
3.0 DETAILS OF THE IPO

This Prospectus is dated 31 May 2003. A copy of this Prospectus has been registered by the SC and lodged with the Chief Executive Officer of the CCM and neither the SC nor the CCM takes any responsibility for its contents.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed ATB as a Prescribed Security. In consequence thereof, the shares issued/offered through this Prospectus will be deposited directly with the MCD and any dealings in these ATB shares will be carried out in accordance with the aforesaid Act and the Rules of the MCD.

An application shall be made to the KLSE within three (3) market days from the date of this Prospectus for admission to the Official List of the Second Board of the KLSE and for permission to deal in and for the listing of and quotation for the entire enlarged issued and paid-up share capital of ATB, including the IPO Shares, which are the subject of this Prospectus, on the Second Board of the KLSE. These ATB shares will be admitted to the Official List of the Second Board of the KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of the application for the IPO Shares will be conditional upon permission being granted by the KLSE to deal in and for the quotation of the entire enlarged issued and fully paid-up share capital of ATB on the Second Board of the KLSE. Accordingly, monies paid in respect of any application accepted from the applicants will be returned without interest if the said permission for listing is not granted within six (6) weeks from the date of this Prospectus (or such longer period as may be specified by the SC) provided that the Company is notified by or on behalf of the KLSE within the aforesaid time frame.

Pursuant to the SC Guidelines, at least 25% of the issued and paid-up share capital of the Company must be held by a minimum number of 750 public shareholders (of which at least 500 shareholders are members of the public who are not employees of the ATB Group) holding not less than 100 shares each upon completion of the IPO, and at the point of listing. In the event that the above requirement is not met pursuant to the IPO, the Company may not be allowed to proceed with the listing on the Second Board of the KLSE. In the event thereof, monies paid in respect of all applications will be returned if the said permission is not granted.

In the case of an application by way of Application Form, an applicant should state his/her CDS account number in the space provided in the Application Form if he/she presently has such an account. Where an applicant does not presently have a CDS account, he/she should state in the Application Form his/her preferred ADA Code. Where an applicant already has a CDS account, he/she should not complete the preferred ADA Code. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by ATB and/or the Offerors. Neither the delivery of this Prospectus nor any IPO made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of ATB or the Group since the date hereof.

The distribution of this Prospectus and the sale of the IPO Shares are subject to Malaysian laws and the Company and its Advisers take no responsibility for the distribution of this Prospectus and the sale of the IPO Shares outside Malaysia. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation to subscribe for the IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

If you are in doubt about any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser.

3.0 DETAILS OF THE IPO

3.1 Opening and Closing of the Application

The Application will open at 10.00 a.m. on 31 May 2003 and will remain open until 8.00 p.m. on 23 June 2003 or for such further period or periods as the Directors of ATB and/or the Offerors in their absolute discretion may decide.

3.2 Indicative Timetable

Event	Tentative Date Year 2003
Opening Date of the IPO	31 May
Closing Date of the IPO	23 June
Balloting Date	27 June
Allotment Date	14 July
Listing Date	18 July

3.3 Purposes of the IPO

The purposes of the IPO are as follows:-

- (a) to provide an opportunity for the eligible Directors, employees and persons who have contributed to the success of the ATB Group and the Malaysian investing public and institutions to participate in the equity and the continuing growth of the ATB Group;
- (b) to obtain listing of and quotation for the entire issued and paid-up share capital of ATB on the Second Board of the KLSE;
- (c) to enable the ATB Group to gain access to the capital markets to tap external sources of debt and equity funds for the future expansion, diversification, modernisation and continued growth of the ATB Group;
- (d) to enable ATB to enhance Bumiputera equity participation in ATB so as to comply with the aspirations of the National Development Policy; and
- (e) to enhance the ATB Group's corporate reputation and assist the Group in expanding its customer base.

3.4 Number and Class of Securities to be Issued and Offered

	RM
Authorised:- 200,000,000 ordinary shares of RM0.50 each	<u>100,000,000</u>
Issued and fully paid-up:- 100,000,000 ordinary shares of RM0.50 each	50,000,000
To be issued pursuant to the Public Issue:- 16,000,000 new ordinary shares of RM0.50 each	8,000,000
Enlarged Issued and Paid-up Share Capital	<u>58,000,000</u>
Offer For Sale Reserved for the Bumiputera Investors to be Approved by MITI:- 13,001,600 ordinary shares of RM0.50 each	6,500,800

3.0 DETAILS OF THE IPO

The IPO price of RM0.75 per IPO Shares is payable in full upon application.

