

10.0 OTHER INFORMATION ON ATB

10.1 Approvals, Major Licences and Permits Obtained

Major approvals, licences and permits obtained by the ATB Group are as follows:-

OJK

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
MITI/ A 012215	05.04.2000/ -	Manufacturing of steel roofing and wall cladding sheets licence.	<p>(a) Site: Lot 1230, Kampung Bharu, Ladang Valdor, Sungai Bakap, Seberang Perai Selatan, Penang subject to approvals from the relevant state authorities and Department of Environment.</p> <p>(b) This project is to be implemented within the period of 12 months from the effective date of the licence or within such period as may be approved by the licensing officer, failing which, the said licence may be revoked.</p> <p>(c) The composition of the board of directors of the company shall, in general, reflect the equity structure of the company. MITI shall be informed in respect of any appointment of director or any changes in the board of directors.</p> <p>(d) The company shall appoint and train Malaysian citizens in order to reflect the composition of the different races in every level of employee structure.</p> <p>(e) In the event the company proposes to use second-hand machines, a written letter of approval shall be obtained from MITI and an independent report from a valuer shall be given to MITI. An approval from MITI would also be required before any proposed changes, additions or reduction with regard to the machinery that will have a substantial effect on employment or production.</p> <p>(f) The company shall, as far as possible, employ the services of companies or enterprises owned by Malaysian citizen in the context of the New Economic Policy.</p> <p>(g) The company shall obtain approval in writing from MITI before signing any technology transfer agreements with any foreigner such as:</p> <ul style="list-style-type: none"> • Joint Venture Agreement • Technical Assistance and Know-How Agreement • Licence Agreement • Trade Mark and Patent Agreement • Turnkey Contract • Management Agreement <p>The abovementioned conditions are not applicable to the purchase of machines which requires the services of the technical personnel from the manufacturer of the machines to supervise the setting up or the operational start in respect of the machines.</p>	<p>Complied.</p> <p>Complied.</p> <p>Complied.</p> <p>Complied.</p> <p>Not applicable.</p> <p>Complied.</p> <p>Not applicable.</p>

10.0 OTHER INFORMATION ON ATB

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
			<p>(h) The quality of the goods produced by the company shall achieve the standards approved by the Malaysian Government.</p> <p>(i) The company shall appoint Malaysian owned companies to distribute its products in the regional market and also to appoint Bumiputera distributors to circulate at least 30% of the goods sold in the domestic market. The selection and appointment of the Bumiputera distributors have to be made after consultation with the Ministry of International Trade and Industry. The appointment of foreign-owned companies as distributors requires the prior approval from the MITI.</p> <p>(j) The company shall implement its project as approved subject to the abovementioned conditions and comply with the laws and regulations of Malaysia.</p>	<p>Complied.</p> <p>Not applicable.</p> <p>Complied.</p>
MPSP/ 017211	22.07.2000/ 31.12.2003	Manufacturing of metal roofing and signboard licence.	-	-

NI

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
MITI/ A 012301	12.05.2000/ -	Manufacturing of PVC doors, frames and panels and PVC compounds licence.	<p>(a) Site: Lot 1245, MK 12, Kampung Bahru, Ladang Valdor, Sungai Bakap, Seberang Perai Selatan, New Industrial Estate, 14200 Seberang Perai, Penang subject to approvals from the relevant state authorities and Department of Environment.</p> <p>(b) This project is to be implemented within the period of 12 months from the effective date of the licence or within such period as may be approved by the licensing officer, failing which, the said licence may be revoked.</p> <p>(c) The shares in the company held by non-Malaysians cannot be sold without the prior written approval from MITI.</p> <p>(d) The composition of the board of directors of the company shall, in general, reflect the equity structure of the company. MITI shall be informed in respect of any appointment of director or any changes in the board of directors.</p>	<p>Complied.</p> <p>Complied.</p> <p>Not applicable.</p> <p>Complied.</p>

10.0 OTHER INFORMATION ON ATB

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
			(e) The company shall appoint and train Malaysian citizens in order to reflect the composition of the different races in every level of employee structure.	Complied.
			(f) In the event the company proposes to use second-hand machines, a written letter of approval shall be obtained from MITI and an independent report from a valuer shall be given to MITI. An approval from MITI would also be required before any proposed changes, additions or reduction with regard to the machinery that will have a substantial effect on employment or production.	Not applicable.
			(g) The company shall, as far as possible, employ the services of companies or enterprises owned by Malaysian citizen in the context of the New Economic Policy.	Complied.
			(h) The company shall obtain approval in writing from MITI before signing any technology transfer agreements with any foreigner such as: <ul style="list-style-type: none"> • Joint Venture Agreement • Technical Assistance and Know-How Agreement ▪ Licence Agreement • Trade Mark and Patent Agreement • Turnkey Contract • Management Agreement <p>The abovementioned conditions are not applicable to the purchase of machines which requires the services of the technical personnel from the manufacturer of the machines to supervise the setting up or the operational start in respect of the machines.</p>	Not applicable.
			(i) The quality of the goods produced by the company shall achieve the standards approved by the Malaysian Government.	Complied.
			(j) The company shall appoint Malaysian owned companies to distribute its products in the regional market and also to appoint Bumiputera distributors to circulate at least 30% of the goods sold in the domestic market. The selection and appointment of the Bumiputera distributors have to be made after consultation with the Ministry of International Trade and Industry. The appointment of foreign-owned companies as distributors requires the prior approval from the MITI.	Not applicable.
			(k) The company shall implement its project as approved subject to the abovementioned conditions and comply with the laws and regulations of Malaysia.	Complied.

