

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

6.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

6.1.1 Shareholdings of Promoters and Substantial Shareholders

The promoters and substantial shareholders (holding 5% or more in the share capital) of FCB are as follows:

	Designation	Nationality/ Country of incorporation	<u>Before the Public Issue</u>				<u>After the Public Issue</u>			
			Direct		Indirect		Direct		Indirect	
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters										
Wong Hua Choon	Executive Chairman / Managing Director	Malaysian	102,574,352	28.8	9,235,328	@2.6	102,574,352	21.6	9,235,328	@1.9
Yeo Lay Poh	Senior Vice-President of Operations	Singaporean	26,938,093	7.5	9,235,328	@2.6	26,938,093	5.7	9,235,328	@1.9
Liew Lep Onn	Plant Manager	Singaporean	1,377,210	0.4	-	-	1,377,210	0.3	-	-
FH	-	Singapore	9,235,328	2.6	-	-	9,235,328	1.9	-	-
QSSB	-	Malaysia	121,125,000	34.0	-	-	121,125,000	25.5	-	-
Substantial shareholders										
Wong Hua Choon	Executive Chairman / Managing Director	Malaysian	102,574,352	28.8	9,235,328	@2.6	102,574,352	21.6	9,235,328	@1.9
Yeo Lay Poh	Senior Vice-President of Operations	Singaporean	26,938,093	7.5	9,235,328	@2.6	26,938,093	5.7	9,235,328	@1.9
QSSB	-	Malaysia	121,125,000	34.0	-	-	121,125,000	25.5	-	-
PBSB	-	Malaysia	95,000,017	26.7	-	-	95,000,017	20.0	-	-
Dato' Ibrahim Bin Mahmud	Non-Independent Non- Executive Director	Malaysian	-	-	121,125,000	#34.0	-	-	121,125,000	#25.5
Zulkifli Bin Ali	-	Malaysian	-	-	121,125,000	#34.0	-	-	121,125,000	#25.5
Nagendran a/l C. Nadarajah	-	Malaysian	-	-	95,000,017	*26.7	-	-	95,000,017	*20.0

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

Notes:

@ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in FH

Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in QSSB

* Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in PBSB

6.1.2 Information on Corporate Promoters and/or Substantial Shareholders

(a) FH

FH was incorporated on 22 May 1999 in Singapore under the Singapore Companies Act (Chapter 50) as a private limited company. The present issued share capital of the company is SGD943,002 comprising 943,002 ordinary shares. The company is principally an investment holding company.

The shareholders of FH comprise mainly senior employees of FS who have been instrumental in the growth and expansion of the company. The details of the Directors and substantial shareholders of FH and their respective shareholdings in FH as at 30 April 2006 are as follows:

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Directors					
Wong Hua Choon	Malaysian	70,001	7.4	-	-
Yeo Lay Poh	Singaporean	20,001	2.1	-	-
Substantial shareholders					
Tan Ting Sua	Malaysian	180,000	19.1	-	-
Tay Kiang Meng	Singaporean	150,000	15.9	-	-
Chan Yoke Chor	Singaporean	120,000	12.7	-	-
Nishimura Wataru	Japanese	100,000	10.6	-	-
Mok Siew Wai	Singaporean	73,000	7.7	-	-
Wong Hua Choon	Malaysian	70,001	7.4	-	-
Chew Hock Kee	Singaporean	60,000	6.4	-	-
Wong Tong Lok	Singaporean	48,000	5.1	-	-
Ang Kim Hai	Singaporean	50,000	5.3	-	-

(b) QSSB

QSSB was incorporated on 22 August 2003 in Malaysia under the Act as a private limited company. The present authorised share capital of the company is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which RM1,000 comprising 1,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The company is principally an investment management company.

QSSB is majority-owned by Dato' Ibrahim Bin Mahmud, who is a Director of FCB. Dato' Ibrahim has no prior experience in the provision of surface metamorphosis technology services. His profile is set out in Section 6.2.1 of this Prospectus.

The details of the Directors and substantial shareholders of QSSB and their respective shareholdings in QSSB as at 30 April 2006 are as follows:

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

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Directors					
Dato' Ibrahim Bin Mahmud	Malaysian	800	80	-	-
Zulkifli Bin Ali	Malaysian	200	20	-	-
Wong Chin See	Malaysian	-	-	-	-
Substantial shareholders					
Dato' Ibrahim Bin Mahmud	Malaysian	800	80	-	-
Zulkifli Bin Ali	Malaysian	200	20	-	-

(c) PBSB

PBSB was incorporated on 9 September 2003 in Malaysia under the Act as a private limited company. The present authorised share capital of the company is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which RM100 comprising 100 ordinary shares of RM1.00 each have been issued and fully paid-up. The company is principally an investment holding company.

PBSB is majority-owned by Nagendran a/l C. Nadarajah. Nagendran a/l C. Nadarajah has worked for over twenty (20) years in various capacities in the oil and gas industry, commerce and educational establishments.

The details of the Directors and substantial shareholder of PBSB and their respective shareholdings in PBSB as at 30 April 2006 are as follows:

	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Directors					
Nagendran a/l C. Nadarajah	Malaysian	99	99	-	-
Chew Cheng Thim	Malaysian	1	1	-	-
Substantial shareholder					
Nagendran a/l C. Nadarajah	Malaysian	99	99	-	-

6.1.3 Promoters' and/or Substantial Shareholders' Directorships and Substantial Shareholdings in All Other Public Corporations for the Past Two (2) Years

Save as disclosed, none of the promoters and substantial shareholders of the Company has other directorship and/or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public corporations for the past two (2) years up to 30 April 2006:

Name	Company	Directorship	Date Appointed	Date Resigned	No. of shares held as at 30.04.2006			
					Direct	%	Indirect	%
Dato' Ibrahim Bin Mahmud	Kim Hin Industry Berhad	Independent Non-Executive Director	25.08.1999	-	-	-	-	-
Nagendran a/l C. Nadarajah	Perisai Petroleum Teknologi Bhd	Executive Director	01.06.2004	-	17,706,300	8.5	44,366,998	*21.3

* Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Maya Terang Sdn Bhd.

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

6.1.4 Changes in Substantial Shareholdings

The changes in the substantial shareholdings of FCB since its incorporation are as follows:

	<u>As at 29.04.2004 (i.e. date of incorporation)</u>				<u>As at 31.12.2004</u>				<u>As at 31.03.2006 after Share Split and Acquisition</u>				<u>As at 18.04.2006 after Share Split, Acquisition and Rights Issue</u>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Ng Boon Khee	1	50.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Sze Moi	1	50.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tai Keat Chai	-	-	-	-	1	50.0	-	-	-	-	-	-	-	-	-	-
Zabedah Binti Abdul Razak	-	-	-	-	1	50.0	-	-	-	-	-	-	-	-	-	-
Wong Hua Choon	-	-	-	-	-	-	-	-	^90,001,387	30.9	7,549,840	@2.6	102,574,352	28.8	9,235,328	@2.6
Yeo Lay Poh	-	-	-	-	-	-	-	-	22,021,772	7.5	7,549,840	@2.6	26,938,093	7.5	9,235,328	@2.6
QSSB	-	-	-	-	-	-	-	-	92,871,844	31.9	-	-	121,125,000	34.0	-	-
PBSB	-	-	-	-	-	-	-	-	77,662,094	26.7	-	-	95,000,017	26.7	-	-
Dato' Ibrahim Bin Mahmud	-	-	-	-	-	-	-	-	-	-	92,871,844	#31.9	-	-	121,125,000	#34.0
Zulkifli Bin Ali	-	-	-	-	-	-	-	-	-	-	92,871,844	#31.9	-	-	121,125,000	#34.0
Nagendran a/l C. Nadarajah	-	-	-	-	-	-	-	-	-	-	77,662,094	*26.7	-	-	95,000,017	*26.7

Notes:

^ Including the 20 subscribers' shares which were transferred to him subsequent to the Share Split and Acquisition

@ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in FH

Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in QSSB

* Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in PBSB

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

6.2 DIRECTORS

6.2.1 Profile

Wong Hua Choon, a Malaysian aged 42, was appointed as the Executive Chairman / Managing Director of FCB on 10 April 2006. He is the co-founder of the FCB Group and holds a Bachelor of Science in Mechanical Engineering from the University of Idaho, USA. He is responsible for leading the Group's corporate mission, direction and business performance with a strong breakthrough strategy, by growing market share and offering an integrated products and services. He has 16 years of experience in the business of surface technology, including setting up of R&D and engineering application in thermal coating processes. Prior to starting FS in 1996, he was with Sulzer Metco (Singapore) Pte Ltd, one of the largest thermal spray equipment and material manufacturing company in the world, during which time he has been at the forefront of many of the industry's most significant technology innovations. An engineer by training, Mr Wong began his career at Horiguchi Engineering Co., Ltd in the firm's thermal spray department. During his 5 years' tenure there, he was instrumental in setting up the marketing, R&D and engineering applications in thermal spray technology. He has been instrumental in steering the FCB Group to its present stature.

