

The Directors and Promoters of Plastrade Technology Berhad (PTB or the Company) have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Southern Investment Bank Berhad, being the Adviser, Sponsor, Managing Underwriter and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue.

The Securities Commission (SC) and the Kuala Lumpur Stock Exchange (KLSE) have approved the issue or invitation in respect of the Public Issue and that the approval shall not be taken to indicate that the SC and the KLSE recommend the Public Issue.

The SC and KLSE shall not be liable for any non-disclosure on the part of PTB and take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the MESDAQ Market of the KLSE is not to be taken as an indication of the merits of the invitation, PTB or of its securities. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

**Characteristics of the MESDAQ Market of the KLSE – Investors should be aware that MESDAQ Market of the KLSE is a distinct market from the Main and Second Boards in many respects. In particular, companies listed on MESDAQ Market are subject to different quantitative and qualitative requirements, which have been primarily designed to accommodate high-growth and/or technology companies. Companies that are listed on MESDAQ Market may not have an operating history or any profit track record prior to listing. As such, whilst potential investment returns may be relatively high, companies listed on the MESDAQ Market may be of higher investment risk. The regulatory philosophy underlying the MESDAQ Market is that the market should be allowed to determine the merits of the securities/ instruments in a particular company. Hence, as with all investments, prospective investors should be aware of all potential risks in investing in such companies and should make the decision to invest after due and careful consideration by referring to, amongst others, the Prospectus, latest financial statements and corporate announcements. In this respect, advice from a securities professional/ adviser is strongly recommended.**

This Prospectus can also be viewed or downloaded from the KLSE's website at [www.klse.com.my](http://www.klse.com.my).

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**INDICATIVE TIMETABLE**

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The indicative timing of events leading up to the listing of and quotation for PTB's entire enlarged issued and paid-up share capital on the MESDAQ Market of the KLSE is set out below:

| <b>Events</b>   | <b>Date</b>      |
|---|------------------|
| Opening of Application for the Public Issue                                     | 23 December 2003 |
| Closing of Application of the Public Issue                                      | 31 December 2003 |
| Tentative date for balloting for the Public Issue                               | 5 January 2004   |
| Tentative date of allotment of the Public Issue Shares to successful Applicants | 12 January 2004  |
| Tentative Listing date on the MESDAQ Market of the KLSE<br>Note:                | 15 January 2004  |

The Applications will remain open from 10:00 a.m. on 23 December 2003 to 5:00 p.m. on 31 December 2003 or for such further period or periods as the Directors of PTB in their absolute discretion may decide in consultation with the Managing Underwriter. Should the closing date of the application for the Public Issue Shares be extended, the tentative dates for the balloting, despatch of Notices of Allotment and listing of PTB's entire enlarged issued and paid-up share capital on the MESDAQ Market of KLSE would be extended accordingly. Late applications for the Public Issue Shares will not be accepted.

In the event that the Directors of the Company and the Managing Underwriter decide to extend the closing date of the Application, appropriate press releases will be made to the local news agencies and an advertisement will be placed in one (1) Bahasa Malaysia and one (1) English newspapers.

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures.

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**ABBREVIATIONS**


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In this Prospectus, the words and phrases below, unless the context otherwise requires, shall bear the meanings assigned next to them:

| <b>Abbreviations</b>    | <b>Meanings</b>   |
|-------------------------|---|
| <b>Companies</b>        |   |
| MHT                     | MHT Manufacturing Sdn Bhd, a wholly-owned subsidiary of PTB   |
| PESB                    | Plastrade Enterprise Sdn Bhd, a related party by virtue of common shareholders and Directors of PTB namely, Pua Kong Hoi and Chang Hing Ling @ Cheun Poh Kern, who hold 90% and 10% equity interest in PESB respectively                          |
| PESB Group of Companies | PESB and its subsidiaries, namely Plextech, Plascolour and Plasten  |
| Plascolour              | Plascolour Compound Sdn Bhd, a 76% equity-owned subsidiary of PESB  |
| Plasten                 | Plasten Enterprise Sdn Bhd, a 90% equity-owned subsidiary of PESB and a related party by virtue of common shareholders and Directors of PTB namely, Pua Kong Hoi and Chang Hing Ling @ Cheun Poh Kern who hold 5% equity interest each in Plasten |
| Plextech                | Plextech (Malaysia) Sdn Bhd, a 69.90% equity-owned subsidiary of PESB   |
| PPSB                    | Plascable Polymer Sdn Bhd, a wholly-owned subsidiary of PTB   |
| PTB or Company          | Plastrade Technology Berhad   |
| PTB Group or Group      | PTB and its wholly-owned subsidiaries, namely MHT and PPSB  |
| Smooth Venture          | Smooth Venture Sdn Bhd, a related party by virtue of common shareholders and Directors of PTB namely, Pua Kong Hoi and Chang Hing Ling @ Cheun Poh Kern who hold 90% and 10% equity interest in Smooth Venture respectively                       |
| Telekom                 | Telekom Malaysia Berhad   |
| Titan                   | Titan Polyethylene (Malaysia) Sdn Bhd   |
| TNB                     | Tenaga Nasional Berhad  |
| <b>Listing Scheme</b>   |   |
| Acquisitions            | MHT Acquisition and PPSB Acquisition, collectively  |
| Listing/ Listed         | Admission to the Official List of the MESDAQ Market and the listing of and quotation for the entire enlarged issued and paid-up share capital of PTB of RM13,000,000 comprising 130,000,000 new PTB Shares on the MESDAQ Market                   |

