

9. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



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The Board of Directors
PMB Technology Berhad.
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25 September 2003

Dear Sirs

This report has been prepared by Messrs. KPMG, an approved company auditor for the inclusion in the Prospectus to be dated 29 September 2003 in connection with the public issue of 10,000,000 new ordinary shares of RM0.50 each and the offer for sale of 26,200,000 ordinary shares of RM0.50 each in PMB Technology Berhad ("PMBT") at an issue price of RM1.05 per ordinary share and the listing of and quotation for its entire enlarged issued and paid-up share capital on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

1. General Information**1.1 Background**

PMBT was incorporated in Malaysia under the Companies Act, 1965 on 26 June 2002 as a public limited company with an authorised share capital of RM100,000 comprising 200,000 ordinary shares of RM0.50 each.

The principal activity of the Company is that of investment holding.

1.2 Share Capital**1.2.1 The authorised and issued and paid up capital of PMBT as at the date of this report are as follows:-**

	<i>No. of ordinary shares of RM0.50 each</i>	<i>Total RM</i>
Authorised	100,000,000	50,000,000
Issued and fully paid up	70,000,000	35,000,000



KPMG, a partnership established under Malaysian law, is a member of KPMG International, a Swiss association.



9. ACCOUNTANTS' REPORT (cont'd)

1.2.2 The movement in PMBT's issued and fully paid-up share capital since its incorporation are as follows:-

<i>Date of allotment</i>	<i>No. of ordinary shares</i>	<i>Par value RM</i>	<i>Purpose</i>	<i>Total RM</i>
26 June 2002	4	0.50	Subscribers' shares	2
	67,476,242	0.50	Issued for acquisition of PMB Facade Technology Sdn. Bhd. and Everlast Aluminium (M) Sdn. Bhd.	33,738,123
	2,523,754	0.50	Rights issue	35,000,000

1.3 Restructuring Scheme

In connection with and as part of the listing of and quotation for the entire issued and paid up share capital of PMBT on the Second Board of the KLSE, PMBT has undertaken the following restructuring scheme: -

- Acquisition of 3,900,000 ordinary shares of HKD1.00 (RM0.49) each representing 30% of PMB Cyberwall Ltd. ("PMBC"), a subsidiary of PMB Facade Technology Sdn. Bhd. ("PMBF"), for a purchase consideration of RM6,062,638 based on the average valuation of 31 December 2002 and 31 December 2003 actual and forecast earnings of PMBC fully satisfied by the issuance of 192,126 new ordinary shares of RM1.00 each in PMBF valued at RM31.56 per ordinary share.
- Acquisition of 692,126 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of PMBF for a purchase consideration of RM18,818,076 based on the audited net tangible assets of the PMBF Group as at 31 December 2001 of RM15,777,736 adjusted for the net tangible assets of RM3,040,340 from the acquisition of the 30% shareholdings in PMBC fully satisfied by the issuance of 34,214,684 new ordinary shares of RM0.50 each in PMBT valued at RM0.55 per ordinary shares.
- Acquisition of 130,110 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Everlast Aluminium (M) Sdn. Bhd. ("EASB") for a purchase consideration of RM18,293,857 based on the net tangible assets of the EASB Group as at 31 December 2001 fully satisfied by the issuance of 33,261,558 new ordinary shares of RM0.50 each in PMBT valued at RM0.55 per ordinary shares.
- Rights issue of 2,523,754 new ordinary shares of RM0.50 each at an issue price of RM0.55 per ordinary share to the existing shareholders of PMBT.

In conjunction with the listing, PMBT will undertake the following:-

- Proposed offer for sale of 26,200,000 ordinary shares of RM0.50 each at an issue price of RM1.05 per ordinary share comprising of 24,000,000 ordinary shares of RM0.50 each to bumiputera investors approved by the Ministry of International Trade and Industry ("MITI") and 2,200,000 ordinary shares of RM0.50 each available for application by the Malaysian public.

9. ACCOUNTANTS' REPORT (cont'd)



- Proposed public issue of 10,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.05 per ordinary shares comprising of 6,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian public and 4,000,000 new ordinary shares of RM0.50 each available for application by eligible directors and employees and business associates of the PMBT and its subsidiary companies.
- Proposed listing of and quotation for the entire issued and paid-up share capital of PMBT comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stocks Exchange ("KLSE").

The above scheme was approved by the following:

- i. Securities Commission ("SC") on 22 January 2003
- ii. MITI on 5 August 2002; and
- iii. Foreign Investment Committee on 7 October 2002
- iv. Bank Negara Malaysia on 11 August 2003

9. ACCOUNTANTS' REPORT (cont'd)



1.4 Subsidiaries

Upon completion of the restructuring of PMBT, the subsidiary companies of PMBT Group, all of which are incorporated in Malaysia unless otherwise stated, as at the date of this report and their principal activities are as follows:-

Name of company	Date of incorporation	<-----Share capital----->		Effective equity interests %	Principal activities
		Authorised RM	Issued and fully paid-up RM		
PMB Facade Technology Sdn. Bhd. ("PMBF")	5 March 1994	1,000,000	500,000	100	Design, fabrication and installation of aluminium curtain wall, cladding system and manufacturing and trading of aluminium related products.
<i>Subsidiaries of PMBF</i>					
PMB Facade Technology (H.K.) Limited ("PMBF (H.K.)")*	17 May 1999	4,878	4,878	100	Design, fabrication and installation of aluminium curtain wall, cladding system and other products.
PMB-Cyberwall Limited ("PMBC")*	11 February 2000	9,756,098	6,341,463	70	Design, fabrication and installation of aluminium curtain wall, cladding system and other products, trading and computer related businesses.
PMB Facade Technology (S) Pte. Ltd. ("PMBF (S)")**	20 July 2000	216,000	54,000	70	Supplying, installing and fixing all kinds of furnishing and fixtures and to provide interior decorating consultancy services.
Unison International (H.K.) Limited ("UIL")	9 June 1999	4,878	48	80	Contractor for architectural products.
KAI PMB Facade Technology Limited ("KAI-PMBF") ***	18 October 2000	3,448,276	344,828	51	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings.