Dr Tay Kiang Meng, a Singaporean aged 42, was appointed as the Executive Director of FCB on 10 April 2006. Dr Tay holds a Bachelor of Engineering (First Class Honours) in Manufacturing Systems Engineering from University of Portsmouth, and a Master of Science in Advanced Manufacturing Systems and a PhD in Engineering from Brunel University, United Kingdom. He is also the Chief Scientist of the FCB Group and is responsible for leading the Group's technology roadmap, spearheading R&D activities, formalising the Group's quality systems, developing critical manufacturing technologies for FCB's semiconductor technology and advanced materials engineering, and exploring new technology opportunities for the Group. He is responsible for the commercialisation and breakthrough of the Group's R&D activities from a regional to a global scale. He has 17 years of professional experiences in technology development, R&D, and has led some of the most significant technology innovations in semiconductor-related manufacturing technology and advanced materials engineering. Dr Tay has been instrumental in pioneering the semiconductor 300mm copper technology together with the global partners and in achieving the Group's R&D critical milestones. Prior to joining FS in 2003, he was with Eng Tic Lee Engineering Pte Ltd.

An engineer and scientist by training, Dr Tay began his professional R&D experience with research think tank, Gintic Institute of Manufacturing Technology, Singapore. Dr Tay has received honours and awards in many of his academic, research and technology development work. Dr Tay has numerous inventions on his research work and has published in many international journals, books and encyclopedia in the areas of semiconductor manufacturing technology, advanced quality engineering, statistics, as well as advanced manufacturing engineering. His work has also been presented in many international conferences, seminars and workshops.

See Chuan Swee, a Malaysian aged 42, was appointed as the Executive Director of FCB on 10 April 2006. He holds a Master in Business Administration specialised in Finance & Investment Management and a Bachelor of Business Administration in Accounting from Baruch College of City University of New York. He is a provision member of Institute of Certified Public Accountant of Singapore and is also the Chief Financial Officer of the FCB Group. He is responsible for the Group's corporate finance and investment, accounting and tax as well as treasury functions. Together with the other members of the senior management team, he is involved in formulating corporate and regional expansion plans and strategies. Mr See also oversees the Human Resource Department and charts the Group's overall Human Resource development plan. He has 16 years of financial and management experience, in the area of planning, finance, accounting and equity market. Prior to joining the FCB Group in 2001, he was with Affin-UOB Securities Sdn Bhd.

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

Dato' Ibrahim Bin Mahmud, a Malaysian aged 63, was appointed as the Non-Independent Non-Executive Director of FCB on 10 April 2006. He joined the Sarawak Constabulary on 12 March 1964 as Constable and was promoted to the rank of Inspector in 1966 and thereafter rose through the gazette rank to full superintendent before his retirement as Divisional Superintendent on 1 March 1998. During his service in the Royal Malaysia Police, he had served as Staff Officer Narcotic, Criminal Investigation Department at the Headquarters, Sarawak and Officer in Charge of Police District. He was also seconded to the Anti-Corruption Agency, Kuching as Senior Investigation Officer. Currently, he sits on the Boards of Kim Hin Industry Berhad and several other private companies.

Dato' Haji Johar Bin Murat @ Murad, a Malaysian aged 58, was appointed as the Non-Independent Non-Executive Director of FCB on 10 April 2006. He graduated with a Bachelor degree in Malay Studies from Universiti Malaya in 1971. He has worked in various government agencies, such as the Ministry of Science, Technology & Environment, the Ministry of Finance, the Ministry of Public Enterprises (now known as Ministry of Entrepreneur and Co-operative Development) and Economic Planning Unit of Prime Minister Department. During his tenure of service in the Ministry of Finance (1996-2000), he was a director of the following organisations:

- Yayasan Tun Razak (Tun Razak Foundation)
- Perbadanan Kemajuan Negeri Selangor (Selangor State Economic Development Corporation)
- Majlis Sukan Negara Malaysia (National Sports Council)
- Lembaga Pembangunan Labuan (Labuan Development Authority)
- Syarikat MKIC Malaysia (Malaysia Equity Investment of Malaysia)
- Jawatankuasa Pengurusan Hutan Serantau (Regional Forestry Management Committee)
- Majlis Penyelidikan dan Kemajuan Sains Negara (National Council of Science and Research Development)

When he was the Deputy Secretary General (Operation) of the Ministry of Science, Technology & Environment from 2000 to 2003, Dato' Johar was also an Alternate Director of Lembaga Pengarah Technology Park Malaysia, MIMOS Berhad, SIRIM Berhad, Malaysian Agriculture Research and Development Institute, Malaysia Technology Development Corporation, Composite Technology Research Malaysia Sdn Bhd, Malaysia Design Council and National Science Centre. He is also the Chairman of Audit Committee of MIMOS Berhad and a member of the Board of Tender for MIMOS Berhad and SIRIM Berhad. Presently, he sits on the board of Furniweb Industrial Products Berhad and several other private companies.

Ng Wai Pin, a Malaysian aged 40, was appointed as Independent Non-Executive Director of FCB on 10 April 2006. He graduated with a Bachelor of Laws degree from the University of Auckland in 1988 and was practising as a barrister and solicitor in a leading legal firm in New Zealand for a number of years before returning to Malaysia where he joined Shook Lin & Bok, a legal firm in Kuala Lumpur. He was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993 and later became a Director and Chief Executive Officer of a company listed on Bursa Securities with regional operations, before returning to private practice in law. Presently, he is the Chief Operating Officer of a company listed on Singapore Exchange Limited and sits on the board of Euro Holdings Berhad.

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

6.2.2 Directors' Shareholdings in FCB

The shareholdings of the Directors in FCB are as follows:

Designation	<u>Before the Public Issue</u>				<u>After the Public Issue</u>				
	Direct		Indirect		Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Wong Hua Choon	Executive Chairman / Managing Director	102,574,352	28.8	9,235,328	@2.6	102,574,352	21.6	9,235,328	@1.9
Dr Tay Kiang Meng	Executive Director / Chief Scientist	-	-	9,235,328	@2.6	-	-	9,235,328	@1.9
See Chuan Swee	Executive Director / Chief Financial Officer	-	-	-	-	-	-	-	-
Dato' Ibrahim Bin Mahmud	Non Independent Non-Executive Director	-	-	121,125,000	*34.0	-	-	121,125,000	*25.5
Dato' Haji Johar Bin Murat @	Independent Non-Executive Director	-	-	-	-	-	-	-	-
Ng Wai Pin	Independent Non-Executive Director	-	-	-	-	-	-	-	-

Notes:

@ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in FH

* Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in QSSB

6.2.3 Directors' Directorships and Substantial Shareholdings in All Other Public Corporations for the Past Two (2) Years

Save as disclosed below, none of the Directors has any other directorships and/or substantial shareholdings (5% or more of the issued and paid-up share capital) in any public corporations for the past two (2) years up to 30 April 2006:

Name	Company	Directorship	Date Appointed	Date Resigned	No. of shares held as at 30.04.2006			
					Direct		Indirect	
					No. of Shares	%	No. of Shares	%
Dato' Ibrahim Bin Mahmud	Kim Hin Industry Berhad	Independent Non-Executive Director	25.08.1999	-	-	-	-	
Dato' Haji Johar Bin Murat @	Furniweb Industrial Products Berhad	Independent Non-Executive Director	21.07.2003	-	-	-	-	
Ng Wai Pin	Euro Holdings Berhad	Independent Non-Executive Director	01.10.2004	-	-	-	-	

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

6.2.4 Directors' Remuneration and Benefits

The remuneration and material benefits-in-kind paid to the Directors and chief executive officer of the Company for services rendered in all capacities to the Group for the financial year ended 31 December 2005 and proposed for the financial year ending 31 December 2006 in remuneration bands of RM50,000 are set out below:

Directors	Year ended 31 Dec 2005	Year ending 31 Dec 2006
Wong Hua Choon	*Band 6	*Band 7
Dr Tay Kiang Meng	*Band 5	*Band 5
See Chuan Swee	*Band 3	*Band 4
Dato' Ibrahim Bin Mahmud	-	Band 2
Dato' Haji Johar Bin Murat @ Murad	-	Band 1
Ng Wai Pin	-	Band 1

Notes:

* Conversion of remuneration from Singapore currency

Band 1 : Up to RM50,000 per annum

Band 2 : Between RM50,001 to RM100,000 per annum

Band 3 : Between RM200,001 to RM250,000 per annum

Band 4 : Between RM300,001 to RM350,000 per annum

Band 5 : Between RM350,001 to RM400,000 per annum

Band 6 : Between RM600,001 to RM650,000 per annum

Band 7 : Between RM900,001 to RM950,000 per annum

6.3 CORPORATE GOVERNANCE

The Board of FCB is committed to the principles of corporate governance in the Malaysian Code on Corporate Governance ("Code"). The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopting and implementing the Best Practices of the Code wherever applicable in the best interests of the shareholders.

