

## 5.0 INFORMATION ON THE ATB GROUP

### 5.1 History and Principal Activities

ATB was incorporated in Malaysia under the Act on 9 August 2000, as a public limited company under its present name. ATB is an investment holding company whilst the principal activity of its subsidiary companies are as follows:-

Subsidiary Companies	Effective Equity Interest Held by ATB %	Principal Activities
OJK	100.00	Manufacture and sale of metal roof sheets and other building related products.
NI	100.00	Manufacture and sale of PVC panels, doors, frames and PVC compound.
ACSS	100.00	Sale of metal roof sheets and other building related products.
AN	100.00	Manufacture and sale of insect screens.
AM	100.00	Trading of PVC panels, doors, frames and other building related products.
AS	100.00	Manufacture and sale of metal roofing products

As at the date of this Prospectus, ATB does not have any associated company.

### 5.2 Share Capital

The authorised share capital of ATB is RM100,000,000 comprising 200,000,000 ATB shares. The present issued and paid-up share capital of ATB is RM50,000,000 comprising 100,000,000 ATB shares.

The changes in the issued and paid-up share capital of ATB since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Type of Issue	Resultant Issued and Paid-up Share Capital RM
09.08.2000	2	1.00	Subscribers' shares	2
14.02.2003	46,439,499	1.00	Issued pursuant to the Acquisition of OJK	46,439,501
14.02.2003	3,560,499	1.00	Issued pursuant to Acquisition of AM	50,000,000*

Note:-

\* The entire 50,000,000 ordinary shares of RM1.00 each was sub-divided into 100,000,000 ATB shares on 19 February 2003.

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## 5.0 INFORMATION ON THE ATB GROUP

### 5.3 Restructuring and Listing Scheme

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of ATB on the Second Board of the KLSE, the Company undertook a restructuring scheme which was approved by the FIC on 23 April 2001, 20 November 2002 and 2 December 2002, the MITI on 10 May 2001, 19 February 2002, 20 May 2003 and 24 May 2003, and the SC on 5 July 2002, 14 January 2003, 28 January 2003, 7 April 2003 and 23 April 2003, involving the following transactions:-

#### 5.3.1 Acquisitions

##### (a) Acquisition of OJK

ATB had on 14 February 2003, acquired the entire issued and paid-up share capital of OJK comprising 125,000 ordinary shares of RM1.00 each for a total purchase consideration of RM50,582,854 based on the adjusted consolidated NTA of OJK as follows:-

	RM
Consolidated NTA of OJK as at 31 July 2002	44,699,806
Less: Adjustments relating to inter-company sales of property, plant and equipment	<u>(12,751)</u>
Adjusted consolidated NTA of OJK as at 31 July 2002 before the revaluation of land and buildings of OJK and its subsidiary companies	44,687,055
Add: Surplus from revaluation of land and buildings of OJK Group *	5,895,799
Adjusted consolidated NTA of OJK	<u>50,582,854</u>

Note:-

\* Details of the revaluation of the said land and buildings are set out in Section 10.3 of this Prospectus.

The purchase consideration of RM50,582,854 was fully satisfied by the allotment and issuance of 46,439,499 new ordinary shares of RM1.00 each in ATB to the vendors of OJK as follows:-

Vendor	No. of Ordinary Shares of RM1.00 Each in OJK	%	No. of Ordinary Shares of RM1.00 Each in ATB
MTV Three	25,000*	20.00	9,287,900
Dato' Azizi Bin Yom Ahmad	6,250	5.00	2,321,975
Khor Mooi Hian	9,125	7.30	3,390,084
Ooi Joo Kee	7,984	6.39	2,966,184
Ooi Bak Chye	228	0.18	84,706
Ng Back Teng	12,072	9.66	4,484,941
Ng Bak Seng	9,782	7.82	3,634,169
Ng Bak Yong	6,297	5.04	2,339,436
Ng Bak Hiong	8,879	7.10	3,298,690
Ng Hun Chew	9,125	7.30	3,390,084
Ng Hung Weng	8,212	6.57	3,050,889
Ng Siew Khoon	10,320	8.26	3,834,045
Ng Siew Lee	894	0.71	332,135
Ng Siew Chuan	4,408	3.53	1,637,642
Ooi Choon Yee	3,924	3.14	1,457,829
Cheah Soo Jin	2,500	2.00	928,790
	125,000	100.00	46,439,499

Note:-

\* OJK had on 13 February 2003 converted all of its preference shares comprising 25,000 preference shares to ordinary shares of RM1.00 each.

## 5.0 INFORMATION ON THE ATB GROUP

## (b) Acquisition of AM

ATB had on 14 February 2003, acquired the entire issued and paid-up share capital of AM comprising 125,000 ordinary shares of RM1.00 each for a total purchase consideration of RM3,878,168 which was arrived at on a willing-buyer willing-seller basis after taking into consideration the audited NTA of AM as at 31 July 2002.

The total purchase consideration of RM3,878,168 was fully satisfied by the allotment and issuance of 3,560,499 new ordinary shares of RM1.00 each in ATB to the vendors of AM as follows:-

Vendor	No. of Ordinary Shares of RM1.00 Each in AM	%	No. of Ordinary Shares of RM1.00 Each in ATB
MTV Three	25,000*	20.00	712,100
Dato' Azizi Bin Yom Ahmad	6,250	5.00	178,025
Khor Mooi Hian	9,125	7.30	259,916
Ooi Joo Kee	7,984	6.39	227,416
Ooi Bak Chye	228	0.18	6,494
Ng Back Teng	12,072	9.66	343,860
Ng Bak Seng	9,782	7.82	278,630
Ng Bak Yong	6,297	5.04	179,364
Ng Bak Hiong	8,879	7.10	252,909
Ng Hun Chew	9,125	7.30	259,916
Ng Hung Weng	8,212	6.57	233,911
Ng Siew Khoo	10,320	8.26	293,955
Ng Siew Lee	894	0.71	25,465
Ng Siew Chuan	4,408	3.53	125,557
Ooi Choon Yee	3,924	3.14	111,771
Cheah Soo Jin	2,500	2.00	71,210
	<u>125,000</u>	<u>100.00</u>	<u>3,560,499</u>

Note:-

\* AM had on 13 February 2003 converted all of its preference shares comprising 25,000 preference shares to ordinary shares of RM1.00 each.

## (c) Acquisitions of NI, ACSS, AN and AS

Subsequent to the Acquisition of OJK and the Acquisition of AM, ATB had on 15 February 2003 acquired the entire issued and paid-up share capital of NI, ACSS, AN and AS from OJK for a total cash consideration of RM2,100,002 based on OJK's cost of investment, the details of which are as follows:-

Company	OJK's Cost of Investment as at 31.07.2002 RM
NI	500,002
ACSS	500,000
AN	100,000
AS	1,000,000
	<u>2,100,002</u>

## 5.0 INFORMATION ON THE ATB GROUP

### 5.3.2 Sub-division of Par Value

After the Acquisitions, on 19 February 2003, ATB subdivided the par value of its ordinary shares from RM1.00 per ordinary share to RM0.50 per ordinary share. Consequently, the issued and paid-up share capital of ATB of 50,000,000 ordinary shares of RM1.00 each was converted to 100,000,000 ordinary shares of RM0.50 each.