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**ABBREVIATIONS**


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| <b>Abbreviations</b>              | <b>Meanings</b>   |
|-----------------------------------|---|
| MHT Acquisition                   | Acquisition of the entire issued and paid-up share capital of MHT of RM1,000,000 comprising 1,000,000 MHT Shares for a purchase consideration of RM6,150,914 which was satisfied by the issuance of 61,509,140 new PTB Shares at an issue price of RM0.10 per share   |
| Pink Form Share Allocation Scheme | The issue of 1,255,500 new PTB Shares allocated to the eligible employees and business associates of PTB Group pursuant to the Public Issue   |
| Placees                           | Individual or institutional investors identified/to be identified to subscribe for the new PTB Shares issued pursuant to the Public Issue via Private Placement   |
| Placement/Public Issue Price      | Placement/Public Issue price of RM0.30 per PTB Share  |
| PPSB Acquisition                  | Acquisition of the entire issued and paid-up share capital of PPSB of RM1,000,000 comprising 1,000,000 PPSB Shares for a purchase consideration of RM3,599,084 which was satisfied by the issuance of 35,990,840 new PTB Shares at an issue price of RM0.10 per share   |
| Private Placement                 | Private placement of 29,681,500 new PTB Shares issued pursuant to the Public Issue at the Placement Price to the Placees  |
| Promoter(s)                       | A person(s) who has(have) interest directly and indirectly in one or more voting shares in PTB, and who can exercise control or influence over the management of PTB at the time of PTB's admission to the MESDAQ Market. The Promoters are Pua Kong Hoi, Ho Kar Kok, Chang Hing Ling @ Cheun Poh Kern and Teng Chee Kuan |
| Public Issue                      | Comprising Public Offer and Private Placement   |
| Public Issue Shares               | The 32,500,000 new PTB Shares to be issued pursuant to the Public Issue and are subject to the terms and conditions of this Prospectus  |
| Public Offer                      | The issue of 1,255,500 and 1,563,000 new PTB Shares to the eligible employees and business associates of PTB Group; and the public investors respectively pursuant to the Public Issue  |
| Restructuring and Listing Scheme  | Acquisitions, Public Issue, and Listing, collectively   |
| <b>Security</b>                   |   |
| Securities                        | Securities as defined in Section 2 of the Securities Commission Act, 1993 or any modification, amendment or re-enactment thereof for the time being in force  |
| MHT Share(s)                      | Ordinary share(s) of RM1.00 each in MHT   |

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**ABBREVIATIONS**


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| <b>Abbreviations</b>            | <b>Meanings</b>   |
|---------------------------------|---|
| PESB Share(s)                   | Ordinary share(s) of RM1.00 each in PESB  |
| PPSB Share(s)                   | Ordinary share(s) of RM1.00 each in PPSB  |
| PTB Share(s)                    | Ordinary share(s) of RM0.10 each in PTB   |
| <b>Authorities/ Regulations</b> |   |
| ADA                             | Authorised Depository Agent   |
| ADA Code                        | ADA (Broker) Code   |
| CDS                             | Central Depository System   |
| Central Depositories Act        | The Securities Industry (Central Depositories) Act 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force |
| FIC                             | Foreign Investment Committee  |
| Government                      | Government of Malaysia  |
| KLSE                            | Kuala Lumpur Stock Exchange   |
| MASB                            | Malaysian Accounting Standard Board   |
| MCD or Central Depository       | Malaysian Central Depository Sdn Bhd  |
| MESDAQ                          | Malaysian Exchange of Securities Dealing and Automated Quotation Berhad   |
| MESDAQ Market                   | MESDAQ Market of the KLSE   |
| MIH or Issuing House            | Malaysian Issuing House Sdn Bhd   |
| MIDA                            | Malaysian Industrial Development Authority  |
| MITI                            | Ministry of International Trade and Industry  |
| MMLR                            | MESDAQ Market Listing Requirements  |
| Official List                   | A list specifying all securities which have been admitted for listing on the MESDAQ Market and not removed  |
| ROC                             | Registrar of Companies  |
| SC                              | Securities Commission   |
| WTO                             | World Trade Organisation  |
| <b>Adviser</b>                  |   |
| SIBB                            | Southern Investment Bank Berhad   |

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**ABBREVIATIONS**


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| <b>Abbreviations</b>   | <b>Meanings</b>  |
|------------------------|--|
| <b>Technical Terms</b> |  |
| ESCR                   | Environmental Stress Cracking Resistance               |
| FR                     | Flame Retardant  |
| HDPE                   | High Density Polyethylene                              |
| HFFR                   | Halogen Free Flame Retardant Compound                  |
| LDPE                   | Low Density Polyethylene                               |
| LLDPE                  | Linear Low Density Polyethylene                        |
| MB                     | Master Batches   |
| MDPE                   | Medium Density Polyethylene                            |
| MV                     | Medium Voltage   |
| Nylon GF               | Nylon Glass Filled                                     |
| OA                     | Office Automation                                      |
| PA                     | Processing Aids  |
| PC/ABS                 | Polycarbonate/Acrylonitrile-Butadiene-Styrene Compound |
| PE                     | Polyethylene   |
| PP                     | Polypropylene  |
| PVC                    | Polyvinyl Chloride                                     |
| QA/ QC                 | Quality Assurance/ Quality Control                     |
| Stab                   | Stabilisers  |
| TPE                    | Thermoplastic Elastomers Compound                      |
| TPO                    | Thermoplastic Polyolefins Compound                     |
| UV                     | Ultra-Violet   |
| XLPE                   | Crosslinkable Polyethylene                             |
| <b>Financial Terms</b> |  |
| EPS                    | Earnings per share                                     |
| NBV                    | Net book value   |
| NTA                    | Net tangible assets                                    |