9. ACCOUNTANTS' REPORT (cont'd)

<-----Share capital----->

<i>Name of company</i>	<i>Date of incorporation</i>	<i>Authorised RM</i>	<i>Issued and fully paid-up RM</i>	<i>Effective equity interests %</i>	<i>Principal activities</i>
Everlast Aluminium (M) Sdn. Bhd. ("EASB")	7 May 1988	200,000	130,110	100	Marketing of ladders and other aluminium related products.
<i>Subsidiaries of EASB</i>					
PMB Northern Sdn. Bhd. (formerly known as Everlast Aluminium (Sg. Petani) Sdn. Bhd.) ("PMBNorthern")	27 March 1998	100,000	102	100	Marketing of aluminium and other products.
PMB Central Sdn Bhd (formerly known as Everlast Gypsum & Building Materials Sdn. Bhd.) ("PMBCentral")	11 September 1997	100,000	102	100	Marketing of gypsum board and other products.
Everlast Environmental Management Sdn. Bhd. ("EEM")	15 November 1990	5,000,000	1,337,000	100	Dormant.
PMB Eastern Sdn Bhd (formerly known as Everlast Aluminium (Kuantan) Sdn. Bhd.) ("PMBEastern")	16 July 1997	500,000	150,000	100	Marketing of gypsum boards and other products.
Everlast Access Technologies Sdn. Bhd. ("EATSB")	19 August 1999	100,000	100,000	100	Manufacturing and marketing of aluminium and other products.
PMB Southern Sdn. Bhd. (formerly known as Everlast Marketing Sdn. Bhd.) ("PMBSouthern")	13 June 2000	100,000	100	100	Marketing of aluminium and other products.

* *Incorporated in Hong Kong*** *Incorporated in Singapore**** *Incorporated in Bangladesh*

9. ACCOUNTANTS' REPORT (cont'd)**1.5 Accounts and Auditors**

The present financial year end of the proposed PMBT Group is 31 December.

We have acted as auditors for PMBF since the financial year ended 31 December 1994.

We are not the auditors of PMBF's subsidiaries.

We have acted as auditors for EASB, EEM and PMBNorthern since the financial year ended 31 December 1992, 31 December 1995 and 31 December 1998 respectively.

We are not the auditors of PMBCentral, PMBEastern, EATSB and PMBSouthern.

The auditors' reports of the Proposed PMBT Group for the financial years/period under review were not subject to any qualification.

1.6 Dividends

The Company has not paid or declared any dividends since its incorporation.

No dividends have been declared or paid by the subsidiaries during the relevant periods under review except for EASB.

Details of dividends declared and paid by EASB for the last five relevant periods under review are as follows:

	Gross dividend rate %	Dividends paid/payable RM'000
31 December 1998	-	-
31 December 1999	-	-
31 December 2000	-	-
31 December 2001	878	937
31 December 2002	-	-
30 June 2003	-	-

9. ACCOUNTANTS' REPORT (cont'd)**2. Financial Performance – Group Level**

We set out below the proforma consolidated results of the PMBT Group for the five financial years ended 31 December 2002 and for financial period ending 30 June 2003 after making such adjustments considered necessary, on the assumption that the PMBT restructuring scheme had been in existence throughout the period under review.

2.1 The PMBT Group - Proforma Consolidated Results

	<-----Year ended 31 December ----->					Period ended
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	30.6.2003 RM'000
Revenue	65,112	64,673	112,488	117,222	169,732	112,188
Profit before depreciation, interest and preliminary and pre-operating expenses	4,750	6,745	10,093	12,527	16,327	7,734
Preliminary and pre-operating expenses	(45)	(11)	(12)	-	-	-
Profit before depreciation and interest	4,705	6,734	10,081	12,527	16,327	7,734
Depreciation	(713)	(780)	(807)	(1,147)	(1,222)	(679)
Interest expense	(474)	(1,213)	(596)	(833)	(1,353)	(733)
Interest income	3	-	31	45	45	14
Profit before taxation	3,521	4,741	8,709	10,592	13,797	6,336
Taxation	(1,270)	131	(1,967)	(2,402)	(3,180)	(1,435)
Profit after taxation	2,251	4,872	6,742	8,190	10,617	4,901
Minority interest	-	2	49	13	70	13
Profit attributable to shareholders	2,251	4,874	6,791	8,203	10,687	4,914
Number of ordinary shares of RM0.50 each ('000)	70,000	70,000	70,000	70,000	70,000	70,000
Earnings per share (RM)						
- Gross	0.05	0.07	0.12	0.15	0.20	0.18
- Net	0.03	0.07	0.10	0.12	0.15	0.14

