

13.0 VALUATION CERTIFICATE

*(Prepared for inclusion in the Prospectus)***C H Williams Talhar & Wong**

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

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,

VALUATION OF PROPERTIES BELONGING TO ASTINO BERHAD

This certificate has been prepared for inclusion in the Prospectus to be dated **31 MAY 2003** in relation to the Public Issue of 16,000,000 new ATB shares and Offer For Sale of 13,001,600 ATB shares at an 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 Astino Berhad ("ATB" or "the Company") on the Second Board of the Kuala Lumpur Stock Exchange.

In accordance with the instruction from ATB, we have valued the landed properties belonging to ATB and its subsidiary companies ("ATB Group" or "the Group") as mentioned below.

These valuation reports have been prepared in accordance with the "Guidelines on Asset Valuations for Submission to the Securities Commission (1995)" issued by the Securities Commission in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility due diligence.

In our opinion, we consider the Market Value of the following properties to be as follows:-

PROPERTIES HELD FOR OWNER OCCUPATION

| Ref. No./ Date of Valuation/ Inspection | Title Particulars | Description of Property/ Existing Use | Tenure | Approx. Age of Building as at Date of Inspection (Year) | Market Value/ Valuation Method |
|--|--|--|----------|---|--|
| BV02.1484 11.10.2002/ 11.10.2002 | Lot No. P.T. No. 11 (Now resurveyed as Lot No. 1230), HS (D) No. 24938 (formerly HS(D) No. 3), Mukim 12, Seherang Perai Selatan, Penang | 2-storey office block annexed with a large single storey factory | Freehold | 2 | RM8,720,000 Comparison Method and Investment Method |
| BV09.1364(e) 27.11.2000/ 27.11.2000 | 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 | Freehold | 1 | RM4,590,000 Comparison Method and Investment Method |
| BV00.1364(f) 27.11.2000/ 27.11.2000 | Lot Nos. 1044 & 1045, GM Nos. J03 & 104, Mukim 12, Seberang Perai Selatan, Pulau Pinang (Nos. 11 & 11-A, Lorong Nafiri 2, Kompleks Jawi, 14200 Penang) | 2 adjoining units of 1½ storey terraced light industrial buildings of developer's standard design and construction | Freehold | 5 | RM565,000 Comparison Method and Investment Method |
| Total | | | | | RM13,875,000 |

Kuala Lumpur Petaling Jaya Penang Johor Bahru Kuantan Malacca Ipoh Alor Setar Kota Bharu Butterworth Batu Pahat Kuala Terengganu Seremban
 Kota Kinabalu Sandakan Lahad Datu Tawau Labuan Kuching Miri Sibiu Bintulu Brunei

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V110010/12

13.0 VALUATION CERTIFICATE

**C H Williams Talhar & Wong**

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

PROPERTIES WHICH ARE SURPLUS TO OPERATIONAL REQUIREMENTS

| Ref. No./ Date of Valuation/ Inspection | Title Particulars | Description of Property/ Existing Use | Tenure | Approx. Age of Building as at Date of Inspection (Year) | Market Value/ Valuation Method |
|--|--|--|----------|---|---|
| BV00.1364(b) 27.11.2000/ 27.11.2000 | Lot P.T. No. PTNI/C/003, HS(D) No. 19, (Resurveyed as Lot No. 632), Mukim 12, Seberang Perai Selatan, Penang | Industrial land | Freehold | - | RM1,310,000 Comparison Method |
| BV00.1364(c) 27.11.2000/ 27.11.2000 | Lot No. 1187, Grant No. 2349, Mukim 15, Seberang Perai Selatan, Penang | A vacant detached housing plot | Freehold | - | RM20,000 Comparison Method |
| 2000/P360/ KTH/ar/ss 24.11.2000/ 24.11.2000 | Parcel No. 3 ^A , Storey No. 6, Building No. B, Desa Jelita Phase I, erected on parts 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 | Freehold | 1 | RM85,000 Comparison Method and Investment Method |
| Total | | | | | RM1,415,000 |

Yours faithfully

C H Williams Talhar & Wong Sdn Bhd

LEE ENG KOW
B. SC (EST. MGT.) HONS., MISM
REGISTERED VALUER (V-412)