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**ABBREVIATIONS**


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| <b>Abbreviations</b>               | <b>Meanings</b>  |
|------------------------------------|--|
| PAT                                | Profit after taxation  |
| PBT                                | Profit before taxation   |
| <b>Others</b>                      |  |
| AFTA                               | ASEAN Free Trade Agreement   |
| Applicant(s)                       | Applicant(s) making the Application  |
| Application(s)                     | Application(s) for the Public Issue Shares by way of Application Forms or an Electronic Share Applications   |
| Application Form(s)                | A printed form for the purpose of applying for the Public Issue Shares   |
| ASEAN                              | Association of South East Asia Nations   |
| ATM                                | Automatic Teller Machine   |
| Electronic Share Application(s)    | The Electronic Share Application referred to in Section 17.5 of this Prospectus  |
| Board                              | Board of Directors of PTB  |
| CAGRs                              | Compounded Annual Growth Rates   |
| FDI                                | Foreign Direct Investment  |
| Frost & Sullivan                   | Frost & Sullivan (M) Sdn Bhd   |
| GDP                                | Gross Domestic Product   |
| Independent Market Research Report | The independent market research reports dated 30 September 2002 and 19 September 2003 prepared by Frost & Sullivan, an independent market researcher |
| kg                                 | Kilogram   |
| LMW                                | Licensed Manufacturing Warehouse   |
| MIER                               | The Malaysian Institute of Economic Research   |
| MT                                 | Metric Tonnes  |
| NDP                                | National Development Policy  |
| NOL                                | No Objection Letter  |
| RA                                 | Reinvestment Allowance   |
| R & D                              | Research and Development   |
| RM and sen                         | Ringgit Malaysia and sen respectively  |

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## ABBREVIATIONS

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| <b>Abbreviations</b>   | <b>Meanings</b>  |
|------------------------|--|
| Rules                  | Central Depository Rules   |
| Securities Account     | An account established by the Central Depository for a Depositor for the recording of deposits of Securities and for dealing in such Securities by the Depositor as defined in the Central Depositories Act and/or the Rules |
| SPA                    | Sale and Purchase Agreement  |
| U.A.E.                 | United Arab Emirates   |
| Underwriting Agreement | Underwriting agreement dated 10 December 2003 between PTB and its Managing Underwriter   |
| USA                    | United States of America   |
| USD                    | US Dollar  |
| UTM                    | Universiti Teknologi Malaysia  |

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## 1. CORPORATE DIRECTORY

### BOARD OF DIRECTORS

| <b>Name</b>   | <b>Address</b>  | <b>Occupation</b>    | <b>Nationality</b> |
|---|---|----------------------|--------------------|
| <b>Directors</b>  |   |                      |                    |
| Pua Kong Hoi<br>(Chairman and Managing Director)                | 20 Jalan Terentang<br>Kebun Teh Park<br>80250 Johor Bahru<br>Johor Darul Takzim   | Managing Director    | Malaysian          |
| Ho Kar Kok<br>(Executive Director)                              | 50 Jalan Permas 3/4<br>Permas Jaya<br>81750 Masai<br>Johor Darul Takzim   | Operations Director  | Malaysian          |
| Teng Chee Kuan<br>(Executive Director)                          | #11-07 Block E<br>Pangsapuri Dwi Mahkota<br>Jalan Persiaran Tanjung Susur 1<br>Taman Bukit Aliff<br>81200 Johor Bahru<br>Johor Darul Takzim | General Manager      | Malaysian          |
| Chang Hing Ling @<br>Cheun Poh Kern<br>(Non-Executive Director) | 10 Jalan Kunyit 2<br>Taman Sri Aman<br>81100 Johor Bahru<br>Johor Darul Takzim  | Company Director     | Malaysian          |
| Ong Ban Ban<br>(Independent Non-Executive Director)             | 6 Solok Bukit Jambul 1<br>11900 Bayan Lepas<br>Penang   | Independent Director | Malaysian          |
| Philip Lam Hoe Wai<br>(Independent Non-Executive Director)      | Q1-04-05 Goodyear Court 8<br>USJ 14 Jalan Persiaran Mulia<br>47630 Subang Jaya<br>Selangor Darul Ehsan                                      | Independent Director | Malaysian          |

### AUDIT COMMITTEE

| <b>Name</b>                      | <b>Designation</b>    | <b>Directorship</b>                |
|----------------------------------|-----------------------|------------------------------------|
| Ong Ban Ban                      | Chairman of Committee | Independent Non-Executive Director |
| Philip Lam Hoe Wai               | Member of Committee   | Independent Non-Executive Director |
| Chang Hing Ling @ Cheun Poh Kern | Member of Committee   | Non-Executive Director             |

## 1. CORPORATE DIRECTORY

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- COMPANY SECRETARIES** : Woo Min Fong (*MAICSA 0532413*)  
5 Jalan Perdana  
80300 Johor Bahru  
Johor Darul Takzim
- : Tan Siew Hua (*MAICSA 0904779*)  
4 Jalan Rentaka  
Taman Sri Tebrau  
80050 Johor Bahru  
Johor Darul Takzim
- REGISTERED OFFICE** : Suite 13-01 13<sup>th</sup> Floor City Plaza  
Jalan Tebrau  
80300 Johor Bahru  
Johor Darul Takzim  
Tel: (07) - 332 2088
- HEAD / MANAGEMENT OFFICE** : PLO 264 Jalan Firma 3  
Kawasan Perindustrian Tebrau IV  
81100 Johor Bahru  
Johor Darul Takzim  
Tel: (07) - 352 3899  
E-mail: [ptb@plastrade-technology.com](mailto:ptb@plastrade-technology.com)
- REGISTRAR** : Signet Share Registration Services Sdn Bhd  
10<sup>th</sup> & 11<sup>th</sup> Floor Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel: (03) - 2145 4337
- PRINCIPAL BANKERS** : Bumiputra-Commerce Bank Berhad  
39 & 41 Jalan Permas 10/2  
Bandar Baru Permas Jaya  
81750 Masai Johor Bahru  
Johor Darul Takzim  
Tel: (07) 386 2519
- Malayan Banking Berhad  
Johor Bahru Business Centre Level 8 Office  
Tower Johor Bahru City Square  
108 Jalan Wong Ah Fook  
80000 Johor Bahru  
Johor Darul Takzim  
Tel: (07) 219 3610
- AUDITORS AND REPORTING ACCOUNTANTS** : Horwath Wong & Co.  
Suite 30-04, Level 30  
Menara Landmark  
12 Jalan Ngee Heng  
80000 Johor Bahru  
Johor Darul Takzim  
Tel: (07) 278 1268