### 5.3.3 Public Issue and Offer For Sale

In conjunction with its listing on the Second Board of the KLSE, ATB will carry out the Public Issue and Offer For Sale to be allocated in the following manner:-

	Public Issue No. of ATB Shares	Offer For Sale No. of ATB Shares	Total No. of ATB Shares	Enlarged Share Capital %
Malaysian investing public	10,200,000	-	10,200,000	8.79
Eligible Directors, employees and persons who have contributed to the success of the ATB Group	5,800,000	-	5,800,000	5.00
Bumiputera investors to be approved by MITI	-	13,001,600	13,001,600	11.21
<b>Total</b>	<b>16,000,000</b>	<b>13,001,600</b>	<b>29,001,600</b>	<b>25.00</b>

### 5.3.4 Listing and Quotation on the KLSE

The Company will make an application to the KLSE for the listing of and the quotation for the entire enlarged issued and paid-up share capital of ATB comprising 116,000,000 ATB shares on the Second Board of the KLSE.

## 5.4 Subsidiary Companies

Details of the subsidiary companies of ATB are as follows:-

Company	Date/ Place of Incorporation	Authorised Share Capital RM	Issued and Paid-up Share Capital RM	Effective Equity Interest %	Principal Activities
OJK	15.04.1987/ Malaysia	500,000	125,000	100.00	Manufacture and sale of metal roof sheets and other building related products.
NI	18.11.1991/ Malaysia	1,000,000	500,002	100.00	Manufacture and sale of PVC panels, doors, frames and PVC compound.
ACSS	15.12.1994/ Malaysia	1,000,000	500,000	100.00	Sale of metal roof sheets and other building related products.
AN	10.08.1995/ Malaysia	100,000	100,000	100.00	Manufacture and sale of insect screens/nettings.
AM	10.08.1995/ Malaysia	500,000	125,000	100.00	Trading of PVC panels, doors, frames and other building related products.
AS	23.08.2000/ Malaysia	1,000,000	1,000,000	100.00	Manufacture and sale of metal roofing products

As at the date of this Prospectus, ATB does not have any associated company.

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**5.0 INFORMATION ON THE ATB GROUP**


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**5.4.1 OJK****(a) History and Business**

OJK was incorporated in Malaysia under the Act as a private limited company on 15 April 1987 under its present name.

The principal activity of OJK is the manufacturing and sale of metal roof sheets and other related building products. OJK's manufacturing activity is carried out from its own factory building located at 1538, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang.

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), OJK has 83 employees.

**(b) Share Capital**

The authorised share capital of OJK is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of OJK is RM125,000 comprising 125,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of OJK since its incorporation are as follows:-

<b>Date of Allotment</b>	<b>No. of Shares</b>	<b>Par Value RM</b>	<b>Type of Issue</b>	<b>Resultant Issued and Paid-up Share Capital RM</b>
15.04.1987	2	1.00	Subscribers' shares	2
10.05.1990	98,998	1.00	Cash	99,000
28.03.1998	1,000	1.00	Bonus issue of approximately 0.01 ordinary share of RM1.00 each for every 1 existing ordinary share of RM1.00 each	100,000
28.03.1998	25,000	1.00	Cash – Preference shares *	125,000

*Note:-*

\* *The entire 25,000 Preference shares was converted into 25,000 ordinary shares of RM1.00 each in OJK on 13 February 2003.*

**(c) Substantial Shareholders**

OJK is a wholly-owned subsidiary company of ATB.

**(d) Subsidiary and Associated Companies**

As at the date of this Prospectus, OJK does not have any subsidiary or associated company.

## 5.0 INFORMATION ON THE ATB GROUP

### 5.4.2 NI

#### (a) History and Business

NI was incorporated in Malaysia under the Act as a private limited company on 18 November 1991 under its present name.

The principal activity of NI is the manufacturing and sale of PVC panels, doors, frames and PVC compound. NI's manufacturing activity is carried out from its own factory building located at 1537, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang.

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), NI has 44 employees.

#### (b) Share Capital

The authorised share capital of NI is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of NI is RM500,002 comprising 500,002 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of NI since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Type of Issue	Resultant Issued and Paid-up Share Capital RM
18.11.1991	2	1.00	Subscribers' shares	2
15.06.1995	50,000	1.00	Cash	50,002
20.03.1996	450,000	1.00	Cash	500,002

#### (c) Substantial Shareholders

NI is a wholly-owned subsidiary company of ATB.

#### (d) Subsidiary and Associated Companies

As at the date of this Prospectus, NI does not have any subsidiary or associated company.

### 5.4.3 ACSS

#### (a) History and Business

ACSS was incorporated in Malaysia under the Act as a private limited company on 15 December 1994 under its present name.

The principal activity of ACSS is the sale of metal roof sheets and other related building products. ACSS's marketing and distribution activities are carried out from OJK's factory building located at 1538, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang. ACSS also have sales offices located at No. 220, Fasa 2, Taman Sri Tandop, Lorong Lencong Barat, 05400 Alor Star Kedah and First Floor, 32, Persiaran Greenhill, 30450 Ipoh, Perak.

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), ACSS has 27 employees.

## 5.0 INFORMATION ON THE ATB GROUP

## (b) Share Capital

The authorised share capital of ACSS is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of ACSS is RM500,000 comprising 500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ACSS since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Type of Issue	Resultant Issued and Paid-up Share Capital RM
15.12.1994	2	1.00	Subscribers' shares	2
06.07.1995	50,000	1.00	Cash	50,002
03.11.1995	449,998	1.00	Cash	500,000

## (c) Substantial Shareholders

ACSS is a wholly-owned subsidiary company of ATB.

## (d) Subsidiary and Associated Companies

As at the date of this Prospectus, ACSS does not have any subsidiary or associated company.

## 5.4.4 AN

## (a) History and Business

AN was incorporated in Malaysia under the Act as a private limited company on 10 August 1995 under its present name.

The principal activity of AN is the manufacturing and sale of insect screens/nettings. AN's manufacturing activity is carried out from the factory building owned by NI located at 1537, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang. AN also has a warehouse located at Nos. 11 & 11A, Lorong Nafiri 2, Mukim 12, Kawasan Perusahaan Ringan, 14200 Sungai Bakap, Penang.

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), AN has 3 employees as the manufacturing of insect screens/netting is highly automated.

## (b) Share Capital

The authorised share capital of AN is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of AN is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of AN since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Type of Issue	Resultant Issued and Paid-up Share Capital RM
10.08.1995	2	1.00	Subscribers' shares	2
15.04.1996	99,998	1.00	Cash	100,000

## (c) Substantial Shareholders

AN is a wholly-owned subsidiary company of ATB.

## (d) Subsidiary and Associated Companies

As at the date of this Prospectus, AN does not have any subsidiary or associated company.

## 5.0 INFORMATION ON THE ATB GROUP

### 5.4.5 AM

#### (a) History and Business

AM was incorporated in Malaysia under the Act as a private limited company on 10 August 1995 under its present name.