9. ACCOUNTANTS' REPORT (cont'd)

Note: -

- (1) The effective tax rate for the financial year ended 31 December 1998 was higher than the statutory tax rate in Malaysia due to certain expenses being disallowed for taxation purposes. The effective tax rates for the financial years ended 31 December 2000, 2001, 2002 and the period ended 30 June 2003 were lower than the statutory tax rate in Malaysia due to lower tax rates applicable to the subsidiaries incorporated in Hong Kong and Bangladesh and utilisation of capital and reinvestment allowances.
- (2) Pursuant to the Income Tax (Amendment) Act, 1999, all income (except for dividend income) falling within the waiver year was waived from income tax. Accordingly, no provision for taxation was made in respect of year ended 31 December 1999. The taxation expenses for 31 December 1999 is in respect of provision for deferred taxation and foreign tax of the subsidiaries.
- (3) There were no exceptional or extraordinary items during the financial years under review.
- (4) The consolidated results of PMBT Group was prepared based on the audited accounts of PMBT Group for the 5 financial years ended 31 December 1998 to 31 December 2002 and financial period ended 30 June 2003. All material intra group transactions and balances have been eliminated on consolidation.

2.2 Notes to the Proforma Consolidated Results**2.2.1 Basis of consolidation**

Proforma consolidated results of PMBT Group are prepared for illustrative purposes only and are based on audited accounts of all the subsidiaries as stated in Paragraph 1.4. All material intra group transactions and balances have been eliminated on consolidation.

2.2.2 In preparing the summarised consolidated results, adjustments were made to the financial statements of the PMBT Group ("the Group") to reflect them on a consistent basis. The details and effects of the changes are as follows: -

- (a) Adjustments were made to the minority interest in the consolidated accounts for years ended 31 December 1998 to 2002 and period ended 30 June 2003 on the assumption that the proposed Group had been in existence throughout the period under review.
- (b) The effects of changes
 - (i) Minority Interest

	< ----- Year ended 31 December ----- >					Period ended
	1998	1999	2000	2001	2002	30.6.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Minority interest	-	2	61	(1,136)	(1,276)	(836)
Adjustment in respect of (a)	-	-	(12)	1,149	1,346	849
As restated	-	2	49	13	70	13

9. ACCOUNTANTS' REPORT (cont'd)**(ii) Earnings Per Share**

Gross earnings per share has been calculated based on profit before taxation after minority interest and net earnings per share has been calculated based on profit attributable to shareholders of the PMBT. PMBT will have an issued and paid up share capital of RM35,000,000 comprising 70,000,000 ordinary shares of RM0.50 each after the proposed acquisition.

3 Financial Performance

The summarised results of PMBF Group, EASB Group and each of the subsidiaries based on their audited accounts are set out as below.

3.1 The PMBF Group – Consolidated Results

The following financial information of PMBF Group is based on the audited consolidated financial statements of PMBF and its subsidiaries for the financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	< ----- Year ended 31 December ----- >					Period ended
	1998	1999	2000	2001	2002	30.6.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,474	12,821	48,758	55,722	105,096	69,937
Profit before depreciation, interest and preliminary and pre-operating expenses	1,957	2,940	5,857	7,363	10,118	4,201
Preliminary and pre-operating expenses	-	(3)	(10)	-	-	-
Profit before depreciation and interest	1,957	2,937	5,847	7,363	10,118	4,201
Depreciation	(148)	(136)	(200)	(262)	(283)	(168)
Interest expense	(181)	(225)	(375)	(604)	(989)	(585)
Interest income	3	-	31	45	45	10
Profit before taxation	1,631	2,576	5,303	6,542	8,891	3,458
Taxation	(480)	182	(1,172)	(1,152)	(1,786)	(656)
Profit after taxation	1,151	2,758	4,131	5,390	7,105	2,802
Minority interest	-	-	57	(1,140)	(1,276)	(836)
Profit attributable to shareholders	1,151	2,758	4,188	4,250	5,829	1,966
Number of ordinary shares of RM1.00 each ('000)	500	500	500	500	500	500
Earnings per share (RM)						
- Gross	3.26	5.15	10.72	10.80	15.23	10.49
- Net	2.30	5.52	8.38	8.50	11.66	7.86

9. ACCOUNTANTS' REPORT (cont'd)

Notes: -

- (1) The effective tax rate for 1998 was higher than the statutory tax rate due to certain expenses being disallowed for taxation purposes. Taxation provided for 1999 relates to PMBF (H.K.)'s statutory income. The effective tax rate for 2000, 2001, 2002 and 2003 were lower than the statutory tax rate in Malaysia due to lower tax rates applicable to the subsidiaries incorporated in Hong Kong and Bangladesh and utilisation of capital and reinvestment allowances.
- (2) There were no extraordinary or exceptional items for the financial years under review.
- (3) The consolidated results of PMBF Group were prepared based on the audited accounts of PMBF Group for the 5 financial years ended 31 December 1998 to 31 December 2002 and financial period ended 30 June 2003. All material intra group transactions and balances have been eliminated on consolidation.