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## 1. CORPORATE DIRECTORY

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|   |   |  |
|---|---|--|
| <b>SOLICITORS FOR THE PUBLIC<br/>ISSUE</b>                                | : | Abdul Raman Saad & Associates<br>Level 12 Menara Pelangi<br>Jalan Kuning<br>Taman Pelangi<br>80400 Johor Bahru<br>Johor Darul Takzim<br>Tel: (07) 334 2266               |
| <b>INDEPENDENT MARKET<br/>RESEARCHER</b>                                  | : | Frost & Sullivan (M) Sdn Bhd<br>Suite E-08-15 Block E<br>Plaza Mont' Kiara<br>2 Jalan 1/70C<br>Mont' Kiara<br>50480 Kuala Lumpur<br>Tel: (03) 6204 5800                  |
| <b>ADVISER, SPONSOR, MANAGING<br/>UNDERWRITER AND PLACEMENT<br/>AGENT</b> | : | Southern Investment Bank Berhad<br>16 <sup>th</sup> Floor Wisma Genting<br>28 Jalan Sultan Ismail<br>50250 Kuala Lumpur<br>Tel: (03) 2059 4188                           |
| <b>ISSUING HOUSE</b>  | : | Malaysian Issuing House Sdn Bhd<br>27 <sup>th</sup> Floor Menara Multi-Purpose<br>Capital Square<br>8 Jalan Munshi Abdullah<br>50100 Kuala Lumpur<br>Tel: (03) 2693 2075 |
| <b>LISTING SOUGHT</b>   | : | MESDAQ Market of the KLSE  |

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## 2. INFORMATION SUMMARY

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**THE INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE PTB GROUP. INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS PRIOR TO MAKING AN INVESTMENT DECISION.**

### 2.1 History and Business

#### 2.1.1 Introduction

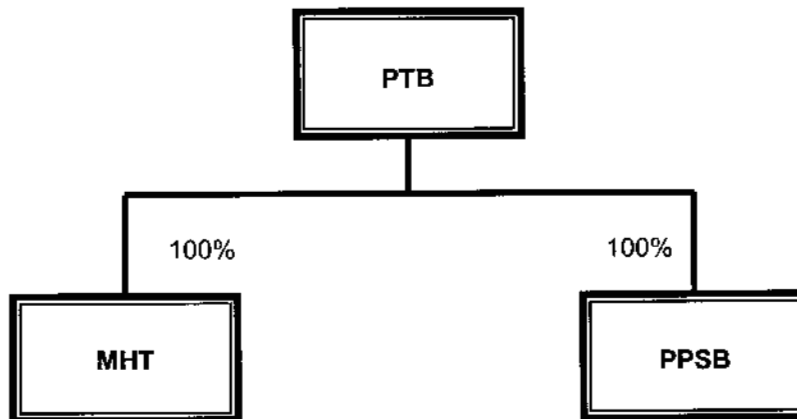
PTB was incorporated in Malaysia under the Companies Act, 1965 on 29 August 2002 as a public limited company. It was incorporated as an investment holding company to facilitate the listing of the PTB Group on the MESDAQ Market. PTB obtained its certificate of commencement of operation on 28 September 2002. The Company presently has an authorised share capital of RM25,000,000 comprising 250,000,000 PTB Shares. Its issued and paid-up share capital is RM9,750,000 comprising 97,500,000 PTB Shares.

PTB is principally an investment holding company while its wholly-owned subsidiaries, namely MHT and PPSB, are principally involved in the manufacturing of PE compounds for wires and cables and the compounding of intermediate products such as coloured concentrated plastic MB, polymer additives, PA, Stab and resin compound for pipe as well as the manufacturing of resin compounds for the automotive components.

PPSB was awarded the Golden Bull Award 2003 for its outstanding achievements as the top ten (10) winners of the Malaysia one hundred (100) Outstanding Small and Medium Sized Enterprises on 29 May 2003.

#### 2.1.2 Group Structure

The group structure of the PTB Group is set out below:





## 2. INFORMATION SUMMARY

| Subsidiaries | Date and place of incorporation | Effective equity interest % | Issued and paid-up share capital RM | Principal activities   |
|--------------|---------------------------------|-----------------------------|-------------------------------------|--|
| MHT          | 21 December 1994<br>Malaysia    | 100                         | 1,000,000                           | Manufacturing of PE compounds for wire and-cable insulation and jacketing, Stab and PA for wire and cable industry.  |
| PPSB         | 18 July 1988<br>Malaysia        | 100                         | 1,000,000                           | Compounding of : <ul style="list-style-type: none"> <li>• Coloured concentrated plastic MB;</li> <li>• Polymer additives and resin compound for pipe; and</li> <li>• resin compounds for the automotive components.</li> </ul> |

Further information on the history and business of the PTB Group is set out in Section 6 of this Prospectus.