14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT

(Prepared for inclusion in this Prospectus)

A&A Market Research Sdn Bhd

(521932-M)

2618 (1st Floor), Jalan Maju

Pusat Perniagaan Maju Jaya

14000 Bukit Mertajam

Penang

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28 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,

A STUDY ON THE METAL ROOFING AND PVC DOOR INDUSTRIES IN MALAYSIA

This is a supplemental report of study to identify the present position of Astino Berhad (ATB) and its subsidiary companies, prepared for inclusion in the Prospectus to be dated 31 May 2003, in relation to its public listing on the Second Board of the Kuala Lumpur Stock Exchange.

1.0 RESEARCH BACKGROUND

The study covers mainly the peninsula, as the bulk of the ATB Group's activities and business is conducted within West Malaysia. The main objectives of this research are as follows:-

- (a) to estimate the present market sizes of the PVC door and metal roofing industries;
- (b) to identify the key players in the PVC door and metal roofing industries;
- (c) to determine the position (market shares) of the ATB Group from the present market sizes of the PVC door and metal roofing industries;
- (d) to analyse the competitive environment and challenges faced by the PVC door and metal roofing industries; and
- (e) to project the future growth of the PVC door and metal roofing industries based on the projected growth rate of the construction industry as dependent variable and gross domestic product (GDP) growth as the independent variable.

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT**2.0 THE ATB GROUP**

The ATB Group first commenced its operations in 1987 through the incorporation of one of its subsidiary companies, Ooi Joo Kee & Brothers Sdn Bhd. Currently, the ATB Group consists of six (6) wholly-owned subsidiary companies and their principal activities are as follows:-

| Companies | Principal Activities |
|--|--|
| Ooi Joo Kee & Brothers Sdn Bhd | Manufacture and sales of metal roof sheets and other building related products |
| Natural Incentive Sdn Bhd | Manufacture and sales of PVC panels, doors, frames and PVC compound. |
| Astino (Malaysia) Colour Steel Sheet Sdn Bhd | Sales of metal roofing sheets and other building related products. |
| Astino Netting Sdn Bhd | Manufacture and sales of insect screen/netting |
| Astino Marketing Sdn Bhd | Trading of PVC panels, doors, frames and other building related products |
| Astino Southern Sdn Bhd | Manufacture and sales of metal roofing products |

3.0 INDUSTRY OVERVIEW

ATB Group's principal activities are in the manufacturing sector, particularly in the sub-sectors of the plastics industry (i.e. PVC door) and the iron and steel industry (i.e. metal roofing). The demand for these two products are derived from the level of activity within the construction sector and the manufacturing sector, which in turn is dependent upon the overall state of the economy.

3.1 THE MALAYSIAN ECONOMY*Performance of Malaysian Economy in Year 2002*

The economy is envisaged to register stronger growth in 2002, following better export performance and continued pick-up in domestic demand. Brighter external prospects due to the economic recovery of the United States (US) and a rebound in global electronics demand, especially from the East Asian countries, have hastened Malaysia's export recovery, beginning early 2002. Export has somewhat broadened beyond the electronics sector, aided by the softening of the US dollar against regional currencies to which the ringgit is pegged. (Source : *Economic Report 2002/2003*)

In the domestic sector, the multiplier effects of the fiscal stimulus measures have provided the impetus for continued economic expansion. Rising consumer confidence arising from improving employment prospects and higher commodity prices are expected to raise consumer spending further as the year progresses. The accommodative monetary policy and intensified efforts to speed up the implementation of public sector projects as well as increased activity in the construction sector are expected to result in a stronger domestic demand in 2002. Overall, with gross domestic product (GDP) expanding by 2.5% in the first half of 2002 and expected to strengthen further in the second-half, the full year growth is projected to be in the range of 4%-5%, achieving the forecasted rate in Budget 2002. (Source : *Economic Report 2002/2003*)