10.0 OTHER INFORMATION ON ATB

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
MPSP/ 017226	23.08.2000/ 31.12.2003	Manufacturing of PVC doors and signboard licencc.	-	-

AN

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
MPSP/ 017225	08.08.1996/ 31.12.2003	Plastics and PVC products licence.	-	-

AS

Authority/ Licence No.	Date Approval Obtained/ Expiry Date	Type	Conditions Imposed	Status of Compliance
Majlis Perbandaran Melaka Bandar Bersejarah/ L6-06130	-/ 31.12.2003	Construction material and warehouse licence.	-	-

10.2 Acquisitions/Disposals of Properties

Save as disclosed below, there is no other transaction in the acquisition/disposal of the properties during the two (2) years preceding to the date of this Prospectus.

- (a) Sale and Purchase Agreement dated 10 October 2002 between OJK and Tag Steel Sdn Bhd to acquire a 60-year lease (expiring on 3 November 2058) of the property known as No. P.T. 329, H.S. (D) No. 26399 (formerly H.S. (D) No. 1894), Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang for a cash consideration of RM1,951,488. The transaction has not been completed as it is pending the State Authority's consent which is to be obtained by the vendor.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

10.0 OTHER INFORMATION ON ATB

10.3 Properties

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), the landed properties of the ATB Group are as follows:-

Registered Owner/ Location	Description/ Existing Use	Land/ Built-up Area	Age of Building	Tenure	Market Value Reported and Approved by the SC (RM)	Date of Valuation	Audited NBV @ 31.07.2002 (RM)	Revaluation Surplus/(Deficit) Based on NBV @ 31.07.2002 * (RM)
OJK Lot P.T. No. PTN/C/003, HS (D) No. 19, (Resurveyed as Lot No. 632), Mukim 12, Seberang Perai Selatan, Penang	Industrial land	2.71 ha/ Not applicable	-	Freehold	1,310,000	27.11.2000	874,302	435,698
Lot No. P.T. No. 11 (Now Resurveyed as Lot No. 1230), HS (D) No. 24938 (formerly HS(D) No. 3), Mukim 12, Seberang Perai Selatan, Penang	2-storey office block annexed with a single storey factory	1.78 ha/ 5,035 sq. m.	2	Freehold	8,720,000	11.10.2002	4,522,686	4,197,314
Lot No. 1187, Grant No. 2349, Mukim 15, Seberang Perai Selatan, Penang	A vacant detached housing plot	354 sq. m./ Not applicable	-	Freehold	20,000	27.11.2000	20,000	-
NI Lot No. 1245, Mukim Grant No. 405, Mukim 12, Seberang Perai Selatan, Penang	2-storey office block annexed with a single storey warehouse and 2 factory buildings	1.12 ha/ 5,078 sq. m.	1	Freehold	4,590,000	27.11.2000	3,335,441	1,254,559
ACSS Parcel No. 3 ^A , Storey No. 6, Building No. B, Desa Jelita Phase I, erected on part of Lots 816, 824, 1518 & 1521 (4 Lots), Mukim 12, South West District, Penang (Unit No. B-6-3A, Desa Jelita, Phase I)	3-bedroom flat of developer's standard design and construction	5.46 ha (parent lots)/ 65 sq. m.	1	Freehold	85,000	24.11.2000	76,140	8,860
AN Lot Nos. 1044 & 1045, GM Nos. 103 & 104, Mukim 12, Seberang Perai Selatan, Penang (Nos. 11 & 11-A, Lorong Nairfi 2, Kompleks Jawi, 14200 Penang)	2 adjoining units of 1½ storey terraced light industrial buildings of developer's standard design and construction	259 & 263 sq. m. respectively/ 362 & 366 sq. m. respectively	5	Freehold	565,000	27.11.2000	565,632	(632)
Grand Total					15,290,000		9,394,201	5,895,799

Note:-

* The revaluation surplus/(deficit) will be incorporated in the books for the financial year ending 31 July 2003.

11.0 FINANCIAL INFORMATION

11.1 Historical Financial Information

11.1.1 Proforma Consolidated Income Statements

A summary of the proforma consolidated income statements of the ATB Group for the past five (5) financial years ended 31 July 1998 to 2002 and for the four (4) months financial period ended 30 November 2002 prepared based on the assumption that the current structure of the Group has been in existence since 1 August 1997, are set out below. The proforma consolidated income statements of the ATB Group are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section 12.0 of this Prospectus.

	Financial Year Ended 31 July					4 Months	
	1998	1999	2000	2001	2002	Ended	
	RM'000	RM'000	RM'000	RM'000	RM'000	30.11.2002	
						RM'000	
Turnover	31,869	39,284	58,977	82,692	110,648	41,930	
EBIDTA	5,128	6,934	10,039	11,324	15,986	8,071	
Interest expenses	(944)	(401)	(610)	(904)	(758)	(414)	
Depreciation	(1,103)	(1,178)	(1,316)	(1,857)	(2,189)	(885)	
Amortisation	-	-	-	-	-	-	
PBT	3,081	5,355	8,113	8,563	13,039	6,772	
Taxation	(900)	(121)	(1,182)	(2,259)	(3,356)	(1,619)	
PAT before MI	2,181	5,234	6,931	6,304	9,683	5,153	
MI	-	-	-	-	-	-	
PAT after MI	2,181	5,234	6,931	6,304	9,683	5,153	
No. of ATB shares in issue ^(a) ('000 shares)	100,000	100,000	100,000	100,000	100,000	100,000	
Gross EPS ^(b)	(sen)	3.08	5.36	8.11	8.56	13.04	20.32 ^(c)
Net EPS ^(b)	(sen)	2.18	5.23	6.93	6.30	9.68	15.46 ^(c)
Gross dividend rate	(%)	-	-	50.00 ^(d)	-	(e)	-