There is only one class of shares in the Company, namely ordinary shares of RM0.50 each. The IPO Shares rank pari passu in all respects with the existing issued and fully paid-up ordinary shares of the Company, including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the ordinary shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of the whole of any surplus in the event of the liquidation of the Company in accordance with the Company's Articles of Association.

At any general meeting of the Company, every shareholder entitled to vote may vote in person or by proxy or by attorney or by other duly authorised representative. On a show of hands, every person who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and in the case of a poll every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share held.

3.5 Details of the IPO

The IPO shall be subject to the terms and conditions of this Prospectus and upon acceptance, shall be allocated in the following manner:-

- (a) **Malaysian Investing Public**
10,200,000 Public Issue Shares will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions, and to the extent possible, 30% of the Public Issue Shares to be allocated for Bumiputera individuals, companies, co-operatives, societies and institutions.
- (b) **Eligible Directors, Employees and Persons Who Have Contributed to the Success of the ATB Group**
5,800,000 Public Issue Shares have been reserved for the eligible Directors, employees and persons who have contributed to the success of the ATB Group.
- (c) **Bumiputera Investors to be Approved by MITI**
13,001,600 Offer Shares have been reserved for Bumiputera investors to be approved by MITI.

The Public Issue Shares in respect of paragraph (b) above are allocated based on the following criteria:-

- (i) the eligible Directors of the ATB Group are allocated 150,000 Public Issue Shares each;
- (ii) the position and number of years of service of the eligible employees who are confirmed employees of the ATB Group as at 16 May 2003. Based on this criteria, there are 54 employees who are eligible to subscribe for the reserved Public Issue Shares; and
- (iii) the length of relationship of the customers with the ATB Group. Based on this criteria, there are 144 customers who are eligible to subscribe for the reserved Public Issue Shares.

The Public Issue Shares in respect of paragraph 3.5 (a) above have been fully underwritten. The IPO Shares under paragraph 3.5 (c) are not underwritten. Any Public Issue Shares not subscribed for under paragraph 3.5 (b) above will be made available for application by the Malaysian investing public and will be underwritten.

3.0 DETAILS OF THE IPO

3.6 Basis of Arriving at the IPO Price

The IPO price of RM0.75 per ATB share was determined and agreed upon by the Company, Offerors and MIMB, as Adviser and Managing Underwriter, based on various factors including the following:-

- (a) the Group's financial and operating history and conditions as outlined in Sections 11.0, 12.0 and 5.0 respectively of this Prospectus;
- (b) the future plans and prospects of the ATB Group as outlined in Section 5.9 of this Prospectus;
- (c) the estimate and forecast net PE Multiple of 8.56 times and 6.44 times respectively based on the consolidated estimate and forecast net EPS of 8.76 sen and 11.64 sen respectively as outlined in Section 2.7.2 of this Prospectus; and
- (d) the proforma consolidated NTA of RM0.61 per ATB share as at 30 November 2002.

However, applicants for the IPO Shares should note that the market price of ATB shares upon listing on the Second Board of the KLSE is subject to the vagaries of market forces and other uncertainties which may affect the price of ATB shares being traded.

3.7 Utilisation of Proceeds

3.7.1 Proceeds of the Public Issue

The Public Issue will raise gross proceeds of RM12,000,000, which will accrue to the Company and will be utilised as follows:-

Purposes	Notes	RM'000	Expected Completion of the Utilisation of Proceeds
Setting-up of a coil centre	(a)	8,300	January 2004
Estimated listing expenses	(b)	1,300	January 2004
Working capital for the ATB Group	(c)	2,400	January 2004
		12,000	

Notes:-

- (a) *The cost of setting-up a coil centre, which involves the slitting of metal sheets and shearing of metal coils and sheets is estimated to be approximately RM11.80 million, details of which are as follows:-*

	RM'000
<i>Land and buildings ⁽ⁱ⁾</i>	5,420
<i>Plant, machinery and equipment ⁽ⁱⁱ⁾</i>	2,880
	8,300*
<i>Coil centre working capital</i>	3,500 [#]
	11,800