### 2.1.3 Technology Used and to be Used

The PTB Group uses polymer compounding technology to produce a wide range of resin compounds required by the wire and cable, automotive and plastic industries. The technology involves formulation of polymers, chemical additives, reagents, processing methodology and control. In the compounding of resin compounds, a range of additives are added to the polymer to protect it from degradation and to give the material the desired properties. These additives are required to enhance the properties and product consistency of the resin compounds.

Refer to Section 6.5.2 of this Prospectus for further information.

### 2.1.4 R & D Capabilities

As at 12 December 2003 (being the latest practicable date prior to printing of this Prospectus), there are ten (10) members in the Group's R & D team led by the Group's Managing Director, Mr. Pua Kong Hoi. Its subsidiaries, MHT and PPBSB, undertake their own R & D activities as each of the companies manufactures different range of products. The PTB Group's R & D is presently focusing primarily on the following:

- (i) development of new resin compounds to cater for the changing customers' demands and Government's regulations in the wire and cable and automotive components industries;
- (ii) continuous improvement of its existing products to meet or even exceed international standards; and

## 2. INFORMATION SUMMARY

- (iii) the formulation and development of various intermediate products such as MB, PA, Stab and polymer additives.

The technical collaboration with UTM enables the PTB Group to expand its R & D activities as it provides the PTB Group access to the equipment and expertise which may not be reachable or cost effective for PTB to acquire itself. This collaboration therefore enables PTB to perform various R & D activities with better results. In addition, the collaboration with UTM provides an opportunity for the PTB Group to garner further confidence in the quality of its products.

Refer to Section 6.5.7 of this Prospectus for further information.

### 2.2 Promoters, Directors, Substantial Shareholders, Key Management and Key Technical Personnel

#### 2.2.1 Particulars and Shareholdings of Promoters and Substantial Shareholders

Based on the Register of Substantial Shareholders of PTB as at 12 December 2003, the direct and indirect interests of the Promoters and substantial shareholders (with 5% or more shareholdings) in PTB before and after the Public Issue are as follows:

| Name  | Designation            | Before Public Issue |       |                   |   | After Public Issue |       |                   |   | Nationality |
|---|------------------------|---------------------|-------|-------------------|---|--------------------|-------|-------------------|---|-------------|
|   |                        | Direct              |       | Indirect          |   | Direct             |       | Indirect          |   |             |
|   |                        | No. of PTB Shares   | %     | No. of PTB Shares | % | No. of PTB Shares  | %     | No. of PTB Shares | % |             |
| <b>Promoters and Substantial Shareholders</b> |                        |                     |       |                   |   |                    |       |                   |   |             |
| Pua Kong Hoi                                  | Managing Director      | 78,982,156          | 81.01 | -                 | - | 78,982,156         | 60.76 | -                 | - | Malaysian   |
| Ho Kar Kok                                    | Executive Director     | 6,674,541           | 6.85  | -                 | - | 6,674,541          | 5.13  | -                 | - | Malaysian   |
| Chang Hing Ling @ Cheun Poh Kern              | Non-Executive Director | 8,198,487           | 8.40  | -                 | - | 8,198,487          | 6.31  | -                 | - | Malaysian   |
| <b>Promoter</b>                               |                        |                     |       |                   |   |                    |       |                   |   |             |
| Teng Chee Kuan                                | Executive Director     | 3,644,816           | 3.74  | -                 | - | 3,644,816          | 2.80  | -                 | - | Malaysian   |

#### 2.2.2 Particulars and Shareholdings of Directors

Save for Mr Ong Ban Ban and Mr Philip Lam Hoe Wai, the two (2) Independent Non-Executive Directors who do not hold any shares in PTB, the shareholdings for the Directors of PTB, who are also the Promoters and substantial shareholders of the Group, are as disclosed in Section 2.2.1 above.

## 2. INFORMATION SUMMARY

### 2.2.3 Particulars and Shareholdings of Key Management and Key Technical Personnel

None of the key management or key technical personnel of the PTB Group holds any PTB Shares prior to the Public Issue. Pursuant to the Pink Form Share Allocation Scheme in conjunction with the Public Issue, the shareholdings of key management and key technical Personnel will be as follows:

| Name  | Designation                  | Before Public Issue |   |                   |   | After Public Issue |      |                   |   | Nationality |
|---|------------------------------|---------------------|---|-------------------|---|--------------------|------|-------------------|---|-------------|
|   |                              | Direct              |   | Indirect          |   | Direct             |      | Indirect          |   |             |
|   |                              | No. of PTB Shares   | % | No. of PTB Shares | % | No. of PTB Shares  | %    | No. of PTB Shares | % |             |
| <b>Key Management and Key Technical Personnel</b> |                              |                     |   |                   |   |                    |      |                   |   |             |
| Hay Phooi Quan                                    | Finance cum Accounts Manager | -                   | - | -                 | - | 27,000             | 0.02 | -                 | - | Malaysian   |
| Choo Choon Sian                                   | Engineer                     | -                   | - | -                 | - | 10,000             | 0.01 | -                 | - | Malaysian   |
| Fong Lee Chin                                     | Branch Manager               | -                   | - | -                 | - | 27,000             | 0.02 | -                 | - | Malaysian   |
| Chong Yew Kong                                    | Assistant Operation Manager  | -                   | - | -                 | - | 14,000             | 0.01 | -                 | - | Malaysian   |

Further information on the Promoters, Directors, substantial shareholders, key management and key technical personnel is set out in Section 8 of this Prospectus.