Notes:-

- (a) Enlarged issued and paid-up share capital after the Acquisitions.
- (b) The gross EPS has been calculated based on the PBT divided by the issued and paid-up share capital of 100,000,000 ATB shares.
The net EPS has been calculated based on the PAT divided by the issued and paid-up share capital of 100,000,000 ATB shares.
- (c) Annualised.
- (d) Based on 50% tax-exempt dividends declared by OJK and AM.
- (e) An interim tax-exempt dividend totalling RM400,000 in respect of the financial year ended 31 July 2002 was paid to the existing ordinary shareholders of OJK and AM on 27 January 2002, prior to the Acquisition of OJK and the Acquisition of AM.
- (f) There were no extraordinary or exceptional items for all the years under review.
- (g) Lower turnover and PBT for the financial year 1998 was due to the depressed market condition for the Group's products. The increase in turnover and PBT for the financial years 1999 and 2000 was mainly due to the improvement in demand for the Group's products in line with the recovery of the Asian economy. The increase in turnover and PBT for the financial years 2001 and 2002 was mainly due to the introduction of new product variants such as C-Purlin, setting-up of a new branch in Melaka and the increase in the market share for the Group's products.
- (h) The higher effective tax rate for the financial year 1998 was due to the withdrawal of OJK's claim for reinvestment allowance on certain assets by the tax authority. There should not be any tax charge for the financial year 1999 as amount payable was waived in accordance with the Income Tax (Amendment) Bill 1999. However, the tax charge of RM121,000 was mainly due to the under provision of tax in prior year by ACSS. The effective tax rates for the financial years 2000 to 2002 were lower than the statutory tax rate of 28% due to the claim of reinvestment allowance by OJK and NI.

11.0 FINANCIAL INFORMATION

11.1.2 Segmental Analysis of Consolidated Turnover and PBT

A detailed analysis on the proforma consolidated turnover and PBT of the ATB Group for the last five (5) financial years ended 31 July 1998 to 31 July 2002 and for the four (4) months financial period ended 30 November 2002, after making adjustments considered necessary and on the assumption that the Group has been in existence since 1 August 1997 prepared for illustrative purposes only are set out below.

(a) Analysis of Turnover

(i) Analysis by Principal Products

	Financial Year Ended 31 July					4 Months
	1998	1999	2000	2001	2002	Period Ended 30.11.2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Metal roofing and awning	20,423	25,754	37,564	53,119	80,721	31,508
PVC products	10,512	12,408	20,614	29,016	29,396	10,277
PE products	934	1,122	799	557	531	145
	31,869	39,284	58,977	82,692	110,648	41,930

(ii) Analysis by Markets

	Financial Year Ended 31 July					4 Months
	1998	1999	2000	2001	2002	Period Ended 30.11.2002
	% of Total Sales					
Export markets						
- Thailand	0.71	0.27	0.43	0.05	-	-
- Singapore	0.08	0.22	0.07	0.02	0.06	0.47
- Philippines	-	0.12	0.26	-	-	-
- Indonesia	0.13	0.93	0.07	0.09	0.13	0.02
- Brunei	0.20	-	-	0.03	-	0.04
- Vietnam	0.08	-	-	-	-	-
- India	-	-	0.14	0.16	0.25	-
- Sri Lanka	-	-	0.10	0.38	0.39	0.99
- South Africa	-	-	-	*	-	-
Total for the export markets	1.20	1.54	1.07	0.73	0.83	1.52
Local market	98.80	98.46	98.93	99.27	99.17	98.48
Total	100.00	100.00	100.00	100.00	100.00	100.00

Note:-

* Immaterial.

(iii) Analysis by Company

	Financial Year Ended 31 July					4 Months
	1998	1999	2000	2001	2002	Period Ended 30.11.2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ATB	-	-	-	-	-	-
OJK	18,340	23,879	34,972	45,715	57,592	21,851
NI	9,483	9,290	10,019	11,960	10,996	3,849
ACSS	19,804	25,256	35,080	46,406	63,909	23,056
AN	552	893	578	700	531	161
AM	9,079	9,596	13,652	18,481	20,543	7,455
AS	-	-	-	5,366	15,307	9,755
Consolidated adjustment	(25,389)	(29,630)	(35,324)	(45,936)	(58,230)	(24,197)
	31,869	39,284	58,977	82,692	110,648	41,930

11.0 FINANCIAL INFORMATION

(b) Analysis of Consolidated PBT

(i) Analysis by Products

	Financial Year Ended 31 July					4 Months
	1998	1999	2000	2001	2002	Period Ended
	RM'000	RM'000	RM'000	RM'000	RM'000	30.11.2002
Metal roofing and awning	2,583	3,788	5,640	6,341	11,241	6,185
PVC products	453	1,328	2,277	2,008	1,742	571
PE products	45	239	196	214	56	16
	3,081	5,355	8,113	8,563	13,039	6,772