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT

In line with economic recovery, national income is expected to increase by 6.1% to RM327,713 million with per capita income rising by 3.8% to RM13,361 (2001: -3.5%; RM12,867). Per capita purchasing power parity, is estimated to increase by 3.3% to USD8,418 (2001: -2.2%; USD8,146). Inflation remained low and stable in the first seven months of the year with Consumer Price Index (CPI) at 1.8% (January-July 2001:1.5%). Price pressures were seen mainly in transport and communication following the upward tariff rebalancing for domestic telephone calls in March and marginal price increases in diesel, petrol and liquefied petroleum gas (LPG) in May. For the second half of the year, the stronger recovery in domestic demand is expected to exert mild pressure on prices, resulting in inflation increasing marginally higher but still low at around 2% for the whole year. (Source : *Economic Report 2002/2003*)

Prospect for 2003

The Malaysian economy is envisaged to strengthen in 2003, led by further improvements in both external and domestic demand. On the supply side, all sectors of the economy are expected to register positive growth rates.

The anticipated growth in the global economy and world electronics demand will contribute to a more robust and broad-based growth in the manufacturing sector. The agriculture sector is expected to expand stronger with higher palm oil production. Economic expansion will also hasten the pace of growth in the services sector while underlying demand for affordable housing and on-going public projects such as the Bakun Hydroelectric Dam and the double-tracking rail projects will continue to fuel growth in the construction sector.

According to the latest Bank Negara Malaysia report, 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. (Source: *Bank Negara Malaysia PEN: 05/03/55*)

With these encouraging economic prospects, gross national product (GNP) per capita is projected to rise further by 5.5% to RM14,098 or USD3,710 (2002: RM13,361, USD3,516), while income in terms of purchasing power parity will also increase by 5.4% to USD8,873 (2002: 3.3%, USD8,418). (Source: *Economic Report 2002 /2003, Treasury Department*)

3.2 THE CONSTRUCTION SECTOR***Performance in Year 2002***

In year 2002, growth in the construction sector continued to be bolstered by projects implemented under the fiscal stimulus programme and housing development, thus contributing to a stronger growth of 3.8% in 2002 (2001: 2.3%). At the same time, the Government reviewed procedures, rules, and guidelines as well as established a special task force to ensure that the implementation of public and privatised projects are carried out as scheduled and, therefore, produce the intended impact.

Housing property development continued to remain strong in 2002, mainly due to the table and low interest rate. At the same time, the Government's extension of the stamp duty exemptions for the purchase of houses for another six months from January to June 2002, has managed to stimulate demand further. . (Source : *Economic Report 2002/2003*)

Prospect for 2003

Construction sector activity expanded by 1.2%, supported by public sector projects and continued demand for housing, amidst an improving labour situation. The return of foreign workers enhanced expansion in construction activity. (Source: *Bank Negara Malaysia – PEN:05/03/55*)

In year 2003, 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 the sector in view of the increasing demand, especially for low and medium-cost houses. (Source : *Economic Report 2002/2003*)

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3.3 THE PROPERTY MARKET

The property market has a strong correlation to the economic growth. With the expectation of further economic recovery, the residential market would be one of the busiest, while other sectors would depend much on the economy and investor's confidence. Though there may be new addition to the office buildings, it is not expected to be significant.

The relaxation in the foreign ownership policy would attract the foreign investors to re-enter the market as the property prices are still relatively lower than Hong Kong and Singapore even though the latter have encountered significant price depreciation.

Attractive financing packages offered by the financial institutions would further stimulate the property sector.

Overall, it showed the property market to be steady through the year 2002 especially with the continued liquidity in the banking industry and low interest rates. (Source : *Economic Report 2002/2003*)

Impact of the Government's Fiscal Policy on the Home Ownership

The Government continued its efforts to increase the number of low-cost houses for the lower income group. Towards this end, a total of RM943 million was allocated for several low cost housing projects in 2002. Under the Public Low-Cost Housing Programme and People's Housing Project, a total of 11,200 units of low cost houses is expected to be built compared to 7,700 units in 2001, a significant increase of 45%. At the same time, this initiative is complemented by several other special schemes, set up to build low-cost houses to be financed under the various funds, such as the Fund for the Hard Core Poor, the Fund to Accelerate the Construction of Low-Cost Housing and the Low-Cost Housing Revolving Fund. (Source : *Economic Report 2002/2003*)

