dato' Lim See Teok	-	-	^5,071,293	94.79
Jaggit Singh A/L Tara Singh	-	-	^5,071,293	94.79

*Notes:*

- \* Deemed interested by virtue of its substantial shareholdings in CCI
- # Deemed interested by virtue of being the holding company of SEB
- \*\* Deemed interested by virtue of their substantial shareholdings in Salcon
- @ Deemed interested by virtue of their substantial shareholdings in MASB
- ^ Deemed interested by virtue of their substantial shareholdings in ETSB

**(d) Subsidiary and Associated Companies**

As at 15 July 2003, PTIL has no subsidiary or associated company.

**(e) Profit and Dividend Track Record**

Please refer to the Accountants' Report in Section 12 of this Prospectus for the profit and dividend track record of PTIL.

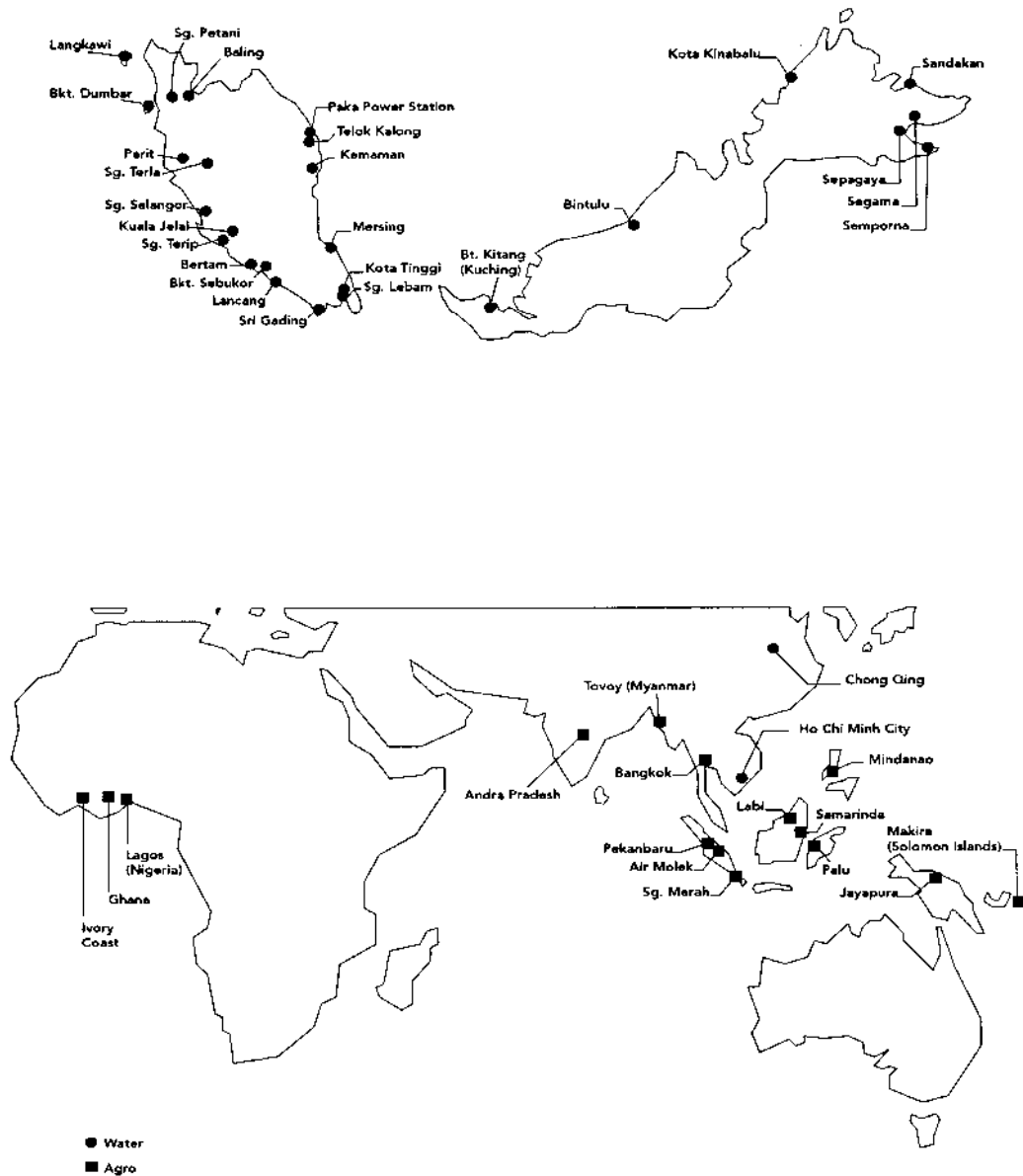
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4. INFORMATION ON THE SALCON GROUP (Cont'd)

