

12.0 VALUATION CERTIFICATE**12.1 Valuation Certificate**
(Prepared for inclusion in this Prospectus)**C H Williams Talhar & Wong**

C H Williams Talhar & Wong Sdn Bhd (18149-U)
 Juruukur Berkanun Perunding Harta Antarabangsa
 Chartered Surveyors International Property Consultants

VALUATION CERTIFICATE

The Chairman & Managing Director
 SKB Shutters Corporation Berhad
 Lot 2-22, Lion Industrial Park Phase 2
 Jalan SU6A, Section 22
 40300 Shah Alam
 Selangor Darul Ehsan

Attn: Mr Danny Sin

Dear Sir

**RE: VALUATION OF PROPERTIES BELONGING TO
SKB SHUTTERS CORPORATION BERHAD**

In accordance with your instruction, this valuation certificate has been prepared for inclusion in the prospectus to shareholders of SKB Shutters Corporation Berhad to be dated **22 FEB 2001** in relation to the Public Issue of 6,150,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per ordinary share.

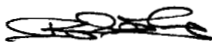
We have inspected the properties and have taken the date of inspection as the date of valuation.

The basis of the valuation is the market value of the subject property. The market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuation has been prepared in accordance with the requirements as set out in the Guidelines on Asset Valuation for submission to the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

Pursuant to the aforesaid, we have valued the Landed Properties for the purpose of submission to the Securities Commission and the valuation details are attached in Schedule 1.

Our Opinion of the Market Value of the subject properties, based on our Valuation Report, are attached as Schedule 1.

Yours faithfully
C H Williams Talhar & Wong Sdn Bhd



P'NG SOO THENG
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 Registered Valuer, V140



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12.0 VALUATION CERTIFICATE (Cont'd)

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SCHEDULE 1

Reference No/ Property Details	Title No.	Land Area	Tenure	Existing Use	Market Value as at Date of Valuation	Valuation Methods	Date of Valuation
(P/J18/197/24/1/99/GAP) Industrial premises identified as Lot Nos. 2-22 to 2-28, Jalan SU6A, Taman Perindustrian Subang Utama (Lion Industrial Park Phase 2) Section 22, Shah Alam, Selangor	HS (D) 80008 HS (D) 80009 HS (D) 80010 HS (D) 80011 Lot Nos. PT 14321, PT 14322, PT 14323 and PT 14324, Mukim of Damansara, District of Petaling, Selangor	PT 14321 - 4102 sq.m PT 14322 - 4047 sq.m PT 14323 - 4047 sq.m PT 14324 - 4047 sq.m ----- Total 16,243 sq.m -----	Freehold in (Term in perpetuity)	The land is flat and lies at slightly above the level of the existing frontage road. Erected on the land are the following buildings:- 1) Two-storey office building - 932.4 square metres 2) Single-storey warehouse - 1,566.0 square metres 3) Guard house - 9.5 square metres 4) Two toilets/bath areas - 22.54 square metres Presently owner occupied. Age of building: 4 to 6 years but well maintained.	RM16,100,000/-	Comparison Method and Investment Method	26th April 2000
Properties held as investment/for future development							
(P/J82/97/11/2000/ROS) Three (3) bedroom condominium with two (2) car parking bays bearing address No. B-1-01, Ground Floor, Block B, Seri Hijauan Condominium, No. 1, Jalan Bukit Hijau 26/24, Section 26, 40000 Shah Alam, Selangor	No individual strata title issued yet. Parent title No. HS (D) 22206 Parent Lot No PT 5119 (Lot 570), Mukim of Damansara, District of Petaling, Selangor	Floor Area 1,033 square feet (95.97 square metres)	Freehold in (Term in perpetuity)	Three (3) bedroom condominium with two (2) car parking bays situated on the ground floor of Block B, Seri Hijauan Condominium. Presently occupied by staff. Age of building: 4 years	RM180,000/-	Comparison Method and Investment Method	26th April 2000
(8211/00/NAR/wk) Three (3) bedroom condominium bearing address No. 20A-12-3, Block A, Robson Heights Condominium, Persiaran Endah, 50460 Kuala Lumpur, Developer's Parcel No. 000C14, Storey No. 14, Building No. C, Robson Heights Condominium with accessory Parcel Nos. P5- 49 and P5-26	No individual strata title issued yet. Parent Lot No 98, Section 94B, Mukim of Kuala Lumpur, District of Kuala Lumpur, Federal Territory of Kuala Lumpur	Floor Area 138.90 square metres (1,495 square feet)	Freehold in (Term in perpetuity)	Three (3) + one (1) bedroom condominium with accessory Parcel Nos. P5- 49 and P5-26. Situated at storey No. 14 of Robson Heights Condominium. Presently vacant. Age of building: 3 years	RM250,000/-	Comparison Method and Investment Method	26th April 2000