The Board has formed three (3) committees, namely the Audit Committee, Remuneration Committee and the Nomination Committee on 12 April 2006.

6.3.1 Audit Committee

The Audit Committee comprises the following board members:

Name	Designation	Directorship
Ng Wai Pin	Chairman	Independent Non-Executive Director
Dato' Haji Johar Bin Murat @ Murad	Member	Independent Non-Executive Director
See Chuan Swee	Member	Executive Director / Chief Financial Officer

The Audit Committee will assist the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective system internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Group.

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

The Audit Committee is responsible for the recommendations to the Board regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviews and evaluates the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

6.3.2 Remuneration Committee

The Remuneration Committee comprises the following board members:

Name	Designation	Directorship
Ng Wai Pin	Chairman	Independent Non-Executive Director
Dato' Haji Johar Bin Murat @ Murad	Member	Independent Non-Executive Director
Wong Hua Choon	Member	Executive Chairman / Managing Director

The Remuneration Committee will review and recommend to the Board the terms of engagement and remuneration packages for the Executive Directors. The Remuneration Committee shall also be responsible for reviewing the performance of the Executive Directors. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits-in-kind shall be covered by the Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his remuneration package.

6.3.3 Nomination Committee

The Nomination Committee comprises the following board members:

Name	Designation	Directorship
Ng Wai Pin	Chairman	Independent Non-Executive Director
Dato' Haji Johar Bin Murat @ Murad	Member	Independent Non-Executive Director
Dr Tay Kiang Meng	Member	Executive Director / Chief Scientist

The Nomination Committee will be responsible for the re-nomination of the Directors having regard to each Director's contribution and performance. The Nomination Committee is also responsible for determining annually whether a Director is independent and deciding whether a Director is able to and has been adequately carrying out his duties as a Director. The Nomination Committee will decide on how the Board's performance is to be evaluated and propose objective performance criteria which address how the board has enhanced long-term shareholders' value. Each member of the Nomination Committee will not take part in determining his own re-nomination or independence.

6.3.4 Re-election of Directors

The Directors are appointed by the shareholders of the Company at a general meeting and an election of Director takes place annually. Pursuant to FCB's Articles of Association, at least one-third of the Directors are required to retire from office at every annual general meeting of the Company. Further, every Director must retire from office at least once every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

In accordance with Article 74 of the Company's Articles of Association, all the Directors (except the Managing Director) who have served since their date of appointment shall retire from office and offer themselves for re-election at the next Annual General Meeting.

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

Pursuant to Article 107 of the Company's Articles of Association, the Managing Director may be appointed for such period not exceeding five (5) years. The Managing Director shall be subject to the control of the Board.

6.4 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

6.4.1 Profile

Yeo Lay Poh, aged 44, is the co-founder of the FCB Group and the Senior Vice-President of Operations of FS. He holds a Diploma in Civil Engineering from Singapore Polytechnic and is responsible for the Group's production and operational performance. He has 16 years of experience in the business of surface metamorphosis technology, including setting up of production, operations and engineering applications in thermal coating processes. Prior to starting FS in 1996, he was with Horiguchi Engineering Co., Ltd in the firm's thermal spray department where he was trained in Japan at Tocalo Co. Ltd. During his 8 years' tenure there, he was instrumental in setting up the production, operations and engineering applications in thermal spray technology. He has been instrumental in steering the FCB Group to its present stature.

Png Eng Wah, aged 41, is the Senior Vice-President of Technology of FS. He holds a Diploma in Mechanical Engineering from Ngee Ann Polytechnic, Singapore and is responsible for leading the Group's corporate technology collaboration and development. He has 14 years of experience in the business of surface metamorphosis technology including special process development, technology transfer and setting up of R&D and engineering application in thermal coating processes. Prior to joining FS in 1997, he was with Sulzer Metco (Singapore) Pte Ltd, one of the largest thermal spray equipment and material manufacturing company in the world, during which time he has been at the forefront of many of the industry's most significant technology innovations. An engineer by training, Mr Png began his career at CHT International Pte Ltd in the firm's thermal spray department. During his 7 years' tenure there, he was instrumental in setting up the production, R&D and engineering applications in thermal spray technology. He has been instrumental in steering the FCB Group to its present stature.

Mok Siew Wai, aged 51, is the Senior Vice-President of Sales and Marketing of FS. He holds a Diploma in Production Engineering from Singapore Polytechnic and a Diploma in Sales & Marketing from Singapore Institute of Management. He is responsible for the Group's corporate sales activities and market development, customer relationship management, new business development as well as the Group's business performance. He has more than 26 years of experience in the business of rotating equipment repair technology, engineering applications in thermal coating processes and services including regional sales and marketing lead functions. Prior to joining FS in 2002, he was with GE Power System, one of the largest energy services company in the world. An engineer by training, Mr Mok began his career at Ordnance Development and Engineering in the toolings design department. After 1½ year, he left to join GE Keppel (formerly Watt & Akkermans Pte Ltd) as a sales engineer and later moving to the workshop as a mechanical engineer. Thereafter, he joined Elmar Engineering, an independent engineering service provider heading its production and engineering department. During his 12 years' tenure there, he was instrumental in setting up the production and engineering applications in gas turbines spare parts and engineering services. He later rejoined GE Power System when the latter acquired Alstom (formerly Elmar Engineering). He has been instrumental in steering the FCB Group to its present stature.

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

Chan Yoke Chor, aged 51, is the Senior Vice-President of Engineering of FS. He holds a Diploma in Mechanical Engineering from Singapore Polytechnic and is responsible for the Group's engineering activities. He joined Economic Development Board as master craftsman in metal machining and was trained under a two (2)-year program in Germany. He began his career with GE Keppel Energy Services Pte Ltd as lead machinist and was later promoted to a supervisor and thereafter a sales engineer. In 1988, he left GE Keppel Energy Services Pte Ltd after thirteen (13) years to join Elmar Engineering as workshop manager and later rejoined GE Keppel Energy Services Pte Ltd as Mechanical Department Manager when the latter acquired Alstom (formerly Elmar Engineering). He has more than 28 years of experience in mechanical engineering including quality assurance, technical services and workshop practices on both static and rotating machinery.

Liew Lep Onn, aged 51, is the Plant Manager of Operations of the FCB Group. He is responsible for leading the Group's production and operational performance in the semiconductor business. He has more than 22 years of experience in the business of surface metamorphosis technology including setting up production, operations and engineering application in thermal coating processes to semiconductor processes. Prior to joining FS in 1998, he was with Horiguchi Engineering Co., Ltd in the firm's thermal spray department where he was trained in Japan at Horiguchi Naineki K.K. During his 22 years' tenure there, he was instrumental in setting up the production, operations and engineering applications in thermal spray technology. He has been instrumental in steering the FCB Group of companies to its present stature.

Sia Chiok Meng, aged 44, is the Managing Director of FAE overseeing the business performance, market share and engineering products and services of FAE. He has more than 20 years of experience in mechanical engineering including quality assurance, technical services, production and engineering application in mechanical engineering and related services. Prior to joining FAE, he was the managing director of AMT engineering Sdn Bhd. An engineer by training, he began his career at Teklik, a machinery and services company, overseeing production and engine components machining and engine parts trading. During his 2 years' tenure there, he was instrumental in setting up the quality assurance, production and engineering applications in mechanical engineering, trading engine parts, engine major components rebuilding and thermal spraying coating services.

Chong Shi Chai, aged 35, is the General Manager of FM. He holds a Master of Business Administration and a Bachelor degree in Mechanical Engineering from University of New Castle and Swinburne University of Technology respectively. He is responsible for the Group's Penang operation, supporting the Group's R&D, quality systems, developing critical manufacturing technologies for the Group's semiconductor technology and advanced materials engineering including data analysis and research activities in material engineering and thermal spraying processes. He has more than 7 years of experience in applied research in Organic / Polymer Light Emitting Device ("OLED") technologies including vacuum thin-film sputter and excimer laser processes. Prior to joining FM in 2003, he was with OSRAM Technologies (M) Sdn Bhd, and has led some significant R&D technology innovations in OLED-related manufacturing technology and advanced materials engineering. His interest research areas are effective process development, optimisation and time & cost management in semiconductor industries.