The principal activity of AM is the trading of PVC panels, doors, frames and other related building products. AM's marketing and trading activities are carried out from the factory building owned by N1 located at 1537, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang. AM also has a depot/warehouse located at 728, Jalan Seri Emas 50, Taman Seri Telok Mas, Telok Mas, 75460 Melaka and a sales office located at Suite 9-26, 9<sup>th</sup> Floor, Kompleks Mutiara, No. 568, 3½ Miles Jalan Ipoh, 51200 Kuala Lumpur.

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), AM has 26 employees.

#### (b) Share Capital

The authorised share capital of AM is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of AM is RM125,000 comprising 125,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of AM since its incorporation are as follows:-

Date of Allotment	No. of Shares	Par Value RM	Type of Issue	Resultant Issued and Paid-up Share Capital RM
10.08.1995	2	1.00	Subscribers' shares	2
06.09.1997	98,998	1.00	Bonus issue of 49,499 ordinary shares of RM1.00 each for every 1 existing ordinary share of RM1.00 each held	99,000
28.03.1998	1,000	1.00	Bonus issue of approximately 0.01 ordinary share of RM1.00 each for every 1 existing ordinary share of RM1.00 each	100,000
28.03.1998	25,000	1.00	Cash – Preference shares *	125,000

Note:-

\* The entire 25,000 Preference shares was converted into 25,000 ordinary shares of RM1.00 each in AM on 13 February 2003.

#### (c) Substantial Shareholders

AM is a wholly-owned subsidiary company of ATB.

#### (d) Subsidiary and Associated Companies

As at the date of this Prospectus, AM does not have any subsidiary or associated company.



## 5.0 INFORMATION ON THE ATB GROUP

## 5.4.6 AS

## (a) History and Business

AS was incorporated in Malaysia under the Act as a private limited company on 23 August 2000 under its present name.

The principal activity of AS is the manufacturing and sale of metal roofing products. AS's manufacturing activities are carried out from a rented property located at 727, Jalan Seri Emas 50, Taman Seri Telok Mas, Telok Mas, 75460 Melaka.

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), AS has 48 employees.

## (b) Share Capital

The authorised share capital of AS is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital of AS is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of AS since its incorporation are as follows:-

<b>Date of Allotment</b>	<b>No. of Ordinary Shares</b>	<b>Par Value RM</b>	<b>Type of Issue</b>	<b>Resultant Issued and Paid-up Share Capital RM</b>
23.08.2000	2	1.00	Subscribers' shares	2
23.09.2000	500	1.00	Cash	502
27.10.2000	999,498	1.00	Cash	1,000,000

## (c) Substantial Shareholders

AS is a wholly-owned subsidiary company of ATB.

## (d) Subsidiary and Associated Companies

As at the date of this Prospectus, AS does not have any subsidiary or associated company.

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## 5.0 INFORMATION ON THE ATB GROUP

### 5.5 Business Overview

#### 5.5.1 Group Structure

The group structure and the principal activities of the ATB Group are summarised in Section 2.1 of this Prospectus.

#### 5.5.2 Principal Products

The Group's principal products can be divided into three (3) main categories as follows:-

Category	Product	Brand Name
Metal roofing and awning products	Crimp curve roofing, corrugated roofing sheets, step roofing, clip lock system roofing, PU foam roofing, industrial roofing, wall cladding, crimp curve awning, heat resistant roofing and C-Purlins (part of roof structure).	"ASTINO"
PVC products	Various types of PVC doors, solid panels, loose panels, PVC compound, PVC pipes, PVC frames and ultra violet coated PVC doors.	"ASTINO"
PE products	Insect screens/nettings	"ASTINO"

#### 5.5.3 Patents, Trademarks and Certifications

The principal patents, trademarks and certifications that have been obtained by the Group are as follows:-

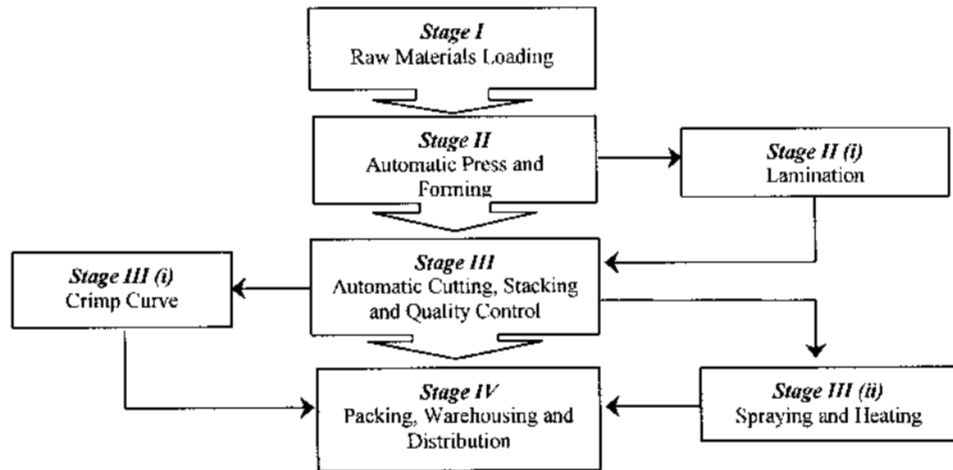
Company	Authority/ Certification Authority	Date Obtained/ Expiry Date	Registration Number	Type
OJK	United Kingdom Registrar of Designs	09.11.1994/ 09.11.2004	2043179	Registered Design under United Kingdom Registered Designs Act, 1949 for the design of the Group's roofing tiles
	BM TRADA Certification Ltd	04.07.2001/ 03.07.2004	1354	ISO Certification for the manufacturing and sales of metal roofing sheets, awnings and wall cladding
	SIRIM QAS Sdn Bhd	18.10.2002/ 17.10.2005	AR 2700	MS ISO 9001:2000. Quality management system requirements for the manufacturing and sales of metal roofing sheets, awnings, wall cladding and C-Purlins.
NI	Malaysian Registrar of Trade Marks	26.07.2002/ 04.02.2011	94000955	"ASTINO" trademark in Class 19 for building material, PVC folding doors, PVC roofing, PVC basin, PVC plastering and cementing mould.
	Chamber Certification Assessment Services Limited	02.08.2001/ 02.08.2004	M 1014	ISO Certification for the manufacturing of PVC doors
ACSS	BM TRADA Certification Ltd	04.07.2001/ 03.07.2004	1354	ISO Certification for the manufacturing and sales of metal roofing sheets, awnings and wall cladding
	SIRIM QAS Sdn Bhd	18.10.2002/ 17.10.2005	AR 2700	MS ISO 9001:2000. Quality management system requirements for the manufacturing and sales of metal roofing sheets, awnings, wall cladding and C-Purlins

## 5.0 INFORMATION ON THE ATB GROUP

## 5.5.4 Manufacturing Processes

The manufacturing process for the three (3) product categories are as follows:-

## (a) Metal Roofing and Awning



(Source : Management of ATB)

Each stage of the manufacturing process involves the following activities:-

**Stage I : Raw Materials Loading**

Pre-painted galvanised steel sheet coils with different colours and thickness are transferred from the stock department by an overhead crane to the production department. These steel sheet coils will then be loaded onto the uncoilers. From the uncoilers, the three-foot wide steel sheet will be fed into high-precision roll forming machines.