12.0 VALUATION CERTIFICATE (Cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)



Cont'd

Reference No/ Property Details	Title No.	Land Area	Tenure	Existing Use	Market Value as at Date of Valuation	Valuation Methods	Date of Valuation
(8212/00/NAR/wk) Three (3) bedroom apartment bearing address No. C-2-5, 2nd Floor, Endah Ria Condominium, Jalan 3/149E, Taman Sri Endah, 57000 Kuala Lumpur. Developer's Parcel No. 0209, Storey No. 2, Building No. Sapphire Tower, Endah Ria Condominium	No individual strata title issued yet. Parent title No PN(WP)26108 Parent Lot No. 36839, Mukim of Petaling, District of Kuala Lumpur, Federal Territory of Kuala Lumpur	Floor Area 128.67 square metres (1,385 square feet)	Leasehold 93 years expiring on 19th February 2083	Three (3) bedroom apartment situated on the 2nd floor of Endah Ria Condominium. Presently vacant. Age of building: 1 year	RM210,000/-	Comparison Method and Investment Method	26th April 2000
(8217/00/NAR/wk) Three (3) bedroom apartment bearing address No. C-1-5, 1st Floor, Endah Ria Condominium, Jalan 3/149E, Taman Sri Endah, 57000 Kuala Lumpur	No individual strata title has not been issued yet. Parent title No PN(WP)26108, Parent Lot No. 36839, Mukim of Petaling, District of Kuala Lumpur, Federal Territory of Kuala Lumpur	Floor Area Built up area 128.67 square metres (1,385 square feet)	Leasehold 93 years expiring on 19th February 2083	Three (3) bedroom apartment situated on the 1st floor of Endah Ria Condominium. Presently vacant. Age of building: 1 year	RM207,000/-	Comparison Method and Investment Method	26th April 2000
(DY/WTW/JB/295/2000/ JAL) Vacant industrial land identified as PTD 47158, Mukim of Senai-Kulai, District of Johor Bahru, Johor Darul Ta'zim	Not issued yet Parent title No HS (D) 162781, Parent Lot No. 6610, Mukim of Senai-Kulai, District of Johor Bahru, Johor Darul Takzim	6,100 square metres (65,660 square feet)	Freehold	Vacant industrial land. The land is flat in terrain and lies at slightly above the frontage road. The land forms part of the development in Indahpura. At the time of inspection, the site is overgrown with lalang.	RM1,380,000/-	Comparison Method	26th April 2000