(ii) Analysis by Markets

	Financial Year Ended 31 July					4 Months
	1998	1999	2000	2001	2002	Period Ended
	% of Total PBT					30.11.2002
Export markets						
- Thailand	0.93	0.30	0.47	0.06	-	-
- Singapore	0.03	0.16	0.06	0.01	0.03	0.04
- Philippines	-	0.09	0.21	-	-	-
- Indonesia	0.09	-	-	0.06	-	-
- Brunei	0.11	0.95	-	0.02	0.06	-
- Vietnam	0.04	-	-	-	-	-
- India	-	-	0.11	0.11	0.13	-
- Sri Lanka	-	-	0.08	0.25	0.20	0.08
- South Africa	-	-	-	*	-	-
Total for the export markets	1.20	1.50	0.93	0.51	0.42	0.12
Local market	98.80	98.50	99.07	99.49	99.58	99.88
Total	100.00	100.00	100.00	100.00	100.00	100.00

Note:-

* Immaterial.

(iii) Analysis by Company

	Financial Year Ended 31 July					4 Months
	1998	1999	2000	2001	2002	Period Ended
	RM'000	RM'000	RM'000	RM'000	RM'000	30.11.2002
ATB	-	-	-	(4)	(2)	(11)
OJK	2,070	3,111	4,321	4,715	7,797	4,525
NI	248	767	1,281	1,027	1,189	382
ACSS	488	669	1,320	1,403	1,986	896
AN	27	179	154	214	56	16
AM	219	618	1,037	981	553	188
AS	-	-	-	211	1,464	816
Consolidated adjustment	29	11	-	16	(4)	(40)
	3,081	5,355	8,113	8,563	13,039	6,772

11.0 FINANCIAL INFORMATION**(c) Impact of Foreign Exchange on the PBT**

The impact of foreign exchange on operating profits is minimal especially with the introduction of the currency control regulations by the Malaysian Government on 1 September 1998. The Group is mainly involved in domestic trade, thus any change in foreign exchange due to the import of raw materials will be adjusted in the selling price of the Group's products to its customers.

(d) Tax Considerations

OJK was granted Import Duty Exemption by the Ministry of Finance in June 2002, which may be renewed annually for the manufacturing of C-Purlins. OJK is entitled to claim for reinvestment allowance commencing from the financial year ended 31 July 1998. NI is entitled to claim for reinvestment allowance commencing from the financial year ended 31 July 1997. The respective companies may claim exemption of up to 70% of their statutory income.

(e) Exceptional and Extraordinary Items

There was no exceptional and extraordinary items for the ATB Group for the past five (5) financial years ended 31 July 1998 to 2002 and for the four (4) months financial period ended 30 November 2002.

11.1.3 Directors' Declaration on the Financial Performance of the Group

As at 16 May 2003, (being the latest practicable date prior to the registration of this Prospectus), to the best knowledge of the Directors of the Company, the financial conditions and operations of the Company and its subsidiary companies are not affected by the following:-

- (a) known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (b) material commitments for capital expenditure;
- (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group and the extent to which the financial performance, position and operations of the Group was so affected;
- (d) substantial increase in revenue and the extent to which the increase is attributable to prices, volume of goods or services being sold, the introduction of new products or services or any other factors; and
- (e) known events, circumstances, trends, uncertainties and commitments that will result in or are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

11.0 FINANCIAL INFORMATION**11.2 Working Capital, Borrowings, Contingent Liabilities and Capital Commitments****(a) Working Capital**

The Directors of ATB are of the opinion that, after taking into account the cashflow estimate and forecast, banking facilities available and the gross proceeds to be raised from the Public Issue, the ATB Group will have adequate working capital for its foreseeable requirements.

(b) Borrowings

As at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), the Group's total bank borrowings amounted to approximately RM32,526,000 as set out below:-

Outstanding borrowings	Short-term RM'000	Long-term RM'000	Total RM'000
Non-interest-bearing	-	-	-
Interest-bearing:-			
- Overdraft	7,414	-	7,414
- Trust receipt	6,114	-	6,114
- Bankers' acceptance	16,050	-	16,050
- Term loan	543	639	1,182
- Hire-purchase payables	1,247	519	1,766
	<u>31,368</u>	<u>1,158</u>	<u>32,526</u>

Save as disclosed above, the ATB Group does not have any borrowings and indebtedness in the form of borrowings, including bank overdraft and liabilities under acceptances, hire purchase or commitments or guarantees.

(c) Capital Commitments

Save as disclosed below, as at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), there are no material commitments for capital expenditure incurred or known to be incurred by ATB, which may have a substantial impact on the results or the financial position of the Group.

	RM'000
Approved but not contracted for	342
Contracted but not provided for	2,242

(d) Contingent Liabilities

Save as disclosed below, as at 16 May 2003 (being the latest practicable date prior to the registration of this Prospectus), the ATB Group does not have any loan capital or convertible debt securities outstanding or created but unissued nor any mortgages or charges or material contingent liabilities outstanding.