**Stage II : Automatic Press and Forming**

The roll forming machines will press and form the steel sheets into various profiles, which are specially designed for each individual product.

**Stage II(i) : Lamination**

This process is only applicable for making heat resistant roofing whereby the metal sheets are laminated with polymer foam and aluminium foil to form the 3 layered metal roofing.

**Stage III : Automatic Cutting, Stacking and Quality Control**

During this stage, the ready-formed metal sheets will be automatically cut into various sizes by a cutting machine. Metal sheets that have been cut will be stacked and checked for quality.

**Stage III(i) : Crimp Curve**

During this stage, the crimp curve machine is used to press and bend the metal roofing sheets to make a curve depending on the product's specifications.

**Stage III(ii) : Spraying and Heating**

The rolled formed metal sheets are then sprayed with liquid PU depending on the product's specifications. Thereafter, the rolled formed metal sheets are passed through a heater where the PU are inflated, and a layer of PVC film is laminated onto the metal sheet. The PU coated metal sheets will then be left in the open air to cool before being manually cut into sizes.

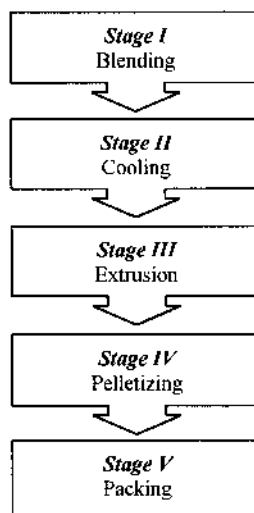
**Stage IV : Packing, Warehousing and Distribution**

The metal sheets are packed in strapped bundles by using plastic wrapping. The finished products, which are packed, will be transferred to the warehouse for storage purposes, pending delivery and distribution to the customers.

**5.0 INFORMATION ON THE ATB GROUP****(b) PVC Products**

The PVC products can be further categorised as follows:-

- (i) PVC compound;
- (ii) PVC panels; and
- (iii) PVC folding doors.

**(i) PVC Compound**

*(Source : Management of ATB)*

Each stage of the manufacturing process involves the following activities:-

***Stage I : Blending***

Numerous types of polymer additives and lubricants are weighed and mixed using a digital weighing scale. This is performed by trained staff who are equipped with safety gears to avoid exposure to chemicals used in the process.

***Stage II : Cooling***

The added mixture will be fed into a turbo mixer using the “Programmable Logic Control System”.

***Stage III : Extrusion***

During this stage, the PVC compound is fed into the extrusion machine, through a cooler silo.

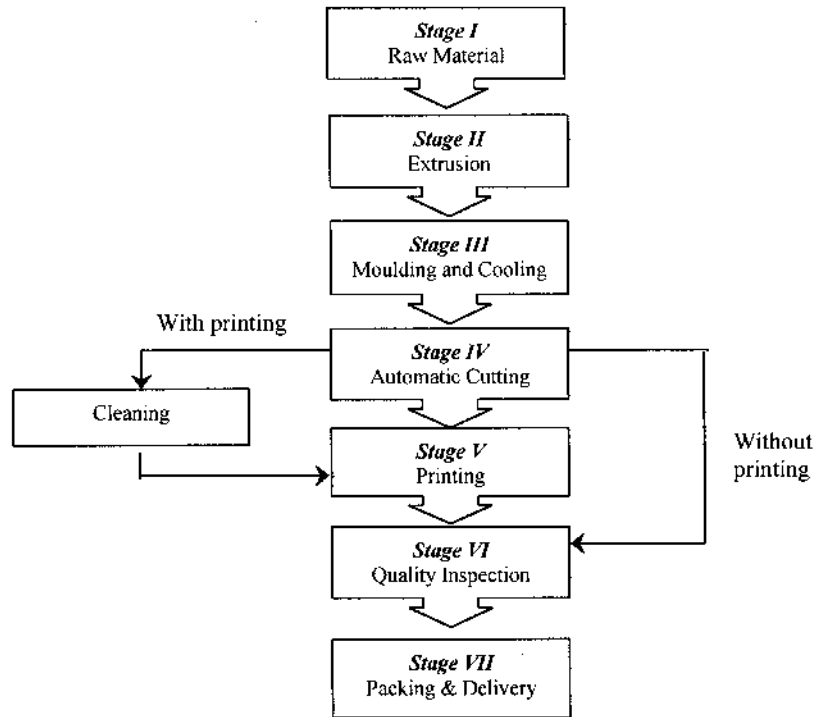
***Stage IV : Pelletizing***

The melted PVC compound are then allowed to flow into the die mould where the compound will be cut into pellet form.

***Stage V : Packing***

After cutting, a blower will transfer the pellets to a vibrator in order to separate the pellets from the powder. The pellets will then be packed into sacks and will be stored in the warehouse for further production purposes or for sale to customers.

## (ii) PVC Panels



(Source : Management of ATB)

Each stage of the PVC panels process involves the following activities:-

**Stage I : Raw Material**

The PVC compound in pellet form (as mentioned in (b)(i) above) are transferred from the store department to the extrusion department.

**Stage II : Extrusion**

The PVC pellets are fed into the screw and barrel of the extruder through a dosator machine. The PVC pellets will be melted at this stage.

**Stage III : Moulding and Cooling**

From the screw and barrel, the melted PVC pellets will flow into the die mould where it is extruded into the required profiles. Then, the extruded profiles will be fed into a vacuum cooling mould to cool off and harden.

**Stage IV : Automatic Cutting**

During this stage, the hardened extruded profiles will be pulled by a caterpillar machine and will be cut into pre-set length.

**Stage V : Printing**

After cutting, the PVC profiles which require printing will undergo a cleaning process and then put through a printing machine. After printing, the surface of the products are coated with ultra-violet ink to improve its appearance.

**Stage VI : Quality Inspection**

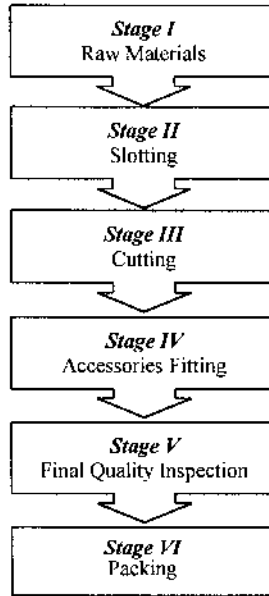
The quality controllers will inspect the PVC panels to ensure the quality of the products meet the Group's standard and/or customers specifications.

**Stage VII : Packing and Delivery**

During this final stage, the PVC panels are packed either in bundles or into individual cartons. The packed products are then stored in the warehouse, pending delivery and distributions to the customers.

## 5.0 INFORMATION ON THE ATB GROUP

## (iii) PVC Doors (fitting and assembling system)



(Source : Management of ATB)

The assembly process for the folding doors is as follows:-

**Stage I : Raw Materials**

Upon receiving the raw materials, it will be checked to ensure that they are in accordance with the Group's specifications.

**Stage II : Slotting**

PVC panels (as mentioned in (b)(ii) above) are joined by slotting them together with other component parts.

**Stage III : Cutting**

The PVC doors are cut into the required sizes.