4.5 Business Overview and Activities

The Salcon Group is organised around five main strategic business units (“SBUs”). The first of these is the Water and Environmental Division (“WED”), which focuses on the water industry. WED is the Salcon Group’s main business activity providing more than 50% of the Group’s profits and turnover. The second is the Wastewater Division (“WWD”), providing turnkey and specialist engineering services for wastewater and sewage treatment plants. The third is the Agro-Industrial Division (“AID”), the SEB Group’s palm oil mill contractor. The remaining business units of the Salcon Group are the Building Services Division (“BSD”) and the Trading Services Division (“TSD”).

Together, these five SBUs form the Salcon Group, a group developed over three(3) decades and which had managed to expand its business internationally. The Salcon Group has undertaken projects and operations in a number of countries, as illustrated in the map below.



**4. INFORMATION ON THE SALCON GROUP (Cont'd)****(A) Water and Environmental Division ("WED")**

From being a contractor of water treatment plants for palm oil mills, the Salcon Group through the WED has developed into one of the leading water engineering companies in Malaysia. WED has capabilities not only in the design, construction and commissioning of water production facilities but also in O&M of water treatment plants as well as in the area of non-revenue water ("NRW") works. WED is able to undertake local and overseas water privatisation projects and provide telemetry systems as well as installation of supervisory control and data acquisition ("SCADA") products.

WED is positioned to capture the opportunities available in the expanding water production and distribution industry. As an end-to-end water engineering company, the Salcon Group provides a comprehensive range of products and services to meet the needs of the expanding water production and distribution industry. Specialised knowledge in M&E engineering, technical know-how and an established track record with clients and the relevant authorities are among the capabilities gained through more than two decades of industry experience.

The Salcon Group has a number of notable achievements. For instance, in 1995 the Salcon Group successfully completed one of the largest sludge dewatering plant in Malaysia for the Public Utilities Board of Singapore. It is also a consortium member that successfully undertook the first water privatisation project in Vietnam. The Binh An Water Supply Scheme with a total project value of approximately USD35.8 million, supplies 100 Mld of potable water a day to Ho Chi Minh City and its environs for a concession period of 20 years. In the concession, the Salcon Group was involved as an investor, turnkey contractor and O&M operator. The major projects undertaken and executed by the Salcon Group include:

	<b>Project Status</b>	<b>Plant Capacity (Mld)</b>
Lancang Treatment Works and Bulk Transfer (Package B), Melaka <sup>1</sup>	Under Construction	55
Kuala Jelai Water Supply Project (Phase 2), Negeri Sembilan <sup>2</sup>	Completed in year 2002	45
Sungai Terip Water Treatment Plant (Phase III), Negeri Sembilan <sup>3</sup>	Completed in year 2002	136
Privatisation of Binh An Water Supply Project Ho Chi Minh City, Vietnam	Completed in year 1999	100
BOT privatisation of the Greater Ipoh Water Supply Scheme (Phase II), Perak	Completed between 1991 to 1997	273
Johor Bahru Water Supply Privatisation Project – Stage 3, Johor <sup>4</sup>	Under Construction	159
Sungai Selangor Water Supply Project, Phase 2, Stage 1, Selangor (chemical and filtration plant)	Completed in year 1998	475
Construction of Min Buri water distribution pumping station and related works, Bangkok, Thailand.	Under Construction	180
Hilir Perak Water Treatment Plant, Perak <sup>5</sup>	Under Construction	106

#### 4. INFORMATION ON THE SALCON GROUP (Cont'd)

*Notes:*

1. *Contract no.: PAM.KON.P&K.23-2001*
2. *Contract no.: JBA.NEG.NS.1.2000*
3. *Contract no.: JBA.NEG.NS.6.2000*
4. *Contract no.: CONT.C45.SAL.LA.005, Contract no.: CONT.C46.SAL.LA.006*
5. *Contract no: LAP.06.001.2002(P)*

The Salcon Group sees more opportunities available to its WED as the global and Malaysian economy grows. With growth in the economy comes an increase in demand for water by the residential, commercial and industrial sectors. The Salcon Group's unblemished project completion record and experience would be invaluable in capturing this growing market opportunity.

The Salcon Group has been successful in 2001 in securing the first construction project in Thailand, which is known as the Min Buri water distribution, pumping station, furnishing, installation of pumping equipment and power substation and related works. The Salcon Group has also secured four projects in Johor, Melaka and Perak early last year.