3.4 METAL ROOFING PRODUCT

3.4.1 Industry Background - *The Iron and Steel Industry*

The metal sector comprises two sub-sectors; ferrous metals (FM) and non-ferrous metals (NFM). FM essentially consists of cast iron, cast steel and wrought steel. These are commonly referred to as "iron and steel". The NFM sub-sector covers aluminium, copper, tin, lead, zinc and their alloys. Overall, the metal sector is heavily dominated by FM, in terms of capital investment, technical complexity, employment and export revenue. Given the structure of the industry, the FM sub-sector has good prospects of developing into an industrial cluster. The aluminium and copper components of the NFM sub-sector are also growing at a fast rate, indicating potential for expansion and development. (Source: *Second Industrial Master Plan 1996-2005*)

ATB is in the sub-sector of the iron and steel industry, in particular the galvanised sheets sub-sector. Metal roofing offers the practical solution for factories given the fact that the area of coverage is vast and the structure of the building is generally tall, so as to enable free flow of air and good ventilation.

Today, the spread of users of metal roofing has widened to include commercial buildings, multi-purpose halls, universities, low-cost houses and even poultry farms (in East Malaysia). At present, there are approximately 100 manufacturers of various forms of metal roofing. Only 15 could be considered as major suppliers and ATB is one of them.

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT

3.4.2 Demand for Metal Roofing Products

The demand for metal roofing sheet grows in tandem with the country's economy. Since the mid-eighties, the Malaysian economy maintained near to double-digit growth rates yearly. With the higher disposable income, most people started to invest in all forms of property, giving rise to rapid development throughout the nation.

During the good booming years between 1986 and 1997, iron and steel production recorded a six-fold rise in production of bars and rods while the construction sector grew at half the pace. But in 1998, the production of steel bars and rods fell by a severe 44% while the construction sector was down by 25%.

Metal Roofing Market Demand in 2003

(inclusive of industrial metal roofing, residential metal roofing & corrugated sheets)

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.

3.5 PVC DOOR**3.5.1 Industry Background - *The Polymers/Plastics Industry***

Synthetic polymers are materials used in the manufacture of a wide range of products such as plastics, fibres, inks, paints, adhesives and elastomers. Polymers are made mainly from petroleum. This makes the polymer industry closely dependent on the stage of development of the petrochemical and gas industries. A major product of the petrochemical industry, (PVC), was first produced in Malaysia at an annual capacity of 30,000 metric ton in 1972, followed by other petrochemical products namely, polystyrene (PS) in 1974 and expandable polystyrene (EPS) a decade later. The petrochemical industry started producing polypropylene (PP) and polyethylene (PE) in early 1990s and advanced further with the recent production of ethylene and propylene monomers. Before this, all the monomer feedstocks were imported. The range of resins and polymers produced is, however, confined to those that are used mainly in the manufacturing of plastic products classified as commodity plastics (i.e. PE, PP, PS and PVC) for general purpose applications.

Within the polymers sector, the plastics sub-sector is the most developed in Malaysia. Having started as a backyard industry in the 1950s, it has grown over the years to become a major support industry to the electrical, electronics, automotive and construction industries in the 1980s following rapid expansion of these sectors.

3.5.2 Demand for PVC Door

Traditionally, doors in houses are constructed of wooden timber material. Doors in close proximity to water are often damp and this causes rot to set in at a faster rate. This regular water-contact advances the rate of deterioration especially on wooden doors, resulting in homeowners having to replace them at more frequent intervals.

Several alternatives were introduced during that time which include attaching a large piece of metal sheet to cover the lower half of the bathroom door, replacing it with zinc door or aluminum door. Each of these methods proved to be a tentative solution only. For instance, a zinc or aluminum does not appease the eye of homeowner as it is more commonly used in commercial or industrial buildings.

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT

As such, the PVC door came into its element. The PVC doors are 100% waterproof, knock and sound proof, easy to install, easy to clean, affordable and attractive.

The introduction of PVC folding door further opened up the Malaysian market. With the recent trend of providing minimum space for the maximum dollar due to land scarcity, it is most often done at the expense of the bathrooms area. The PVC folding door has proved to be the best solution to date as it eliminates the needs to provide space compared to the swinging door.

Estimated Demand for PVC Door in 2003

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.

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 & 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.