	RM'000
Corporate guarantee extended by OJK to financial institutions for the following:-	
- purchase of machinery by AS	665
- purchase of factory equipment by AS	74
- banking facilities by NI, ACSS and AS	28,320
	<u>29,059</u>

11.0 FINANCIAL INFORMATION

11.3 Future Financial Information

11.3.1 Consolidated Profit Estimate and Forecast

The Directors of ATB estimate and forecast that, in the absence of unforeseen circumstances, the consolidated profit estimate and forecast after taxation for the financial years ending 31 July 2003 and 2004 will be as follows:-

Financial Year Ending 31 July		Estimate 2003 RM'000	Forecast 2004 RM'000
Turnover		112,378	119,761
PBT		14,132	16,765
Less: Taxation		(3,967)	(3,262)
PAT before MI and pre-acquisition profits		10,165	13,503
Less: Pre-acquisition profits		(5,506)	-
Less: MI		-	-
PAT after MI and pre-acquisition profits		4,659	13,503
Weighted average number of ATB shares in issue	('000)	47,833 ^(a)	-
Enlarged number of ATB shares in issue	('000)	116,000	116,000
<u>Based on weighted average number of ATB shares in issue</u>			
Gross EPS	(sen)	29.54	-
Net EPS (before pre-acquisition profits)	(sen)	21.25	-
Net EPS (after pre-acquisition profits)	(sen)	9.74	-
Gross PE Multiple	(times)	2.54 ^(b)	-
Net PE Multiple (before pre-acquisition profits)	(times)	3.53 ^(b)	-
Net PE Multiple (after pre-acquisition profits)	(times)	7.70 ^(b)	-
<u>Based on enlarged number of ATB shares in issue</u>			
Gross EPS	(sen)	12.18	14.45
Net EPS (before pre-acquisition profits)	(sen)	8.76	11.64
Net EPS (after Pre-acquisition profits)	(sen)	4.02	11.64
Gross PE Multiple	(times)	6.16 ^(b)	5.19 ^(b)
Net PE Multiple (before pre-acquisition profits)	(times)	8.56 ^(b)	6.44 ^(b)
Net PE Multiple (after pre-acquisition profits)	(times)	18.66 ^(b)	6.44 ^(b)

Notes:-

(a) The weighted average number of 47,833,336 ATB shares is computed after taking into consideration the Acquisitions which were completed on 15 February 2003 and assuming the IPO is completed in mid-June 2003.

(b) Based on the IPO price of RM0.75 per ATB share.

11.0 FINANCIAL INFORMATION

The accounts of the following subsidiary companies have been consolidated under the acquisition method of accounting:-

	Equity Interest
	%
OJK	100
NI	100
ACSS	100
AN	100
AM	100
AS	100

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been made are set out below:-

- (a) There will be no significant changes in group structure.
- (b) There will be no significant changes in the prevailing market, economic and political conditions in Malaysia and elsewhere that may directly or indirectly have adverse effect on the Group's activities or performance;
- (c) There will be no significant changes in the present legislations or Government regulations, rates and bases of duties, levies and taxes (including the tax incentives) affecting the Group's activities or the market in which it operates;
- (d) There will be no major breakdown or disruption in the manufacturing facilities, industrial disputes or other abnormal factors both domestic and overseas, which will adversely affect the operations of the Group;
- (e) There will be no material changes in the principal activities, accounting policies, management policies, operating policies and management of the Group;
- (f) Inflation rates and exchange rates of foreign currencies will not change materially from their present levels. The Group assumes the exchange rate of USD1.00 : RM3.80 in the profit estimate and forecast.
- (g) There will be no material changes in salaries, cost of raw materials and other costs which will adversely affect the Group's profitability;
- (h) The current trend of increasing demand for the Group's products and services will be maintained;
- (i) The Group will continue to maintain the current profit margins on its products and services;
- (j) Financing facilities will remain available at the current rates of interest. Additional financing will be obtained at the present prevailing rates;
- (k) There will be no material acquisition or disposal of property, plant and equipment other than those planned. Capital expenditure for the Group under proposed listing exercise will be RM10.617 million and RM1.69 million for the financial years ending 31 July 2003 and 2004 respectively.
- (l) There will be no unrealised gain or loss arising from inter-company transactions;
- (m) The existing terms and conditions of contracts and agreements entered into by the Group will remain in force.
- (n) There will be no incidence of bad debts which will have a significant effect on the Group's profit.
- (o) The estimated listing expenses amounting to RM1.30 million will be set-off against the share premium account.

11.0 FINANCIAL INFORMATION**11.3.2 Directors' Comments and Analysis on the Consolidated Profit Estimate and Forecast for the Financial Years Ending 31 July 2003 and 2004**

The ATB Group is expected to achieve a turnover of RM112.38 million for the financial year ending 31 July 2003, representing an increase of RM1.73 million or 1.56% compared to the turnover for the financial year ended 31 July 2002 of RM110.65 million. In line with the increase in turnover, the PBT for the financial year ending 31 July 2003 is estimated to increase to RM14.13 million compared to RM13.04 million for the financial year ended 31 July 2002, representing an increase of 8.36%.

For the financial year ending 31 July 2004, the turnover of the ATB Group is expected to increase from RM112.38 million to RM119.76 million, representing an increase of RM7.38 million or 6.57% over the turnover for the financial year ending 31 July 2003. Accordingly, the expected increase in turnover will also result in the expected increase in the PBT of the Group from RM14.13 million for the financial year ending 31 July 2003 to RM16.77 million for the financial year ending 2004, representing an increase of 18.68%.