3.2 PMBF

The following financial information of PMBF is based on the audited financial statements of PMBF for the financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	< ----- Year ended 31 December ----- >					Period Ended
	1998	1999	2000	2001	2002	30.6.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,474	7,552	30,709	15,933	31,302	21,050
Profit before depreciation, interest and preliminary and pre-operating expenses	1,957	2,182	3,623	1,719	4,307	564
Preliminary and pre-operating expenses	-	-	-	-	-	-
Profit before depreciation and interest	1,957	2,182	3,623	1,719	4,307	564
Depreciation	(148)	(134)	(183)	(199)	(234)	(130)
Interest expense	(181)	(225)	(361)	(493)	(592)	(367)
Interest income	3	31	23	-	-	-
Profit before taxation	1,631	1,854	3,102	1,027	3,481	67
Taxation	(480)	295	(800)	(274)	(928)	(54)
Profit after taxation	1,151	2,149	2,302	753	2,553	13
Number of ordinary shares of RM1.00 each ('000)	500	500	500	500	500	500
Earnings per share (RM)						
- Gross	3.26	3.71	6.20	2.05	6.96	0.27
- Net	2.30	4.30	4.60	1.51	5.10	0.05

9. ACCOUNTANTS' REPORT (cont'd)



Note: -

- (1) The effective tax rate for 1998 was higher than the statutory tax rate due to certain expenses being disallowed for taxation purposes. No taxation was provided for in 1999 as all income was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. The effective tax rate for 2000, 2001 and 2002 were lower than the statutory tax rate due to utilisation of capital and reinvestment allowances. The effective tax rate for the period ended 30 June 2003 was higher mainly due to under provision for deferred tax in prior year.
- (2) There were no extraordinary or exceptional items for the financial years under review.

9. ACCOUNTANTS' REPORT (cont'd)



3.3 PMBF (H.K.)

The following financial information of PMBF (H.K.) is based on the audited financial statements of PMBF (H.K.) for the financial period/years ended 31 December 1999 to 2002 and financial period ended 30 June 2003.

	Period from 17.5.1999 to 31.12.1999 RM'000	<-----Year ended 31 December----->			Period Ended 30.6.2003 RM'000
		2000 RM'000	2001 RM'000	2002 RM'000	
Revenue	6,125	19,146	5,054	13,201	10,417
Profit before depreciation, interest and preliminary and pre-operating expenses	743	2,362	974	71	11
Preliminary and pre- operating expenses	-	-	-	-	-
Profit before depreciation and interest	743	2,362	974	71	11
Depreciation	(2)	(13)	(14)	(16)	(12)
Interest expense	(18)	(2)	(2)	(16)	-
Interest income	-	8	28	13	1
Profit before taxation	723	2,355	986	52	-
Taxation	(113)	(372)	(153)	(1)	-
Profit after taxation	610	1,983	833	51	-
Number of ordinary shares of RM0.49 (HKD1.00) each ('000)	10	10	10	10	10
Earnings per share (RM)					
- Gross	115.24 [^]	235.50	98.60	5.20	-
- Net	97.28 [^]	198.30	83.30	5.10	-

[^] Annualised

Note: -

- (1) The effective tax rate of the Company for all the four years is lower than the statutory rate of 16% in Hong Kong due to the utilisation of capital allowances. No taxation was provided for in period ended 30 June 2003 as the Company was in a net loss position.
- (2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)



3.4 PMBC

The following financial information of PMBC is based on the audited financial statements of PMBC for the financial period/years ended 31 December 2000 to 2002 and financial period ended 30 June 2003.

	Period from 11.2.2000 to 31.12.2000 RM'000	<-----Year ended 31 December----->		Period Ended 30.6.2003 RM'000
		2001 RM'000	2002 RM'000	
Revenue	-	30,506	60,842	38,467
(Loss)/Profit before depreciation, interest and preliminary and pre- operating expenses	(38)	4,637	5,706	3,598
Preliminary and pre-operating expenses	-	-	-	-
(Loss)/ Profit before depreciation and interest	(38)	4,637	5,706	3,598
Depreciation	-	(3)	(10)	(14)
Interest expense	-	(77)	(378)	(159)
Interest income	-	-	32	12
(Loss)/ Profit before taxation	(38)	4,557	5,350	3,437
Taxation	-	(725)	(858)	(601)
(Loss)/ Profit after taxation	(38)	3,832	4,492	2,836
Minority interest	-	-	(3)	(9)
(Loss)/ Profit attributable to shareholders	(38)	3,832	4,489	2,827
Number of ordinary shares of RM0.49 (HKD1.00) each ('000)	10	13,000	13,000	13,000
(Loss)/ Earnings per share (RM)				
- Gross	(4.28)^	0.35	0.41	0.53
- Net	(4.28)^	0.29	0.35	0.43

^ Annualised

Note: -

- (1) No taxation was provided for in 2000 as the Company had not commenced operations yet. The effective tax rate of the Company for 2001 and 2002 is at the statutory tax rate of 16% in Hong Kong. The effective tax rate for the period ended 30 June 2003 is higher than the statutory rate due to a decrease in bank interest income that is taxable.
- (2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)



3.5 PMBF (S)

The following financial information of PMBF (S) is based on the audited financial statements of PMBF (S) for the financial period/years ended 31 December 2000 to 2002 and financial period ended 30 June 2003.