Salcon has in the first half of 2003 successfully tendered for more projects, both locally and internationally. Among others are the construction of the Kepong II Water Treatment Plant in Terengganu, the O&M contract for the Sg. Terip plant in Negeri Sembilan, the Non-Revenue Water Management project in Sandakan, Sabah and the construction of raw water pumping station and installation of trunk mains in two(2) separate projects in Thailand.

**(B) Wastewater Division ("WWD")**

The Salcon Group's expansion in the wastewater and sewage treatment industry started with the acquisition of ESB to form the WWD. A subsidiary of SEB, ESB is principally involved in providing turnkey and specialist engineering services for the design, supply, construction, installation, testing and commissioning of various types of sewage treatment plants. Technical competency is a key competitive advantage of WWD providing it with the ability to propose appropriate technical solution to match clients' needs. This advantage enabled WWD to provide its services to a spectrum of the wastewater market including Indah Water Konsortium ("IWK"), government municipalities, the Sewerage Services Department, major private property developers and wastewater treatment projects funded by international loans.

The prospects for this industry are bright. The industry's highly specialised engineering requirements with a limited number of players provides a barrier for new entrants. As with the water industry, the need for wastewater treatment plants grows with that of the economy and living standards. The Malaysian government too has been allocating more resources to develop wastewater treatment facilities. Under the Eighth Malaysia Plan, allocation for sewage treatment works is RM1.6 billion. As a Malaysian based company, ESB with its experience plays an active role in providing wastewater and sewage treatment plants.

**(C) Agro-Industrial Division ("AID")**

The AID is involved in the design, construction and commissioning of palm oil mills. At present, the Salcon Group regards itself as an established palm oil mill consultant and turnkey contractor both domestically and internationally.

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

To date, the Salcon Group has successfully completed no less than 80 palm oil mill projects worldwide including kernel crushers in Thailand, Indonesia, Philippines, India, Papua New Guinea, Ghana, Africa, Myanmar, Ivory Coast, Nigeria, Solomon Islands and Latin America.

The AID's accomplishments in this sector include completing a turnkey palm oil mill project in India in 13 months, in comparison to the normal completion period of 16-18 months. It had also completed, on a turnkey basis, one of the largest palm oil mills (80 tonnes FFB per hour) in Sabah, Malaysia in 1998.

**(D) Building Services Division ("BSD")**

The principal activities of the BSD are the provision of M&E engineering services for high rise office and residential towers, hotels and shopping malls, factories and tunnels.

It undertakes project management, maintenance services, co-ordinating and planning the implementation of projects as well as site management. In undertaking the above, it is able to provide the design, supply, delivery, installation and commissioning of various component systems including the fire protection, air conditioning and ventilation, telecommunication, plumbing and liquefied petroleum systems as well the installation of pumps and motors.

**(E) Trading Services Division ("TSD")**

This division is represented by SCESB, a wholly-owned subsidiary of SEB which provides equipment to the water and palm oil mill industries including metering pumps, steam turbines, heat exchangers, vacuum ejectors and valves. Its other activities besides sales and marketing of the above, include after-sales service, repair, design, fabrication and installation of the equipment.

A description of the Salcon Group's completed major projects in the past five(5) years is set out below:

Name of Project	Project Owner	Type of Project	Commencement Date	Completion Date
<b>Contract value &lt; RM10 million</b>				
Upgrading Water Supply-Baling District	Emas Utilities Corporation Sdn Bhd	Water Treatment Plant Project	15.01.1997	20.02.2001
Supply of valves and fittings-Binh An-Contract 2	BAWC	Water Treatment Plant Project	01.11.1997	18.08.1998
Erection for Binh An-Contract 10	BAWC	Water Treatment Plant Project	01.11.1997	30.06.1999
Sungai Lakitan Palm Oil Mill	PT London Sumatra	Palm Oil Mill Project	20.09.1999	28.04.2001
Glomax Land Sdn Bhd-Sungai Buloh Phase 2 & 3	Glomac Enterprises/ Glomac Land Sdn Bhd	Sewage Treatment Plant	01.01.2002	31.08.2002
Lahad Datu Water Supply-Segama	Pekah Sdn Bhd	Water Treatment Plant Project	04.09.1997	29.12.1999