**Stage IV : Accessories Fitting**

The PVC doors will be fitted with accessories according to specifications.

**Stage V : Final Quality Inspection**

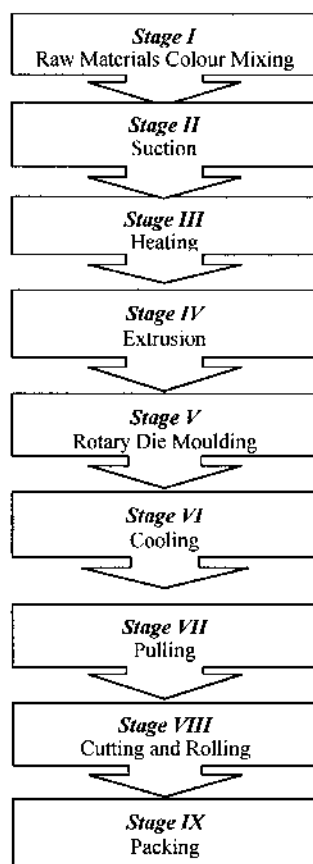
The PVC doors are inspected for its consistency of functions and quality.

**Stage VI : Packing**

The completed PVC doors will be packed into corrugated cartons and transferred to the warehouse before distribution to customers.

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## (c) PE Products – Insect Screens/Nettings



(Source : Management of ATB)

Each stage of the manufacturing process involves the following activities:-

**Stage I : Raw Materials Colour Mixing**

The main raw material used in this process is high density PE. During this initial stage, the high density PE is mixed with colour pigment in a mixer.

**Stage II : Suction**

The mixed materials will be sucked by an autoloader machine to the silo attached to the extruder machine.

**Stage III : Heating**

From the extruder machine, heater plates are used to melt the mixed materials.

**Stage IV : Extrusion**

After the mixed materials are melted, it will be extruded into a pre-heated mould to achieve the required profile.

**Stage V : Rotary Die Moulding**

The profile will be rotated to form a net.

**Stage VI : Cooling**

After the size and the dimension of the net profile has been formed, the net will be placed in the water tank for cooling.

**Stage VII : Pulling**

From the water tank, the cooled net will be pulled to the cutting machine.

**Stage VIII : Cutting and Rolling**

The net will be cut and rolled to required length.

**Stage IX : Packing**

The rolled net will be weighed and packed into carton boxes and transferred to the warehouse before distribution to customers.

## 5.0 INFORMATION ON THE ATB GROUP

### 5.5.5 The ATB Group's Market Position

#### (a) Domestic Market Size of Metal Roofing Products

The Supplemental A&A Report estimated the market size for metal roofing products in the domestic market to be as follows:-

*"...the present domestic market size or consumption volume for metal roofing is around 144,000 tons per annum. At the average price of RM3,600 per ton, the metal roofing market is estimated to be worth around RM514.8 million.*

*Based on ATB's annual turnover for metal roofing of approximately RM80 million for the financial year ended 31 July 2002, it is estimated that ATB captured approximately 15% of the market size."*

#### **Market Size by Region**

<b><u>Region</u></b>	<b><u>Market Percentage (%)</u></b>
Northern	20
Central	40
Southern	28
East Coast	2
East Malaysia	10

*(Source: Supplemental A&A Report)*

#### (b) Domestic Market Size of PVC Doors

The Supplemental A&A Report estimated the market size for PVC doors in the domestic market to be as follows:-

*"...an estimate of between 100,000 to 130,000 pieces of PVC door as the requirement per month for the whole nation. This figure is translated into 1.5 million pieces of PVC door per annum out of which 35% and 60% are taken up by folding door and solid door respectively. The other types of door take up the remaining 5%. At an average price of RM38 per piece, the PVC door industry is worth around RM57 million per annum.*

*With stable demands from the replacement market and new housing projects, the annual growth rate for PVC door is projected at between 5% to 10%.*

*ATB supplies over 240,000 one-piece PVC door and 125,000 pieces of folding door per annum. This represents an estimated market share of approximately 32% and 40% in one-piece PVC door and folding door segments respectively in financial year ended 31 July 2002."*

*(Source : Supplemental A&A Report)*

For further details, please refer to Section 14.0 on the Supplemental Independent Market Research Report in Section 14.0 of this Prospectus.

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## 5.0 INFORMATION ON THE ATB GROUP

### 5.5.6 Significant New or Proposed Products

The ATB Group has started to manufacture and sell one of its latest roofing products which is a heat resistant metal roofing sheet coated with PU foam in September 2000. The PU foam is added onto the metal sheets to provide insulation against heat.

The Group also added a new product to its range of metal roofing and awning products namely the C-Purlins, which is made of galvanised steel sheets, which is lighter compared to the mild steel and does not require painting. This new product was launched in June 2001.

### 5.5.7 Principal Markets for the ATB Group's Products

#### (a) Principal Market Segment

The metal roofing and awning products, PVC products and PE products manufactured by the ATB Group are sold to different market segments. The principal market segments of the Group are as follows:-

Category	Market Segments
Metal roofing and awning products	Industrial, commercial and residential buildings, hostels, schools and hospitals.
PVC products	Industrial, commercial and residential buildings, hospitals, schools and government buildings.
PE products	Residential and commercial buildings, hostels, hospitals and agricultural sector.

Details of the breakdown of the sales according to the principal products and markets are set out in Section 11.1.2 of this Prospectus.

#### (b) Sales by Category of Products

The breakdown of the sales according to the category of products manufactured are as follows:-

	----- Financial Year Ended 31 July -----						4 Months	
	<----- 2000 ----->		<----- 2001 ----->		<----- 2002 ----->		< 30.11.2002 ->	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Local Sales</b>								
- Metal roofing and awning products	37,309	63.26	53,076	64.19	80,721	72.95	31,508	75.14
- PVC products	20,235	34.32	28,453	34.41	28,475	25.74	9,639	22.99
- PE products	799	1.35	557	0.67	531	0.48	145	0.35
<i>Total Local Sales</i>	58,343	98.93	82,086	99.27	109,727	99.17	41,292	98.48
<b>Export Sales</b>								
- Metal roofing and awning products	255	0.43	43	0.05	-	-	-	-
- PVC products	379	0.64	563	0.68	921	0.83	638	1.52
- PE products	-	-	-	-	-	-	-	-
<i>Total Export Sales</i>	634	1.07	606	0.73	921	0.83	638	1.52
<b>Total Sales</b>	<b>58,977</b>	<b>100.00</b>	<b>82,692</b>	<b>100.00</b>	<b>110,648</b>	<b>100.00</b>	<b>41,930</b>	<b>100.00</b>

For further details on the countries which the products are exported to, please refer to Section 11.2 of this Prospectus.

## 5.0 INFORMATION ON THE ATB GROUP

### 5.5.8 Raw Materials

#### (a) *Principal Raw Materials*

The principal raw materials used in the manufacturing of metal roofing and awning products, include amongst others, pre-painted galvanised steel coil, steel coil, PU, glue and foam made of aluminium sheets and sponge.

The principal raw materials used in the manufacturing of PVC products, include amongst others, PVC resin, coated calcium carbonate, colour pigment, lubricant and stabiliser.