Notes:-

- * *RM8.30 million to be financed from the proceeds to be raised from the Public Issue.*
- # *The ATB Group expects to finance the coil centre working capital of RM3.50 million through internally generated funds and/or bank borrowings.*

3.0 DETAILS OF THE IPO

- (i) *Barring unforeseen circumstances, the ATB Group intends to purchase a parcel of land with buildings erected thereon for approximately RM6.80 million, which will be financed from the proceeds of the Public Issue of RM5.42 million and internally generated funds of approximately RM1.38 million. The said land and buildings bear postal address Lot 1218, Valdor Industrial Estate, 14200 Valdor, Penang and it will be used to house the proposed coil centre. In the event that the proceeds from the Public Issue is delayed, the Group shall seek temporary financing from a financial institution.*
- (ii) *The Group propose to purchase plant, machinery and equipment of approximately RM2.88 million.*
- (b) *The expenses relating to the listing of and quotation for the entire issued and paid-up share capital of ATB on the Second Board of the KLSE consist of the following:-*

	RM
Professional Fees and Charges	
<i>(including fees to Adviser, Solicitors, Reporting Accountants and Independent Market Research Consultant)</i>	400,000
Other Listing Fees and Charges	
<i>SC's processing fees and Prospectus registration fee</i>	55,000
<i>Prospectus lodgement fee with the CCM</i>	500
<i>KLSE listing fees</i>	40,000
<i>Issuing house fee and disbursements</i>	100,000
<i>Advertisement and translation of Prospectus</i>	70,000
<i>Printing expenses for application forms, share certificates and Prospectus</i>	220,000
<i>Contingencies</i>	24,500
Public Issue Shares	
<i>Underwriting commission</i>	270,000
<i>Brokerage fee</i>	120,000
Estimated Listing Expenses	<u>1,300,000</u>

Any variation in the actual listing expenses from the estimated amount will be adjusted in the working capital.

- (c) *The working capital will be used by the ATB Group to finance purchases of raw materials and to finance the operations of the ATB Group. Any variation in the cost of the setting-up of the coil centre and/or in the actual listing expenses will be adjusted in the working capital.*
- (d) *The above proceeds are expected to be fully utilised within six (6) months after the listing date.*

3.7.2 Proceeds of the Offer For Sale

The Offer For Sale will raise gross proceeds of RM9,751,200 and will accrue entirely to the Offerors. However, the Offerors shall bear all expenses relating to the Offer For Sale, such as brokerage, stamp duty, registration and transfer fees.

3.7.3 Financial Impact from the Utilisation of Proceeds

As the proceeds from the Public Issue is only expected to be received towards the end of the financial year ending 31 July 2003, its impact on the Group's financial performance will be immaterial. The major portion of the proceeds from the Public Issue will be utilised for the setting up of a coil centre which is expected to improve the net profit of the Group by approximately RM1.80 million for the financial year ending 31 July 2004.

3.0 DETAILS OF THE IPO

3.8 Brokerage and Underwriting Commission

Brokerage is payable by the Company and the Offerors in respect of the Public Issue Shares and Offer Shares respectively at the rate of 1.0% of the IPO price of RM0.75 per ATB share in respect of successful applications bearing the stamp of MIMB, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDFCCS.

A management fee of RM30,000 is payable to the Managing Underwriter by the Company for managing the underwriting of ATB shares.

Underwriting commission is payable by the Company at the rate of 2.25% of the IPO price of RM0.75 per ATB share in respect of the Public Issue Shares which are required to be underwritten.

3.9 Salient Terms of the Underwriting Agreement

An Underwriting Agreement was entered into between the Company and the Underwriters, namely MIMB, Mercury Securities Sdn Bhd and Hwang-DBS Securities Berhad on 21 April 2003 wherein the Underwriters agreed to underwrite the Public Issue Shares at an underwriting commission of 2.25% of the IPO price of RM0.75 per ATB share.

In accordance with the Underwriting Agreement, upon any material breach of the warranties or representations, or any material failure to perform any of the agreements or undertakings or any change rendering any of the said warranties, representations or agreements inaccurate in a material respect prior to the closing date of the IPO, the Underwriter shall by way of prior written notice to the Managing Underwriter at any time before the closing date, be entitled to terminate their obligations under the Underwriting Agreement.

The following salient terms are extracted from the Underwriting Agreement and the following capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement and references to "Underwriters" shall include the Managing Underwriter:-

"Issued Shares" means the whole of the issued shares of the Company amounting to 116,000,000 ordinary shares of RM0.50 each.