The expected increase in the Group's turnover and PBT is mainly due to the expected increase in demand for the Group's metal roofing and awning and PVC products from its existing as well as its new customers. The Group is expected to increase its turnover and PBT as the demand for the Group's heat resistant roofing products is expected to increase and is expected to be the main contributor to the sales growth. The Group has also adopted a sales strategy which is to increase its sales volume by offering competitive pricing for its metal roofing and awning products. The Group is also expecting an increase in demand for its PVC products, such as PVC doors and PVC compound.

The Directors of ATB have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit estimate and forecast of the ATB Group for the financial years ending 31 July 2003 and 2004 and are of the opinion that the consolidated profit estimate and forecast for the financial years ending 31 July 2003 and 2004 are achievable in the light of the expected increase in demand from the existing as well as new customers of the Group due to the marketing strategies to be adopted by ATB, the prospects of the manufacturing industry in which it operates and the future plans, strategies and prospects of the ATB Group as set out in Sections 5.6 and 5.9 of this Prospectus and after taking into consideration the gearing level, liquidity and working capital requirements of the Group.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

11.0 FINANCIAL INFORMATION

11.4 Reporting Accountants' Letter on the Consolidated Profit Estimate and Forecast
(Prepared for the inclusion in this Prospectus)



Date : 22 May 2003

The Board of Directors
Astino Berhad
Suite 12-A, Level 12
Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Penang

Dear Sirs,

**ASTINO BERHAD
CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS
ENDING 31 JULY 2003 AND 2004**

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast of Astino Berhad ("ATB" or "the Company") and its subsidiary companies ("ATB Group" or "the Group") for the financial years ending 31 July 2003 and 2004 for which the Directors are solely responsible, as set out in the Prospectus to be dated **31 MAY 2003** in connection with the public issue of 16,000,000 new ATB Shares and Offer For Sale of 13,001,600 ATB Shares at a Public Issue/Offer For Sale price of RM0.75 per ATB Share and the listing of and quotation for the entire issued and paid-up share capital of ATB on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit estimate and forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in abovementioned Prospectus and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,

HORWATH TEOH YAP
FIRM NO : AF 1121
Chartered Accountants

TEH LAY GNOH
APPROVAL NO : 1339/05/03 (J)
Partner of the Firm

浩 華 張 葉 會 計 師 行 **Horwath Teoh Yap**
Firm No. AF-1121
Chartered Accountants
Suites 603 & 604
Komplek Mutiara
125 Jalan Anson
10400 Penang Malaysia
604.227.7061
604.227.8011 Fax
pg@horwathpg.com

11.0 FINANCIAL INFORMATION**11.5 Dividend Estimate and Forecast**

The Directors of ATB anticipate that in the absence of any unforeseen circumstances, the Company will be in a position to propose a tax-exempt dividend of 2.50% per ATB share for the financial year ending 31 July 2003, based on the enlarged issued and paid-up share capital of 116,000,000 ATB shares.

In the absence of adverse unforeseen circumstances, the Directors of ATB expect to declare dividends, if any, as soon as sufficient profits are available for distribution. However, future dividends may be waived should the following event arises:-

- (a) insufficient retained profits to declare as dividends;
- (b) insufficient tax exempt profits to declare as dividends and/or insufficient tax credits to frank its dividends; or
- (c) insufficient cashflows to pay dividends.

ATB will only be able to determine the quantum of dividends payable, if any, for the financial year ending 31 July 2004 after the finalisation of the ATB Group's financial statements.

The intended appropriation of the consolidated PAT for the financial years ending 31 July 2003 and 2004 are as follows:-

For the Financial Year Ending 31 July	Estimate 2003 RM'000	Forecast 2004 RM'000
Consolidated PBT	14,132	16,765
Less: Taxation	(3,967)	(3,262)
Consolidated PAT	10,165	13,503
Proposed net dividend	(1,450)	-
Retained profit for the year	8,715	13,503
Tax-exempt dividend rate per ATB share	(%) 2.50	-
Effective gross dividend rate per ATB share	(%) 3.47	-
Effective gross dividend yield (based on the IPO price of RM0.75 per ATB share)	(%) 2.32	-
Net dividend cover	(times) 7.01	-

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

11.0 FINANCIAL INFORMATION

11.6 Sensitivity Analysis

The analysis below shows only the direct impact on the PBT and PAT with the variation of one (1) single factor in isolation without any qualification of measures which the Group will invariably institute to arrest any perceived deviation from the estimated figures to achieve the estimated PBT and PAT.

Financial Year Ending 31 July 2003

Turnover	(RM'000)	112,378
PBT	(RM'000)	14,132
PAT	(RM'000)	10,165
PBT Margin	(%)	12.58
PAT Margin	(%)	9.05

The sensitivity analysis is prepared based on the assumption that all other factors remain unchanged except for the 5% and 10% upward or downward variations of the followings:-

(a) **Changes in Turnover Volume**

Financial Year Ending 31 July 2003	PBT RM'000	PBT Margin %	PAT RM'000	PAT Margin %
Up 5%	15,093	13.43	10,861	9.66
Up 10%	16,054	14.28	11,553	10.28
Down 5%	13,171	11.72	9,477	8.43
Down 10%	12,211	10.86	8,786	7.81

An increase of 5% and 10% in the turnover volume (assuming all other things remain unchanged) will increase the PBT of the Group to RM15.09 million and RM16.05 million respectively and also the PAT to RM10.86 million and RM11.55 million respectively.

Similarly, a decrease of 5% and 10% in the turnover volume (assuming all other things remain unchanged) will decrease the PBT of the Group to RM13.17 million and RM12.21 million respectively and also the PAT to RM9.48 million and RM8.79 million respectively.