For the export market, ATB is targeting 36,000 pieces per annum, which is worth approximately RM180,000 in India 40%, Sri Lanka 15% and Bangladesh 5%.

3.6 TRAITS IN THE BUILDING TRADE

Unlike branded packaged consumer products, building materials and accessories such as doors and roofing do not enjoy the same level of brand loyalty or recurring consumers. Unless of course, the particular brand has been available in the market for a long time and has established a history of offering a unique selling proposition (USP). Even then, trade outlets, government authorities and other related professionals such as architects, developers, contractors, interior designers, refurbishing agents, etc. play vital roles in developing this building material market.

Unless the architects voice their support by specifying a brand, installers and contractors will purchase the cheapest brand in the market. The end-users that pay for the fixture are ignorant and are not informed of the benefits of one brand over the others.

Of paramount concern to building contractors and end-users is the amount of money they have to pay for the items purchased.

In order to be a leader in this segment of the building trade, it is important that the brand is readily available in all the appropriate outlets. The brand must not only measure up to those of the best in its segment, but it must also be seen to offer a USP. Be that as it may, ultimately, the pricing of the brand and the margin to the trade is important.

3.7 SENSITIVITY TO ECONOMIC CONDITIONS

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. The construction sector, on the other hand, is dependent upon the overall state of our economy. According to *Bank Negara Quarterly Report 2Q 2002*, sustained strength in domestic demand and a recovery in exports raised real GDP growth to 3.8% on annual basis from 1.1% in the first quarter while the construction-related materials industries registered a higher growth of 8.6% (1Q 2002: 2.6%). Based on this backdrop, the downside risks of the metal roofing and PVC door industries are assessed to be mitigated.

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT**3.8 BARRIERS TO ENTRY**

The entry of competitors in the metal roofing and PVC door industries is not impossible neither is it easy. The cost of machinery, nearly all of which are imported, is fairly expensive and there must be a minimum output for economies of scale. As for ATB Group, the risk of competition is mitigated by the extensive experience of its founders who have over the years built up wide networks with its customers and suppliers. ATB Group's customer base comprises a broad range of wholesalers, distributors and hardware dealers who sell to a diversified cross section of industries. These hardware distributors are independent and not related to each other thus enabling the company to operate flexibly, stability with room to expand and diversify in response to changes in the economic conditions.

3.9 THREATS OF PRODUCT SUBSTITUTION

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.

4.0 RESULTS OF THE SURVEY/RESEARCH**4.1 METAL ROOFING PRODUCT****4.1.1 Major Metal Roofing Manufacturers**

From our market survey and analysis, we have identified some major players in the metal roofing industry as follows:-

| Manufacturer | State |
|---|---------------------|
| ATB | Penang |
| Le Nam Megasheet (M) Sdn Bhd | Penang |
| Valiant Eagle Sdn Bhd | Penang |
| Ascon Metal Industries Sdn Bhd | Perak |
| BHP Steel Building Products Sdn Bhd | Wilayah Persekutuan |
| U.A.C. Bhd | Selangor |
| Nam Fatt Industries Sdn Bhd | Selangor |
| Manik Prestasi Sdn Bhd | Selangor |
| Federal Iron Works Sdn Bhd | Selangor |
| Asia Roofing Industries Sdn Bhd (Ajiya Brand) | Johor |

(The list is not ranked in order)

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT**4.1.2 Market Size of Metal Roofing Product**

Based on some feedbacks from pioneer members of the metal roofing trade, 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

| Region | Market Percentage (%) |
|---------------|-----------------------|
| Northern | 20 |
| Central | 40 |
| Southern | 28 |
| East Coast | 2 |
| East Malaysia | 10 |

4.1.3 Major Users of Metal Roofing Product

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.