	Period from 20.7.2000 to 31.12.2000 RM'000	<-----Year ended 31 December ----->		Period Ended 30.6.2003 RM'000
		2001 RM'000	2002 RM'000	
Revenue	-	482	22	-
(Loss)/Profit before depreciation, interest and preliminary and pre- operating expenses	(12)	(13)	22	(11)
Preliminary and pre-operating expenses	-	-	-	-
(Loss)/Profit before depreciation and interest	(12)	(13)	22	(11)
Depreciation	-	-	-	-
Interest expense	-	-	-	-
Interest income	-	-	-	-
(Loss)/Profit before taxation	(12)	(13)	22	(11)
Taxation	-	-	(2)	-
(Loss)/Profit after taxation	(12)	(13)	20	(11)
Number of ordinary shares of RM2.16 (SGD1.00) each ('000)	25	25	25	25
(Loss)/Earning per share (RM)				
- Gross	(1.06)^	(0.52)	0.96	(0.88)
- Net	(1.06)^	(0.52)	0.88	(0.88)

^ Annualised

Note: -

- (1) No taxation was provided for in 2000 and 2001 as the Company incurred business losses. The effective tax rate of the Company for 2002 was lower than the statutory tax rate of 22% in Singapore due to utilisation of business losses brought forward. No taxation was provided for in the period ended 30 June 2003 as the Company was in a net loss position.
- (2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)**3.6 KAI-PMBF**

The following financial information of KAI-PMBF is based on the audited financial statements of KAI-PMBF for the financial period ended 31 December 2001, year ended 31 December 2002 and management accounts for the financial period ended 30 June 2003.

	Period from 18.10.2000 to 31.12.2001 RM'000	Year Ended 31.12.2002 RM'000	Period Ended 30.06.2003 RM'000
Revenue	5,448	62	2
Loss before depreciation, interest and preliminary and pre-operating expenses	(75)	(17)	(26)
Preliminary and pre-operating expenses	-	-	-
Loss before depreciation and interest	(75)	(17)	(26)
Depreciation	(21)	(22)	(11)
Interest expense	-	(2)	-
Interest income	-	-	-
Loss before taxation	(96)	(41)	(37)
Taxation	-	-	-
Loss after taxation	(96)	(41)	(37)
Number of ordinary shares of RM6.90 (Taka 100) each ('000)	50	50	50
Loss per share (RM)			
- Gross	(1.92) [^]	(0.82)	(1.48)
- Net	(1.92) [^]	(0.82)	(1.48)

[^] *Annualised*

Note: -

- (1) No taxation was provided for in year 2001, 2002 and period ended 30 June 2003 as the Company incurred business losses.
- (2) There were no extraordinary or exceptional items for the financial period/year under review.

9. ACCOUNTANTS' REPORT (cont'd)**3.7 The EASB Group - Consolidated Results**

The following financial information of EASB Group is based on the audited consolidated financial statements of EASB and its subsidiaries for the financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	< ----- Year ended 31 December ----- >					Period
	1998	1999	2000	2001	2002	Ended
	RM'000	RM'000	RM'000	RM'000	RM'000	30.6.2003 RM'000
Revenue	43,638	51,852	63,730	61,500	64,636	42,251
Profit before depreciation, interest and preliminary and pre-operating expenses	2,751	3,805	4,235	5,164	6,208	3,536
Preliminary and pre- operating expenses	(45)	(8)	(2)	-	-	-
Profit before depreciation and interest	2,706	3,797	4,233	5,164	6,208	3,536
Depreciation	(565)	(644)	(607)	(885)	(939)	(511)
Interest expense	(251)	(988)	(221)	(229)	(363)	(148)
Interest income	-	-	-	-	-	4
Profit before taxation	1,890	2,165	3,405	4,050	4,906	2,881
Taxation	(790)	(51)	(795)	(1,250)	(1,394)	(799)
Profit after taxation	1,100	2,114	2,610	2,800	3,512	2,082
Minority interest	-	2	4	4	-	-
Profit attributable to shareholders	1,100	2,116	2,614	2,804	3,512	2,082
Number of ordinary shares of RM1.00 each ('000)	130	130	130	130	130	130
Earnings per share (RM)						
- Gross	14.54	16.67	26.22	31.18	37.74	44.32
- Net	8.46	16.28	20.11	21.60	27.02	32.03

Note: -

- (1) The effective tax rate for 1998 was higher than the statutory tax rate due to certain expenses disallowed for taxation purposes. No taxation was provided for in 1999 as all income, except for dividend income, was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. The effective tax rates for 2000 was lower than the statutory tax rate due to the utilisation of tax losses brought forward of certain subsidiaries. The effective tax rate for 2001 was higher than the statutory tax rate due to certain expenses disallowed for taxation purposes. The effective tax rate for 2002 and period ended 30 June 2003 is approximately at the statutory tax rate of 28%.
- (2) There were no extraordinary or exceptional items for the financial years under review.

9. ACCOUNTANTS' REPORT (cont'd)

- (3) The consolidated results of EASB Group were prepared based on the audited accounts of EASB Group for the 5 financial years ended 31 December 1998 to 31 December 2002 and financial period ended 30 June 2003. All material intra group transactions and balances have been eliminated on consolidation.