The principal raw materials used in the manufacturing of PE products, include high density PE and colour pigment.

#### (b) *Availability of Raw Materials*

The principal raw materials mentioned above are sourced locally as well as imported. The overseas suppliers are from, amongst others, Singapore, Taiwan and Korea. Other raw materials such as corrugated sheets, paint, clips and silicon are sourced locally.

The raw materials are supplied according to the Group's standard specifications as well as customer's specific requirements. As at the date of this Prospectus, the Group has not experienced any difficulty or delay in sourcing for these raw materials either from local or overseas suppliers as these principal raw materials are readily available in the market.

On the average, the Group keeps approximately three (3) months of raw materials for its consumption under normal conditions. It takes between seven (7) to thirty (30) days and between thirty (30) to sixty (60) days from the date of placing orders with the local and overseas suppliers respectively to the date the raw materials are received by the Group.

Further details on the major suppliers of raw materials for the ATB Group are set out in Section 5.8 of this Prospectus.

### 5.5.9 Quality Control

Quality has always been part of the Group's strategy to stay ahead of its competitors. The Directors of ATB believe that quality control should be managed from the start, from the stage the raw materials are purchased and continuously extended to the various stages of production, up to the final inspection stage on the end-product before the products are packed and transferred to the warehouse and/or for delivery to customers. The quality control process is to ensure that the products manufactured meet the Group's quality standards in terms of functionality, reliability and finishing.

OJK and ACSS had on 18 October 2002 obtained MS ISO 9001:2000 certification for its quality management system requirements. Further details on the certification is set out in Section 5.5.3 of this Prospectus.

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**5.0 INFORMATION ON THE ATB GROUP**

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**5.5.10 R&D/Product Development**

The Group's R&D is mainly concentrated towards product development through identifying and developing new products, upgrading existing product quality and broadening the product range. The R&D/Product Development Unit is headed by the Managing Director who is assisted by professional and experienced personnel comprising the General Manager of the PVC Division, Operations Manager of the Metal Roofing Division and a R&D officer. Another two officers are responsible for cost control. The achievements by the R&D/Product Development Unit, amongst others, are as follows:-

- reduction in wastage;
- improved product quality through the reduction in rejection rate; and
- reduction in delivery lead-time.

It is the Group's policy to focus on maintaining a competitive edge in the market place with special emphasis on cost reduction, production efficiency, product innovation and consistent quality of products. In line with this product development policy, the Group targets to achieve the following objectives within the next three (3) financial years ending 31 July 2006:-

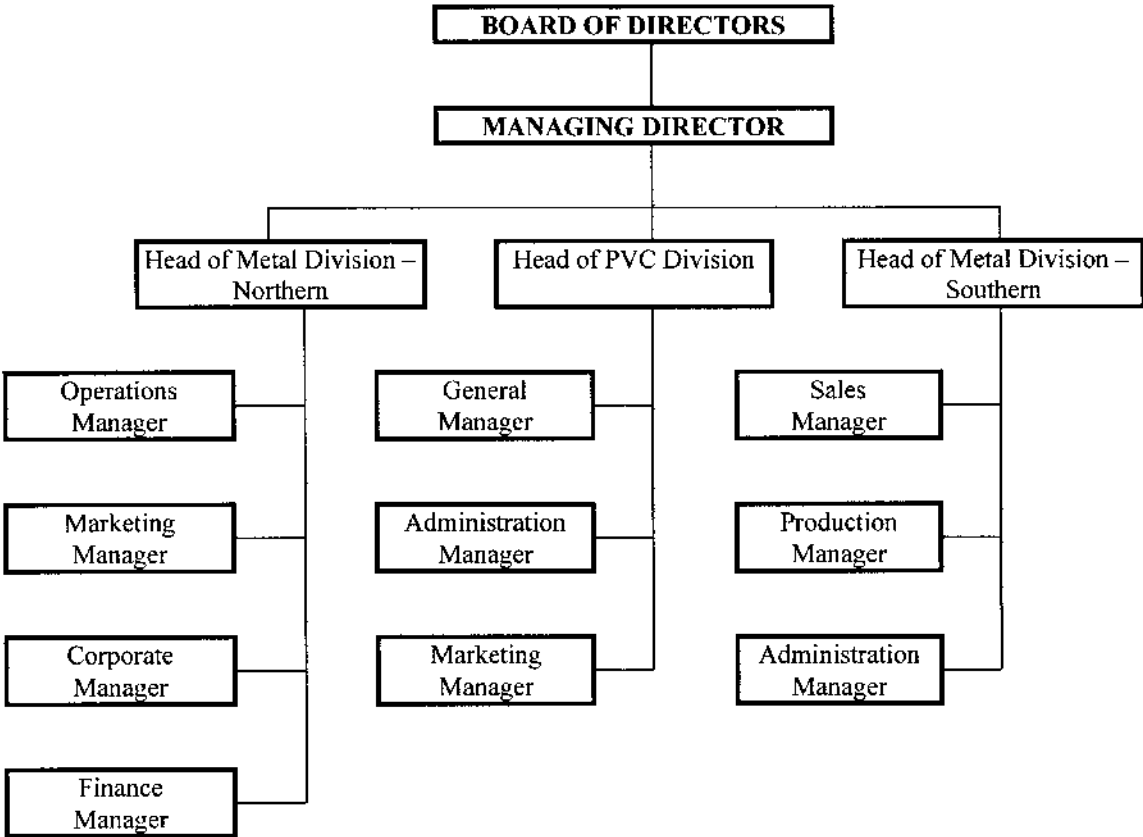
- reduction in wastage to below 1.5%;
- research into using cheaper raw materials for the Group's products;
- on-going research for new product variants; and
- research into new designs and materials for packaging.

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5.0 INFORMATION ON THE ATB GROUP

5.5.11 Management Succession Plan

The management team of the Group is structured as follows:-



The Group was founded by the Ng/Ooi family members, i.e. Mr Ooi Joo Kee and his brothers, Mr Ng Back Teng, Mr Ng Hung Seh, Mr Ng Bak Seng and Mr Ng Hung Weng. Currently, Mr Ng Back Teng is the Executive Chairman/Head of the PVC Division and Mr Ng Bak Seng and Mr Ng Hung Seh are the Executive Directors and Head of the Metal Division – Southern and Northern respectively. Mr Ng Hung Weng is a Non-Executive Director of ATB.

The rest of the Board of Directors of ATB and the management team of the Group comprises qualified personnel who possess the relevant qualification and experience and are not related to the Ng/Ooi family members. These qualified personnel are employed to head each department under the three (3) main divisions comprising the Metal Division-Northern, Metal Division-Southern and PVC Division.

The management understands the importance of a well structured management team to ensure the smooth running of its business operations. As such, professional and experienced staff are recruited to support and manage the Group. Management staff have been allocated with clearly defined job functions and responsibilities. In the absence of the Managing Director, the Group’s business operations will not be disrupted. The Head of the respective divisions with the assistance of the various managers will be able to carry out the day-to-day operations of the Group effectively.

The Group has gradually transformed itself from a traditional organisation using centralised management practices into a defined organisation structure. The Group expects management succession to be smooth and non-disruptive in the future.