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## 2. INFORMATION SUMMARY

### 2.3 Historical Financial Information

The table below has been extracted from the Accountants' Report in Section 13 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

A summary of the audited proforma consolidated financial results of PTB after incorporating certain reclassifications to conform with the latest period of accounts presentation in accordance with the MASB for the five (5) years ended 31 December 2002 and the six (6) months period ended 30 June 2003, prepared based on the assumption that the current structure of the Group has been in existence throughout the years/ period under review, is as follows:

|  | Financial year ended 31 December |                |                |                |                | Six (6)<br>months<br>period ended |
|--|----------------------------------|----------------|----------------|----------------|----------------|-----------------------------------|
|  | 1998<br>RM'000                   | 1999<br>RM'000 | 2000<br>RM'000 | 2001<br>RM'000 | 2002<br>RM'000 | 30 June 2003<br>RM'000            |
| Turnover   | 4,749                            | 9,050          | 10,420         | 16,612         | 24,488         | 14,928                            |
| Consolidated profit before depreciation, interest and taxation | 315                              | 1,104          | 1,479          | 2,103          | 4,429          | 3,031                             |
| Depreciation   | (81)                             | (97)           | (220)          | (304)          | (781)          | (504)                             |
| Interest expense   | (6)                              | (11)           | (48)           | (134)          | (539)          | (421)                             |
| Amortisation of goodwill                                       | (95)                             | (95)           | (95)           | (95)           | (95)           | (48)                              |
| Consolidated PBT   | 133                              | 901            | 1,116          | 1,570          | 3,014          | 2,058                             |
| Taxation   | *                                | (45)           | (158)          | (94)           | (720)          | (263)                             |
| Consolidated PAT   | 133                              | 856            | 958            | 1,476          | 2,294          | 1,795                             |
| <b>Number of PTB Shares assumed in issue ('000)**</b>          | 97,500                           | 97,500         | 97,500         | 97,500         | 97,500         | 97,500                            |
| Gross EPS (sen)  | 0.14                             | 0.92           | 1.14           | 1.61           | 3.09           | 4.22***                           |
| Net EPS (sen)  | 0.14                             | 0.88           | 0.98           | 1.51           | 2.35           | 3.68***                           |
| Gross dividend rate (%)  | -                                | -              | -              | -              | 150            | -                                 |

\* Amount less than RM1,000

\*\* The number of PTB Shares assumed in issue throughout the financial years/ period under review is the number of PTB Shares in issue after the Acquisitions i.e. 97,500,000 PTB Shares but before Public Issue

\*\*\* Annualised

#### Notes:

- The proforma consolidated results for the five (5) financial years ended 31 December 2002 and the six (6) months period ended 30 June 2003 are prepared on the basis that the proforma Group had been effective throughout the periods under review. The proforma consolidated results for these financial years/ period have been prepared based on the adjusted audited financial statement for all its subsidiaries. The proforma consolidated results have been prepared based on accounting policies consistent with those previously adopted in the preparation of the adjusted audited financial statements of the individual subsidiaries.
- The turnover for the relevant financial years/ period under review has been increasing consistently mainly due to PPSB gradually shifting its production focus from plastic waste recycling to the compounding of plastic resin for the wire and cable industry in 1997 which have better market opportunity and demand.

For the financial year ended 31 December 1998, the Group achieved a turnover growth rate of 115% mainly due to higher selling price of resin compounds for the wire and cable industry and its ability to secure new customers.

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## 2. INFORMATION SUMMARY

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Turnover increased further by 91% and 15% for the financial years ended 31 December 1999 and 2000 respectively mainly because PPSB managed to gain confidence from its existing customers on the quality of its products as well as its continuous efforts to introduce and market its products to other potential customers.

For the financial year ended 31 December 2001, the Group achieved a growth rate of 59% as the Group expanded its customer base, had greater market penetration and the increase in demand for power and communication cables resulting from the increased spending by the Government on related infrastructure projects.

Turnover for the financial year ended 31 December 2002 increased by 47% principally due to the Group commencing export during the year, sales of which contributed 14% of total sales for the year. The higher growth is also due to the introduction of new intermediate products and more variants of the existing products in addition to the improvement in the resin compounds industry.

Based on the turnover for the six (6) months financial period ended 30 June 2003 of approximately RM14.9 million, the extrapolated twelve (12) months turnover of approximately RM29.9 million is about 22% above that in 2002. This is mainly attributed to the increase in demand for the PTB Group's products as a result of more aggressive marketing efforts of the Group.

3. For the financial years ended 31 December 1998 and 1999, the consolidated PBT increased mainly due to improved gross profit margin as the compounding of plastic resin yielded better turnover and profit margin to PPSB. Operating expenses per RM of sales also remained relatively fixed as the Group has excess production capacity.

Consolidated PBT increased by 22% for the financial year ended 31 December 2000 and 37% for the financial year ended 31 December 2001 mainly due to higher gross profit margin as the PTB Group was able to command a higher profit margin by selling directly to its customers and not through its marketing agents.

For the financial year ended 31 December 2002, the consolidated PBT increased by approximately 87% in line with the increase in gross profit margin as the PTB Group is able to command a better margin on its products as well as lower operating costs.

With the increase in turnover of the PTB Group for the six (6) months period ended 30 June 2003, the extrapolated twelve (12) months figure for the consolidated PBT for the financial year ending 31 December 2003 of approximately RM4.2 million is approximately 36% above that in 2002. This is mainly due to the better profit margin that the PTB Group can command for its products and the Group's efforts to reduce its operating expenses.

4. The effective tax rate for the financial years ended 31 December 1998 is lower than the statutory tax rate mainly due to utilisation of reinvestment allowances.

The effective tax rate for the financial year ended 31 December 1999 is lower than the statutory tax rate due to taxable income for the year being waived in accordance with the provisions of the Income Tax (Amendment) Act 1999.