(b) **Changes in Turnover Prices**

Financial Year Ending 31 July 2003	PBT RM'000	PBT Margin %	PAT RM'000	PAT Margin %
Up 5%	19,751	17.57	14,207	12.64
Up 10%	25,370	22.57	18,244	16.23
Down 5%	8,513	7.57	6,132	5.45
Down 10%	2,894	2.57	2,078	1.84

An increase of 5% and 10% in the turnover prices (assuming all other things remain unchanged) will increase the PBT of the Group to RM19.75 million and RM25.37 million respectively and also the PAT to RM14.21 million and RM18.24 million respectively.

Similarly, a decrease of 5% and 10% in the turnover prices (assuming all other things remain unchanged) will decrease the PBT of the Group to RM8.51 million and RM2.89 million respectively and also the PAT to RM6.13 million and RM2.08 million respectively.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

11.0 FINANCIAL INFORMATION

(c) Changes in Raw Material Prices

Financial Year Ending 31 July 2003	PBT RM'000	PBT Margin %	PAT RM'000	PAT Margin %
Up 5%	9,996	8.89	7,199	6.40
Up 10%	5,861	5.21	4,230	3.76
Down 5%	18,268	16.25	13,140	11.69
Down 10%	22,404	19.93	16,110	14.33

An increase of 5% and 10% in the raw material prices (assuming all other things remain unchanged) will decrease the PBT of the Group to RM10.00 million and RM5.86 million respectively and also the PAT to RM7.20 million and RM4.23 million respectively.

Similarly, a decrease of 5% and 10% in the raw material prices (assuming all other things remain unchanged) will increase the PBT of the Group to RM18.27 million and RM22.40 million respectively and also the PAT to RM13.14 million and RM16.11 million respectively.

(d) Changes in Direct Labour Cost

Financial Year Ending 31 July 2003	PBT RM'000	PBT Margin %	PAT RM'000	PAT Margin %
Up 5%	14,014	12.47	10,085	8.97
Up 10%	13,895	12.36	9,999	8.89
Down 5%	14,251	12.68	10,255	9.12
Down 10%	14,369	12.78	10,340	9.20

An increase of 5% and 10% in the direct labour cost (assuming all other things remain unchanged) will decrease the PBT of the Group to RM14.01 million and RM13.90 million respectively and also the PAT to RM10.09 million and RM10.00 million respectively.

Similarly, a decrease of 5% and 10% in the direct labour cost (assuming all other things remain unchanged) will increase the PBT of the Group to RM14.25 million and RM14.37 million respectively and also the PAT to RM10.26 million and RM10.34 million respectively.

(e) Changes in Operating and Administration Expenses

Financial Year Ending 31 July 2003	PBT RM'000	PBT Margin %	PAT RM'000	PAT Margin %
Up 5%	13,703	12.19	9,860	8.77
Up 10%	13,275	11.81	9,552	8.49
Down 5%	14,561	12.95	10,478	9.32
Down 10%	14,990	13.33	10,787	9.59

An increase of 5% and 10% in the operating and administration expenses (assuming all other things remain unchanged) will decrease the PBT of the Group to RM13.70 million and RM13.28 million respectively and also the PAT to RM9.86 million and RM9.55 million respectively.

Similarly, a decrease of 5% and 10% in the operating and administration expenses (assuming all other things remain unchanged) will increase the PBT of the Group to RM14.56 million and RM14.99 million respectively and also the PAT to RM10.48 million and RM10.79 million respectively.

11.0 FINANCIAL INFORMATION

11.7 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets of the ATB Group as at 30 November 2002 as set out below have been prepared for illustrative purposes only to show the effects of the transactions described below assuming that they have been completed on 30 November 2002.

	Company Audited as at 30.11.2002 RM'000	Proforma I After the Acquisitions RM'000	Proforma II After Proforma I, IPO and Utilisation of Proceeds RM'000
ASSETS EMPLOYED			
Fixed Assets	-	30,390	38,690
CURRENT ASSETS			
Stock	-	39,693	39,693
Trade debtors	-	25,090	25,090
Other debtor, deposit & prepayment	-	4,430	4,430
Cash and bank balances	*	642	3,042
	-	69,855	72,255
CURRENT LIABILITIES			
Trade creditor	-	12,809	12,809
Other creditor & accrued liabilities	18	1,408	1,408
Hire purchase creditor	-	1,927	1,927
Bank overdraft & other borrowings	-	18,832	18,832
Current portion of term loan	-	341	341
Provision for taxation	-	2,654	2,654
	18	37,971	37,971
NET CURRENT (LIABILITIES)/ASSETS	(18)	31,884	34,284
	(18)	62,274	72,974
FINANCED BY:-			
Share capital	*	50,000	58,000
Share premium	-	4,461	7,161 [#]
Reserves on consolidation	-	5,176	5,176
Retained profits	(18)	(18)	(18)
	(18)	59,619	70,319
LONG TERM & DEFERRED LIABILITIES			
Hire purchase creditor	-	1,032	1,032
Term loan	-	769	769
Deferred taxation	-	854	854
	(18)	62,274	72,974
(NLT)/NTA per ATB share (RM)	(9,000)	0.60	0.61

Notes:-

* Denotes 2 ordinary shares of RM1.00 each.

[#] After deducting estimated listing expenses of RM1,300,000.