Low Hock Seng, aged 28, is the Deputy General Manager of FM. He holds a Diploma in Mechanical Engineering from the Northern Territory University. He is responsible for leading FM's industrial engineering activities. An engineer by training, he has more than 7 years of experience in the technical sales of mechanical engineering services and related services. Prior to joining FM in 2002, he was with Prominent Fluid Controls Sdn Bhd (then known as Fluid Link Sdn Bhd) where he was trained in the firm's sales and marketing department. In FM, he has been instrumental in setting up the sales and marketing, production and engineering applications in surface metamorphosis engineering services.

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

George I. Lagos, aged 44, is the President of FP. He holds a Diploma in Industrial Technology from Don Bosco Technical College, Mandaluyong. He is responsible for FP's engineering activities and has more than 20 years of experience in mechanical engineering including quality assurance, technical services, production and engineering applications in thermal coating processes and related services. Prior to joining FP in 2003, he was the president of Rotodyne Philippines Inc. An engineer by training, he began his career at Pilipinas Shell Petroleum Corporation in the firm's rotating equipment department. He has also worked for Borg-Warner Industrial Products – Mechanical Seal Division, and SAAG Philippines Inc. Over the past 2 years, he has been instrumental in establishing FP's quality assurance, production and engineering applications focusing on repair and maintenance services, thermal spray and electrical repairs and services.

6.4.2 Key Management and Key Technical Personnel's Shareholdings in FCB

The shareholdings of the key management and key technical personnel in FCB before and after the Public Issue, assuming that the Public Issue Shares allocated to them are fully taken up by the respective individuals, are as follows:

	<u>Before the Public Issue</u>				<u>After the Public Issue</u>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yeo Lay Poh	26,938,093	7.5	9,235,328	@2.6	26,938,093	5.7	9,235,328	@1.9
Png Eng Wah	-	-	-	-	-	-	-	-
Mok Siew Wai	-	-	-	-	-	-	-	-
Chan Yoke Chor	-	-	-	-	-	-	-	-
Liew Lep Onn	1,377,210	0.4	-	-	1,377,210	0.3	-	-
Sia Chiok Meng	-	-	-	-	-	-	-	-
Chong Shi Chai	-	-	-	-	1,500,100	0.3	-	-
Low Hock Seng	-	-	-	-	1,472,100	0.3	-	-
George I. Lagos	-	-	-	-	-	-	-	-

Note:

@ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in FH

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

Save as disclosed below, none of the Executive Directors or key management of the Group is involved in other businesses or corporations, other than the operations of the FCB Group:

Wong Hua Choon, the Executive Chairman / Managing Director of FCB, and Yeo Lay Poh, a key management of the FCB Group, also sit on the board of Chinjee, a private limited company which is involved in ultra-high precision engineering. However, both of them are not involved in the day-to-day management of that company and only spend minimal time and effort in that company. Their involvement in that company does not affect their commitment and responsibilities to the FCB Group.

See Chuan Swee, an Executive Director of FCB, is also a Director and substantial shareholder of Uhome Electrical & Furniture Sdn Bhd, a company which is principally involved in the trading of furniture and electrical products. He is not involved in the operations of Uhome Electrical & Furniture Sdn Bhd.

Wong Hua Choon and See Chuan Swee are also Directors and substantial shareholders of Cyglobal Capital Sdn Bhd and Cyglobal Aerospace Sdn Bhd. Cyglobal Capital Sdn Bhd and Cyglobal Aerospace Sdn Bhd are principally involved in precision machining of aerospace components.

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

However, both of them are not involved in the day-to-day management of these companies and only spend minimal time and effort in these companies. Their involvement in these companies does not affect their commitment and responsibilities to the FCB Group.

Dr Tay Kiang Meng, an Executive Director of FCB, is also a Non-Executive Director and shareholder of Chinyee. In addition, he is also a Non-Executive Director and shareholder of Tayers Holdings Pte Ltd, an investment holding company. He is only a passive shareholder of these companies and is not involved in the operations of these companies.

Wong Hua Choon and Yeo Lay Poh are Directors and shareholders of FH. Dr Tay Kiang Meng and See Chuan Swee, who are Directors of FCB, together with Png Eng Wah, Mok Siew Wai, Chan Yoke Chor and Liew Lep Onn, who are key management / technical personnel of the FCB Group, are shareholders of FH. FH, an investment holding company, is a shareholder / promoter of FCB.

Sia Chiok Meng, a key management of FCB, is also a director of AMT Engineering Sdn Bhd, which is a company principally involved in engineering contracting, and A&I Engine Rebuilders Sdn Bhd, which is a company principally involved in trading and supply of spare parts. He only spends minimal time and effort in these companies. His involvement in these companies does not affect his commitment and responsibilities to the FCB Group.

6.6 DECLARATIONS OF PROMOTERS, DIRECTORS AND KEY MANAGEMENT / KEY TECHNICAL PERSONNEL

None of the Promoters, Directors or key management / key technical personnel is or was involved in the following events (whether inside or outside Malaysia):

- (i) A petition under any bankruptcy or insolvency laws 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;
- (ii) Disqualification from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) Charged and / or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) Any judgment entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) The subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

6.7 RELATIONSHIP

There is no family relationship or association amongst the promoters, substantial shareholders, Directors and key management or key technical personnel of the FCB Group.

6.8 SERVICE AGREEMENT

As at 30 April 2006, there are no existing or proposed service agreements between FCB or any of its subsidiaries and its Directors and key management or key technical personnel.

7. APPROVALS AND CONDITIONS

7.1 CONDITIONS OF APPROVALS

The Public Issue under the terms of this Prospectus was approved by the MITI on 4 April 2005 and 21 April 2006, and the SC (including approval under the Guidelines on the Acquisition of Interests, Take-Overs and Mergers by Local and Foreign Interests) on 30 November 2005, 9 December 2005, 2 May 2006 and 16 May 2006. The SC granted an extension of time until 15 August 2006 for FCB to complete its listing on the MESDAQ Market vide its letter dated 16 May 2006. BNM had approved the Acquisition on 17 April 2005. Bursa Securities had, vide its letter dated 19 April 2006, approved-in-principle the admission to the Official List of Bursa Securities and the Listing.

The conditions imposed by the aforesaid authorities and the status of compliance are as follows:

Authority / Date of approval	Details of conditions imposed	Status of compliance
MITI / 4 April 2005	<p>(i) FCB is required to obtain the approval of the SC for the listing scheme and comply with the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests.</p> <p>(ii) FCB is required to meet the 30% Bumiputera equity requirement within one (1) year after FCB has achieved the profit track record requirement for companies applying for listing on the Second Board of Bursa Securities or within five (5) years after being listed on the MESDAQ Market, whichever is the earlier.</p> <p>(iii) The allocation of the entire 21,375,000 Public Issue Shares is subject to the approval of the MITI and will be decided separately after the SC's approval.</p>	<p>Complied. The approval of the SC was obtained on 30 November 2005, 9 December 2005 and 2 May 2006.</p> <p>The FCB Group has achieved the profit track record requirement for companies applying for listing on the Second Board of Bursa Securities. The 30% Bumiputera equity requirement will be complied upon implementation of the Public Issue.</p> <p>Complied. The approval of the MITI on the allocation of 21,375,000 Public Issue Shares to Bumiputera investors was obtained on 21 April 2006.</p>
MITI / 21 April 2006	<p>(i) The allocation of 21,375,000 FCB Shares to the approved Bumiputera investors is subject to the condition that not more than 30% of the Shares allocated may be sold within three (3) months from the date of listing of FCB, while the remaining 70% may be sold in stages with prior approval of the MITI. However, this condition does not apply to the investors who were allocated less than 50,000 Shares.</p>	<p>Will be complied.</p>