The effective tax rate for the financial year ended 31 December 2000 until 31 December 2001 is lower than the statutory tax rate mainly due to the utilisation of reinvestment allowance tax incentive to reduce the chargeable income of the Group.

The effective tax rate for the financial year ended 31 December 2002 and for the six (6) months period ended 30 June 2003 is lower than the statutory tax rate mainly due to the utilisation of reinvestment allowance and pioneer status tax incentives to reduce the chargeable income of the Group.

5. There were no exceptional or extraordinary items in respect of the relevant financial years/ period under review.

## **2. INFORMATION SUMMARY**

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6. The amortisation of goodwill is calculated based on the goodwill arising from consolidation as per the proforma consolidated balance sheets as at 30 June 2003. The amortisation charge is based on a policy of amortisation of goodwill over twenty (20) years and this charge is assumed to be applicable retrospectively to the financial years/ period under review.
7. The proforma net EPS is computed based on the consolidated PAT and the number of shares assumed to be in issue of 97,500,000 PTB Shares prior to the Public Issue.
8. All significant intra-group transactions are eliminated on consolidation and the consolidated results reflect external transactions only.

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## 2. INFORMATION SUMMARY

### 2.4 Proforma Consolidated Balance Sheets as at 30 June 2003

A summary of the proforma consolidated balance sheets of PTB is extracted from the proforma consolidated balance sheets as at 30 June 2003, as disclosed in Section 12.7 of this Prospectus. This proforma consolidated balance sheets is for illustrative purposes only to show the effects on the audited accounts of the PTB Group as at 30 June 2003 after taking into consideration of the Acquisitions, Public Issue and estimated listing expenses, as if these transactions had been effected on that date.

|   | (i)  | (ii)  | (iii)   |                                       |
|---|--|---|---|---------------------------------------|
|   | Audited<br>As at<br>30 June 2003<br>RM'000 | After I and<br>MHT<br>Acquisition<br>RM'000 | After<br>II and PPSB<br>Acquisition<br>RM'000 | After III<br>and<br>Listing<br>RM'000 |
| <b>ASSETS</b>                                 |  |   |   |                                       |
| Property, plant and equipment                 | -  | 5,409                                       | 16,281  | 16,281                                |
| Goodwill on consolidation                     | -  | 2,892                                       | 1,893   | 1,893                                 |
|   | -  | 8,301                                       | 18,174  | 18,174                                |
| <b>CURRENT ASSETS</b>                         | #  | 6,846                                       | 10,396  | 13,846                                |
| <b>CURRENT LIABILITIES</b>                    | 7  | 7,930                                       | 13,012  | **8,112                               |
| <b>NET CURRENT<br/>(LIABILITIES)/ASSETS</b>   | (7)  | (1,084)                                     | (2,616)                                       | 5,734                                 |
|   | <u>(7)</u>                                 | <u>7,217</u>                                | <u>15,558</u>                                 | <u>23,908</u>                         |
| <b>FINANCED BY:</b>                           |  |   |   |                                       |
| Share capital                                 | *  | 6,151                                       | 9,750   | 13,000                                |
| Share premium                                 | -  | -   | -   | ***5,100                              |
| Retained profits                              | (7)  | (7)   | (7)   | (7)                                   |
| <b>SHAREHOLDERS' EQUITY</b>                   | (7)  | 6,144                                       | 9,743   | 18,093                                |
| <b>LONG TERM AND DEFERRED<br/>LIABILITIES</b> | -  | 1,073                                       | 5,815   | 5,815                                 |
|   | <u>(7)</u>                                 | <u>7,217</u>                                | <u>15,558</u>                                 | <u>23,908</u>                         |
| <b>NTA per PTB Share (sen)</b>                | (35,000)                                   | 5   | 8   | 13                                    |

\* This represents RM2.00 comprising 20 PTB Shares

\*\* Net of repayment of trade facilities of RM4.9 million

\*\*\* Net of estimated listing expenses of RM1.4 million

# Amount less than RM1,000

The notes to the proforma consolidated balance sheets as at 30 June 2003 are set out in Section 12.7 of this Prospectus.

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## 2. INFORMATION SUMMARY

### 2.5 Audit Qualification in the Audited Accounts for the Past Five (5) Financial Years Ended 31 December 2002 and the Six (6) Months Period Ended 30 June 2003

| Auditors            | Company | Financial Years/Period Audited  |
|---------------------|---------|---|
| Horwath Wong & Co.  | PTB     | For the period from date of incorporation (29 August 2002) to 31 December 2002 and six (6) months period ended 30 June 2003 |
|                     | MHT     | Financial year ended 31 December 2002 and six (6) months period ended 30 June 2003  |
|                     | PPSB    | Financial year ended 31 December 2002 and six (6) months period ended 30 June 2003  |
| K.H. Pun & Co.      | MHT     | Three (3) past financial years ended 31 December 1998 – 2000  |
|                     | PPSB    | Four (4) past financial years ended 31 December 1998 – 2001   |
| Deloitte KassimChan | MHT     | Financial year ended 31 December 2001   |

There were no audit qualifications throughout the past five (5) financial years ended 31 December 2002 and the six (6) months period ended 30 June 2003 under review for PTB and its subsidiaries.

### 2.6 Summary of Risk Factors

An investment in the Public Issue Shares of PTB inevitably involves risks specifically related to the Group's core business in the wire and cable sector. Investors should rely on their own evaluation and to carefully consider the risk factors together with other information contained in this Prospectus that may affect the PTB Group and the industry which it operates in, prior to subscribing to any of the Public Issue Shares which are the subject of this Prospectus. Some of the risk factors that should be considered include, but not limited to the following:

#### 2.6.1 Company Risks

- (i) Competition and new market entrants;
- (ii) Product development and performance;
- (iii) Trademarks and technology know-how;
- (iv) Lack of long-term contracts;
- (v) Dependence on key personnel;
- (vi) High gearing/ financial risks;
- (vii) Future capital injections;
- (viii) Uncertainty of 5-Year business development plan; and
- (ix) Borrowing covenants restrictions.