## 5.0 INFORMATION ON THE ATB GROUP

### 5.5.12 Interruption/Disruption in Business

The Group did not experience any disruption in business which had significant effects on its operations for the past twelve (12) months prior to the date of this Prospectus.

### 5.5.13 Methods of Distribution

The method of distribution for the Group's products can be segregated into the following two (2) areas:-

#### (a) Local Sales

The Group's major local customers mainly consist of hardware distributors and wholesalers. Its products are distributed directly to the customers in the following manner:-

<----- Marketing and Distribution ----->			Manufacturing	Products
Company	Region	No. of Personnel*	Company	
ACSS	Northern and East Coast	16	OJK	Metal roofing and awning PVC and PE products
AM	Whole of Malaysia	9	NI and AN	
AS	Central and Southern	11	AS	Metal roofing and awning

Note:-

\* As at 16 May 2003, being the latest practicable date prior to the registration of this Prospectus.

The sales and marketing function of each of the companies mentioned above, i.e. ACSS, AM and AS, is headed by their respective sales and marketing manager.

#### (b) Export Sales

The Group exports its products directly to its overseas customers. For customers in Thailand and Singapore, land transportation such as lorries are used to deliver the Group's products. However, for other overseas customers, the products are exported by sea.

### 5.5.14 Production Capacities and Output of the ATB Group

The summary of the current monthly production capacity of each company in the ATB Group is as follows:-

Company	Products	Monthly Maximum Capacity *	Monthly Utilised Capacity #	%
OJK	Metal roofing and awning	2,200 mt.	1,700 mt.	77.27
NI	PVC compound	225,000 kg	157,520 kg	70.00
	PVC doors	38,400 pieces	24,960 pieces	65.00
AN	Insect screens/nettings	2,105 rolls	1,500 rolls	71.26
AS	Metal roofing and awning	700 mt.	500 mt.	71.43

Notes:-

\* Based on 26 working days per month and 18 working hours per day.

# Based on the monthly average utilised capacity for the financial year ended 31 July 2002.

## 5.0 INFORMATION ON THE ATB GROUP

## 5.5.15 Location of Principal Place of Business and Production Facilities

The ATB Group's location of principal assets, production facilities, place of businesses and marketing and distribution network are as follows:-

Location	Company	Description of Use by ATB Group
1538, Jalan Seruling Kawasan Perusahaan Valdor 14200 Sungai Bakap Seberang Perai Selatan Penang	(a) ATB (b) OJK (c) ACSS	(a) Office (b) Factory cum office (c) Marketing and distribution office
1537, Jalan Seruling Kawasan Perusahaan Valdor 14200 Sungai Bakap Seberang Perai Selatan Penang	(a) NI (b) AN (c) AM	(a) Factory cum office (b) Factory cum office (c) Marketing and distribution office
No. 220, Fasa 2, Taman Sri Tandop Lorong Lencong Barat 05400 Alor Star Kedah	ACSS	Sales office
First Floor 32, Persiaran Greenhill 30450 Ipoh Perak	ACSS	Sales office
Nos. 11 & 11A, Lorong Nafiri 2 Mukim 12 Kawasan Perusahaan Ringan 14200 Sungai Bakap Penang	AN	Warehouse
728, Jalan Seri Emas 50 Taman Seri Telok Mas Telok Mas 75460 Melaka	AM	Depot/warehouse
Suite 9-26 9 <sup>th</sup> Floor Kompleks Mutiara No. 568, 3½ Miles Jalan Ipoh 51200 Kuala Lumpur	AM	Sales office
727, Jalan Seri Emas 50 Taman Seri Telok Mas Telok Mas 75460 Melaka	AS	Factory cum office

## 5.0 INFORMATION ON THE ATB GROUP

The ATB Group is mainly involve in manufacturing activities. The products manufactured by the ATB Group is driven by the amount of activity and demand in the construction industry, which is dependent upon the overall growth of the Malaysian economy.

### 5.6 Industry Overview

*“With the mild recovery intact in 2002 and expected to gather momentum in 2003, the world economy is projected to register output growth of 3.7% with trade expanding at 6.6%.*

*The Malaysian economy, with the stronger macroeconomic fundamentals already in place and complemented by more resilient corporate and financial sectors, is now poised to benefit from the much-improved global economic environment projected for 2003. Output expansion is anticipated in all sectors of the economy, with GDP envisaged to chalk 6%-6.5%, arising from a broader based economy with growth emanating from a more pronounced role of a revitalised and dynamic private sector. The manufacturing sector is expected to continue its expansion to record 8.5% increase in output and contribute 2.6 percentage points to GDP growth while the services sector, with a projected increase of 5.9%, remains the major contributor to growth with 3.3 percentage points. The construction sector is forecast to expand 4.5% while the agriculture and mining sectors are envisaged to improve by 3.4% and 2.5%, respectively.*

*(Source : Economic Report 2002/2003, Ministry of Finance, Malaysia)*

*“The Malaysian economy has remained resilient despite an external environment marked by heightened uncertainty and the impact of SARS on regional economies in the final part of the quarter. Real GDP growth on the Malaysian economy in the first quarter of 2003 was within expectations. Economic activity expanded at an annual rate of 4% compared with 1.3% in the corresponding period last year. Expansion was positive in all sectors.”*

*(Source : Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2003, Bank Negara Malaysia)*

#### 5.6.1 Manufacturing Industry

*“Signs of a turnaround in the manufacturing sector have become more visible in the second quarter of 2002. After experiencing 11 months of consecutive decline, output in the manufacturing sector has improved from -11% recorded in the fourth quarter of 2001 to bounce back with three straight months of positive growth since April 2002. ... A steady recovery of the sector is anticipated for the rest of the year, on account of a revival in external demand and sustained growth in domestic consumption.”*

*(Source : Economic Report 2002/2003, Ministry of Finance, Malaysia)*

*“Growth in the first quarter was marked by continued expansion across all sectors of the economy with the main impetus emanating from the manufacturing and services sectors. The manufacturing sector expanded by 5.2%, supported by stronger growth in the domestic-oriented industries and expansion in the export-oriented industries.”*

*(Source : Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2003, Bank Negara Malaysia)*

#### 5.6.2 Construction-related Industry

*“Construction-related industries are expected to benefit from the ongoing implementation of fiscal stimulus projects and sustained performance of the housing sub-sector. On the whole, the industry recorded a growth of 5.5% (January-June 2001:10%). Cement and concrete continued to record a positive growth of 13.1% (January-June 2001:18.4%). Demand is estimated to grow stronger this year, partly aided by the increased utilisation of cement in several ongoing and planned public infrastructure projects to be implemented in 2002/2003. Similarly, production of ceramic and tiles also expanded by 4.1% during the first six months to meet increasing demand from the housing sub-sector. Currently, the non-metallic mineral industry especially the ceramic producers, are operating above 80% capacity. Likewise, the iron and steel industry is generally expected to perform better due to the positive effects of fiscal stimulus as well as better external demand. As a result, capacity utilisation is expected to increase to over 65% compared to 55% in 2001.”*

*(Source : Economic Report 2002/2003, Ministry of Finance, Malaysia)*

## 5.0 INFORMATION ON THE ATB GROUP

### 5.6.3 Construction Industry

*“The construction sector is envisaged to record a higher growth of 4.5% (2002:3.8%). Public sector infrastructure projects in health and education sub-sectors in particular, as well as for rural development, will continue to drive the sector. Housing development is also expected to contribute significantly to growth in sector in view of the increasing demand, especially for low and medium-cost houses.*

*The construction sector is forecast to grow more strongly by 3.8%, benefiting vastly from the impact of fiscal stimulus measures such as construction of houses, single session schools, colleges and rural infrastructure projects.”*

*(Source : Economic Report 2002/2003, Ministry of Finance, Malaysia)*

*“Construction sector activity expanded by 1.2%, supported by public sector projects and continued demand for housing, amidst an improving labour situation.”*

*(Source : Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2003, Bank Negara Malaysia)*

### 5.6.4 Key Players in the Industry

According to the Supplemental A&A Report, the key players of the industry in which ATB is involved in can be segregated into two broad categories of metal roofing and PVC doors manufacturers.