7. APPROVALS AND CONDITIONS (Cont'd)

Authority / Date of approval	Details of conditions imposed	Status of compliance
	<p>(ii) FCB is required to inform the MITI should any Bumiputera investor fail to take up the allocated Shares. FCB is required to submit to the MITI the relevant documentary evidences that the Shares are registered under the names of the respective Bumiputera investors upon implementation.</p> <p>(iii) FCB is required to inform the MITI of the shareholdings of the Bumiputera investors in FCB six (6) months after the date of the listing.</p>	<p>Will be complied.</p> <p>Will be complied.</p>
BNM / 17 April 2005	<p>(i) FCB is required to repatriate all dividend, profit or interest and revenue from the disposal of investment received as soon as the said dividend, profit or interest is paid or whenever investment in the share capital of the companies abroad is sold and to inform the Jabatan Pentadbiran Pertukaran Asing (“JPPA”).</p> <p>(ii) FCB is required to submit to the JPPA a quarterly report on ECM9/OIR in respect of investment abroad, within one (1) month after the end of every quarter.</p> <p>(iii) FCB is required to submit to the JPPA copies of the financial statements of FM and FS every year as soon as they are available.</p>	<p>Will be complied.</p> <p>Will be complied.</p> <p>Will be complied.</p>
SC / 30 November 2005	<p>(i) FCB is required to ensure that at the point of implementation of the acquisition of FS, the NTA of FS should not be less than its adjusted audited consolidated NTA of RM29,123,278 as at 31 July 2004, which is the basis used by FCB for the purchase consideration of FS.</p> <p>(ii) FCB is required to disclose the status of utilisation of listing proceeds in its quarterly and annual reports until the proceeds are fully utilised.</p>	<p>Complied.</p> <p>Will be complied.</p>

7. APPROVALS AND CONDITIONS (Cont'd)

Authority / Date of approval	Details of conditions imposed	Status of compliance																								
	<p>(iii) Moratorium on the sale of shares shall be imposed on the promoters of FCB as follows:</p> <table border="1" data-bbox="526 504 1053 795"> <thead> <tr> <th colspan="3" style="text-align: center;">Shareholdings under moratorium</th> </tr> <tr> <th></th> <th style="text-align: center;">No. of shares</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Wong Hua Choon</td> <td style="text-align: right;">102,574,352</td> <td style="text-align: right;">21.6</td> </tr> <tr> <td>Yeo Lay Poh</td> <td style="text-align: right;">26,938,093</td> <td style="text-align: right;">5.7</td> </tr> <tr> <td>Liew Lep Onn</td> <td style="text-align: right;">1,377,210</td> <td style="text-align: right;">0.3</td> </tr> <tr> <td>FH</td> <td style="text-align: right;">9,235,328</td> <td style="text-align: right;">1.9</td> </tr> <tr> <td>QSSB</td> <td style="text-align: right;">73,625,017</td> <td style="text-align: right;">15.5</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>213,750,000</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>45.0</u></td> </tr> </tbody> </table> <p>The promoters are not allowed to sell, transfer or assign their shareholdings amounting to 45% of the issued and paid-up share capital of FCB for one (1) year from the date of admission of FCB to the MESDAQ Market. Thereafter, they may sell, transfer or otherwise dispose of up to a maximum of one-third of their respective shareholdings per annum on a straight line basis of their respective shareholdings under moratorium.</p> <p>In addition, every ultimate individual shareholder of FH and QSSB must give undertaking not to sell, transfer or assign his/her shareholdings in the said companies for the same period.</p> <p>(iv) Hwang-DBS / FCB should submit the following information on the placees to SC with regard to the placement of shares in respect of the Public Issue:</p> <ol style="list-style-type: none"> (a) Name of placees / ultimate beneficiaries for nominee companies (if any); (b) Identification card / Passport / Company registration number; (c) CDS account number; (d) Home / business address; (e) Occupation / principal activities; (f) Date of listing of placement shares; (g) Number of placement shares allocated; (h) Issue price of the placement shares; and (i) Name of the placement agent. 	Shareholdings under moratorium				No. of shares	%	Wong Hua Choon	102,574,352	21.6	Yeo Lay Poh	26,938,093	5.7	Liew Lep Onn	1,377,210	0.3	FH	9,235,328	1.9	QSSB	73,625,017	15.5		<u>213,750,000</u>	<u>45.0</u>	<p>Will be complied.</p> <p>Will be complied.</p> <p>An undertaking from each of the ultimate individual shareholders of FH and QSSB, was furnished to the SC on 8 May 2006.</p> <p>Will be complied.</p>
Shareholdings under moratorium																										
	No. of shares	%																								
Wong Hua Choon	102,574,352	21.6																								
Yeo Lay Poh	26,938,093	5.7																								
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7. APPROVALS AND CONDITIONS (Cont'd)

Authority / Date of approval	Details of conditions imposed	Status of compliance															
	<p>(v) Hwang-DBS / FCB should fully disclose in the Prospectus the risk factors arising from the Group's dependency on the semiconductor sector for a substantial portion of its revenue.</p> <p>(vi) 21,375,000 FCB Shares (from the Public Issue portion) should be allocated to MITI-approved Bumiputera investors to comply with the National Development Policy requirement upon completion of the proposed flotation.</p> <p>(vii) Hwang-DBS / FCB should inform SC on the status of compliance with the National Development Policy requirement upon completion of the proposed flotation.</p> <p>The SC took note that the equity structure relating to Bumiputera, non-Bumiutera and foreign shareholdings of FCB would change arising from the implementation of the listing exercise as follows:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Before %</th> <th>After %</th> </tr> </thead> <tbody> <tr> <td>Bumiputera</td> <td>50.0</td> <td>*30.0</td> </tr> <tr> <td>Non-Bumiputera</td> <td>50.0</td> <td>62.1</td> </tr> <tr> <td>Foreign</td> <td>-</td> <td>7.9</td> </tr> <tr> <td></td> <td><u>100.0</u></td> <td><u>100.0</u></td> </tr> </tbody> </table> <p>* 25.5% was recognised by MITI vide its letter dated 4 April 2005 and the balance of 4.5% would be allocated to MITI-approved Bumiputera investors</p>	Category	Before %	After %	Bumiputera	50.0	*30.0	Non-Bumiputera	50.0	62.1	Foreign	-	7.9		<u>100.0</u>	<u>100.0</u>	<p>Complied. The risk factor is set out in Section 4.3 of this Prospectus.</p> <p>Complied.</p> <p>Will be complied.</p>
Category	Before %	After %															
Bumiputera	50.0	*30.0															
Non-Bumiputera	50.0	62.1															
Foreign	-	7.9															
	<u>100.0</u>	<u>100.0</u>															
SC / 9 December 2005	Hwang-DBS / FCB should fully comply with the relevant requirements of the Listing Requirements in relation to the implementation of the listing exercise.	Complied and will be complied, where applicable.															

7. APPROVALS AND CONDITIONS (Cont'd)

7.2 MORATORIUM ON THE SALE OF SHARES

Pursuant to the Listing Requirements, Shares held by the promoters of FCB amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of Bursa Securities are to be placed under moratorium. In this respect, the promoters whose Shares are subject to moratorium are set out below:

Promoters	Shareholdings after Public Issue		Shareholdings under moratorium	
	No. of Shares	%	No. of Shares	%
Wong Hua Choon	102,574,352	21.6	102,574,352	21.6
Yeo Lay Poh	26,938,093	5.7	26,938,093	5.7
Liew Lep Onn	1,377,210	0.3	1,377,210	0.3
FH	9,235,328	1.9	9,235,328	1.9
QSSB	121,125,000	25.5	73,625,017	15.5
Total	261,249,983	55.0	213,750,000	45.0

The moratorium has been fully accepted by the promoters. They will not be allowed to sell, transfer or assign any part of their interest in the Shares under moratorium within one (1) year from the date of admission of FCB to the Official List of Bursa Securities. Thereafter, they are permitted to sell, transfer or assign up to maximum of one-third per annum on a straight-line basis of their shareholdings in FCB which are under moratorium.

The ultimate individual shareholders of FH and QSSB are not allowed to sell, transfer or assign their shareholdings in the said companies for the same period. The restriction is specifically endorsed on the notices of allotment representing the respective shareholding of the promoters which are under moratorium to ensure that the Company's Registrar shall not register any transfer not in compliance with the above restriction.