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

Name of Project	Project Owner	Type of Project	Commencement Date	Completion Date
Lahad Datu Water Supply-Semporna	Pekah Sdn Bhd	Water Treatment Plant Project	15.05.1997	30.09.1999
Gunung Kombeng Palm Oil Mill	PT Matrasawit	Palm Oil Mill Project	30.09.2000	02.03.2002
Erection of Pumping Plant-Sungai Sayong	Syarikat Air Johor	Water Treatment Plant Project	11.12.1995	23.12.1998
Lahad Datu Water Supply-Sepagaya	Pekah Sdn Bhd	Water Treatment Plant Project	02.012.1996	30.09.1999
SEB/IJM Corporation Berhad Joint Venture	Emas Utilities Corporation Sdn Bhd	Water Treatment Plant Project	01.11.1997	30.04.1999
<b>RM10 million &lt;= Contract value &lt; RM50 million</b>				
Belaga Palm Oil Mill	Samling Plantation Bhd	Palm Oil Mill Project	06.09.2000	07.01.2002
Stream D - Filtration Plant	OTV (M) Sdn Bhd	Water Treatment Plant Project	17.02.1998	03.01.2001
Pumping plant and associated pipe work	JBA Negeri Sembilan	Water Treatment Plant Project	26.03.2001	15.06.2002
Sungai.Selangor Stream C-Filtration Plant	OTV (M) Sdn Bhd	Water Treatment Plant Project	15.04.1996	30.10.1998
Sungai Lilin Palm Oil Mill	PT Hindoli	Palm Oil Mill Project	13.09.1999	08.06.2001
Sungai Merah Palm Oil Mill	PT Sumber Indah Perkasa	Palm Oil Mill Project	02.07.1999	06.04.2001
Sri Gading Water Supply Project	Marimas Sdn Bhd	Water Treatment Plant Project	10.04.1997	06.12.1998
Sungai.Selangor Stream C-Sludge and Chemical	OTV (M) Sdn Bhd	Water Treatment Plant Project	15.04.1996	30.10.1998
Supply of treatment plant-Binh An-Contract 9	BAWC	Water Treatment Plant Project	01.11.1997	30.04.1999
Supply of pumping, electrical and generating plant-Binh An-Contract 8	BAWC	Water Treatment Plant Project	01.11.1997	30.04.1999
<b>Contract value &gt;= RM50 million</b>				
Sungai Terip (Phase III)	JBA Negeri Sembilan	Water Treatment Plant Project	07.03.2000	30.06.2002
Kuala Jelai Water Supply Project	JBA Negeri Sembilan	Water Treatment Plant Project	12.06.2000	01.04.2002

## 4. INFORMATION ON THE SALCON GROUP (Cont'd)

A description of the Salcon Group's current major projects undertaken is set out below:

Name of Project	Description of Project	Type of Project	Project Owner	Location	Commencement Date	Estimated Completion Date
<b>Contract value &lt; RM10 million</b> Refurbishment of Kuala Jelai existing water treatment system	Procurement, Construction and Commissioning of Kuala Jelai Water Supply Project Phase II-Refurbishment of the existing water treatment system	Water Treatment Plant	JBA Negeri Sembilan	Kuala Jelai, Negeri Sembilan	12.09.2002	31.07.2003
Construction of Sam Lae Water Pumping Station No.4 and related works	Construction of Sam Lae Water Pumping Station No.4 and related works	Water Treatment Plant	Metropolitan Waterworks Authority	Bangkok, Thailand	01.06.2003	01.05.2005
Kinrara Pumping Station and Sewer	Proposed Construction and Completion of Sewage Pumping Station No 2 and Ancillary Works for the Proposed Development of Kinrara Estate on Lot 3197, 3198 and 1804, Mukim Petaling, Selangor	Sewage Treatment Plant	Perumahan Kinrara Berhad	Puchong	15.01.2003	14.01.2004
Narajaya-Cheras Mahkota	Design, Construction, Complete, Operate and Maintain Sewage and Sludge Treatment Plants (STP A&B) - Phase 1 only) and intermediate sewage pumping stations including all ancillary works for Proposed Mixed Developments at 10th Miles, Cheras, Mukim Cheras.	Sewage Treatment Plant	Narajaya Sdn Bhd	Cheras, Kuala Lumpur	01.09.2001	31.12.2003
Sri Kembangan-Electrical Services	Mechanical and Electrical Works at Lot PT 32218, Mukim Petaling (Sri Kembangan) Daerah Petaling, Selangor	Building Services	Trans MSB Sdn Bhd	Sri Kembangan, Kuala Lumpur	01.06.2002	31.07.2003
Pulau Indah Regional Sewage Treatment Plant Phase 2C-PPT	Design, Construction, Commissioning, Operation and Maintenance of Proposed Regional Sewage Treatment Plant and associated facilities at Phase 2C, Taman Perindustrian Pulau Indah, Klang	Sewage Treatment Plant	Pembinaan Tegap Tunas Sdn Bhd	West Port	14.10.1999	31.12.2003