3.8 EASB

The following financial information of EASB is based on the audited financial statements of EASB for the financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	< ----- Year ended 31 December ----- >					Period
	1998	1999	2000	2001	2002	Ended
	RM'000	RM'000	RM'000	RM'000	RM'000	30.6.2003
						RM'000
Revenue	44,251	48,347	54,017	49,400	44,524	18,033
Profit before depreciation, interest and preliminary and pre-operating expenses	2,973	3,649	2,996	4,567	4,207	964
Preliminary and pre-operating expenses	-	-	-	-	-	-
Profit before depreciation and interest	2,973	3,649	2,996	4,567	4,207	964
Depreciation	(544)	(592)	(482)	(741)	(774)	(383)
Interest expense	(268)	(975)	(188)	(188)	(254)	(140)
Interest income	-	46	55	148	84	62
Profit before taxation	2,161	2,128	2,381	3,786	3,263	503
Taxation	(790)	(51)	(617)	(1,208)	(995)	(158)
Profit after taxation	1,371	2,077	1,764	2,578	2,268	345
Number of ordinary shares of RM1.00 each ('000)	130	130	130	130	130	130
Earnings per share (RM)						
- Gross	16.62	16.37	18.31	29.12	25.10	7.74
- Net	10.55	15.98	13.57	19.83	17.45	5.31

Note: -

- (1) The effective tax rate for 1998 was higher than the statutory tax rate due to certain expenses disallowed for taxation purposes. No taxation was provided for in 1999 as all income, except for dividend income, was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. The effective tax rate for 2000 was lower than the statutory tax rate due to the utilisation of capital allowances as there was an increase in property, plant and equipment during the year. The effective tax rates for year 2001, 2002 and period ended 30 June 2003 were higher than the statutory tax rate due to certain expenses disallowed for taxation purposes.

9. ACCOUNTANTS' REPORT (cont'd)

(2) There were no extraordinary or exceptional items for the financial years under review.

3.9 PMBNorthern (formerly known as EASB (SP))

The following financial information of PMBNorthern is based on the audited financial statements of PMBNorthern for the financial period/years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	Period from 27.3.1998 <-----Year ended 31 December-----> to 31.12.1998					Period Ended 30.6.2003 RM'000
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	RM'000	
Revenue	1,561	2,060	3,391	4,654	5,613	3,294
(Loss)/ Profit before depreciation, interest and preliminary and pre-operating expenses	(112)	(255)	290	143	194	160
Preliminary and pre-operating expenses	(27)	-	-	-	-	-
(Loss)/ Profit before depreciation and interest	(139)	(255)	290	143	194	160
Depreciation	(6)	(11)	(11)	(12)	(13)	(4)
Interest expense	#	(34)	-	-	-	-
Interest income	-	-	-	-	-	-
(Loss)/ Profit before taxation	(145)	(300)	279	131	181	156
Taxation	-	-	-	-	(55)	(57)
(Loss)/Profit after taxation	(145)	(300)	279	131	126	99
Number of ordinary shares of RM1.00 each ('000)	*	*	*	*	*	*
(Loss)/ Earnings per share (RM)						
- Gross	(1,853)^	(2,941)	2,735	1,284	1,775	3,059
- Net	(1,853)^	(2,941)	2,735	1,284	1,235	1,941

^ Annualised

Interest expense is RM196.

* Number of ordinary shares and weighted average number of ordinary shares is 102.

9. ACCOUNTANTS' REPORT (cont'd)



Notes: -

- (1) There was no tax charge for all the period/years up to 2001 due to the utilisation of capital allowances and business losses brought forward. No taxation was provided for in 1999 as all income, except for dividend income, was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. The effective tax rate for 2002 and period ended 30 June 2003 were higher than the statutory tax rate due to certain expenses disallowed for taxation purposes.
- (2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)



3.10 PMBCentral (formerly known as EGBM)

The following financial information of PMBCentral is based on the audited financial statements of PMBCentral for the financial period/years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	Period from 11.9.1997 <-----Year ended 31 December-----> to 31.12.1998					Period Ended 30.6.2003
	1999	2000	2001	2002		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	43	5,114	8,484	5,572	5,469	9,929
(Loss)/ Profit before depreciation, interest and preliminary and pre- operating expenses	(25)	326	673	219	236	525
Preliminary and pre- operating expenses	-	-	-	-	-	-
(Loss)/ Profit before depreciation and interest	(25)	326	673	219	236	525
Depreciation	(15)	(27)	(38)	(52)	(67)	(35)
Interest expense	(8)	(21)	(27)	(17)	(30)	(6)
Interest income	-	-	-	-	-	-
(Loss)/ Profit before taxation	(48)	278	608	150	139	484
Taxation	-	-	(178)	(31)	(7)	(172)
(Loss)/ Profit after taxation	(48)	278	430	119	132	312
Number of ordinary shares of RM1.00 each ('000)	*	*	*	*	*	*
(Loss)/ Earnings per share (RM)						
- Gross	(360)^	2,725	5,961	1,471	1,363	9,490
- Net	(360)^	2,725	4,216	1,167	1,294	6,118

^ Annualised

* Number of ordinary shares and weighted average number of ordinary shares is 102.

