

COMPANY PROFILE

REVIEW OF THE COMPANY PROFILE

CHAPTER 2

COMPANY PROFILE

CHAPTER 2 COMPANY PROFILE

2.1 BACKGROUND REVIEW OF ABRIC BERHAD AND ABRIC CLADDING SDN. BHD.

2.1.1 Abric Berhad

The activities of Abric Berhad, a public listed company listed on the second board of the Kuala Lumpur Stock Exchange since January 1999 are divided into two divisions namely – manufacturing and engineering. These activities include :

- a) manufacture and distribution of security seals and water purifiers.
- b) marketing of security seals in domestic and overseas market, home and electrical appliances, blended fertilisers, provide microfilming, colour copying, and related products.
- c) design, fabrication and installation of curtain wall and cladding, project management services and constancy work in facade.

The operating units within these divisions are:

- a) Manufacturing Division- Abric Manufacturing Sdn. Bhd ,Abric PSP Sdn. Bhd. Abric Marketing Sdn. Bhd. Abric Integrated Sdn. Bhd., Abric Worldwide Sdn. Bhd. and Abric Quantum Sdn. Bhd. and etc.
- b) Engineering Division – Abric Cladding Sdn. Bhd., Abric Project Management Sdn. Bhd. and Manz Fascade Engineering Sdn. Bhd.

The group structure of Abric Berhad is shown in Appendix 1.

The founder of the Abric Berhad is Dato' Albert Ong Eng Lock, the present managing director who started the security seals business in 1983 and continued with the establishment and acquisition of other subsidiaries with his entrepreneur skills. Currently, 50% of the company's turnover is generated by the security seals business and the balance by ACSB (38%) and others (12%).

The turnover and profit after tax of Abric Group for each of the past five (5) financial years to 31 December 1997 and the six (6) months period ended 30 June 1998 is as set out in Table 2.1 :

Table 2.1 : Turnover and Profit for Abric Berhad

	Financial year ended 31 December					6 months ended 30 June
	1993	1994	1995	1996	1997	1998
Turnover (RM'000)	12,960	15,198	18,847	28,234	38,537	21,390
Profit/(Loss)(RM'000)	(1,629)	1,959	2,044	5,380	6,645	3,453
- after tax						

(Source : Abric, 1998)

2.1.2 Abric Cladding Sdn. Bhd. (ACSB)

Abric Cladding Sdn. Bhd. (ACSB) was incorporated on March 1984 as Palmco Plaza Sdn.Bhd., a private limited company under the Company Act, 1965. On 21 October 1985, Palmco Plaza changed its name to Palmco Mark Hot Construction Services and subsequently renamed as Mega First Cladding Sdn Bhd. on 21 October 1992. The company was one of the pioneer local companies in the field of curtain walls, cladding, glazing and various other aluminium and glass architectural works for building projects. On 16 October 1996, the company adopted its present name after taken over by Abric Berhad. The authorised capital of this company is RM25 million while the paid-up capital is RM 9.6 million. ACSB is registered as a G7 grade with the Construction Industry Development Board Malaysia (CIDB). A G7 grade implies

that a company can tender for any project with an unlimited amount of contract sum.

The company had a long track record of more than 15 years in projects of various sizes and complexities, both locally and overseas. Among the notable projects completed by the company include the Plaza IMC, Central Plaza and Shahzan Tower located along Jalan Sultan Ismail of Kuala Lumpur, the prestigious Labuan Financial Park in Labuan, the Roof Lights of the Main Terminal of Kuala Lumpur International Airport in Sepang.

2.1.2.1 Services Offered

The current range of services and products offered include :

- Planning, preliminary design and costing services in curtain wall and cladding works to help clients to establish their requirements and ascertain budgets;
- Detailed designs and production of shop and fabrication drawings to ensure problem free fabrication, installation and maintenance of such works and ensure that the client obtain optimum returns from capital expenditure and recurring maintenance costs.
- Testing services to ensure that the designs and products meets the client's satisfaction.
- Fabrication, quality assurance and control at factory and logistics planning to ensure that the products meets the clients specification and panels and products arrive at site for installation at optimum schedules thereby ensuring minimum disruption.
- Installation and site quality control and assurance services to ensure that all installed works are to the satisfaction of the client.
- Defect rectification and maintenance works.

2.1.2.2 History Of Curtain Wall And Cladding

The curtain wall has its origins in the original concepts of basic shelter, consisting of the "Four Elements" that is, the hearth, substructure, the roof, and finally the enclosure. This evidence can be found in the classical architecture of China and latter Japan where light-weight curtains of timber paneling were used to form the enclosure. This can also be seen in traditional Orang Asli homes in Malaysia.

The modern curtain wall evolved around the turn of the century when the first steel skeleton frames emerged in city like Chicago, USA. The first modern skyscraper that fits today's definition was the Equitable Building, which open in 1948 in Portland Oregon.

The pioneers in the curtain wall and cladding industry in Malaysia has started off as simple fabricators of aluminium components, windows and doors for residential and commercial properties. The early fabricators remained small in size and capable only to handle small jobs or jobs with lesser complexity. The fabricators that had grown in size are those that are tied up with foreign fabricators and designers. In addition, some foreign companies had entered into the Malaysian market during the early eighties. The bulk of the curtain walls in Kuala Lumpur have been erected in the last 15 years and the UMBC building was the first curtain wall building in Malaysia constructed 20 years ago.

Curtain Walls were already making headway in the early mid-eighties, followed by a slump, boom again in the nineties and back to slump last year due to the economic crisis in this region. The curtain wall is popular because it is found to be more convenient, faster to build and provide an elegant facade for a building.

2.1.2.3 Major Players

Currently, there are about eight (8) major privately owned companies involved in the curtain walls business. These companies dominate nearly 90% of the market share and the balance taken up by small-scale companies.

The curtain wall and cladding industry in Malaysia is a true oligopoly. The 8 key players have an almost equal size of the market and these players can be divided into local and foreign companies as listed below :

Local Companies

- Abric Cladding Sdn. Bhd.
- Central Glass and Aluminium Contractors Sdn. Bhd.
- Luksoon Metal Works Sdn. Bhd.

Foreign Companies

- Fujisash (M) Sdn. Bhd. (Japanese)
- Global Wall (M) Sdn. Bhd. (Australian)
- Oliver Davey Glass (M) Sdn. Bhd. (Australian)
- Shin Nikkei Sdn. Bhd. (Japanese)
- YKK Industries (M) Sdn. Bhd. (Japanese).