## 4. INFORMATION ON THE SALCON GROUP (Cont'd)

Name of Project	Description of Project	Type of Project	Project Owner	Location	Commencement Date	Estimated Completion Date
<b>RM10 million &lt;= Contract value &lt; RM50 million</b>						
Pulau Indah Section 10	Proposed Development of Taman Perindustrian Pulau Indah, Klang, Selangor-Design, Construction, Commissioning, Operation and maintenance of Proposed Sewerage facilities for part of section 10	Sewage Treatment Plant	Central Spectrum Sdn Bhd	West Port	15.12.1999	31.12.2003
Contract PIT-711, Supply and Installation of trunk mains and related works	Contract PIT-711, Supply and Installation of trunk mains and related works	Water Treatment Plant	Salcon-SKV Consortium	Bangkok, Thailand	16.10.2002	20.04.2005
Labur Bina - Regional Sewage Treatment Plant	Proposed Execution and Completion of Regional Centralised Sewage Treatment Plant for Mix Development on Lot 46 and 6677, Mukim Klang, Daerah Klang, Selangor.	Sewage Treatment Plant	Lanur Bina Sdn Bhd	Klang	15.02.2003	14.02.2004
Completion, testing and commissioning of mechanical, electrical, instrumentation works and SCADA system for Kepong II Water Treatment Plant	Completion, testing and commissioning of mechanical, electrical, instrumentation works and SCADA system for Kepong II Water Treatment Plant	Water Treatment Plant	Jabatan Bekalan Air Terengganu	Kuala Terengganu, Terengganu	05.01.2003	04.01.2004
Construction of Min Buri Water Distribution Pumping Station	Construction of Min Buri Water Distribution Pumping Station, Furnishing and Installation of Pumping Equipment and Power Substation and related works	Water Treatment Plant	Hydrotek Saloon JV	Bangkok, Thailand	03.01.2002	21.02.2004
Harum Intisari Phase 2	The Design, Construction, Completion, Testing and Commissioning of vacuum sewage reticulation system comprising of sewage reticulation works, vacuum chambers, interface valves, vacuum station and necessary ancillary works for 'Parcel A' of the Proposed Mixed Development Project on Lot 122, 3377 and 72084, Mukim Klang, Daerah Klang, Selangor	Sewage Treatment Plant	Harun Intisari Sdn Bhd	Klang	01.10.2002	30.08.2008

## 4. INFORMATION ON THE SALCON GROUP (Cont'd)

Name of Project	Description of Project	Type of Project	Project Owner	Location	Commencement Date	Estimated Completion Date
Johor Bahru Water Supply Privatisation Project-Contract 45	Johor Bahru Water Supply Privatisation Project – Stage 3 Works – Contract No.45 – Design, Supply, Deliver, Install, Test and Commission Raw Water and Treated Water Pump sets	Water Treatment Plant	Active Review Sdn Bhd	Sungai Johor, Johor	01.03.2002	30.06.2003
Semangar Water Supply Scheme-Contract 4B	Semangar Water Supply Scheme-Contract 4B-Supply, Installation, Testing and Commissioning of Intake Pumping and Electrical Plants and Associated Instrumentation and Control Equipment	Water Treatment Plant	SAJ Holdings/Ranhill Civil Sdn Bhd	Semangar, Johor	16.04.2001	30.06.2003
New River Gate at Sungai Sungkai	Construction, Installation of Plant, Retention Pond and main pipes at Hilir Perak, Contract No. 9 - Supply, Delivery, Installation and Commissioning of New River Gate at Sungai Sungkai, Raw and Treated Water Pumping Plant, Water Treatment Plant and Associated Equipment	Water Treatment Plant	Lembaga Air Perak	Hilir Perak, Perak	06.03.2002	05.12.2003
Johor Bahru Water Supply Privatisation Project -Contract 46	Johor Bahru Water Supply Privatisation Project Stage 3 Works – Contract No. 46 - Design, Supply, Deliver, Install, Test and Commission Raw Water and Treated Pump sets	Water Treatment Plant	Active Review Sdn Bhd	Sungai Johor, Johor	01.03.2002	30.06.2003
Project Pembangunan Bekalan Air Daerah Sandakan	Project Pembangunan Bekalan Air Daerah Sabah	Non-revenue water	Jabatan Air Sabah	Sandakan, Sabah	16.04.2003	15.10.2005