Note: -

- (1) No taxation was provided for in 1998 as the Company was in a net loss position. No taxation was provided for in 1999 as all income, except for dividend income, was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. The effective tax rate for the year 2000 was higher than the statutory tax rate due to certain expenses disallowed for taxation purposes. The effective tax rate in year 2001 and 2002 were lower than the statutory tax rate due to utilisation of capital allowances brought forward. The effective tax rate for the period ended 30 June 2003 was higher than the statutory tax rate due to certain expenses disallowed for taxation purposes.
- (2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)**3.11 PMBEastern (formerly known as EASB (K))**

The following financial information of PMBEastern is based on the audited financial statements of PMBEastern for the financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	<-----Year ended 31 December----->					Period
	1998	1999	2000	2001	2002	Ended 30.6.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,126	907	2,978	3,926	3,885	2,573
Profit before depreciation, interest and preliminary and pre-operating expenses	29	1	129	129	117	46
Preliminary and pre-operating expenses	-	-	-	-	-	-
Profit before depreciation and interest	29	1	129	129	117	46
Depreciation	(38)	(40)	(61)	(63)	(40)	(20)
Interest expense	(16)	(11)	(51)	(84)	(75)	(26)
Interest income	-	-	-	-	-	-
(Loss)/ Profit before taxation	(25)	(50)	17	(18)	2	-
Taxation	-	-	-	-	-	-
(Loss)/ Profit after taxation	(25)	(50)	17	(18)	2	-
Number of ordinary shares of RM1.00 each ('000)	150	150	150	150	150	150
(Loss)/ Earnings per share (RM)						
- Gross	(0.17)	(0.33)	0.11	(0.12)	0.01	-
- Net	(0.17)	(0.33)	0.11	(0.12)	0.01	-

Note: -

- (1) No taxation was provided for in 1998 as the Company was in a net loss position. No taxation was provided in 1999 as all income, except for dividend income, was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. There was no tax charge for financial year 2000 due to the utilisation of capital allowances. No taxation was provided for in 2001 as the Company was in a net loss position. There was no tax charge for year 2002 and period ended 30 June 2003 due to the utilisation of capital allowances.
- (2) There were no extraordinary or exceptional items for the financial years under review.

9. ACCOUNTANTS' REPORT (cont'd)



3.12 EATSB

The following financial information of EATSB is based on the audited financial statements of EATSB for the financial period/ years ended 31 December 1999 to 2002 and financial period ended 30 June 2003.

	Period from 19.8.1999 To 31.12.1999 RM	<-----Year ended 31 December----->			Period Ended 30.06.2003 RM
		2000 RM'000	2001 RM'000	2002 RM'000	
Revenue	380	1,851	1,658	9,962	14,166
Profit before depreciation, interest and preliminary and pre-operating expenses	39	183	36	1,680	1,769
Preliminary and pre- operating expenses	(3)	-	-	-	-
Loss before depreciation and interest	36	183	36	1,680	1,769
Depreciation	-	-	-	(28)	(58)
Interest expense	-	-	-	-	-
Interest income	-	-	-	-	-
Profit before taxation	36	183	36	1,652	1,711
Taxation	-	-	(10)	(336)	(412)
Profit after taxation	36	183	26	1,316	1,299
Number of ordinary shares of RM1.00 each ('000)	*	*	*	100	100
Earnings per share (RM)					
- Gross	48,667 [^]	91,500	18,000	16.52	34.22
- Net	48,667 [^]	91,500	13,000	13.16	25.98

[^] Annualised

* Number of ordinary shares and weighted average number of ordinary shares is 2.

Note: -

- (1) No taxation was provided for in 1999 as all income, except for dividend income, was waived from tax pursuant to the Income Tax (Amendment) Act, 1999. The Company qualifies to claim for export allowance under the Income Tax Act (Allowance for Increased Exports) Rules 1999. No taxation was provided for in 2000, as the export allowance was sufficient to offset against the chargeable income. The effective tax rate in 2001 is approximately at the statutory tax rate of 28%. The effective tax rate in 2002 is lower than the statutory tax rate due to the utilisation of export allowance. The effective tax rate in period ended 30 June 2003 is lower than the statutory rate due to certain expenses not taxable and a reduction in tax rate for small companies.
- (2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)**3.13 PMBSouthern (EMSB)**

The following financial information of PMBSouthern is based on the audited financial statements of PMBSouthern for the financial period/ year ended 31 December 2000 to 2002 and financial period ended 30 June 2003.

	Period from 13.6.2000 to 31.12.2000			Period Ended 30. 6.2003
	RM'000	<-Year ended 31 December-> 31.12.2001 RM'000	31.12.2002 RM'000	
Revenue	1,452	3,934	1,209	665
(Loss)/Profit before depreciation, interest and preliminary and pre- operating expenses	(16)	74	(245)	(17)
Preliminary and pre-operating expenses	(2)	-	-	-
(Loss)/ Profit before depreciation and interest	(18)	74	(245)	(17)
Depreciation	(16)	(16)	(16)	(8)
Interest expense	(2)	(76)	(24)	(15)
Interest income	-	-	-	-
Loss before taxation	(36)	(18)	(285)	(40)
Taxation	-	-	-	-
Loss after taxation	(36)	(18)	(285)	(40)
Number of ordinary shares of RM1.00 each ('000)	*	*	*	*
Loss per share (RM)				
- Gross	(650)^	(180)	(2,850)	(800)
- Net	(650)^	(180)	(2,850)	(800)

^ Annualised

* Number of ordinary shares and weighted average number of ordinary shares is 100.

Notes: -

(1) No taxation was provided for all the financial periods/years as the Company was in net loss positions.

(2) There were no extraordinary or exceptional items for the financial period/years under review.