"Closing Date" means the last date for receipt of applications for the Underwritten Shares being a date which shall not be later than three (3) months from the date of the Underwriting Agreement.

Clause 9 - Termination in the Event Approval of Listing of Public Issue Shares is Withheld by KLSE

"The Underwriters shall have the right to terminate this Agreement by notice in writing served by the Managing Underwriter on behalf of the Underwriters on the Company in the event that the approval-in-principle of the KLSE for the admission of the Company to the Official List of the KLSE and for the listing of and quotation for the Issued Shares on the Second Board of the KLSE is withdrawn or not procured within six (6) weeks from the date of issue of the Prospectus (or such longer period as may be specified by the SC) and upon such termination, the liabilities and obligations herein of the Company, the Managing Underwriter and the Underwriters shall become null and void and none of the parties aforementioned shall have a claim against each other save that each party shall return any money paid by the other under this Agreement within seventy two (72) hours of the receipt of such notice, except for the costs and expenses referred to in Clause 23."

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3.0 DETAILS OF THE IPO**Clause 10 - Conditions Precedent**

"The several obligations of the Underwriters under this Agreement shall further be conditional upon:-

- 10.1 there not having been on or prior to the Closing Date, any adverse change or any development reasonably likely to result in any adverse change in the condition (financial or otherwise) of the Group, taken as a whole, which is material in the context of the Public Issue from that set forth in the Prospectus nor the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any of the Warranties as though they had been given or made on such date.*
- 10.2 the Company receiving the approval-in-principle of the KLSE for the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE within six (6) weeks from the date of issue of the Prospectus (or such longer period as may be specified by the SC) and complying with the conditions imposed by the KLSE (if any);*
- 10.3 the Managing Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 23;*
- 10.4 the Public Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia and all consents, approvals, authorisations or other orders required by the Company under such laws for or in connection with the Public Issue and/or listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE have been obtained and are in force on the Closing Date or the Managing Underwriter being reasonably satisfied that the same will be in force on the Closing Date;*
- 10.5 the Managing Underwriter having been satisfied that the Company has complied with and that the Public Issue is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto;*
- 10.6 the delivery to the SC of the Prospectus for registration together with copies of all documents required under the SCA, the delivery to the CCM of the Prospectus for lodgement and such other documents as may be required in accordance with the Act on or before their release under the Public Issue;*
- 10.7 the Public Issue being approved by the shareholders of the Company in an Extraordinary General Meeting; and*
- 10.8 the Composite Index of the KLSE is at no less than 560 points.*

If any of the foregoing conditions is not satisfied on or before the Closing Date, the Underwriters shall thereupon be entitled subject as mentioned below, to terminate this Agreement by notice in writing served by the Managing Underwriter on behalf of the Underwriters on the Company and upon such termination, the obligations and liabilities of the Company, the Managing Underwriter and the Underwriters hereunder shall become null and void and none of the parties shall have any claim against the other save that each Party shall return any and all moneys paid by the other(s) under this Agreement, except for the costs and expenses referred to in Clause 23, within seventy-two (72) hours of the receipt of such notice PROVIDED THAT the Managing Underwriter and the Underwriters may at their discretion waive compliance with any of the above provisions."

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3.0 DETAILS OF THE IPO**Clause 11 - Force Majeure**

"Notwithstanding anything herein contained, the Underwriters may, after consultation with each other and the Company in good faith at any time before the Closing Date, terminate their obligations under this Agreement by notice in writing delivered by the Managing Underwriter on behalf of the Underwriters to the Company if in their reasonable opinion:

- 11.1 there shall have been occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriters or the Company by reason of force majeure which would have or can reasonably be expected to have a material adverse effect on the business or operations of the Group or the success of the Public Issue or which is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms. "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation (including war, hostilities, riot, uprising, flood, fire, storm, explosion, earthquake, hijacking, sabotage crime, epidemic, disease and acts of God); or*
- 11.2 without prejudice to the generality of the foregoing, there shall have been a significant change in national or international, monetary, financial, political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriters prejudice materially the success of the offering of the Underwritten Shares, its distribution or sale (whether in the primary market or in respect of dealings in the secondary market) or seriously affect the business of the Group,*

and upon such termination, the parties hereto shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 23 hereof incurred prior to or in connection with such termination) be released and discharged from their respective obligations hereunder."