11.0 FINANCIAL INFORMATION

Notes to the Proforma Consolidated Balance Sheets

- (a) The proforma consolidated balance sheets of ATB Group is prepared on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements.
- (b) The proforma consolidated balance sheets incorporate on a proforma basis, the following transactions as though they were effected on 30 November 2002.
- (c) In conjunction with the listing of and quotation for the entire issued and paid-up share capital of ATB on the Second Board of the KLSE, the Company undertook the following restructuring scheme and the proforma consolidated balance sheets have been prepared based on the assumption that the restructuring scheme was effected as at 30 November 2002.

Proforma I

Proforma I incorporates the effects of the followings:-

- (i) The conversion of all the Preference shares in OJK and AM to ordinary shares of RM1.00 each.
- (ii) The acquisition of the entire issued and paid-up share capital of OJK from the existing shareholders based on the adjusted NTA as at 31 July 2002 after incorporating the revaluation surplus of its land and buildings and the revaluation surplus arising from the revaluation of subsidiary companies for a total purchase consideration of RM50,582,854. The purchase consideration is wholly satisfied by an allotment and issue of 46,439,499 new ordinary shares of RM1.00 each in ATB at an issue price of approximately RM1.09 per ordinary share of RM1.00 each.
- (iii) The acquisition of the entire issued and paid-up share capital of AM from the existing shareholders based on the audited NTA as at 31 July 2002 for a total purchase consideration of RM3,878,168. The purchase consideration is wholly satisfied by an allotment and issue of 3,560,499 new ordinary shares of RM1.00 each in ATB at an issue price of approximately RM1.09 per ordinary share of RM1.00 each.
- (iv) The acquisition of the entire issued and paid-up share capital of ACSS, NI, AN and AS from OJK for cash consideration of RM2,100,002.
- (v) The subdivision of the par value of ATB's shares from a par value of RM1.00 per share to RM0.50 per share. After the subdivision, the issued and paid-up share capital of the Company is RM50,000,000 which comprise of 100,000,000 ordinary shares of RM0.50 each.

Proforma II

Proforma II incorporates the effects of Proforma I and the followings:-

- (i) A Public Issue of 16,000,000 new ordinary shares of RM0.50 each, representing 13.79% of the enlarged issued and paid-up share capital of ATB of 116,000,000 ATB shares at an issue price of RM0.75 per ATB share.
- (ii) The Public Issue will raise net proceeds of RM10,700,000 after taking into consideration the Company's share of the estimated listing expenses of RM1,300,000.
- (iii) An offer for sale of 13,001,600 ATB shares, representing 11.21% of the enlarged share capital of ATB of 116,000,000 ATB shares at an offer price of RM0.75 per ATB shares.

11.0 FINANCIAL INFORMATION

(iv) The utilisation of the proceeds from the Public Issue will be as follows:-

	RM'000
Setting up of a coil centre	8,300
Estimated listing expenses	1,300
Working capital for the ATB Group	2,400
	<u>12,000</u>

(d) The movements in the share capital and share premium accounts of ATB are as follows:-

	Share Capital RM'000	Share Premium RM'000
Subscribers' shares	*	0
Issued as consideration for the acquisition of :-		
100% of equity interest in OJK- 46,439,499 ordinary shares of RM1.00 each at an issue price of approximately RM1.09 each	46,440	4,143
100% of equity interest in AM- 3,560,499 ordinary shares of RM1.00 each at an issue price of approximately RM1.09 each	3,560	318
As shown in Proforma I	<u>50,000</u>	<u>4,461</u>
Public Issue – 16,000,000 ordinary shares of RM0.50 each at the IPO price	8,000	4,000
	<u>58,000</u>	<u>8,461</u>
Less : Listing expenses	0	(1,300)
As shown in Proforma II	<u>58,000</u>	<u>7,161</u>

* Represent RM2

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

11.0 FINANCIAL INFORMATION

11.8 Reporting Accountants' Letter on Proforma Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)



浩華會計師行
Horwath Teoh Yap
Firm No. AF-1121
Chartered Accountants
Suites 603 & 604
Komplek Mutiara
125 Jalan Anson
10400 Penang Malaysia
604.227.7061
604.227.8011 Fax
pg@horwathpg.com

Date : 22 May 2003

The Board of Directors
Astino Berhad
Suite 12A, Level 12,
Menara Northam
No.55 Jalan Sultan Ahmad Shah,
10050 Penang


Dear Sirs,


**ASTINO BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 NOVEMBER 2002**

We have reviewed the presentation of the proforma consolidated balance sheets of the Astino Berhad ("ATB" or the "Company") and its subsidiary companies ("ATB Group" or the "Group") as at 30 November 2002, together with the notes and assumptions thereon for which the Directors are solely responsible as set out in the Prospectus to be dated 31 MAY 2003 in connection with the Public Issue of 16,000,000 new ATB shares and Offer For Sale of 13,001,600 ATB Shares at a Public Issue/Offer For Sale price of RM0.75 per ATB Share and the listing of and quotation for the entire issued and paid-up share capital of ATB on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the proforma consolidated balance sheets together with the accompanying notes which are provided for illustrative purposes only, have been prepared on a basis consistent with the accounting policies normally adopted by the ATB Group and are presented in a form suitable for inclusion in the said Prospectus.

Yours faithfully,


HORWATH TEOH YAP
FIRM NO. : AF 1121
Chartered Accountants


TEH LAY GNOH
APPROVAL NO : 1339/05/03 (J)
Partner of Firm