For further details on the key players in the metal roofing and PVC door market, please refer to Section 14.0 of this Prospectus.

### 5.6.5 Demand and Supply

*“The demand for ATB Group’s products such as PVC doors and the metal roofing is largely driven by the amount of activity and demand in the construction industry, particularly in the residential and industrial property sub-sectors and the secondary renovation works sector.*

*Malaysia market is estimated to be 1.3 million pieces (70% 1-piece door & 30% folding door) in 2003, which is worth approximately RM53 million per annum.*

*Major users of metal roofing products consist of industrial and commercial buildings, multi-purpose community halls, universities, low cost houses and large poultry farms. Secondary users include awnings for homes, etc.”*

*(Source : Supplemental A&A Report)*

*“Growth in the first quarter was largely supported by domestic demand, underpinned by stronger public sector spending.”*

*(Source : Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2003, Bank Negara Malaysia)*

Further details of the demand and supply for metal roofing and PVC doors are set out in Section 14.0 of this Prospectus.

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## 5.0 INFORMATION ON THE ATB GROUP

### 5.6.6 Substitute Products

*“The threat of product substitution for metal roofing and PVC door is very minimal. Instead of being substituted, metal roofing product and PVC door are in fact substituting the roofing tiles and wooden door. This is because metal roofing offers the practical solution for factories, given the lower cost and speedy installation especially for large-sized factories. PVC door, on the other hand, is 100% waterproof, knock and sound proof, easy to install, easy to clean, affordable and pleasant as compared to aluminium and wooden doors. However, in the advent of high technology, there is no assurance that metal roofing and PVC door will not be substituted by new products in times to come.”*

*(Source : Supplemental A&A Report)*

### 5.6.7 Industry Reliance and Vulnerability to Imports

The Board of Directors of ATB is of the opinion that the industry in which the Group operates is not reliant on imports from overseas. The Group imports part of its raw materials from overseas whenever the prices of the raw materials are lower compared to the local suppliers as the raw materials can easily be sourced from established manufacturers and traders throughout Malaysia at a relatively competitive price.

### 5.7 Major Customers

The Group has a wide customer base and is not dependent on a single or a group of customers for its business. However, the Group has one (1) major customer which contributes more than ten percent (10%) of the total turnover for the financial year ended 31 July 2002, as follows:-

Customers	Products	Years of Relationship	% of Turnover for the Financial Year Ended 31 July 2002	
				%
Harrison Trading (P) Sdn Bhd	Roofing and PVC doors	7		15.00

### 5.8 Major Suppliers

The Group has a wide supplier base and is not dependent on a single or a group of suppliers for its business. However, the Group's major suppliers which supply more than ten percent (10%) of the total purchases for the financial year ended 31 July 2002 are as follows:-

Suppliers	Country	Products	Years of Relationship	% of Purchases for the Financial Year Ended 31 July 2002	
					%
Cheng Ho Steel Co Ltd	Taiwan	Galvanised iron steel coil	3		18.00
Group Steel Corporation (M) Sdn Bhd	Malaysia	Galvanised iron steel coil	5		14.00
Shang Shing Steel Industries Co Ltd	Taiwan	Galvanised iron steel coil	8		17.00
Total					<u>49.00</u>

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**5.0 INFORMATION ON THE ATB GROUP**

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**5.9 Future Plans, Strategies and Prospects*****Future Plans***

The Group is planning to set up a coil centre for the slitting of metal sheets and the shearing of metal coils and sheets. According to the Board of Directors of ATB, the Company intends to purchase a parcel of land with buildings erected thereon for the purpose of setting-up a coil centre, which is expected to be operational by December 2003. The coil centre will provide the Group with slitting services, mainly for the Group's internal consumption, without having to rely on its suppliers. The shearing of damaged and second grade metal coils will transform them into finished products without compromising the quality of the metal coils. In addition, the defective and damaged parts can be sold as metal scraps. The coil centre will not be dependent on external customers for its survival as it will be utilised to service external customers only if there is spare capacity.

The setting up of the coil centre is expected to result in cost savings from the metal coils and sheets slitting services. The re-processing of second grade and damaged metal coils and sheets by the coil centre is also expected to improve the Group's gross profit margin.

***Strategies***

The Group believe that its competitive edge lies in its ability to provide products to its customers more economically and faster than most of its competitors. The Group maintains regional sales offices at various strategic locations throughout Peninsular Malaysia, with experienced sales force who are who are supported by sales co-ordinators at the head office. The Group aims to position itself as a low-cost and high quality provider of roofing sheets.

The Group aims to establish a wider marketing network throughout Peninsular Malaysia to increase its market share by putting greater emphasis on its product quality, prompt delivery and competitive pricing through reduced wastage to the minimum level possible.

To further improve on its competitiveness and position in the industry related to the building materials, the Group intends to increase automation in its production process to reduce its dependency on labour. In addition, the Group is continuously upgrading its machinery and technical know-how in order to enhance its competitiveness under the AFTA regime.

***Prospects***

General trade liberalisation, especially with the implementation of AFTA through CEPT, is expected to reduce the trade import duties for most of the products from their respective tariffs to between 0% and 5%. This would render the imports cheaper against locally manufactured products. However, the AFTA regime is also expected to provide opportunities for the Group to import certain raw materials at a lower rate thereby enabling the Group to sell its products at a cheaper price.

*"The future growth of the PVC door and the metal roofing markets are inextricably interwoven. Both are largely driven by the amount of activity and demand in the construction industry, particularly in the residential and industrial property sub-sectors. The construction sector, on the other hand, is dependent upon the overall state of our economy.*

*Metal Roofing market in Malaysia is estimated to be 190,000 metric ton, worth approximately RM720 million in the whole year of 2003. It is estimated that ATB will have a market share of 22,100 metric ton, worth approximately RM84 million, which is equivalent to 11.6% of whole Malaysian market share.*

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5.0 **INFORMATION ON THE ATB GROUP**

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*As one of the market leaders of this particular segment, ATB's market share is estimated to be 450,000 pieces (70% 1-piece door and 30% folding door), which is worth approximately RM16.3 million per annum. This is equivalent to 35% of market share in 1-piece door and 50% of market share in folding door."*

*(Source : Supplemental A&A Report)*

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