9. ACCOUNTANTS' REPORT (cont'd)**3.14 EEM**

The following financial information of EEM is based on the audited financial statements of EEM for the financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

	< ----- Year ended 31 December ----- >					Period Ended
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	30.06.2003 RM'000
Revenue	-	-	-	-	-	-
Profit before depreciation, interest and preliminary and pre-operating expenses	(4)	(3)	(2)	(5)	(*)	(**)
Preliminary and pre- operating expenses	-	-	-	-	-	-
Profit before depreciation and interest	(4)	(3)	(2)	(5)	(*)	(**)
Depreciation	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Profit before taxation	(4)	(3)	(2)	(5)	(*)	(**)
Taxation	-	-	-	-	-	-
Profit after taxation	(4)	(3)	(2)	(5)	(*)	(**)
Number of ordinary shares of RM1.00 each ('000)	1,337	1,337	1,337	1,337	1,337	1,337
Earnings per share (RM)						
- Gross	-	-	-	-	-	-
- Net	-	-	-	-	-	-

* The operating expense during the year was RM320.

** The operating expense during the period was RM200.

Notes: -

- (1) The Company has not commenced operation since its incorporation. The losses throughout the financial years/period under review were due to administrative expenses incurred in maintaining the Company.
- (2) There were no extraordinary or exceptional items for the financial years under review.

9. ACCOUNTANTS' REPORT (cont'd)**4 Summarised Balance Sheets****4.1 PMBF Group – Consolidated Balance Sheets**

The following financial information of PMBF Group is based on the audited financial statements of PMBF Group for the five financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

4.1.1 Summarised Balance Sheets of PMBF Group

	<----- As at 31 December ----->					As at
	1998	1999	2000	2001	2002	30 June 2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	1,038	2,058	1,720	1,717	2,059	2,327
Current assets	9,624	16,668	32,757	54,270	56,888	69,645
Current liabilities	(5,982)	(10,614)	(21,680)	(36,477)	(32,569)	(42,761)
Net current assets	3,642	6,054	11,077	17,793	24,319	26,884
	4,680	8,112	12,797	19,510	26,378	29,211
Financed by: -						
Share capital	500	500	500	500	500	500
Unappropriated profits	4,082	6,840	11,028	15,278	21,107	23,073
Shareholders' funds	4,582	7,340	11,528	15,778	21,607	23,573
Minority interest	-	-	130	3,171	4,480	5,316
Borrowings	22	696	1,003	425	147	99
Deferred taxation	76	76	136	136	144	223
	4,680	8,112	12,797	19,510	26,378	29,211
NTA per share (RM)	9.16	14.68	23.06	31.56	43.21	47.15

Note: -

- (1) Net tangible assets ("NTA") per share is calculated based on NTA over the number of shares in issue at the year/period end.

9. ACCOUNTANTS' REPORT (cont'd)**4.2 PMBF**

The following financial information is based on the audited financial statements of PMBF for the five financial years ended 31 December 1998 to 2002 and financial period ended 30 June 2003.

4.2.1 Summarised Balance Sheets of PMBF

	<----- As at 31 December ----->					As at
	1998	1999	2000	2001	2002	30 June 2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	1,038	1,951	1,319	1,304	1,555	1,737
Investment in subsidiaries	-	5	228	4,663	4,564	4,564
Current assets	9,624	12,387	22,208	20,683	28,745	30,164
Current liabilities	(5,982)	(6,853)	(13,589)	(16,305)	(22,244)	(23,813)
Net current assets	3,642	5,534	8,619	4,378	6,501	6,351
	4,680	7,490	10,166	10,345	12,620	12,652
Financed by: -						
Share capital	500	500	500	500	500	500
Unappropriated profits	4,082	6,231	8,532	9,284	11,837	11,850
Shareholders' funds	4,582	6,731	9,032	9,784	12,337	12,350
Borrowings	22	683	998	425	147	95
Deferred taxation	6	76	136	136	136	207
	4,680	7,490	10,166	10,345	12,620	12,652
NTA per share (RM)	9.16	13.46	18.06	19.57	24.67	24.70

Note: -

- (1) Increase in investment in subsidiaries in 2000 and 2001 were due to acquisition of new subsidiaries and acquisition of additional stake in PMBC respectively.
- (2) Net tangible assets ("NTA") per share is calculated based on NTA over the number of shares in issue at the year/period end.

9. ACCOUNTANTS' REPORT (cont'd)**4.3 PMBF (H.K.)**

The following financial information of PMBF (H.K.) is based on the audited financial statements of PMBF (H.K.) for the four financial period/years ended 31 December 1999 to 2002 and financial period ended 30 June 2003.

4.3.1 Summarised Balance Sheets of PMBF (H.K.)

	<-----As at 31 December----->				As at 30 June 2003
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	RM'000
Property, plant and equipment	108	125	115	163	189
Current assets	6,244	15,965	7,302	9,038	7,823
Current liabilities	(5,725)	(13,486)	(3,986)	(5,719)	(4,525)
Net current assets	519	2,479	3,316	3,319	3,298
	627	2,604	3,431	3,482	3,487
Financed by: -					
Share capital	5	5	5	5	5
Unappropriated profits	610	2,593	3,426	3,477	3,477
Shareholders' funds	615	2,598	3,431	3,482	3,482
Hire purchase liabilities	12	6	-	-	5
	627	2,604	3,431	3,482	3,487
NTA per share (RM)	61.50	259.80	343.10	348.20	348.20

Note: -

- (1) Net tangible assets ("NTA") per share is calculated based on NTA over the number of shares in issue at the year/period end.