Clause 12 - Events Affecting the Public Issue

"12.1 The Underwriters shall be entitled to terminate this Agreement by notice in writing delivered by the Managing Underwriter on behalf of the Underwriters to the Company prior to the Closing Date if the success of the Public Issue is in the reasonable opinion of the Underwriters seriously jeopardised by:-

- 12.1.1 the coming into force of any laws or governmental regulations or directives which seriously affects or is likely to seriously affect the business of the Group; or*
- 12.1.2 any material breach by the Company of any of its representations, warranties, obligations or undertakings under this Agreement; or*
- 12.1.3 any material and adverse change in the condition (financial or otherwise) of the Group from that described in the Prospectus."*

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4.0 RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider the following risks factors (which are not intended to be exhaustive), in addition to all other information contained in this Prospectus, before applying for the IPO Shares.

4.1 No Prior Market for ATB Shares

Prior to this IPO, there has been no public market for ATB shares and there can be no assurance regarding the future development of the market for the said ATB shares. The IPO price of RM0.75 per ATB share has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial history and operating conditions, the future prospects of the Group and the prospects for the industry in which the ATB Group operates, the management of the Group and the prevailing market condition at the time of application to the SC for the listing of the ATB Group. There can be no assurance that the IPO price will correspond to the price at which the ATB shares will trade on the Second Board of the KLSE upon or subsequent to its listing or that an active market for the said ATB shares will develop or, if developed, that such market will be sustained.

4.2 Business Risks

The core business activities of the Group are the manufacturing and trading of metal roofing and awning, PVC products and PE products. The Group's customers are mainly involved in the trading of construction related materials. As such, the level of construction activities would dictate the well being of the construction related materials industry. Generally, construction activities move in tandem with the level of economic activities which are in turn affected by changes in monetary and fiscal measures taken by the Malaysian Government.

The ATB Group is subject to certain risks inherent in the manufacturing and construction industries which include, but not limited to, the increased labour and material costs, labour, raw materials and trading stock shortages, competition from other manufacturers, business and credit conditions, fluctuation in foreign exchange rates, changes in the general economic and business conditions and changes in the legal and regulatory framework in which the ATB Group operates.

Although the ATB Group seeks to limit these risks by, inter-alia, maintaining good business relationships with its existing customers and suppliers, expanding its customer base, increasing automation to reduce dependency on labour and efficient cost control, no assurance can be given that any change to these factors will not have a material adverse effect on the ATB Group's businesses and that the Group will be able to maintain its sales in the future.

As for the new coil centre, it will provide the Group with slitting and shearing of metal coils and sheets. The success of the coil centre will be dependent upon, amongst others, the Group's ability to enter into arrangements with suppliers to supply the metal coil and sheets on a timely basis and on favourable terms, controlling costs and maintaining effective quality, inventory and service controls as well as to obtain adequate financing as and when needed. However, there is no assurance that any of these factors will not have an adverse effect on the Group's financial performance.

4.3 Political, Social and Economic Considerations

Adverse development in political, economic and regulatory conditions in Malaysia or in other countries where ATB markets its products could materially and adversely affect the financial and business prospects of the ATB Group. Other political, economic and regulatory uncertainties include risks of war, riots, expropriation, nationalisation, renegotiations or nullification of existing contract, changes in interest rates and methods of taxation. While the ATB Group will continue to take effective measures such as prudent financial management and efficient operating process, there can be no assurance that adverse political and economic factors will not materially affect the Group's business.

4.0 RISK FACTORS

4.4 Competition

The building materials sector in general, is a highly competitive and fragmented sector, which comprises a broad base of existing and new participants. The existing and potential players in the building materials sector range from small back-yard operators to large-sized organisations. The ATB Group also faces competition from other manufacturers involved in the manufacturing of similar products domestically, regionally and internationally. However, barriers to entry such as the high start-up cost for setting up production facilities, the necessary technical know-how and the establishment of good marketing network may deter potential new entrants. Although the management of ATB is constantly striving to broaden its product range, implement cost control, improve productivity and improve quality of its products through product development, there is no assurance that the Group will be able to maintain its existing pricing structure and market share in the local and export markets in the future.