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8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST

8.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

Save for the transactions pursuant to the restructuring and listing exercise as disclosed in Section 5.2 of this Prospectus and those as disclosed below, there are no existing and/or proposed related-party transactions and conflict of interest in relation to FCB and its subsidiaries in respect of the three (3) financial years immediately preceding the date of this Prospectus:

- (a) On 27 September 2004, FS entered into a Subletting Agreement with Chinyee to sublet from Chinyee part of the premises at No. 107, Gul Circle, Singapore 629593 for a two (2)-year term commencing 1 October 2004 for a monthly rental and service charge of SGD4,500. Chinyee is a company in which Wong Hua Choon, the Executive Chairman / Managing Director of FCB, and Yeo Lay Poh, a key management of the FCB Group, are also directors and substantial shareholders. In addition, Dr Tay Kiang Meng, who is an Executive Director of FCB, is also a Non-Executive Director and shareholder of Chinyee. The Subletting Agreement was entered into on an arm's length basis and in accordance with the prevailing market rates for tenancies in that area. This agreement had been terminated with effect from 31 March 2005.
- (b) On 20 December 2004, FAE entered into a tenancy agreement with AMT Engineering Sdn Bhd to rent an industrial cum office building at Pending Industrial Estate in Kuching for a term of two (2) years commencing 1 December 2004 at a monthly rental of RM3,000 per month. AMT Engineering Sdn Bhd is a substantial shareholder of FAE, which in turn is effectively a 58.12% subsidiary of FCB. The tenancy agreement was entered into on an arm's length basis and in accordance with the prevailing market rates for tenancies in that area.
- (c) Over the years, certain Directors / substantial shareholders of the subsidiaries of FCB had advanced interest-free loans to the respective subsidiaries for working capital purposes. During the financial year ended 31 December 2004, these advances were partially settled by way of issuance and allotment of shares in the respective subsidiaries as follows:
 - (i) capitalisation of advances amounting to SGD3,343,982 by way of issuance and allotment of 2,499,675 and 235,750 Class A shares (which were subsequently converted into ordinary shares of SGD1.00 each) in FS to Wong Hua Choon and FH respectively, and 608,557 ordinary shares of SGD1.00 each in FS to Wong Hua Choon; and
 - (ii) capitalisation of advances amounting to RM1,470,062 by way of issuance and allotment of 860,000 and 610,062 ordinary shares of RM1.00 each in FAE to FM and AMT Engineering Sdn Bhd respectively. AMT Engineering Sdn Bhd is a substantial shareholder of FAE, which in turn is effectively a 58.12% subsidiary of FCB.
- (d) On 26 July 2004, AMT Engineering Sdn Bhd subscribed for 189,538 ordinary shares of RM1.00 each in FAE. AMT Engineering Sdn Bhd is a substantial shareholder of FAE, which in turn is effectively a 58.12% subsidiary of FCB.
- (e) On 17 November 2003 and 30 January 2004, Wirote Wannasiwaporn subscribed for 411,750 and 671,000 ordinary shares of THB10.00 each respectively in FT. Wirote Wannasiwaporn is a director and substantial shareholder of FT, which is an associated company of FCB.

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

- (f) In its ordinary course of business operation, the FCB Group enters into recurrent transactions of a revenue or trading nature with related parties. These transactions are intended to meet the business needs of the Group at the best possible terms while at the same time ensuring reliable and timely delivery of services to the Group's customers. The Group will continue these transactions after the admission of the Company to the Official List of Bursa Securities so long as it is in its interest to do so. The continuance of these arrangements will be subject to review by the Audit Committee.

Transacting party	Nature of relationship	Nature of transaction																		
Chinyee	<p>Chinyee was formerly a wholly-owned subsidiary of FS. It ceased to be a subsidiary of FS on 26 July 2004.</p> <p>Wong Hua Choon, the Executive Chairman / Managing Director, promoter and substantial shareholder of FCB, and Yeo Lay Poh, a key management of the FCB Group, are also directors and substantial shareholders of Chinyee. Dr Tay Kiang Meng, who is an Executive Director of FCB, is also a Non-Executive Director and shareholder of Chinyee.</p>	<p>The FCB Group engages Chinyee as supplier for fabrication of parts. At the same time, the FCB Group also provides coating services to Chinyee.</p> <p>The amount of related-party transactions entered into / to be entered into with Chinyee are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="2">Receipt of fabrication services from Chinyee</td> </tr> <tr> <td>Year ended 31 December ("FYE") 2004</td> <td style="text-align: right;">840</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">1,180</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*1,200</td> </tr> <tr> <td colspan="2">Provision of coating services to Chinyee</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">146</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">643</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*700</td> </tr> </tbody> </table> <p>* The actual value of transactions may vary from the estimated values disclosed above</p>		RM'000	Receipt of fabrication services from Chinyee		Year ended 31 December ("FYE") 2004	840	FYE 2005	1,180	FYE 2006	*1,200	Provision of coating services to Chinyee		FYE 2004	146	FYE 2005	643	FYE 2006	*700
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Provision of coating services to Chinyee																				
FYE 2004	146																			
FYE 2005	643																			
FYE 2006	*700																			
CNC Surface Science Pte Ltd ("CNC")	CNC was formerly a 70% subsidiary of FS. It ceased to be a subsidiary of FS on 26 July 2004.	<p>The FCB Group purchases raw materials, such as spraying powder and other consumables, from CNC. At the same time, the FCB Group also provides coating services to CNC.</p> <p>Prior to the disposal of the equity interest in CNC, FS had provided management services to CNC.</p> <p>The amount of related-party transactions entered into with CNC are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="2">Purchase of raw materials from CNC</td> </tr> <tr> <td>FYE 2003</td> <td style="text-align: right;">1,037</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">775</td> </tr> <tr> <td colspan="2">Provision of management services and coating services to CNC</td> </tr> <tr> <td>FYE 2003</td> <td style="text-align: right;">199</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">219</td> </tr> </tbody> </table>		RM'000	Purchase of raw materials from CNC		FYE 2003	1,037	FYE 2004	775	Provision of management services and coating services to CNC		FYE 2003	199	FYE 2004	219				
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8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Transacting party	Nature of relationship	Nature of transaction												
		During the FYE 2003, FS acquired spraying equipment from CNC amounting to approximately RM412,000.												
Arrowjet Pte Ltd ("APL")	APL was formerly a 51% subsidiary of FS. It ceased to be a subsidiary of FS on 26 July 2004.	During the FYE 2003, FS provided coating services to APL and charged APL administrative fee amounting to approximately RM4,000.												
Elmar Energy Pte Ltd ("EE")	Wong Hua Choon, the Managing Director, promoter and substantial shareholder of FCB, and Yeo Lay Poh, a key management of the FCB Group, were formerly directors and substantial shareholders of EE. They ceased to be directors and substantial shareholders of EE on 26 July 2004.	During the FYE 2003, FS provided coating services to EE amounting to approximately RM98,000.												
FAE	FAE is effectively a 58.12% subsidiary of FCB. Wong Hua Choon and See Chuan Swee, who are Directors of FCB, are also Directors of FAE.	<p>FS and FM provide coating services and supply consumables and toolings to FAE. The amount of related-party transactions entered into / to be entered into with FAE are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="2"><i>Provision of services and supply of consumables to FAE</i></td> </tr> <tr> <td>FYE 2003</td> <td style="text-align: right;">647</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">78</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">310</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*350</td> </tr> </tbody> </table> <p>* The actual value of transactions may vary from the estimated value disclosed above</p> <p>During the FYE 2004, FAE acquired spraying equipment from FM amounting to approximately RM89,000.</p>		RM'000	<i>Provision of services and supply of consumables to FAE</i>		FYE 2003	647	FYE 2004	78	FYE 2005	310	FYE 2006	*350
	RM'000													
<i>Provision of services and supply of consumables to FAE</i>														
FYE 2003	647													
FYE 2004	78													
FYE 2005	310													
FYE 2006	*350													
AMT Engineering Sdn Bhd ("AMT")	AMT is a substantial shareholder of FAE, which in turn is effectively a 58.12% subsidiary of FCB. Sia Chiok Meng, who is a director of FAE, is also a director of AMT.	<p>FAE outsources the lower-end engineering services for diesel engine repair to AMT. At the same time, FAE also provides coating services to AMT.</p> <p>The amount of related-party transactions entered into / to be entered into with AMT are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td colspan="2"><i>Receipt of engineering services from AMT</i></td> </tr> <tr> <td>FYE 2003</td> <td style="text-align: right;">22</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">76</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">42</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*50</td> </tr> </tbody> </table>		RM'000	<i>Receipt of engineering services from AMT</i>		FYE 2003	22	FYE 2004	76	FYE 2005	42	FYE 2006	*50
	RM'000													
<i>Receipt of engineering services from AMT</i>														
FYE 2003	22													
FYE 2004	76													
FYE 2005	42													
FYE 2006	*50													