## 2. INFORMATION SUMMARY

### 2.6.2 Industry Risks

- (i) China economic threat;
- (ii) Dependence on certain customers;
- (iii) Dependence on certain suppliers;
- (iv) Political, economic and regulatory considerations;
- (v) Long product development cycle; and
- (vi) Fluctuation in foreign exchange rates.

### 2.6.3 Other Risks

- (i) Marketability of PTB's Shares;
- (ii) Potential investment in new markets and joint venture;
- (iii) Controlling shareholders;
- (iv) Underwriting risks;
- (v) Operational and environmental risks;
- (vi) Security and system disruption; and
- (vii) Disclosure regarding forward-looking statements.

Further information on the above risk factors is set out in Section 4 of this Prospectus.

## 2.7 Principal Statistics Relating to the Public Issue

### 2.7.1 Share Capital

|  |                          |
|--|--------------------------|
| <b>Authorised</b>                                | <b>RM</b>                |
| 250,000,000 PTB Shares                           | <b><u>25,000,000</u></b> |
| <b>Issued and fully paid-up</b>                  |                          |
| 97,500,000 PTB Shares                            | <b>9,750,000</b>         |
| <b>To be issued pursuant to the Public Issue</b> |                          |
| 32,500,000 PTB Shares                            | <b>3,250,000</b>         |
| <b>Enlarged issued and paid-up share capital</b> |                          |
| 130,000,000 PTB Shares                           | <b><u>13,000,000</u></b> |

The Public Issue Price of RM0.30 per ordinary share is payable in full upon application.

There is only one class of shares in the Company, being ordinary shares of RM0.10 each, all of which rank *pari passu* with one another. The Public Issue Shares, upon allotment and issue, will rank *pari passu* in all respect with the existing issued and paid-up ordinary shares of the Company, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the said Public Issue Shares.

Further information on the share capital is set out in Section 3 of this Prospectus.

|   |               |
|---|---------------|
| <b>2.7.2 Private Placement /Public Issue Price Per PTB Share</b>  | <b>RM0.30</b> |
| <b>2.7.3 Proforma Consolidated NTA Per PTB Share as at 30 June 2003</b><br>(after taking into account the Acquisitions,<br>Public Issue and net of estimated listing expenses of RM1.4 million) | <b>RM0.13</b> |

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### 2.8 Utilisation of Proceeds

The gross proceeds from the Public Issue of RM9,750,000 shall accrue entirely to the Company and is intended to be utilised for the following:

| Purpose                       | Proceeds raised<br>RM'000 | Time frame for utilisation of proceeds              |   |
|-------------------------------|---------------------------|---|---|
|                               |                           | Financial year ending<br>31 December 2004<br>RM'000 | Financial year ending<br>31 December 2005<br>RM'000 |
| R & D                         | 1,000                     | 500   | 500   |
| Working capital               | 2,450                     | 2,450   | -   |
| Repayment of trade facilities | 4,900                     | 4,900   | -   |
| Estimated listing expenses    | 1,400                     | 1,400   | -   |
| <b>TOTAL</b>                  | <b>9,750</b>              | <b>9,250</b>  | <b>500</b>  |

Further information of the utilisation of the Public Issue proceeds is disclosed in Section 3.7 of this Prospectus.

### 2.9 Working Capital, Borrowings, Material Litigations, Capital Commitments and Contingent Liabilities

#### 2.9.1 Working Capital

The Directors of PTB are of the opinion that, barring unforeseen circumstances and after taking into account of the Group's cashflow position, banking facilities available and the allocation of RM2.45 million for working capital from the proceeds raised pursuant to the Public Issue, the working capital available to the Group will be sufficient for a period of twelve (12) months from the date of the issue of the Prospectus.

#### 2.9.2 Borrowings

As at 12 December 2003 (being the latest practicable date of which such an amount could be calculated prior to the printing of this Prospectus), the total bank borrowings of the Group amounted to approximately RM12.1 million. These borrowings are interest-bearing and comprise the following:

|                | Amount outstanding as at 12 December 2003         |   | Total<br>RM'000 |
|----------------|---|---|-----------------|
|                | Repayable within<br>twelve (12) months<br>RM '000 | Repayable after<br>twelve (12) months<br>RM'000 |                 |
| Term Loan      | 567   | 4,803   | 5,370           |
| Bank Overdraft | 697   | -   | 697             |
| Trade Line     | 5,965   | -   | 5,965           |
| Hire Purchase  | 39  | -   | 39              |
| <b>Total</b>   | <b>7,268</b>                                      | <b>4,803</b>                                    | <b>12,071</b>   |

## **2. INFORMATION SUMMARY**

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### **2.9.3 Material Litigations**

As at 12 December 2003 (being the latest practicable date prior to the printing of this Prospectus), neither the Company nor its subsidiaries are engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the business or financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Group.

### **2.9.4 Capital Commitments**

As at 12 December 2003 (being the latest practicable date prior to the printing of this Prospectus), the Directors of PTB are not aware of any capital commitment contracted or known to be contracted by the Company or its subsidiaries, which upon becoming enforceable, may have a material impact on the financial performance, position and operations of the Group.

### **2.9.5 Contingent Liabilities**

As at 12 December 2003 (being the latest practicable date prior to the printing of this Prospectus), the PTB Group does not have any material contingent liabilities, which upon materialisation, would have a material impact on the financial performance, position and operations of the Group.

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