4.5 Dependency on Key Personnel

The Board of Directors believes that the continuity of the Group's success will depend to a significant extent on the abilities and continued dedication of its existing Directors and senior management team. The loss of any key member of the management team may, to a certain extent affect the Group's continued ability to compete in its industry. Nevertheless, the Group's operations have not been affected significantly by any loss of senior management staff for the past two (2) years.

The Board of Directors of ATB is also taking steps to groom the younger members of the management team to gradually succeed the senior members to ensure smooth transition. Further details of the management succession plan is set out in Section 5.5.11 of this Prospectus.

4.6 Control by Substantial Shareholders

Upon completion of the IPO, the following Executive Directors and substantial shareholders of ATB and persons deemed to be connected with them, as defined under Section 122A of the Act, will effectively and collectively hold 52.02% of the enlarged issued and paid-up share capital of ATB:-

Name	Relationship with ATB	← Direct →	
		No. of ATB Shares	%
Khor Mooi Hian	Substantial shareholder	6,035,200	5.20
Ooi Joo Kee	Shareholder	5,279,200	4.55
Ooi Bak Chye	Shareholder	150,400	0.14
Ng Back Teng	Executive Chairman & Managing Director and substantial shareholder	7,983,602	6.88
Ng Bak Seng	Executive Director and substantial shareholder	6,469,598	5.58
Ng Bak Yong	Shareholder	4,163,600	3.59
Ng Bak Hiong	Substantial shareholder	5,871,198	5.06
Ng Hung Weng	Non-Executive Director and shareholder	5,431,600	4.68
Ng Hung Seh	Executive Director and substantial shareholder	6,035,200	5.20
Ng Siew Khoo	Substantial shareholder	6,824,000	5.88
Ng Siew Lee	Shareholder	591,200	0.51
Ng Siew Chuan	Shareholder	2,914,398	2.51
Ooi Choon Yee	Shareholder	2,595,200	2.24
		60,344,396	52.02

If the abovementioned shareholders of ATB act collectively, they may be able to influence the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law and/or by the relevant authorities. Details of the family relationship of the abovementioned shareholders are set out in Section 6.15 of this Prospectus.

4.0 RISK FACTORS

4.7 Profit Estimate, Forecast and Forward-Looking Statements

This Prospectus contains profit estimate and forecast made by the ATB Group that are based on assumptions which are deemed by the Directors of ATB to be reasonable at this point of time. However, there can be no assurance that the profit estimate and forecast contained herein will be realised. As the actual results may be materially different from the estimate and forecast, investors are advised to read and understand the assumptions and uncertainties underlying the profit estimate and forecast.

In addition, certain statements in this Prospectus are based on historical data which may not be reflective of future results. Other statements which are forward-looking in nature are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward looking statements. The inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation or warranty by the Company or its advisers that the plans and objectives of the ATB Group will be achieved.

4.8 Financial Risks***Borrowings and Interest Rate Risks***

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), the ATB Group's total short term and long term borrowings amounted to RM32.53 million. All the borrowings of the ATB Group are interest bearing and consist of domestic borrowings only. Given that the borrowing interest is dependent on interest rates and the total outstanding loans, future fluctuations of the interest rates could have material effects on the ATB Group's profitability.

There can be no assurance that the performance of the ATB Group would remain favourable in the event of adverse changes in the interest rates. Notwithstanding this and based on the existing gearing level, the funds to be generated in the future are expected to meet the repayment of the facilities.

Restrictive Covenants

Pursuant to various credit facility agreements entered into by the ATB Group with banks or financiers, it is bound by certain positive and negative covenants which may limit the ATB Group's operating and financial flexibility. The aforesaid covenants are typically contained in credit facility agreements of such nature. Any act by the Group falling within the ambit or scope of such covenants will require the consent of the relevant bank/financier. Breach of such covenants may give rise to a right by the bank/financier to terminate the relevant credit facility and/or enforce any security granted in relation to that credit facility. The Directors are aware of such covenants and shall take all precautions necessary to prevent any such breach.

4.9 Dependency on Customers

The Group's revenue base is not captive to a single customer or group of customers or industry. The Group's wide customer base, either local or overseas, is considered as one of the Group's strength. The Group has established a steady and long-term relationship with its customers, many of whom are repeat customers. However, the ATB Group does not have any long-term contracts with its customers. There is no assurance that the Group will be able to maintain its wide customer base in the future.