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Transacting party	Nature of relationship	Nature of transaction																
		<p style="text-align: right;">RM'000</p> <p><i>Provision of coating services to AMT</i></p> <table> <tr> <td>FYE 2003</td> <td style="text-align: right;">36</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">48</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">44</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*50</td> </tr> </table> <p>* <i>The actual value of transactions may vary from the estimated values disclosed above</i></p> <p>During the FYE 2003, FAE acquired machinery and equipment from AMT amounting to approximately RM321,000.</p>	FYE 2003	36	FYE 2004	48	FYE 2005	44	FYE 2006	*50								
FYE 2003	36																	
FYE 2004	48																	
FYE 2005	44																	
FYE 2006	*50																	
A&I Engine Rebuilders Sdn Bhd ("A&I")	Sia Chiok Meng, who is a director of FAE, is also a director of A&I. FAE is a subsidiary of FCB.	<p>FAE outsources the low-end machining services to A&I, which provides services in the reconditioning of diesel engine for automotives and industrial application. At the same time, FAE also provides coating services to A&I.</p> <p>The above related-party transactions entered into / to be entered into with AMT are as follows:</p> <p style="text-align: right;">RM'000</p> <p><i>Receipt of machining services from A&I</i></p> <table> <tr> <td>FYE 2003</td> <td style="text-align: right;">4</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">5</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">6</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*10</td> </tr> </table> <p><i>Provision of coating services to A&I</i></p> <table> <tr> <td>FYE 2003</td> <td style="text-align: right;">2</td> </tr> <tr> <td>FYE 2004</td> <td style="text-align: right;">11</td> </tr> <tr> <td>FYE 2005</td> <td style="text-align: right;">9</td> </tr> <tr> <td>FYE 2006</td> <td style="text-align: right;">*10</td> </tr> </table> <p>* <i>The actual value of transactions may vary from the estimated values disclosed above</i></p>	FYE 2003	4	FYE 2004	5	FYE 2005	6	FYE 2006	*10	FYE 2003	2	FYE 2004	11	FYE 2005	9	FYE 2006	*10
FYE 2003	4																	
FYE 2004	5																	
FYE 2005	6																	
FYE 2006	*10																	
FYE 2003	2																	
FYE 2004	11																	
FYE 2005	9																	
FYE 2006	*10																	
Cyglobal Capital Sdn Bhd ("CC")	Wong Hua Choon, the Executive Chairman / Managing Director, promoter and substantial shareholder of FCB, and See Chuan Swee, an Executive Director of FCB, are also directors and substantial shareholders of CC.	<p>FM provides coating services and fabricates machinery parts for CC. The amount of transactions entered into / to be entered into with CC for FYE 2006 is estimated at RM50,000*.</p> <p>* <i>The actual value of transactions may vary from the estimated value disclosed above</i></p>																

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (*Cont'd*)

Transacting party	Nature of relationship	Nature of transaction
Cyglobal Aerospace Sdn Bhd ("CA")	Wong Hua Choon, the Executive Chairman / Managing Director, promoter and substantial shareholder of FCB, and See Chuan Swee, an Executive Director of FCB, are also directors and substantial shareholders of CA.	FM will provide coating services and fabricates machinery parts for CA. The amount of transactions to be entered into with CA for FYE 2006 is estimated at RM50,000*. * <i>The actual value of transactions may vary from the estimated value disclosed above</i>
FT	Wong Hua Choon, the Executive Chairman / Managing Director, promoter and substantial shareholder of FCB, is also a director of FT. FT is an associated company of FCB.	FS supplied consumables to FT amounting to RM222,000 in FYE 2005. For the FYE 2006, FS will lease a complete set of spraying equipment to FT at a rental estimated at RM25,000*. * <i>The actual value of transaction may vary from the estimated value disclosed above</i>

The Directors of FCB are of the opinion that the transactions above had been entered into on an arm's length basis and on terms which are not unfavourable to the FCB Group. The Group will ensure that all future transactions between the FCB Group and other companies related to the substantial shareholders and Directors of the FCB Group will be on an arm's length basis and will be no more favourable to the related parties than those generally available to the public. All future related-party transactions (whether recurrent or otherwise) will be subject to review by the Audit Committee and the Directors will report such transactions in the Annual Report of FCB.

8.2 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which FCB or any of its subsidiaries was a party in respect of the three (3) financial years immediately preceding the date of this Prospectus.

8.3 OUTSTANDING LOANS MADE FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, there are no other outstanding loans (including guarantees of any kind) made by FCB or any of its subsidiaries to or for the benefit of related parties within the three (3) financial years immediately preceding the date of this Prospectus. The amount outstanding as at 30 April 2006 is as set out below.

	As at 31 December			As at 30
	2003	2004	2005	April 2006
Long term				
Corporate guarantee given to a financial institution for banking facilities granted to Chinyee				
- Foreign currencies amount (SGD'000)	1,342	550	-	-
- RM equivalent (RM'000)	¹ 2,999	² 1,280	-	-

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (*Cont'd*)

	As at 31 December			As at 30
	2003	2004	2005	April 2006
Advances to FT				
- Foreign currencies amount (SGD'000)	480	62	62	62
- RM equivalent (RM'000)	¹ 1,072	² 143	³ 139	⁴ 141
Payment made on behalf of related parties ⁵				
- Foreign currencies amount (SGD'000)	115	3	-	-
- RM equivalent (RM'000)	¹ 256	² 7	-	-

Notes:

1. Based on the exchange rate of RM2.2342 : SGD1.00
2. Based on the exchange rate of RM2.3258 : SGD1.00
3. Based on the exchange rate of RM2.2341 : SGD1.00
4. Based on the exchange rate of RM2.2905 : SGD1.00
5. Include Chinyee, EE and AMT

8.4 INTEREST IN SIMILAR BUSINESS

None of the Directors or substantial shareholders of FCB and its subsidiaries has any interest, direct or indirect, in other businesses and corporations carrying on a similar trade as the FCB Group.

8.5 PROMOTION OF ASSETS

Save for the transactions pursuant to the restructuring and listing exercise as disclosed in Section 5.2 of this Prospectus and those as disclosed below, none of the Directors or substantial shareholders of the FCB Group has any interest, direct or indirect, in the promotion of, or in any material assets acquired or disposed of by or leased to the Company or its subsidiaries, or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries within the three (3) financial years immediately preceding the date of this Prospectus:

- (a) On 26 March 2004, FS entered into a Share Sale Agreement (as modified and amended by the Supplemental Agreement dated 3 November 2004) with Wong Hua Choon, who is the Executive Chairman / Managing Director, substantial shareholder and promoter of FCB, to acquire from Wong Hua Choon 240,000 ordinary shares of RM1.00 each representing 80% equity interest in FM for a cash consideration of RM240,000. The transaction was completed on 26 March 2004.
- (b) On 1 July 2004, FS entered into a Property Sale and Purchase Agreement with Chinyee to purchase from the latter a property located at No. 15 Gul Circle, Singapore 629466 for a consideration of SGD1,850,000. Chinyee is a company in which Wong Hua Choon, who is the Executive Chairman / Managing Director, promoter and substantial shareholder of FCB and Yeo Lay Poh, who is a key management of the FCB Group, are also directors and substantial shareholders. Dr Tay Kiang Meng, who is an Executive Director of FCB, is also a Non-Executive Director and shareholder of Chinyee. The transaction was completed on 18 March 2005.
- (c) On 26 July 2004, FS entered into a Share Sale and Purchase Agreement with Lim Kah Hoon, Dr Tay Kiang Meng, Yeo Lay Poh, Wong Hua Choon and FH (collectively referred to as "Purchasers") for the disposal of FS' entire shareholding comprising 746,179 ordinary shares of SGD1.00 each in Chinyee for a cash consideration of SGD1,000,000. The Purchasers (save for Lim Kah Hoon) comprise directors, shareholders and / or key management personnel of FCB. The transaction was completed on 26 July 2004.

8. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (*Cont'd*)

8.6 DECLARATION BY EXPERTS

DBS Bank Ltd (“DBS”) is deemed a substantial shareholder of Hwang-DBS (Malaysia) Berhad which in turn is the holding company of Hwang-DBS. DBS is one of the principal bankers of the FCB Group. As at 31 December 2005, the FCB Group has banking facilities with DBS with an outstanding amount of approximately RM18.4 million. The banking facilities were extended by DBS to the FCB Group in the normal course of business and the outstanding balances of the facilities constitute an immaterial portion of DBS’ loans and advances to, and bill receivable from, non-bank customers. Hwang-DBS is of the view that the foregoing does not constitute a material conflict of interest in its capacity as the Adviser, Underwriter, Placement Agent and Sponsor in respect of the Public Issue.

Messrs Deloitte & Touche confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants in respect of the Public Issue.

Messrs Leong Liew & Chen confirms that there is no conflict of interest in its capacity as the due diligence solicitors in respect of the Public Issue.

Messrs Wee Woon Hong & Associates confirms that there is no conflict of interest in its capacity as the Solicitors for the Report pertaining to Policies on Foreign Investments / Legal Opinion in respect of the Public Issue.

Lynck confirms that there is no conflict of interest in its capacity as the Independent Market Research Consultant in respect of the Public Issue.