12.0 VALUATION CERTIFICATE (Cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)



Cont'd

Reference No/ Property Details	Title No.	Land Area	Tenure	Existing Use	Market Value as at Date of Valuation	Valuation Methods	Date of Valuation
Properties held as investment/for future development (CEHWTW/BP/0273/00) 1½ storey semi-detached factory bearing address No. 19, Jalan Sri Sulong 14, Taman Industri Seri Sulong, 83020 Parit Sulong, Johor Darul Ta'zim	HS (M) 2726 Lot No. PTD 3345, Mukim of Simpang Kiri, District of Batu Pahat, Johor Darul Ta'zim	1,045.1592 square metres (11,250 square feet)	Freehold	1½ storey semi-detached factory. Main floor area 391.31 square metres. Ancillary floor area 26.66 Age of building: 4 years	RM230,000/-	Comparison Method	26th April 2000
(PJ/207/00/GAP) Two contiguous vacant industrial lands identified as Developer's Lot Nos. L1-1-053 and L1-1-054, Lion Industrial Park Banting, Tanjung Duabelas, Kuala Langat, Selangor	Parent Title No. CT 7231 Parent Lot No 8243, Mukim of Tanjung Duabelas, District of Kuala Langat, Selangor	3.7763 hectares	Freehold	Two contiguous vacant industrial land. The lands are flat in terrain and lie about the same level with the surrounding lands. At the time of inspection the site was not laid with any boundary marks or surveyed yet and overgrown with light vegetation.	Lot No. L1-1-053 RM3,325,000/- Lot No. L1-1-054 RM3,375,000/- ----- RM6,700,000/-	Comparison Method	9th October 2000

13.0 INDEPENDENT MARKET RESEARCH REPORT

13.1 Independent Market Research Report
(Prepared for inclusion in this Prospectus)

1. Executive Summary

Prospects for the Roller Shutter industry is looking bright. The economy is on an upward trend, a 7% growth for the year 2001 and manufacturing output has been forecasted to a growth of 12% in the year 2001.¹

Private sector investment in the construction sector is expected to rise as industries expand capacities to meet stronger sales orders, undertake construction of new factories and extension of existing production. Underpinning this recovery will be the acceleration in civil engineering works, following higher budgetary allocation for the construction and upgrading of roads, bridges, ports and airports, schools, industrial training institutions, hospitals and other health facilities. The construction sector is expected to grow by 5.5% in 2001, versus 3.1% in 2000.

SKB Shutters Manufacturing Sdn Bhd (SKBM) established in 1977, has since progressed to become the market leader in the manufacture of roller shutters in Malaysia and has gained recognition in countries such as Singapore, Hong Kong, Taiwan and Middle East. It also manufactures steel doors, roller grilles and motors.

SKB Shutters's shutters protect the home and business against break-ins, vandalism, severe weather changes and protect the premises from the glare of sunlight. They also increase the value of homes and business and can be colour coated according to personal preferences. Shutters are used in shops, restaurants, cafes, showrooms, banks and shopping centres

1.1.1 Market trends and demands

- The shutter industry is moving in tandem with the nation's economy. The shutters are products that serve the manufacturing and property sectors. Its demand is fuelled by economic growth and strong economic performance of the country, which give rise to the development of the manufacturing and retail sectors. With the economy moving on an upward trend and manufacturing sector is expected to grow by 12% in 2001, the shutter industry is a sunrise industry and this should augur well for ***SKB Shutters***.



- High technology and automation in the manufacturing sector and the use of expensive high-tech office and factory equipment has resulted in increased concern about security in the workplace. This has positive impact for **SKB Shutters**, due to the increased demand for their roller shutters, which are not only fire-rated but will also protect their premises against vandalism and theft.

1.1.2 Industry dynamics

- **SKB Shutters's** competitive edge is its proven track record and reputation. By constantly striving for excellence and acquiring new knowledge, the company has grown to be the leading shutter manufacturer, assimilating technology along the way.
- **SKB Shutters** has the advantage over its competitors, due to its strong business network, wide range of products and technical knowledge. It has national and worldwide connections to enable a more comprehensive coverage of markets at home and abroad, sharing information and resources and achieving economies of scale in bulk purchase of materials.
- Electronic Commerce is a new approach which **SKB Shutters** has taken advantage of to expand their market as well as to compete in the global arena. The Internet is a tremendous opportunity for **SKB Shutters** to sell their products and services, create new market opportunities while reducing costs and increasing revenue. There are no entry barriers to overcome, as the Internet is an open market. It is also a platform for **SKB Shutters** to market itself to potential global customers.
- Due to its financial strength **SKB Shutters** is able to spend heavily on promotional activities such as advertising and trade shows, to quickly gain market share in Malaysia and overseas.
- Sales personnels undergo training programmes to ensure that they are capable of providing the expertise and service to their customers. They are available to offer advice on the use of **SKB Shutters's** products for example, the usage of colours to complement their surroundings.