4.10 Dependency on Suppliers/Supply of Raw Materials

The Group has also established steady and long-term relationships with a number of local and overseas suppliers, thus ensuring the Group of a constant supply of raw materials, which in turn result in minimal disruption in its operations. Further, the large number of suppliers competing in the industry has discouraged the Group from entering into long term contracts with its suppliers to preserve the price competitiveness and to take advantage of the competition among the suppliers. The Group does not foresee any difficulty in the procurement of raw materials as it sources its supplies from a varied base of suppliers and that there is no over-dependence on any single supplier. However, there can be no assurance that any change to these factors will not have any material adverse impact on the ATB Group's operations and financial performance.

4.0 RISK FACTORS

4.11 Foreign Exchange Risks

As at 31 July 2002, approximately 21% of the Group's raw materials are imported from overseas, which are mainly denominated in USD. As such, the Group is exposed to foreign exchange fluctuations through its imports and to a lesser extent, its exports. Although the risk of foreign exchange fluctuations has been limited since the imposition of a fixed exchange rate of RM3.80 to USD1.00 on 1 September 1998, there can be no assurance that the fixed exchange rate will not be adjusted or removed or that future foreign exchange fluctuations will not have adverse impact on the financial performance of the Group.

4.12 Government Control or Regulation

The growth of the manufacturing industry, such as the one that the Group is involved in, moves in tandem with the growth of the construction industry. Therefore, any Government control or regulations imposed on either the manufacturing industry or the construction industry could materially and adversely affect the future growth and level of profitability of the Group.

The Malaysian Government does, from time to time, adopt policies and implement guidelines that may affect businesses in Malaysia, such as methods of taxation, currency exchange controls and licensing regulation. However, there can be no assurance that any change or amendments to the law, policies and regulations by the Malaysian Government will not adversely affect the Group's performance and profitability.

4.13 Implication of AFTA

Under the AFTA agreement initiated by the member countries of the Association of South East Asian Nations ("ASEAN"), a comprehensive programme of regional reduction has been laid out. The Common Effective Preferential Tariff ("CEPT") has been implemented for goods traded within the ASEAN region with effect from 1 January 2003.

AFTA may have a negative impact on the ATB Group arising from factors such as competition from other ASEAN countries, especially from lower cost producing countries, for the products manufactured by the Group. However, the Directors of the ATB Group are of the view that the implementation of AFTA may create opportunities for the ATB Group such as the opportunity to export their products at competitive prices to other ASEAN countries without any trade restrictions. However, there is no assurance that the ATB Group will be able to successfully compete with other ASEAN countries in the future.

4.14 Insurance Coverage

The Directors believe that the Group's production facilities, buildings, plant and machinery as well as stocks located within the factories are adequately insured against unforeseen events such as fire, loss, damage, theft and other emergencies. The terms and conditions of these insurance policies are regularly reviewed by the management of the ATB Group to ensure that the coverage is adequate. Although the Group has taken the necessary measures to limit this risk, there can be no assurance that the insurance coverage would be adequate to compensate for the replacement cost of the assets or any consequential loss arising therefrom.

4.15 Risk of Business Disruptions

It is important that energy is available for the manufacturing operations such as the operation of the plant and machinery of the ATB Group. The Group did not experience any disruption in business arising from energy disruption which have a significant effect on its operations for the past twelve (12) months prior to the date of this Prospectus. To mitigate and minimise the impact of energy disruption, the Group keeps an adequate supply of finished products for contingencies purposes, which will enable the Group to ensure prompt delivery to its customers. However, no assurance can be given that the Group will be completely sheltered against such crises in the future, or that energy disruptions will not adversely affect the Group's performance.

4.0 **RISK FACTORS**

4.16 **Delay in or Abortion of the Public Listing**

The listing exercise is also exposed to the risk that it may fail or be delayed should the following events occur:-

- (a) the Underwriters exercising their rights pursuant to the Underwriting Agreement, discharging themselves from their obligation thereunder as disclosed in the salient terms of the Underwriting Agreement in Section 3.9 of this Prospectus; and
- (b) the Company is unable to meet the public spread requirements, which is, at least 25% of the issued and paid-up capital of the Company must be held by a minimum number of 750 public shareholders (of which at least 500 shareholders are members of the public who are not employees of the Company) holding not less than 100 shares each upon completion of the IPO and at the point of listing.

In this respect, ATB will comply with the Listing Requirements of KLSE and the SC Guidelines (where applicable and relevant) with regard to paragraph (b) above. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Public Listing.

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