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9. OTHER INFORMATION CONCERNING THE GROUP

9.1 LICENSES AND PERMITS

The major licenses and permits held by FCB and its subsidiaries required for the purposes of conducting their business are listed below:

Company	Licenses	Authority	Approval period	Salient Conditions	Status of Compliance
FS	Certificate or Registration / Provisional Factory Permit for factory at 156A Gul Circle, Singapore 629614	Ministry of Manpower, Singapore	Expiring on 30.06.2006	None	Not applicable
	Certificate or Registration / Provisional Factory Permit for factory at 15 Gul Drive, Singapore 629466	Ministry of Manpower, Singapore	Expiring on 31.08.2006	None	Not applicable
	Permit to Store and Use Hazardous Substances	National Environment Agency, Singapore	Expiring on 26.11.2006	None	Not applicable
FM	Factory License	Majlis Bandaraya Shah Alam	Expiring on 31.12.2006	None	-
	Semiconductor Service License	Majlis Perbandaran Seberang Perai	Expiring on 31.12.2006	None	Not applicable
	Environmental Quality (Sewage and Industrial Effluents) Regulations 1979 ("EQR")	Jabatan Alam Sekitar Pulau Pinang	26.07.2005 until revocation	<ul style="list-style-type: none"> ▪ The discharge of the treated effluent shall comply with Standard B as set out in Third Schedule of the EQR ▪ Written permission from the Director-General of Environmental Quality shall be obtained prior to any modification or expansion on the effluent treatment plant 	Complied

Company No.	651020-T
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9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Company	Licenses	Authority	Approval period	Salient Conditions	Status of Compliance
FAE	Businesses, Professions and Trading License	Perungut Lesen Perdagangan, Kuching	19.05.2006 – 18.05.2007	To carry out the provision of specialised thermal spray coating and engineering works	Not applicable
FP	Certificate of Registration under the Foreign Investments Act of 1991	Philippine Securities and Exchange Commission	21.01.2005 until revocation	FP is allowed to increase its foreign equity up to 100%	Not applicable
	Certificate of Registration	Philippine Economic Zone Authority	22.12.2003 until revocation	Certificate of Registration is subject to the representations and commitments set forth in FP's application for registration, the provisions of Republic Act No. 7916 and its rules and regulations and the terms and conditions of the Company's Registration Agreement	Not applicable

9.2 PROPERTIES

The details of land and buildings owned and leased by FCB and its subsidiaries as at the date of this Prospectus are set out below:

Name of registered owner or lessor / Location	Description/ Existing use	Land area (sq. m.)	Built-up area (sq. m.)	Date of issuance of certificate of fitness / statutory completion	Approximate age of building	Tenure	Restriction in interest	Encumbrances on property	Audited NBV as at 31 Dec 2005 RM'000
FS Pte Lot A12843 (to be known as Pte Lot A21020) ^(a) Bearing postal address: 156A Gul Circle Singapore 629614	2 factory buildings with mezzanine office to house production facilities	11,154	4,770	14.11.2002	10 years & 20 years	See note (b)	Premises is to be used for thermal spray coating and precision metal machining	Mortgaged to DBS Bank Ltd	9,389

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9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Name of registered owner or lessor / Location	Description/ Existing use	Land area (sq. m.)	Built-up area (sq. m.)	Date of issuance of certificate of fitness / statutory completion	Approximate age of building	Tenure	Restriction in interest	Encumbrances on property	Audited NBV as at 31 Dec 2005 RM'000
FS Pte Lot A22490 (to be known as Pte Lot A1355600) ^(c) Bearing postal address: 15 Gul Drive Singapore 629466	4-storey factory building to house production facilities and R&D activities	4,877	4,778	04.08.1983 10.07.1991 05.08.1999 See note (d)	5 years	See note (c)	See note (e)	Mortgaged to DBS Bank Ltd	8,103
FM H.S. (D) 79995 Lot P.T. 14308 Mukim Damansara Daerah Petaling Selangor Darul Ehsan Bearing postal address: Lot 2-46, Jalan Subang Utama 7 Taman Perindustrian Subang Utama Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	1½ -storey detached factory building to house production facilities	2,023	1,006	29.10.1994	10 years	Freehold	None	Charged to Public Bank Berhad	2,351

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9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Name of registered owner or lessor / Location	Description/ Existing use	Land area (sq. m.)	Built-up area (sq. m.)	Date of issuance of certificate of fitness / statutory completion	Approximate age of building	Tenure	Restriction in interest	Encumbrances on property	Audited NBV as at 31 Dec 2005 RM'000
FM H.S. (D) 40495 & 40609 Lots 12049 & 12063 Mukim 14, Daerah Seberang Perai Tengah Penang	1½ storey semi-detached factory to house production facilities and R&D activities	414	703	09.10.2000	4 years	Freehold	None	Charged to HSBC Bank Malaysia Berhad	887
Bearing postal address: No. 18 Jalan Pala 12 Kawasan Industri Ringan Permatang Tinggi 14100 Bukit Mertajam Penang									
H.S. (D) 40496 & 40610 Lots 12050 & 12064 Mukim 14, Daerah Seberang Perai Tengah Penang	1½ storey semi-detached factory to house production facilities and R&D activities	389							
Bearing postal address: No. 20 Jalan Pala 12 Kawasan Industri Ringan Permatang Tinggi 14100 Bukit Mertajam Penang									

9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Notes:

- (a) *The land is leased from JTC Corporation at a monthly rental of SGD11,814 (subject to periodic review by JTC Corporation). FS is the owner of the leasehold interest in the property.*
- (b) *The tenure of the leasehold land is 999 years commencing 18 November 1969 and expiring on 17 November 2968. FS is the owner of the leasehold interest in the property for the period of 14 years 11 months and 19 days with effect from 1 February 2004 for this property. The lease period for this property granted by JTC Corporation will thus expire on 20 January 2019.*
- (c) *On 1 July 2004, FS entered into a Property Sale and Purchase Agreement with Chinyee to purchase from the latter this property for a cash consideration of SGD1,850,000. Approval-in-principle for the assignment of the lease of the property from Chinyee has been obtained from JTC Corporation on 13 October 2004 and the acquisition was completed on 18 March 2005.*

The land is leased from JTC Corporation at a monthly rental of SGD5,165 (subject to periodic review by JTC Corporation). FS is the owner of the leasehold interest in the property. The tenure of the leasehold land is 999 years commencing 18 November 1969 and expiring on 17 November 2968. FS is the owner of the leasehold interest in the property for the period of 30 years with effect from 1 May 1996 for this property. The lease period for this property granted by JTC Corporation will thus expire on 30 April 2026.

- (d) *The certificates of fitness / statutory completion for the original factory, an additional store and a 2-storey workshop were obtained by the previous owners on 4 August 1983, 10 July 1991 and 5 August 1999 respectively.*

FS had carried out additions and alterations works to expand its building involving the addition of a mezzanine, 2-storey extension and sub-station to its existing single-storey factory, and a single-storey extension to its existing 4-storey factory building. The permits to commence building and structural works were obtained on 24 June 2004 and 22 March 2004 respectively, and the structural works were completed in June 2005. FS is in the midst of obtaining clearance from National Environment Agency, before submitting an application to the Building & Construction Authority for CSC clearance. Currently, no operations are carried out in these extended areas.

- (e) *FS shall be permitted to use the property throughout the lease term only for the provision of precision cleaning.*

FS shall not demise, assign, charge, create a trust or agency, mortgage, let, sublet, grant a license or part with or share the possession or occupation of the property within three (3) years from the date of completion of assignment (i.e. 14 March 2008) ("Prohibition Period") except that FS may (a) sublet the property with the prior written consent of JTC Corporation or (b) subject to JTC Corporation's prior written consent or prior written notification to JTC Corporation (as the case may be), in accordance with JTC Corporation's requirements then prevailing, mortgage or charge the property by way of assignment or deed of debenture for the purpose of obtaining financing for the working capital requirements of FS.

After the Prohibition Period, FS shall not demise, assign, charge, create a trust or agency, mortgage, let, sublet, grant a license or part with or share the possession or occupation of the property in whole or in part without JTC Corporation's prior written consent.

9. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

9.3 PLANT AND EQUIPMENT

The details of the material plant and equipment used by FCB and/or its subsidiaries as at 31 December 2005 are set out below:

Description	Capacity	NBV as at 31 Dec 2005 RM'000
Ruaro Cylindrical Grinding Machine	10 – 20 square feet per minute	965
Waste water treatment plant	5 cubic metre per hour	756
Clean room	6,000 square feet	845
Nile Verticle boring and turning machine	5 – 10 square feet per minute	1,725
Fuji Verticle turning and grinding machine	5 – 10 square feet per minute	763
Computerised plasma system	20 – 30 square feet per minute	} 886
Electric arc spray system	50 – 80 square feet per minute	
Acidic scrubber	7,000 cubic feet per minute	763
HVOF spraying system	10 – 25 square feet per minute	1,477
		8,180

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