1.1.3 Future Prospects

The prospects for *SKB Shutters* is encouraging:

1. *SKB Shutters* is well established and well connected at home and internationally. Hence, great opportunities exist for it to progress further down the value chain to strengthen their earning base by expanding their business and diversifying into other sectors.
2. The manufacturing sector has long been the major contributor towards the growth of the Malaysian economy. In view of this, measures have continuously been introduced by the government to sustain the manufacturing sector. Hence, *SKB Shutters* being a significant shutter manufacturer will benefit substantially from the government's effort to strengthen and expand the manufacturing industry.
3. *SKB Shutters* has a good track record and it maintains stringent quality controls in the processing and production of quality shutters with high technological equipment. Its commitment to continued research and development is a not only a cost saving enhancement for *SKB Shutters* but for the benefit of its customers as well.
4. The Government's reduction of value-added tax on export-oriented industries² in 1998 Budget and allocation of RM76.7 million for the promotion of Malaysian products³ in 2000 Budget to encourage more exports will definitely be beneficial for *SKB Shutters*.
5. *SKB Shutters* has the expertise, experience as well as the financial strength to diversify into other sectors such as the automotive and mechanical industry. Right now, they have successfully ventured into the manufacture of component parts namely bicycle and moped rims and industrial storage and racking systems.
6. They have also developed mini window fire shutters, approved by Jabatan Perkhidmatan Bomba Malaysia and SIRIM and ready for installation in residential homes. Hence, there will be a very large market in new and existing homes all over Malaysia and in other regions around Malaysia for *SKB Shutters* shutters as it offer an alternative to conventional system for home protection.

13.0 INDEPENDENT MARKET RESEARCH REPORT (Cont'd)



With the availability of raw materials, technology, capital and growing market demand, **SKB Shutters**'s shutter products are expected to have a bright future. Therefore, based on past history, the strength of **SKB Shutters** as a manufacturer of shutter products, it is well placed to secure a sizable portion of the industry at home and to enlarge its market base in the global arena. Given the experienced personnel, experiences and resources, **SKB Shutters** will have a special niche in the market and will continue to develop its business as the leading manufacturer of roller shutters.

14.0 DIRECTORS' REPORT



SKB (辛建文)捲門集團公司
SKB SHUTTERS CORPORATION BERHAD

(Reg.No.430362-U)

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A Member of  FMM

10 February 2001

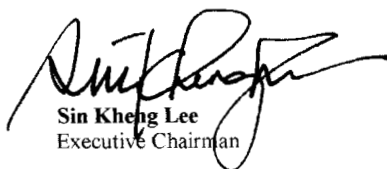
The Shareholders of SKB Shutters Corporation Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of SKB Shutters Corporation Berhad, I report after due inquiry that during the period from 30 June 2000 (being the date to which the last audited accounts of the Group have been made up) to 10 February 2001 (being a date not earlier than 14 days before the issue of this Prospectus), that:

- (a) The business of the Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) In the opinion of the Directors, no circumstances have arisen which have adversely affected the trading or the value of the assets of the Group;
- (c) The current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) Save as disclosed in Sections 2.10.3 and 10.5.3 of this Prospectus, no other contingent liabilities have arisen by reason of any guarantees given by the Company and its subsidiaries; and
- (e) Save as disclosed in the Accountants' Report and Proforma Consolidated Balance Sheet in this prospectus, there has been no change in the published reserved or any unusual factors affecting the profit of the Group since the last audited accounts of the Group.

Yours faithfully,
For and on behalf of the Board of
SKB SHUTTERS CORPORATION BERHAD



Sin Kheng Lee
Executive Chairman