Breakdown by Percentage of Main Users:-

| Building Type | Percentage (%) |
|------------------------------------|----------------|
| Commercial and industrial building | 60 to 70 |
| Multi-purpose halls | 10 |
| Residential | 20 |

4.2 PVC DOOR**4.2.1 Major Manufacturers of One Piece PVC Door**

From our market survey and analysis, we have identified some major players in the one-piece PVC door industry as follows:-

| Company | Location |
|-----------------------------|----------|
| ATB | Penang |
| Glorious Axis Sdn Bhd | Penang |
| Plastik Cahaya Emas Sdn Bhd | Perak |
| Quality Plus Sdn Bhd | Johor |

(The list is not ranked in order)

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT**4.2.2 Major Manufacturers of Folding PVC Doors**

There are about 5 major manufacturers of folding PVC doors with ATB being the leader in the market as follows:-

| Manufacturer | Location |
|------------------------------|-----------------|
| Seng Choon Marketing Sdn Bhd | Kedah |
| ATB | Penang |
| Linkhardware Trading Sdn Bhd | Penang |
| Plastik Cahaya Emas Sdn Bhd | Perak |
| Quality Plus Sdn Bhd | Johor |

(The list is not ranked in order)

4.2.3 Estimated Market Size

Trade respondents and sales force in our market survey provided 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. Our survey results also suggest that ATB dominates the PVC door market in the northern region.

5.0 FUTURE GROWTH

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.

As there is no published figures on the market size of metal roofing products and PVC doors over the past years, it may not be possible to project the growth of these two sub-sectors based upon past data. As such, for the purpose of this research, A&A Market Research uses the growth rate of the construction sector as the surrogate to project the future growth rate of these two sectors.

Using the Single Regression Model, it shows a fairly strong correlation of 84.4% between GDP growth over the Construction Sector growth.

From the Single Regression Model, for every 11.6% growth in GDP (12 years average) at current market prices, the construction sector is expected to grow at 15.4% per annum. As the demand for (PVC) doors and the steel roofing is largely driven by the amount of activity and demand in the construction industry, it is projected that these two segments of market size could grow at the average rates of about 15.0% per annum respectively if the growth of GDP is in the region of 11.6% per annum (at current market prices) over the same period. *(Source: Adopting the statistical data on Gross Domestic Product By Kind of Economic Activity at current market prices and 1987 constant prices are obtained from the Department of Statistics)*

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14.0 SUPPLEMENTAL INDEPENDENT MARKET RESEARCH REPORT

6.0 CONCLUSION

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.

ATB has emerged as one of the key players in the building materials industry, especially in the northern region of Peninsula Malaysia within a period of three decades. The Group must continue to improve its product quality and customer services in order to maintain that position.

The Group's plan to establish additional manufacturing plants at strategic locations in the country may provide a wider coverage and better brand awareness amongst the end users. In addition, the Group may want to consider the possibility of extending its business to the regional market in view of the impending liberalized trading environment which provides easier access to the potentially larger regional market.



Chong Kok Chen
Executive Director



Lynn Yeoh
Executive Director

15.0 **DIRECTORS' REPORT**

(Prepared for inclusion in this Prospectus)



ASTINO BERHAD (523085-X)

No. 1538, Jalan Seruling, Kawasan Perusahaan Valdor
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Tel : 604 - 582 1950/0349 Fax : 604 - 582 6433

22 May 2003

Registered Office:
Suite 12-A, Level 12
Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Penang

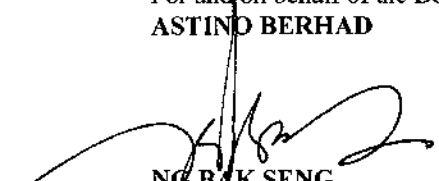
The Shareholders
Astino Berhad

Dear Sirs/Madams,

On behalf of the Board of Directors of Astino Berhad ("ATB" or the "Company"), I report after due enquiry that during the period from 30 November 2002 (being the date to which the last audited financial statements of ATB and its subsidiary companies have been made) to 22 May 2003 (being a date not earlier than fourteen (14) days before the issue of this Prospectus), that:-

- (a) the business of the Company and its subsidiary companies have, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Company and its subsidiary companies which have materially affected the business and operations or the value of the assets of the Company or any of its subsidiary companies;
- (c) the current assets of the Company and its subsidiary companies appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantee or indemnity given by the Company or any of its subsidiary companies; and
- (e) save as disclosed in this Prospectus, there have been no changes in the published reserves or any unusual factor affecting the profits of the Company and its subsidiary companies since the last audited financial statements of the Company and its subsidiary companies.

Yours faithfully,
For and on behalf of the Board of Directors
ASTINO BERHAD


NG BAK SENG
Executive Director